YGM
TRADING LTD.

YGM貿易有限公司

股份代號 Stock Code: 00375

2025/2026

Environmental, Social and Governance Report

環境、社會及管治報告

ASHWORTH Guy Laroche PARIS J.LINDEBERG MICHEL RENÉ

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1. BOARD STATEMENT

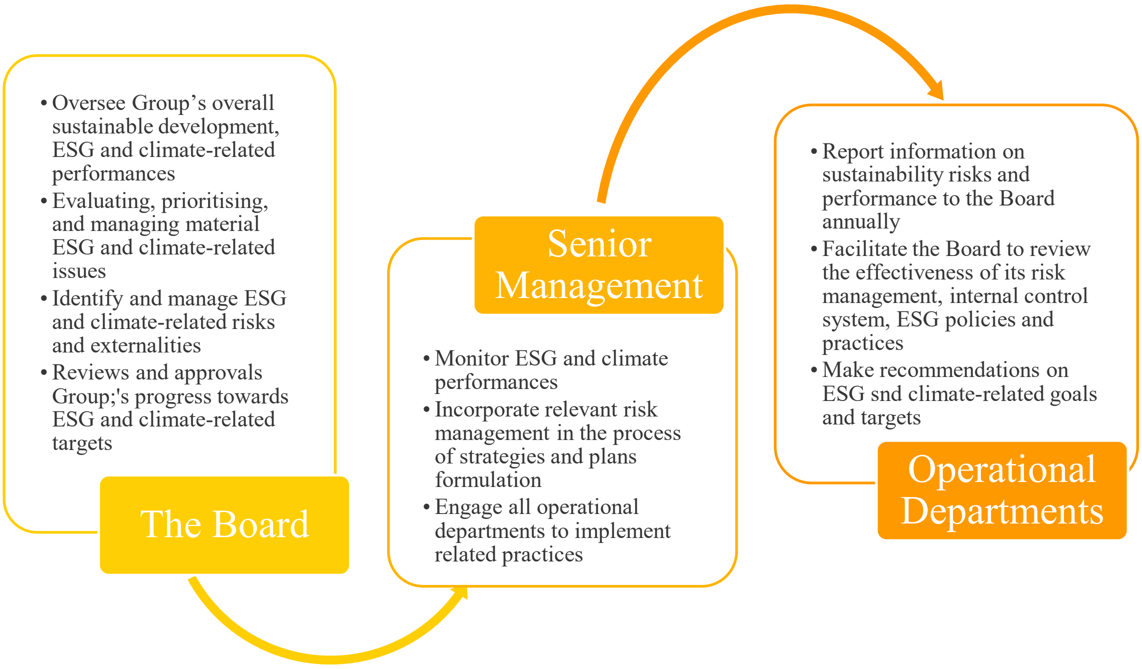
The Board is pleased to present the annual environmental, social and governance (“**ESG**”) report (“**ESG report**”) of the Group for the financial year ended 31 March 2026. This report reflects our steadfast dedication to sustainable development by offering a comprehensive overview of our ESG-related initiatives, achievements, and strategic objectives. The inclusion of key performance indicators (KPIs) and future targets underscores our commitment to transparency and continuous improvement in ESG and climate performance.

Over the past year, YGM Trading Limited ("**the Company**") and its subsidiaries ("**the Group**") have made substantial progress in integrating ESG and climate principles into our business model and daily operations. We truly believe that our commitment to ESG values not only drives long-term value but also contributes to a more sustainable world.

As a responsible corporate entity, we are committed to fulfilling our social responsibilities to all stakeholders, including employees, customers and suppliers. Their well-being is paramount to us, and we strive to build and maintain strong relationships founded on trust, transparency, and fairness. Furthermore, we have extended our outreach to the communities we serve through various community engagements, emphasising social welfare.

Recognising the critical role that high-quality products play in customer satisfaction, we are committed to maintaining stringent quality standards. Equally, acknowledging the importance of environmental preservation, we actively pursue initiatives to protect the environment. These include reducing air and greenhouse gas emissions, minimising consumption of energy, water, and packaging materials, and managing waste generation effectively. Through these efforts, we contribute to environmental sustainability, aligning with our broader commitment to ethical and sustainable business practices, including responsible supplier relationships.

A robust corporate governance framework is the foundation for fostering sustainable growth and driving ESG and climate-related performance within the Group. As the highest decision-making and management entity, the Board holds the ultimate responsibility for overseeing, identifying, assessing, managing and disclosing the Group's significant ESG and climate-related aspects, to ensure encompassing into the Group’s strategies, objectives, policies, initiatives, and performance. The Board of Directors reviews the progress of relevant policy implementation, key risks and opportunities, and the achievement of major objectives with Senior Management and operational departments annually, to collaborate a close relationship to regularlly assess ESG and climate-realted matters. By aligning our efforts with areas of concern, this allows to remain at the forefront of responsible practices in our industry, and reinforce our unwavering commitment to sustainability.



In terms of climate-related capability development, the Board as a whole possesses the necessary skills to effectively oversee the Group's climate-related risks and provide guidance for capturing opportunities. In addition to existing professional knowledge, we consider continuous learning and development to enhance the Board's sustainability skills to be an indispensable element. To this end, the Board and the management team continuously share and exchange information on environmental, social and governance issues, including the impacts of climate-related risks. To strengthen professional knowledge and capabilities in climate change and sustainability across all levels of the Group, we are committed to conducting relevant training. This year, we actively participated in various training programmes and workshops organised by professional institutions, including training on the new HKEx climate information disclosure requirements, to enhance understanding, interpretation and implementation of the new climate requirements. This will help ensure that the Board and management can effectively guide the Group's sustainability strategy.

The Group has integrated climate risk management processes into the company-wide cross-functional risk management framework and reviews the effectiveness of these processes annually. This aims to identify and manage climate-related risks and opportunities that may affect operations, the supply chain and market demand early on. Regarding metrics and targets, the Group has set intensity targets for carbon emissions to support climate change mitigation.

We are proud of our ESG performance in the past year, as we have remained compliant with laws and regulations without any reported violations. Moreover, we are pleased to report zero fatalities in the regions where we operate (i.e. Hong Kong and Macau).

In light of the rise of digitalisation, intensifying competition, economic fluctuations, environmental challenges, and rapid technological advancements, the printing industry is currently facing significant challenges. Furthermore, the prevailing global uncertainties—including the conflict in the Middle East, the ongoing situation between Russia and Ukraine, and the impact of US tariffs—underscore the critical importance of adopting proactive and strategic measures. We are committed to taking decisive actions to ensure the stability and resilience of our business, safeguarding long-term value for our shareholders, employees, and the wider community.

Looking ahead, we acknowledge that our commitment to sustainable development is a continuous journey. We will continue to improve the ESG and climate governance gramework, enhance data management and disclosure capabilities, and ensure that climate and sustainability-related risks and opportunities are effectively integrated into business starategies and decision-making processes. We believes that through continuous improvegment of the governance framework, strengthening cross-finctional collaboration and communication with stakeholders, the Group can maintain resilience in a volatile business and climate environment, and create long-term and sustainable value for shareholders and society.

We extend our sincere gratitude to our employees, customers, shareholders, and all stakeholders for their unwavering support and trust. Together, we can drive meaningful change and contribute to a more sustainable and inclusive future.

By Order of the Board

YGM Trading Limited

Chan Wing Sun, Samuel

Chairman

2. ABOUT YGM TRADING LIMITED

YGM Trading Limited ("**the Company**") and its subsidiaries ("**the Group**") operate across multiple business segments, including the wholesale and retail of a diverse range of men's and women's clothing for internationally recognised brands and textiles. Beyond garment wholesaling and retailing, the Group also offers security printing and general business printing services, engages in the trading of printing products, and undertakes investment holding activities. The Group’s corporate headquarters are located in Hong Kong.

3. ABOUT THIS REPORT

This ESG report covers the Group’s sustainability approach and policy while reviewing its performance and strategy against ESG-related risks and targets. It is the 10th ESG report since the report published in 2017. All of our ESG reports are published and updated on our website (https://www.ygmtrading.com/zh-hk/relation/FinalcialReports) and the Hong Kong Stock Exchange’s website (http://www.hkexnews.hk).

3.1. REPORTING FOUNDATION

This ESG report was developed according to the “Environmental, Social and Governance Reporting Code” (the “**Code**”) under Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). We include an explicit statement from the board outlining the board's consideration of ESG issues, a description of our governance structure, and the management of environmental and social aspects with potential risks to comply with the related mandatory and comply or explain disclosure requirements. In order to prioritise our reporting on the "comply or explain" requirements, an assessment of materiality was carried out, taking into account the Code's Environmental and Social Aspects.

A content index can be found in the section “The Stock Exchange ESG Reporting Code Content Index Table” at the end of this report.

3.2. REPORTING BOUNDARY

This ESG report describes the ESG and cliamte performance of the Group for the year ended 31 March 2026 (“**Reporting Year**”), which is consistent with that of the Company’s annual report. Unless explicitly mentioned, the KPIs reported in the report encompass all offices, warehouses, and points of sale (POS) within Hong Kong and Macau. In our commitment to showcasing our comprehensive ESG performance, the Group is actively exploring the inclusion of additional overseas operations in the near future, as soon as practicable. This expansion will provide a more holistic view of our overall ESG initiatives and achievements.

The scope of disclosure included the ESG performance of the following 3 companies, which represented the main operating sites and subsidiaries during the Reporting Year :

1) Hong Kong – YGM Marketing Limited
2) Hong Kong – Hong Kong Security Printing Limited
3) Macau – YGM Marketing (Macau) Limited

For a more detailed list of the Group’s principal subsidiaries, please refer to the Annual Report.

3.3. REPORTING PRINCIPLES

Quantitative: Appendix C2 of the Listing Rules guides the Group to prepare measurable KPIs for performance review. Quantitative information presented in the report is accompanied by narrative, explanation and comparison wherever applicable. All KPIs are provided with clear definitions and calculation methods, with reference to Appendix 2: Reporting Guidance on Environmental KPIs and Appendix 3: Reporting Guidance on Social KPIs and relevant internationally recognised methodologies.

Balance: The Group upholds this reporting principle to prepare ESG reports and strives to disclose both challenges and opportunities of ESG issues that the Group experienced during the year. Pictures, charts and graphs reflect the actual performances of the Group, and with appropriate presentation formats, to avoid misleading.

Consistency: Consistent statistical methods have been used in this report to allow meaningful and consistent comparisons of relevant data over time.

Materiality: The Group communicates with key stakeholders on a regular basis in order to understand ESG-related issues that matter the most. Key ESG issues identified through stakeholder engagement and materiality assessment allow us to identify their expectations of the Group and develop appropriate strategies to respond to their views and needs.

3.4. REVIEW AND APPROVAL

The board of directors acknowledges its responsibility for ensuring the integrity of the Report and to the best of their knowledge, this Report addresses all relevant material issues and presents the ESG performance of the Group. The Board confirms that it has reviewed and approved the Report.

4. STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

Effective communication is vital for our success. The Company recognises and appreciates the valuable contributions made by stakeholders in advancing sustainable development. We highly value their feedback and opinions, which guide our management strategy on various sustainability issues.

4.1. STAKEHOLDER ENGAGEMENT

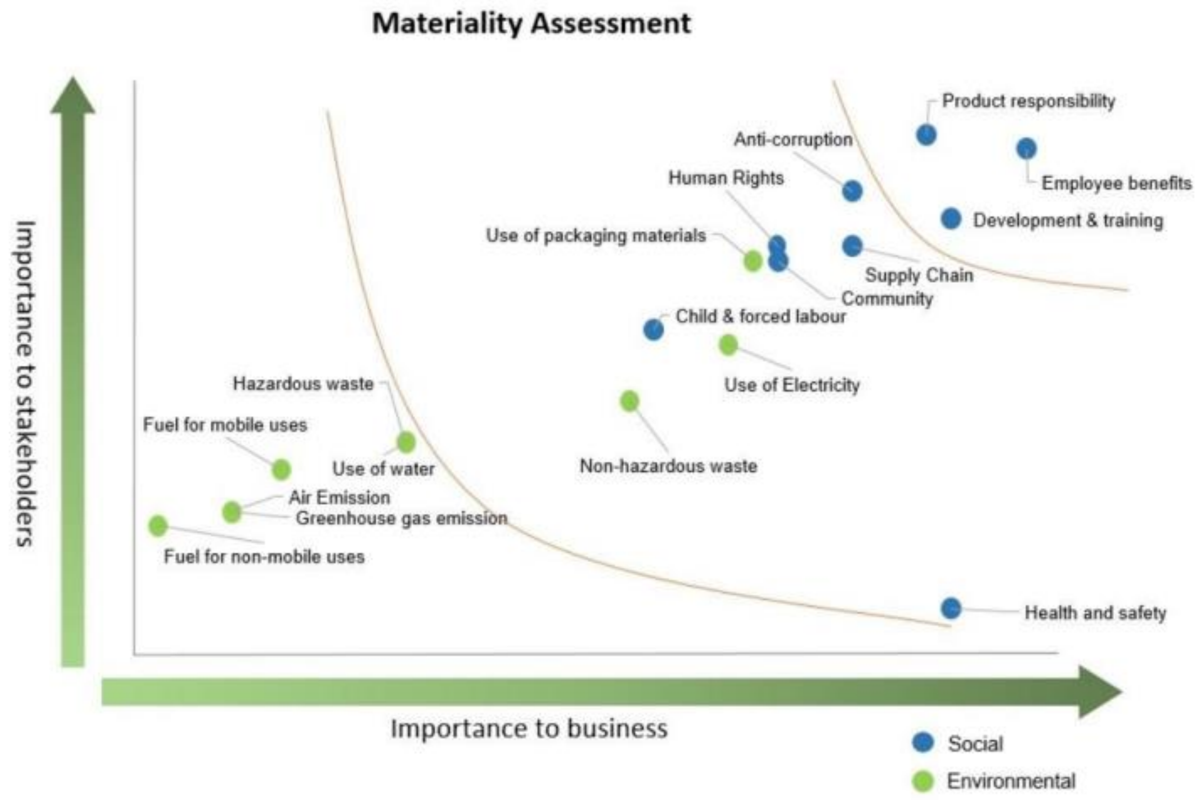
In previous years, we engaged the services of a third-party consultant to facilitate our stakeholder engagement process. To understand the ESG issues that hold significance for both our stakeholders and our business, interviews and surveys were conducted with the Group's senior management. The findings obtained were subjected to thorough analysis and validation by our senior management team, ensuring the reliability and accuracy of the results.

During the Reporting Year, we collected feedback from multiple departments regarding any information updates on our current ESG policies and initiatives, and reviewed the validity of our materiality findings.

4.2. MATERIALITY ASSESSMENT

Materiality assessment is key to identifying the major focus of our ESG direction and strategies. As there have been no substantial changes in our business nature and key stakeholders, the Group decided to use the materiality assessment results from the previous Reporting Year, following an internal evaluation. The Group will review the results of the materiality assessment annually to determine whether it is necessary to conduct another materiality assessment.

In the preceding year, we enlisted the services of a third-party consultant to undertake a thorough materiality assessment. This included identifying ESG issues that hold material significance for the Group, formulating suitable ESG strategies, overseeing ESG practices, and guiding the direction of our Report. After assessing the importance of each ESG topic with input from stakeholders, each topic was ranked and presented in the materiality matrix below. The topics in the upper right quadrant of the matrix have been identified as the most critical ones, as they are of utmost importance for the Group's business operations and stakeholders, as per their respective perspectives.



The top 3 ESG issues concerning social and environmental aspects and their relevance to business operations are outlined below. Details will be provided in the relevant sections of this report. These material ESG issues have been considered in our ESG policy development and resource allocation within our ESG management approaches.

Subject area	Material issue	Relevance to the business
Environmental	Use of packaging materials	Packaging materials used are specified by our clients (i.e. cardboard boxes, plastic bags, ribbons and gift boxes). We strive to minimise the usage and wastage of packaging materials whenever practicable.
	Use of electricity	The utilisation of electricity is essential for the operation of our business, from air-conditioning, lighting, and other essential operations at our offices and Point of Sale (POSs) locations.
	Non-hazardous waste	Non-hazardous waste of our operations includes both general waste and construction waste generated from renovations of our POSs.
Social	Employee benefits	Employees are an important asset and we ensure to safeguard their welfare.
	Development and training	We offer training to our staff to cultivate a team with profound industry knowledge and expertise, while enhancing competitiveness at the same time.
	Product responsibility	To protect our brand image and uphold customers' trust, we are dedicated to delivering high-quality and safe products to customers.

5. AWARDS AND ACHIEVEMENTS

Awards/achievements	Issuing organisation
Caring Company	The Hong Kong Council of Social Service
Good MPF Employer Award	Mandatory Provident Fund Schemes Authority
Happiness at Work	Promotion Happiness Index Foundation
The Racial Diversity & Inclusion Charter for Employers	Equal Opportunities Commision

6. ENVIRONMENT

The Group upholds environmental protection as part of its corporate culture. We recognise that our operations impact the environment, and consider this an indispensable element in our decision-making processes. The **'Sustainability Policy'** of the Group serves as a testament to our unwavering commitment to reducing the negative impact of our operational activities on the environment. This policy has been endorsed by our executive director, highlighting our dedication to creating a sustainable future. We strive to integrate various sustainable development practices into all aspects of the Group's activities, ensuring that sustainability becomes an integral part of our operations.

We are committed to complying with all applicable local environmental regulations and other related requirements for promoting sustainable development and preventing environmental pollution. During the Reporting Year, the Group has not identified any non-compliance on environmental emissions against relevant regulations of the reporting scope.

As part of our commitment to environmental sustainability, the Group have established clear reduction targets for electricity consumption, and the use of paper and packaging material by 2030/2031, using 2020/2021 as the baseline year. Details of the targets are listed below:

	Reduction targets by 2030/2031 (against 2020/2021)
Electricity consumption	-15%
Use of paper	-15%
Use of packaging material	-15%

These objectives reflect our dedication to minimising our environmental footprint and promoting responsible resource management throughout our operations.

6.1. EMISSIONS

<u>Air Pollutants</u>

The major source of our air emissions stems from the combustion of diesel and petrol fuel in vehicles in Hong Kong's operations. The Group's air emissions[1] in the Reporting Year are calculated as follows:

	2025/2026	**2024/2025**
NO_x (kg)	55.8	60.3
SO_x (kg)	0.2	0.2
PM (kg)	2.7	3.0

[1] Calculation for pollutant emission from the use of vehicles was referenced to the emission factors issued from "Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEx.

Waste Management

The 4R principle – Reducing, Reusing, Recycling and Recovering of waste remains integral to our business operations. The Group recognises its responsibility to minimise waste throughout its operations to reduce environmental impact. We are committed to actively managing waste and strive to maintain waste levels at a low level and to achieve net-zero waste generation in the future.

Non-hazardous wastes

Paper plays a significant role in our business operations, being used extensively throughout various processes and activities. We recognise the critical importance of responsible paper usage and are committed to implementing strategies to minimise paper consumption and promote sustainable practices through the following ways :

- Adopt electronic application system in business practices;
- Electrify paper documents during stock auditing;
- Encourage recycling waste paper, and reuse single-sided printed paper and envelopes;
- Placing reminders to enhance employee awareness on paper usage reduction; and
- Setting duplex printing to default setting;

During the Reporting Year, the Groups generated a total of 65.8 tonnes of paper waste. In addition to the waste generated from regular operations, construction waste may arise during the refurbishment of our POS and stores for our brands. To address this, we prioritise the 4R principle to minimise construction waste generation. We strictly adhere to local regulations and internal guidelines for the proper treatment and disposal of construction waste. Since construction waste disposal is managed independently by third-party contractors in full compliance in full compliance with local laws, we do not have specific data on the volume of waste produced during these construction, renovation, and improvement activities.

Hazardous wastes

During the Reporting Year, the Group's subsidiary engaged in the printing business generated a total of 3.4 tonnes of hazardous waste, mainly spent rag with solvent and alkaline. To ensure proper management and disposal, these hazardous wastes were collected and handled by qualified recyclers. While the Group may not have direct control over the suppliers, we actively communicate with them to ensure compliance with local environmental laws and regulations and promote the adoption of green procurement methods.

	Total Weight of Wastes (tonne)	**Waste Intensity (tonne / million HKD revenue)**
Non-hazardous wastes	65.8	0.7
Hazardous wastes	3.4	0.03

6.2. USE OF RESOURCES

Apart from reducing GHG emissions and waste generation, valuing resources and promoting responsible resource management are key priorities for us. We are dedicated to implementing initiatives that focus on conserving energy, water and packaging materials throughout our operations.

Energy consumption

The total energy consumption and intensity recorded during the Reporting Year were 701,894.0 kWh and 7,129.2 kWh / million HKD revenue, respectively. In order to further reduce energy consumption in our operation, the Group has adopted administrative practices and equipment installation over the years:

- Replacing traditional lighting with more energy-efficient LED lighting ;
- Maintaining air conditioning system operating at 24°C to avoid over-cooling of offices;
- Turning off the air conditioning system after 7 pm;
- Encouraging employees to switch off idle electronic equipment and lights, especially during non-business hours (e.g. lunch hours); and
- Prioritising the adoption of energy efficiency labelled products.

	2025/2026	**2024/2025**
Energy purchased (kWh)	701,894.0	730,820.8
Intensity (kWh per million HKD revenue)	7,129.2	5,488.6

Water consumption

Regardless of our minimal reliance on water resources in our trading business, the Group is aware of water scarcity. Water-saving labels are displayed in toilets and pantries to encourage employees and visitors to conserve water.

The operating sites within our operation sites (i.e. office and retail stores in Hong Kong and Macau) obtained water from the municipal supply without any difficulties during the Reporting Year. All used water and wastewater are discharged in accordance with relevant laws and regulations. During the Reporting Year, total water consumption is 3,038.00 m^3.

	2025/2026	**2024/2025**
Use of water (m^3)	3,038.00	3,101.50
Intensity (m^3 per million HKD revenue)	30.86	23.29

Packaging Materials

As a retail and wholesale company, we recognise the importance of protecting our products during transportation to meet client specifications. We primarily utilise plastic bags, plastic strips, cardboard boxes, paper boxes, and paper bags for packaging. While client requirements limit our control over packaging material choices, we remain dedicated to reducing overall packaging usage. Our retail stores are adopting more efficient packaging techniques to minimise the wrapping paper consumptions. Additionally, to reduce environmental impact, we are increasingly utilising reusable packaging materials.

Packaging materials	Total Weight of Consumption (tonne)	Consumption Intensity (tonne per million HKD revenue)
Paper	10.30	0.10
Plastic	1.48	0.02

6.3. THE ENVIRONMENT AND NATURAL RESOURCES

Considering our business nature, we recognise the significant impact we have on natural resources, particularly due to our high paper demand. We understand that paper production contributes to deforestation and other environmental concerns. Therefore, we are committed to minimising our ecological footprint and implementing sustainable practices throughout our paper usage lifecycle.

Compliance with applicable environmental laws and regulations is of paramount importance to us. We recognise that sustainable development is a collective effort. As such, we prioritise the adoption of sustainable measures to reduce emissions, minimise waste, and enhance resource efficiency in our daily operations (e.g. prioritising the adoption of energy-efficient equipment and encouraging recycling practices). We consistently communicate these sustainable measures to our employees through regular email updates to raise awareness and encourage environmentally responsible practices.

In addition to the measures mentioned, we also prioritise creating a green and sustainable work environment. We incorporate plants into our facilities, ensuring they are present in every corner of our spaces. We believe that this not only enhances the aesthetics of our workspaces but also encourages our staff to plant and nurture plants in their working areas. We hope to instil a sense of ownership and connection to nature among our employees and strive to create a more sustainable and nurturing atmosphere that aligns with our overall commitment to environmental responsibility.

6.4. RESPONSE TO CLIMATE CHALLENGE

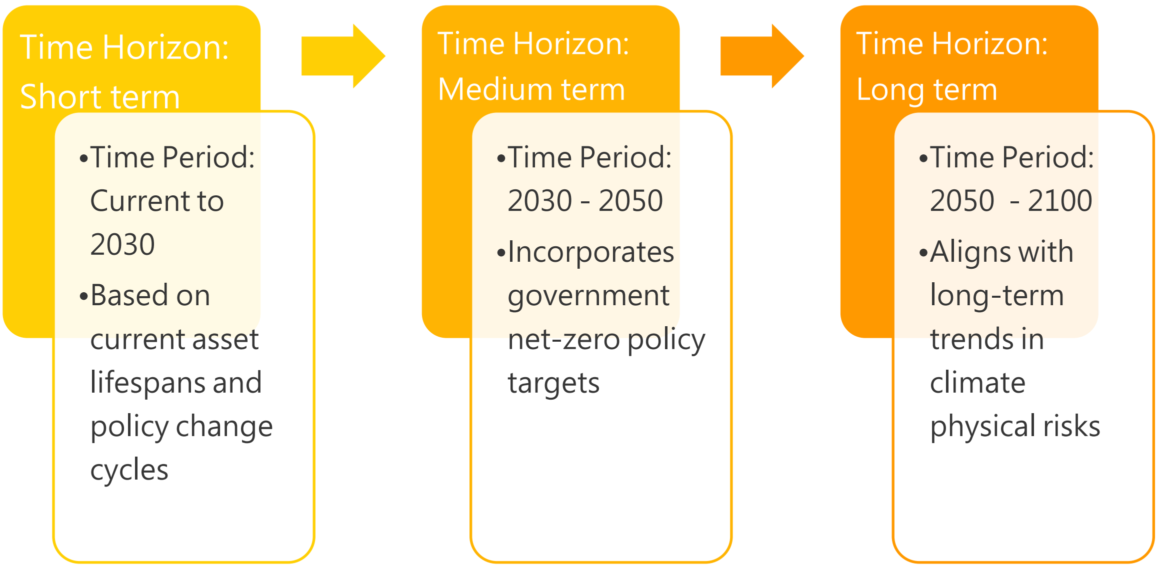
6.4.1 CLIMATE STRATEGY

The Group regards climate change as a critical issue with potential short-term, medium-term, and long-term impacts on business operations, value chains, strategic decision-making, and financial performance. We are therefore committed to conducting scenario analyses across different time horizons to identify and assess climate-related physical risks, monitor and evaluate their potential effects on the Group, and develop and implement specific mitigation, adaptation measures, and strategies to minimise adverse impacts.

The Group has undertaken climate-related scenario analyses based on two scenarios and three time horizons to determine physical risks, and transition risks. Physical risks encompass acute risks, which arise immediately from extreme weather events, and chronic risks, which manifest over time due to gradual climate shifts affecting our operations. Transition risks stem from stringent climate policies and regulations, encompassing regulatory, technological, market, and reputational challenges.

Time Horizon

Time horizons have been selected based on the industry's inherent characteristics and the Group's climate objectives. These horizons are used to assess climate-related risks, set targets, and inform strategic decision-making, ensuring alignment with our comprehensive climate adaptation measures and direction. The time horizons are defined as follows:



Risk and Opportunity Identification

In accordance with the HKEx reporting framework, the Group regularly conducts assessments of climate-related risks and opportunities according to detailed risk types. Based on this, we analyze the short-, medium- and long-term impacts of each risk type, taking into account the Group's business conditions and development strategy, as well as the concerns of internal and external stakeholders.

Climate-related risks are categorised into two principal types: those associated with the transition to a low-carbon economy, and those stemming from the physical impacts of climate change, as outlined below:

Transition Risks	Physical Risks
• Regulatory • Technological • Market • Reputational	• Acute • Chronic

Climate-related opportunities refer to the potential positive impacts of climate change on the Group. Measures to mitigate and adapt to climate change can also bring climate-related opportunities to the Group.

Climate Scenario Analysis

The Group follows the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report on Shared Socio-Economic Pathways (SSP), and the International Energy Agency's (IEA) Global Energy and Climate Model (GEC Model) to perform physical risk and transition risk analyses, respectively, to assess the Group's climate resilience.

Scenario analyses assess the Group's climate adaptability and help understand how climate change could alter the Group's financial condition and business, enabling us to identify our climate vulnerabilities and develop contingency measures and strategies to enhance the resilience of our business model and value chain.

Conduct Climate Scenario Analysis	**Assess the Timing and Extent of Climate Change Impact on Company's Operations**
• Define two climate scenarios – low emissions and high emissions • Conduct analysis using publicly available scenario models • Obtain quantitative/qualitative parameters for both scenarios	• Based on the scenario analysis results, and considering the business characteristics and geographical locations of the group, assess the short-, medium-, and long-term impacts of climate-related risks and opportunities

Scenario Analysis Principles

To accurately assess climate-related physical and transitional risks, the Gorup employs a multi-scenario analysis framework to prospectively assess potential risks in its main operating areas under global warming scenario of 1.5°C and 3°C, covering the short-term (2030), medium-term (2050), and long-term (2100) horizons.

Regarding physical risk assessment, we selected representative IPCC Shared Socio-Economic Paths (SSPs):

- SSP1-2.6: Represents a sustainable development path with active emission reductions, highly consistent with the Paris Agreement's 1.5°C temperature control target;
- SSP3-7.0: Represents scenarios of intensified regional competition and high greenhouse gas emissions, corresponding to severe physical risks under higher temperature rise (approaching 3°C or above).

In assessing transition risks, we primarily refer to two core scenarios in the International Energy Agency's (IEA) Global Energy and Climate Outlook:

- Net Zero Emissions by 2050 Scenario (NZE): This scenario outlines the possible pathways to achieving net-zero emissions globally by 2050 and its profound impacts on energy, finance, and industry, aligning closely with the Group's climate transition plan and carbon reduction commitments;
- Stated Policies Scenario (STEPS): This scenario reflects the actual implementation results of currently implemented and announced policies, used to examine the potential exposure to transition risks under the Group's existing policy environment and business conditions.

The selection of the above scenarios ensures that the risk assessment results are highly consistent with the Group's business plans, strategic direction, climate transition plan, and publicly announced medium- and long-term carbon reduction targets, providing a scientific and robust analytical basis for the subsequent development of targeted climate adaptation and mitigation strategies.

	Low Emission Scenario	**High Emission Scenario**
Scenario Definition	Ambitious climate action limits global warming to 1.5°C or well below 2°C, achieving carbon neutrality (net-zero emissions) by 2050.	Global climate policy nearly stalled, economies are heavily reliant on fossil fuels, clean technology development lags far behind, greenhouse gas emissions remain high, and warming is projected to exceed 3°C by the end of this century.
Scenario Description	The world has recognised the severity of climate change, and countries are intensifying their climate action efforts, immediately implementing stringent policies to reduce emissions in an effort to limit global warming to 1.5°C or well below 2°C by the end of this century. Technological advancements and increased awareness are driving a transition to low-carbon, low-energy consumption, while markets are shifting towards more climate-friendly production and consumption. Pressure from society and consumers on businesses' climate action is also increasing.	The international climate agreement has expired, leading to the resumption of coal, oil and gas extraction in various countries, and the repeal of carbon pricing and emission reduction policies. Technological innovation has deviated from the low-carbon path, while population and resource demands have surged. Frequent extreme weather events, sea-level rise, and ecological collapse pose significant physical risks to the Group's operations.
Selection Reason	Achieving net-zero greenhouse gas emissions by 2050 and limiting global warming to well below 1.5°C above pre-industrial levels by 2100. This scenario was chosen to assess the impact of ambitious climate actions aimed at achieving the Paris Agreement's 1.5°C or well below 2°C target, where we will focus more on transition risks.	Maintain stable greenhouse gas emissions levels by 2050, reduce emissions by 2100, and limit temperature rise to more than 3°C. As a worst-case stress test, this assesses the maximum impact of extreme physical risks on the supply chain, and operating locations should international cooperation collapse or transformation stall, ensuring the Group remains resilient under the most challenging conditions.

Main Reference	**IPCC SSP1-2.6:** Achieve global temperature targets of 1.5°C or well below 2°C through strong climate policies and technological innovation, primarily driven by clean energy. **IEA NZE:** Rapid decarbonisation of energy systems, relying on renewable energy, electrification, and technological breakthroughs, and requiring strong international policy support. Global carbon neutrality to be achieved by 2050.	**IPCC SSP3-7.0:** Climate policy is nearly stagnant. The economy is highly dependent on fossil fuels, greenhouse gas emissions remain high, and warming is expected to exceed 3°C by the end of this century. The risks of extreme weather events, sea-level rise, and ecosystem collapse are extremely high. **IEA STEPS:** New climate policies are introduced, with emissions levels maintained or slightly reduced by 2050, but far from the net-zero target. Global warming is trending towards 3°C or higher, exacerbating physical risks.

Resilience to Climate Change

The Group’s management identifies and prioritises climate-related risks through questionnaire-based assessments under selected scenario analyses, evaluating their potential impacts across short (1 – 3 years), medium (3 – 5 years), and long-term (5 – 10 years) horizons. The discrepancies in survey results may stem from differing levels of climate awareness and professional judgment standards among management personnel. To address this issue, the Group will continue strengthening climate awareness for management and employees. Through climate scenario discussions, we analysed significant risks and their potential impact on the Group's operations. We have developed targeted risk adaptation and mitigation measures. The table below summarizes the survey results.

Climate-related risks

Overall, no material climate-related risks (either transition or physical risks) were identified as having potentially significant impacts on the business. The Group considers climate scenario analysis, transition plan and opportunity-related information disclosed under immaterial risk conditions is non-material to stakeholders. Thus, we have focused on disclosing key scenario analysis outcomes in the table below.

Risk Type	Risk	Scenario	Time Horizons			Potential Financial Impact	Measures already taken/planned
			Short	Medium	Long		
Climate-related physical risks							
Chronic	Changes in precipitation patterns and extreme variability in weather patterns	1.5℃	Low	Low	Low	**Potential financial impact:** Damaging to facilities, equipment, and stored goods caused by flooding, water ingress, and high humidity, particularly for sensitive items such as printing machines, paper, inks, and garments. The Group may also face higher utility and water costs, or additional expenses arising from water scarcity during drought conditions. Inventory losses from moisture damage or contamination, together with rising insurance premiums and potential uninsured losses, may further affect profitability. In addition, severe weather events may reduce customer traffic and disrupt supply, leading to lost sales and revenue volatility. **Business model impact:** Operations of the Group will be more weather-dependent, requiring adjustments to maintain resilience and efficiency. Garment retail activities may experience more volatile and seasonally sensitive demand due to changing weather patterns and disruptions such as flooding or prolonged rainfall. Printing and security printing operations may require greater reliance on climate- and flood-controlled facilities, stricter quality control under varying environmental conditions, and more flexible production planning to manage weather-related interruptions. **Value chain impact:** Upstream suppliers may face reduced yields, quality issues, and production disruptions due to droughts or excessive rainfall, leading to supply shortages and price fluctuations. Logistics and transportation may be disrupted by extreme weather, causing delays, shipment failures, and damage to goods. Warehousing and distribution may also face increased risks of water ingress and humidity-related damage, necessitating enhanced infrastructure and controls. These challenges may ultimately impact downstream customers through delayed deliveries, inconsistent product quality, and shifting demand patterns.	• Regularly assess flood exposure for all facilities, including offices, warehouses, retail and printing facilities. Install or upgrade drainage, flood barriers, raised storage, and waterproofing for potential impacted areas. • Strengthening business continuity plan to response flooding and extreme-weather events. • Implement special work arrangements when black rainstorm and/or typhoon signal no.8 warning is issues. • Reinforcement of outdoor assets to enhance its strength against strong winds. • Check windows regularly and ensure all windows are closed before typhoon strikes. • Strength back-up equipment for emergency use. • Provide disaster prevention knowledge training to employees.
		3℃	Low	Low	Low		

Risk Type	Risk	Scenario	Time Horizons			Potential Financial Impact	Measures already taken/planned
			Short	Medium	Long		
	Rising mean temperatures	1.5℃	Low	Low	Low	**Potential financial impact:** Increasing operating costs due to higher electricity consumption for cooling across offices, warehouses, retail shops, and printing facilities as temperatures rise. The Group may also face higher insurance premiums or potential uninsured losses if elevated temperatures, combined with other weather-related stressors, increase risks to facilities and equipment. **Business model impact:** Increasing sensitivity to weather patterns and operational conditions, where garment wholesale and retail operations may experience fluctuating in-store demand during hotter periods, while printing activities may face more frequent production interruptions, stricter quality control requirements, and greater reliance on climate-controlled environments. Trading operations may also require more responsive inventory management and procurement planning to mitigate heat-related product damage or obsolescence. **Value chain impact:** Upstream suppliers may experience reduced productivity, higher energy costs, and production delays, leading to increased input prices. Warehousing and logistics may face storage and transport challenges under high temperatures, impacting delivery timelines and product condition. These factors may ultimately affect customer satisfaction through slower fulfilment, reduced product durability, or inconsistent quality.	• Strengthening business continuity planning, including heat-response procedures, and alternative suppliers and logistics routes. • Improving inventory controls with better warehouse temperature monitoring, stock rotation, and protected storage for sensitive materials such as paper, inks, and garments. • Reducing energy and operating cost through efficiency upgrades
		3℃	Low	Low	Low		

Limitation

In the 2025/26 financial year, the Group developed its climate disclosure framework by referencing the HKEx ESG Code requirements, while integrating industry best practices, and the latest scientific research. However, scenario analyses have inherent limitations and cannot fully encompass all potential climate risks and opportunities, with results influenced by data quality, assumption accuracy, and technical constraints. We will continue monitoring emerging risks, refining our analytical processes, and welcoming valuable stakeholder feedback to enhance the precision and reliability of future disclosures.

In conducting scenario analysis, we carefully consider various sources of uncertainty, including the complexity of climate systems, future climate policies, the effectiveness of planned adaptation measures, economic conditions, and potential regulatory changes. Recognising these uncertainties, we adopt a flexible and adaptive approach to strengthen our assessment and response capabilities to potential climate-related impacts.

Future improvements

The Group is in the early stages of climate-related disclosures, and this report does not yet provide quantitative assessments of the financial impacts from climate risks (such as typhoon disruptions or carbon tax burdens) and opportunities (such as solar industry expansion) across short-term, medium-term, and long-term horizons. Looking ahead, we will enhance our scenario analysis capabilities by progressively introducing quantitative models to evaluate the scale and probability of potential financial impacts. Additionally, we will assess the flexibility of our financial resources and develop targeted response strategies for key impacts identified through these analyses. On this foundation, we will formulate a comprehensive climate transition plan to bolster the Group's climate adaptation and resilience, ensuring sustainable business continuity.

<u>Climate-related Opportunities</u>

Despite the challenges, the Group is also actively identifying the long-term opportunities arising from climate change. As the global low-carbon transition accelerates and investor demand for sustainable investment continues to grow, the market is showing strong demand for climate-resilient, net-zero-aligned products and services in our sector. We closely monitor the investment value of renewable energy and green financial instruments that can support our opprations. In our investment decision-making process, climate-related factors are fully incorporated into our assessment framework. Subject to controlled risk exposure, we will appropriately seize long-term return-enhancement opportunities in climate mitigation and adaptation areas. At the same time, the Group has also observed a gradual increase in customer attention to climate-related issues, making climate resilience a competitive advantage in securing contracts and building brand trust.

Fiancial Imapct

Current financial impact

During the Reporting Year, the Group assessed the impact of identified climate-related risks and opportunities on its financial position, operating results and cash flows in accordance with the HKEx ESG Reporting Code and relevant requirements. Following prudent management review, climate-related risks, including both physical and transition risks, did not have a material immediate impact on the Group's financial position, financial performance or cash flows during the reporting period.

The Group continues to comply with all applicable environmental and climate-related regulations in its day-to-day operations, and manages potential additional compliance costs and operational risks through existing operational optimisation, energy management and emission control measures. Based on the above assessment, the Group considers that the identified climate-related risks and opportunities did not result in any material adjustment to the carrying amounts of assets or liabilities for the next financial year.

During the Reporting Year, the Group did not incur any material expenditures arising from extreme weather events, such as additional repair costs or losses caused by facility damage or business interruption. In addition, the Group did not incur any material fines resulting from non-compliance with climate-related laws and regulations. From a financing perspective, the Group did not issue any green bonds or other dedicated climate project financing instruments during the reporting period.

Expected financial impact

The Group has conducted multi-scenario analyses and made preliminary attempts to map physical and transition risks to financial impacts. However, due to uncertainties in external scenario parameters, including policy pathways, technology cost curves and variability in regional climate projections, as well as limitations in internal data granularity and the current maturity of modelling capabilities, we consider it premature to provide specific quantitative forecasts or range estimates of future financial impacts at this stage. Accordingly, this report does not disclose projected financial impact amounts from climate-related risks and opportunities on the income statement, balance sheet, cash flows or capital requirements over the medium and long term.

The Group will adopt a prudent and progressive approach, with continued improvement focused on the following areas:

- Further refining the correlation analysis between historical loss data and climate events.
- Strengthening model benchmarking against international peers and professional institutions.
- Introducing quantitative results in an orderly manner once internal and external conditions are more mature and uncertainties surrounding key assumptions have materially decreased.

We are committed to maintaining the highest standards of transparency and prudence. Once a reliable and verifiable quantitative basis is established, we will disclose the relevant projected financial impacts in subsequent reports as appropriate. At this stage, our focus remains on qualitative analysis, with climate-related uncertainty serving as an important consideration in strategic planning and risk management.

6.4.2 CLIAMTE RISK MANAGEMENT

The Group has established an integrated risk management framework to regularly identify, assess, monitor and manage climate-related risks. Under this framework, climate risk analyses are conducted at least once a year, and the results are submitted to the Board for review. Where climate-related risks, including transition risks and physical risks, are identified as having potential material impacts on the business, the Group manages them through its governance structure and cross-functional collaboration, using a combined qualitative and quantitative approach to ensure effective risk control and support sustainable business development.

Identify

- Referencing HKEx reporting standards and through industry research and peer analysis, we identified climate-related risks and opportunities relevant to the Group's business operations.

Assess

- Conduct scenario analysis to assess the impact of identified risks on the group's business model, value chain, and financial condition based on their likelihood of occurrence, and conduct further evaluation.

Prioritise

- Climate-related risks with high potential impact and expected to occur in the near term are prioritised and identified as significant risks for the Group.

Monitor

- Significant climate risks that have been identified have been incorporated into the Group’s overall risk management framework in order to take appropriate risk response measures.

6.4.3 CLIMATE MATRICS AND TARGETS

<u>Carbon emission targets</u>

The Group actively addresses the risks and opportunities arising from climate change and has established management targets to progressively reduce greenhouse gas (GHG) emissions by the 2030, 2035, 2050 financial year or earlier, using the 2023 financial year as the baseline year. The target includes reducing GHG emission intensity by 10%, 12% and 18%, respectively, supporting the global common goal of limiting temperature increase to below 1.5°C.

Based on monitoring results for the Reporting Year, the Group's GHG emission intensity in this reporting period has decreased by 14.0% compared to the 2023 financial year baseline, which has met the 2030 and 2035 target and is steadily progressing towards the 18% reduction target by the 2050 financial year or earlier. This demonstrates that the relevant management measures and decarbonisation strategies have achieved substantive results. These outcomes primarily stem from continuous optimisation of energy use efficiency, and the promotion of energy-saving measures. During the Reporting Yeriod, the Group did not use any carbon credits to achieve any net GHG emission targets. In the future, after all feasible emission reduction options have been implemented, we will explore the feasibility of purchasing carbon credits to offset GHG emissions generated from operations.

Looking ahead, the Group will continue to monitor GHG emission performance and, based on existing emission reduction achievements and established targets, prudently review and appropriately optimise relevant management targets and strategies in response to business development and operational conditions, to ensure that GHG management work remains aligned with the Group's long-term sustainable development direction.

	Units	2030 target	2035 target	2050 target	2025/26 progress
GHG emission intensity by revenue (against 2023 baseline year)	tCO_2/million HKD revenue	Reduce 10%	Reduce 12%	Reduce 18%	Reduced 14.0%

GHG emission reduction strategy

The Group is dedicated to reducing its carbon footprint and GHG throughout all aspects of its operations. We have implemented environmental measures to reduce GHG emissions:

- Installed electricity rechargeable facilities for vehicles at carparks to encourage transition to electric car
- Reduce vehicle dispatches, planning routes in advance, consolidating trips, and encouraging the use of piblic transportation
- Explore the fesibility to replace with energy-saving equipment with higher energy efficiency, including LED lighting
- Educating employees on energy conservation awareness, including turning off unused machines, air conditioning and lighting

We consider achieving energy efficiency in operations as the primary pathway to reducing carbon emissions. In the future, the Group will explore additional feasible measures to further reduce greenhouse gas emissions from our operations.

GHG emission matrics

To further enhance disclosure transparency and comparability, the Group has quantified and disclosed its GHG emission performance for the reporting year in accordance with the HKEx "Environmental Key Performance Indicators Reporting Guide" and relevant international standards. The following presents the Group's GHG emission and intensity data by scope, which serve as a key basis for monitoring decarbonisation progress and assessing climate-related risks and opportunities. In the quantification process, the Group referenced the international standards of the GHG Protocol to ensure data accuracy and credibility.

Additionally, given that Scope 3 data collection involves upstream and downstream activities across the value chain, covers a broad scope, and requires cooperation from stakeholders such as suppliers, customers and tenants, the Group considers that adopting reasonable data flexibilities is more appropriate. During the reporting period, the Group did not identify any material emission incidents resulting from violations of relevant environmental regulations.

During the Reporting Year, the total GHG emission of the Group is 294.0 tonnes of carbon dioxide equivalent (tCO_2e), representing an emission intensity of 3.0 tCO_2e per million HKD revenue. The primary source of GHG emissions for the Group is generated from purchased electricity (86% of total emission; Scope 2 emission) and vehicle transportation (12% of total emission; Scope 1 emission).

	2025/26	2024/2025
Total GHG emissions (Scope 1, 2 and 3)[2]	**294.0**	**338.8**
Scope 1 – Direct[3]		
Mobile combustion (tCO_2e)	35.1	42.2
Scope 2 – Energy indirect[4]		
Purchased electricity (tCO_2e)	252.6	277.7
Scope 3 – Other indirect[5]		
Business air travel (tCO_2e)	6.3	19.9
GHG emissions intensity by revenue (tCO_2 / million HKD)	3.0	2.5
GHG emissions intensity by workforce (tCO_2 / headcount)	1.8	1.8

Assets that are vulnerable to climate-related transitions and physical risks

During the Reporting Year, the Group conducted a transition and physical risk assessment, which showed that no assets were materially affected by climate-related transition and physical risks in terms of proportion or monetary amount.

[2] Global Warming Potential (GWP) adopted in this GHG calculation was based on the values disclosed in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC).
[3] Scope 1 refers to "direct GHG" emissions is mainly originate from fuel combustion during petrol/diesel oil consumption by vehicles. The calculation method was based on "2006 IPCC Guidelines for National Greenhouse Gas Inventories".
[4] Scope 2 refers to "energy indirect GHG" emissions which originated from the consumption of electricity purchased from external sources. The emission factor used for the calculation of emissions from electrical facilities in Hong Kong and Macau was referenced to the sustainability report of the designated power company.
[5] Scope 3 refers to "other indirect GHG" emissions which was originated from the category of business air travel activities (in km) only. The calculation method was referenced to Conversion factors 2024 - DEFRA (Business travel - air, International, to/from non-UK, average passenger).

Business activities involving climate-related opportunities

The Company regularly uses revenue as the indicator and classifies products into "green" and "general" categories by product nature to assess the applicability of disclosing green product revenue. During the Reporting Year, this disclosure was assessed as not applicable.

Capital allocation

During the Reporting Year, the Group did not incur any climate-related capital expenditure and did not obtain any climate-related financing.

Internal carbon pricing

In this Reporting Year, the Group did not apply internal carbon prices in decision-making. If needed, we will explore the application of internal carbon pricing to support financial assessment of climate-related risks and opportunities and promote the transition to a low-carbon economy.

Remuneration

In this Reporting Year, the Group did not include climate-related factors in its compensation policy. We will regularly explore the compatibility of linking climate targets to compensation with the business model and report accordingly as appropriate.

Industry-based matrics

In this Reporting Year, the Group reported its climate performance in accordance with the HKEX's climate-related disclosure requirements, without referencing the "IFRS S2 Industry Disclosure Guidelines" or other sector indicators.

7. EMPLOYMENT AND LABOUR PRACTICES

7.1. EMPLOYMENT

To ensure a fair, safe, and inclusive workplace, we have established a comprehensive Employee Handbook. This handbook provides clear guidance to employees on a wide range of employment practices, including leave entitlements, welfare and benefits, termination policy, the Human Resources computer system, salary structure, and protocols for rainstorm and typhoon situations. All policies are designed to fully comply with local employment laws and regulations where the Group operates. Additionally, we ensure that new hires receive a thorough introduction to the handbook's contents to support their smooth integration into the company.

Recruitment and dismissal

The Group is committed to enabling an open and fair recruitment process in which all the candidates are assessed and selected solely based on their qualifications, skills, and the ability to fulfil the job requirements. We strictly adhere to the prescribed recruitment procedure to ensure fairness and transparency at every stage of the process.

The Group strictly prohibits any form of discrimination and is committed to providing equal opportunities to all candidates throughout the hiring process. We implemented the '**Equal Opportunity Policy**' to foster fairness in recruitment, promotion, and employment practices. It ensures that each candidate and employee is treated fairly and prohibits any form of discrimination related to age, sex, race, family status, disability, pregnancy, and ethnicity in the workplace.

In addition to the recruitment process, we have established clear and transparent dismissal procedures to ensure that any termination of employment is justified and based on valid grounds, such as misconduct, fraud, or inability to perform job duties. Upon termination initiated by the Group, employees receive all due terminal payments in accordance with their entitlements. Employees also retain the right to resign voluntarily by providing appropriate notice as stipulated in their employment contracts.

Promotion and remuneration

The Group ensures promotions are based on individual performances and capabilities, without any biases or discrimination. Besides, regular evaluation and appraisal of employees' job performances are carried out by the assigned supervisors in a fair, holistic, and objective manner, taking into account the overall achievements of the employees. Discretionary bonuses may also be granted to eligible employees based on their performance.

We believe employees are important assets to the Group. We strive to retain quality employees by regularly reviewing and adjusting salaries in line with market conditions to offer competitive remuneration packages. For our retail subsidiaries, we have established a clear salary framework with defined starting ranges across different occupational categories. All employees are entitled to statutory benefits – including statutory holidays, annual leave, sick leave, maternity leave, and compassionate leave – as per local laws and internal policies. Additionally, we provide medical subsidies covering Western medicine, Chinese medicine, and dental care, along with contributions to the retirement scheme, ensuring comprehensive benefits and protection. Besides, to foster a positive and supportive work environment, front-line staff are entitled to a birthday holiday after their probation period, while office staff receive a cake coupon and are entitled to a birthday holiday after one year of service.

Promoting work-life balance is a key priority for our Group, and we discourage employees from working overtime. Our officestaff, warehouse staff and tea lady generally work day shits, while sales associates in our retail stores work both day and night shifts to meet business needs. When overtime is nessary, warehouse staff, shop sales associate, and tea ladies are entitled to overtime compensation in accordance with applicable labour laws. Warehouse staff receive a meal allowance when working overtime for more than 2 hours on weekdays evenings or 6 hours on weekends. If working on public holidays or rest days is required, staff will be granted compensation leave.

We also provide a transport allowance to support our retail staff when they are required to work after 10pm. Furthermore, we offer an education allowance to encourage continuous learning and professional development, empowering employees to enhance their skills and advance their careers.

Furthermore, we value employees' opinions and aim to foster a workplace with mutual trust and open communication between management and employees by creating several channels for effective discussions between the parties to address any concerns from the employees related to the workplace.

During the Reporting Year, no reported cases of violations of employment laws and regulations were identified. The Group ensured that the formulated measures and policies related to recruitment, dismissal, equal opportunity, promotion, remuneration, and benefits complied with the provisions set in the local government in our operating regions. As of 31 March 2026, the total number of employees was 167, with a total employee turnover rate of 28%. The detailed employment data in the Reporting Year is as follows:

	Number of employees[6]	
	2025/2026	**2024/2025**
By Gender		
Male	43	49
Female	124	137
By Employment type		
Full-time	145	160
Part-time	22	26
By Age		
Below 30	3	7
30 - 50	48	58
Above 50	116	121
By Employee Category		
Senior management	5	5
Middle management	43	42
General employee	119	139
By Geographical Region		
Hong Kong	149	168
Macau	18	18
Total	**167**	**186**

[6] The number of employees disclosed was the number of people recorded as of the end of March in the Reporting Period.

	Employee turnover rate[7]	
	2025/2026	**2024/2025**
By Gender		
Male	23.3%	8.2%
Female	21.8%	22.6%
By Age		
Below 30	166.7%[8]	71.4%
30 - 50	18.8%	20.7%
Above 50	19.8%	14.9%
By Geographical Region		
Hong Kong	24.8%	20.2%
Macau	0%	5.6%
Total	**22.2%**	**18.8%**

7.2. OCCUPATIONAL HEALTH AND SAFETY

The Group strives to foster a healthy and safe workplace by integrating relevant occupational health and safety guidelines from the Labour Department of Hong Kong into the Employee Handbook. These guidelines aim to minimise, mitigate, and prevent work-related hazards, injuries, and diseases, thereby safeguarding employees' well-being. We believe that these measures enhance employee awareness of workplace risks and contribute to maintaining a safe and healthy environment. Dedicated personnel are assigned to oversee occupational health and safety matters, with regular reviews of our performance to ensure ongoing workplace safety. Additionally, workplace health seminar were held during the Reporting Year to further raise employee awareness and promote a culture of safety.

To ensure employees are fully aware and prepared for fire emergencies, the Group regularly conducts fire drills and fire escape routes are displaced at each exit. To enhance workplace safety and minimise injuries, smoke doors have been installed throughout our premises. We provide essential fire extinguishers and first-aid equipment, such as first-aid box to employees. In addition, we strictly forbid alcohol drinking and illegal drug abuse in the workplace to ensure employees can perform their work soberly and professionally, and keep the workplace safe. To foster a healthy workplace and protect employees' health, we provide group medical insurance that includes a body checkup subsidy. Carpets are cleaned once a month and air conditioning systems are cleaned regularly. We have also implemented several infectious disease control measures to prevent the spread of illness in the workplace, including the provision of antibacterial hand sanitisers and surgical masks.

In addition to the measures provided for facilitating the physical health of the employees, we also care for their mental health by setting up complaint channels for employees to express their concerns and grievances freely.

Despite the Group’s main operation being wholesaling and retailing, which may be considered a low-risk workplace with POS involved, we ensure full compliance with the local regulations

[7] Employee turnover rate = total number of employees resigned in the specified category / number of employees in the specified category x100%
[8] Resignations of employees at age group of below 30 during the Reporting Period are higher than the period-end employee count.

and laws in the operating regions in the Reporting Year, to reinforce our safety management system and ensure the health and safety of the employees.

During the Reporting Year, no reported cases of violations of the occupational health and safety laws and regulations in the operating regions were identified. There were no work-related fatalities over the past three Reporting Years, including the current Reporting Year. However, there were 295 lost days due to work-related injuries during the Reporting Year. Of these, 20 lost days were related to a cutting incident in the current year, while the remaining 275 lost days were linked to the a falling incident that occurred in the previous year and was finally settled in 2025). In response to these incidents, the inspection team conducts regular checks to ensure that each store is equipped with safe and stable ladder. Staff have been instructed to use ladders to retrieve goods from high place, and restrictions have been implemented to prevent goods from being placed too high, thereby avoiding similar incidents. In addition, occupation health and safety training course have been provided to staff to enhance their awareness of work-related hazards.

	2025/2026	2024/2025
Number and rate of work-related fatalities	0 (0%)	0 (0%)
Number of work-related injuries	2	1
Lost days due to work-related injuries	295	135

7.3. DEVELOPMENT AND TRAINING

The Group believes that continuous employee development and training are essential and material to enhancing both our operations and employees’ professional growth. We have developed a comprehensive range of internal and external training courses covering diverse topics to strengthen employees’ knowledge and skills. The Group fully subsidises nominated employees to participate in external training courses. For internal training courses, 80% of the training fee is subsidised, up to a maximum of HKD 2,000 or HKD 2,500 depending on seniority.

To help new employees familiarise themselves with Group policies during onboarding, we provide orientation and induction training that covers the Group’s background, culture, mission, vision, facilities, employee handbook, and corporate social responsibility. For new retail staff, we also deliver product training to help them become familiar with our product range and deliver a high quality service experience to customers. In addition, we provide on the job training for new employees, with experienced staff assigned to mentor them so they can quickly adapt to the workplace.

To build up employees’ professional work-related knowledge, we arrange job-related courses and encourage them to obtain related certifications to enhance their professional qualifications. We have designed product knowledge training covering our products' characteristics, features, and advantages so employees can better understand and effectively promote them. Most retail staff have already been recognised under the Hong Kong Qualifications Framework based on their experience and continue with further training. Moreover, we recognise the importance of developing and enhancing employees' soft skills. During the Reproting Period, in addition to communication and selling skills training to help build connections and foster relationships with colleagues, clients, and suppliers, we organised AI knowledge sharing sessions for management.

The Group also works with Child Development Initiative Alliance (CDIA) to provide a one-week internship training programme for secondary school students during summer vacations, allowing them to gain practical work experience, develop professional skills, and explore potential career paths.

As of 31 March 2026, a total of 94 employees have received training, with a total training hours of approximately 1130 hours. The statistical details of training hours and trained employees are shown below :

	Percentage of trained employees [9]	
	2025/2026	**2024/2025**
By Gender		
Male	9.6%	14.4%
Female	90.4%	85.6%
By Employee Category		
Senior management	5.3%	3.6%
Middle management	34.0%	33.3%
General employee	60.7%	63.1%

	Average training hours per employee [10]	
	2025/2026	**2024/2025**
By Gender		
Male	6.4	6.7
Female	6.9	6.1
By Employee Category		
Senior management	32.1	62.7
Middle management	7.7	9.1
General Employee	5.4	3.3

[9] Percentage of employees trained= total number of trained employees in the specified category / number of trained employees x100%

[10] Average training hours per employee = total number of training hours received by employees in the specified category / number of employees in the specified category x100%

7.4. LABOUR STANDARDS

The Group strictly prohibits and combats any form of forced labour and child labour in our workplaces. We are committed to upholding, respecting and protecting human rights to create a fair and zero-discrimination working environment.

We have established internal processes and systems during recruitment to verify the identity documents of the candidates to ensure they have the right to work and their ages are above the legal minimum age for work. Besides, we ensure all employees are working voluntarily without experiencing any threat of penalty, physical abuse, or mental abuse, and provide them the right to resign in a voluntary manner with a suitable notice period, demonstrating our commitment to eliminate and prevent forced labour. In case suspected cases of child or forced labour are identified, our Human Resources Department acts swiftly and responsibly to report the case to the relevant department and take appropriate actions to safeguard the personal safety of the affected individual. Any individuals involved are immediately dismissed from their positions.

During the Reporting Year, we ensured strict compliance with the laws and regulations relating to the prevention of forced labour and child labour, and no reported cases of violations of the related laws and regulations in the operating regions were identified.

8. OPERATING PRACTICES

8.1. SUPPLY CHAIN MANAGEMENT

To ensure quality procurement, the Group has implemented various policies and measures to assess and evaluate the performance and qualification of the potential suppliers, ensuring the engaged suppliers meet the required standards and are capable of delivering the desired products or services efficiently and effectively.

The quality of suppliers was of great importance to the Group, we evaluate and appoint suppliers based on their ability on research and development (R&D), productivity, price, and quality standards. During the primary evaluation stage, we required them to declare their interests by stating their relationship with any of our employees to avoid conflicts of interest, ensuring the procurement process was carried out fairly and preventing biases made in procurement decisions. We ensured suppliers were in compliance with our supplier code and their information was kept confidential. Besides, the Group conducts seasonal appraisals in collaboration with existing suppliers across various departments. These appraisals involve random checks on aspects such as product quality, time management and services to ensure consistent quality and enhance business outcomes. The Group also implements a transparent accountability mechanism to oversee suppliers and ensure their compliance with product safety and quality standards, labour practices, and business ethics, allowing us to track and monitor the performance of suppliers in these critical areas.

The Group's commitment to protecting the environment is reflected in its priority to source from suppliers that offer environmentally friendly products. Among our suppliers, one from Mainland China offers seawool products made from recycled bottles and oyster shells, while another recycls down jackets. Our Switzerland-based supplier also provides products crafted from ecorepel fabric. We carefully select and continually assess our suppliers to manage risks and explore opportunities to adopt more sustainable sourcing practices. Given that paper is a key raw material in our business, we strive to use it responsibly. To ensure our standards of quality and ethics, most of our suppliers holds certificates such as FSC, PEPC or Ecolabel, which confirms that their paper products are made from responsibly sourced wood fibre.

In the Reporting Year, there were 30 suppliers. The detailed distribution of suppliers by geographical location is shown below :

	Number of suppliers	
	2025/2026	**2024/2025**
By Geographical location		
Hong Kong	15	20
Mainland China	7	24
Japan	1	1
Sweden	2	2
United Kingdom	1	0
Spain	1	1
Germany	1	1
Switzerland	0	1
Poland	1	1
Thailand	1	0
Total	**30**	**51**

9. PRODUCT RESPONSIBILITY

9.1. PRODUCT QUALITY ASSURANCE

The Group aims to provide high-quality products that comply with all relevant safety standards and legal regulations, ensuring consistent fulfilment of customers' expectations. We strictly adhere to advertising and labelling requirements as mandated by law. Specifically, products sold in China feature labels in both Chinese and English, while those sold in Hong Kong are labelled in English only.

Quality management and product recall procedure

To maintain the quality of services and products at every stage, the Group has implemented a clear standard operating procedure (SOP) for quality management, which covers R&D, production control, finished goods and customer service. We ensure the quality standards of our products align with the image and positioning of our brands.

Product safety was another paramount concern for the Group, we take rigorous measures to ensure that all our products meet the highest safety standards. We ensure that none of our provided goods are harmful and strictly avoid the use of hazardous materials throughout the design and manufacturing process. Every style of our product was tested by an official testing laboratory in accordance with the safety requirements of relevant laws to ensure our products are safe to use and protect customers from unexpected risks. In the event that any substandard products are identified during the testing process or subsequent quality control inspections, substandard products will be returned to the respective suppliers for further investigation and resolution.

In addition to our established quality management system, the Group has developed product recall process to address any potential recalls related to health and safety reasons. In case complaints are related to health and safety concerns, we will send products to the authorised testing institute to conduct relevant tests. If the products fail these tests, we immediately notify all retail shops and customers to initiate a recall of the affected items and ensure proper destruction. During the Reporting Year, there were no reported cases of recalls of products sold or shipped due to safety and health reasons.

Handling of consumer complaints

The Group value the opinions and complaints of our customers as they provide valuable insights to improve our performance. To effectively address customer complaints, we have set up a comprehensive complaint handling system to ensure complaints can be responded to and addressed promptly. Long-term improvement methods were also established for each complaint, in which returned goods were inspected and classified into different handling categories, such that we could understand the specific area of problems and issues of the products that we need to improve on, thus minimising the number of complaints received by the Group.

During the Reporting Year, there were no complaints received regarding our products and services.

Protection of intellectual property rights and data privacy

We are committed to protecting and maintaining intellectual property rights. We require all suppliers to sign an agreement explicitly outlining the Group's intellectual property and copyright protection measures. To protect our brand identity, the Group also applied for trademarks via intellectual property rights registration in relevant countries. Moreover, we only procure genuine products and strictly prohibit the purchase of products and services that violate copyrights or intellectual property rights.

In addition to intellectual property rights, the Group is dedicated to protecting customers' privacy and ensuring that all personal data are kept confidential. We imposed guidelines and policies to handle customers' personal data to ensure strict compliance with local regulations, including but not limited to the Personal Data Privacy Ordinance (Cap.486) in Hong Kong. Consent from customers was received before collecting their data to ensure we were lawfully using personal information. The purpose of collecting personal data was to ensure customers understand the use of their personal data and obtain their trust. In case of any changes to the content of the customer's data collection agreement, we will update and communicate these changes to our customers clearly and transparently. Only authorised employees responsible for handling customer data have access rights to the collected data to prevent unauthorised access and data leakage.

In addition to protecting customer data, we also prioritize the confidentiality of our own internal information. Employees are required to handle confidential information securely, in accordance with the Confidentiality Policy of the Group.

10. ANTI-CORRUPTION

10.1. ANTI-CORRUPTION POLICY

The Group upholds high standards of integrity and impartiality in our business operations and has zero tolerance towards any corruption or misconduct cases. We have engaged an independent non-executive director and a third party to monitor the governance performance and internal control of the Group, respectively, to ensure compliance with business ethics. A series of policies and measures that adhere to the local regulations and laws in the operating regions were implemented to ensure integrity in our workplaces and prohibit any kind of fraud, bribery, or corruption. Both Directors and staff have completed the ICAC online anti-corruption training to reinforce their understanding of ethical conduct, recognise signs of corruption and misconduct, and understand the procedures for reporting any concerns confidentially and without fear of retaliation.

We have formulated an '**Anti-corruption Policy**' that includes practices and guidelines for employees to prevent corruption and bribery, such as the guidelines for acceptance of advantage (e.g. gifts and discounts) and dealing with conflict of interest. We provide employees with conflict of interest declaration to ensure the decisions made are unbiased. The Group encouraged all employees and business partners, including suppliers, clients, and contractors, to comply with the practices under this policy, and we ensured all the aforementioned parties were aware of the Group's prevention practices of corruption and bribery. Regular anti-corruption training was provided to employees to raise their awareness and ensure their understanding of the anti-corruption measures taken by the Group. Furthermore, HR Manager reviews our internal anti-corruption control system at department level to prevent fraud, bribery and money laundering in the workplace.

The Group encourages employees and business partners to report any suspected or actual malpractice or corruption cases in the workplace based on the reporting procedures in the '**Whistleblowing Policy**' of the Group. As outlined in the policy, we provided channels for reporting for employees and external parties. Upon any suspicion of misconduct or corruption, employees should first report to the Head of the Division or Department, and the report will be submitted to the Chief Executive Officer after details of the suspected misconduct or corruption cases have been collected. External parties are encouraged to email the Chairman of the Board to report suspected corruption or malpractice cases if they notice any, and they can report to the Audit Committee by email if the Chairman of the Board is involved in the case. For each reported case, a full investigation is conducted fairly by an appointed seniority or dedicated committee of the Group. Once the Group identifies and confirms corruption cases, employees involved are summarily dismissed and the cases are referred to the relevant authorities (e.g. Securities and Futures Commission) if necessary.

During the Reporting Year, the Group did not receive any cases related to corruption or whistle-blowing issues. There were no concluded or ongoing legal cases regarding corrupt practices brought against the Group or its employees. Besides, there were no cases of non-compliance with anti-corruption laws and regulations identified in the regions where the Group operates.

11. COMMUNITY ENGAGEMENT

11.1. COMMUNITY ENGAGEMENT

We are dedicated to engaging in community activities and services that contribute to the growth and cohesion of our society. Our commitment to fulfilling corporate social responsibility and dedication to creating a positive impact on the community is emphasised by the community activities.

The YGM Corporate Volunteering Team continues to facilitate employee involvement in volunteering and community support work. We have organised charitable activities with community organisations and poverty alleviation organisations. The Group continually participates in fundraising and community care activities in the name of the Group, and welcomes the familes and friends of our employees to join our volunteering activities. The areas of community services that we actively contributed to include youth care and elderly visits etc.

During the Reporting Year, we have participated and collaborated with different parties on a variety of community services with full support from Hong Kong offices and retail shops of the Group, including:

- Caring Together – Celebrating Mid-Autimn Festival 2025 (「同心關懷中秋節」2025)
- Thalassemia Children's Foundation Flag Day 2025 (地中海貧血兒童基金賣旗籌款 2025)
- Winter Wonder Act 2025 (寒冬送暖顯温情 2025)
- Red-packet Recycling Campaign 2026 (利是封回收大行動 2026)
- Hong Chi Association "One Love, One Laisee" (匡智會「一人一利是」籌款活動)

	
Caring Together – Celebrating Mid-Autimn Festival 2025 (「同心關懷中秋節」2025)	Winter Wonder Act 2025 (寒冬送暖顯温情 2025)

	
Thalassemia Children's Foundation Flag Day 2025 (地中海貧血兒童基金賣旗籌款 2025)	Red-packet Recycling Campaign 2026 (利是封回收大行動 2026)
	
Hong Chi Association "One Love, One Laisee" (匡智會「一人一利是」籌款活動)	

Apart from the above listed events, the Group appealed to and encouraged employees to participate in disaster relief efforts by contributing time, resources, and support to those affected. The Group donated 500 pieces of clothing to Wang Fook Center to support disaster victims, demonstrating our commitment to community care and social responsibility during times of crisis.

12. THE STOCK EXCHANGE ESG REPORTING CODE CONTENT INDEX TABLE

	Description	Chapter
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.	6.1 Emissions
KPI A1.1	The types of emissions and respective emissions data.	6.1 Emissions
KPI A1.2	[Repealed 1 January 2025]	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1 Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1 Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	6.1 Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6.1 Emissions
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.2 Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	6.2 Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.2 Use of Resources

	Description	Chapter
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.2 Use of Resources
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.	6.2 Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	6.2 Use of Resources
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	6.3 The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.3 The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	[Repealed 1 January 2025]	
KPI A4.1	[Repealed 1 January 2025]	
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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	7.1 Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	7.1 Employment

	Description	Chapter
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	7.1 Employment
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.	7.2 Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	7.2 Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	7.2 Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	7.2 Occupational Health and Safety
Aspect B3: Developing and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	7.3 Development and training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	7.3 Development and training
KPI B3.2	The average training hours completed per employee by gender and employee category.	7.3 Development and training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	7.4 Labour Standards

	Description	Chapter
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	7.4 Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	7.4 Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of supply chain.	8.1 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	8.1 Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	8.1 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	8.1 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	8.1 Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	9.1 Product Quality Assurance
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	9.1 Product Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	9.1 Product Quality Assurance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	9.1 Product Quality Assurance

	Description	Chapter
KPI B6.4	Description of quality assurance process and recall procedures.	9.1 Product Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	9.1 Product Quality Assurance
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.	10.1 Anti-corruption Policy
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Year and the outcomes of the cases.	10.1 Anti-corruption Policy
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	10.1 Anti-corruption Policy
KPI B7.3	Description of anti-corruption training provided to directors and staff.	10.1 Anti-corruption Policy
Aspect B8: Community		
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.	11.1 Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	11.1 Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	11.1 Community Engagement

Part D: Climate-related disclosures		
(I) Governance		
19	The issuer must disclose information regarding the following:	1 Board Statement
	(a) Information on the governance body (which may include the board, committee, or other equivalent governance body) or individual responsible for overseeing climate-related risks and	

	opportunities. Specifically, issuers must identify the relevant body or individual and disclose the following information: (i) How the body or individual determines whether they have the appropriate skills and competencies to oversee strategies related to climate-related risks and opportunities. (ii) How and how often the body or individual is informed about climate-related risks and opportunities. (iii) How the institution or individual considers climate-related risks and opportunities into account in overseeing the issuer's strategies, significant transaction decisions, and risk management processes, including whether the body or individual considers trade-offs associated with climate-related risks and opportunities. (iv) How the body or individual oversees the setting of targets related to climate-related risks and opportunities and monitors progress toward those targets (see paragraphs 37 – 40), including whether and how relevant performance indicators are incorporated into compensation policies (see paragraph 35).	
	(b) The role of management in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including: (i) Whether this role is entrusted to specific management personnel or a management-level committee and how that individual or committee is supervised; and (ii) Whether and how management uses controls and procedures to assist in overseeing climate-related risks and opportunities, and how these are integrated with other internal functions.	
(II) Strategy		
Climate-related risks and opportunities		
20	Issuers must disclose information to make it clear what climate-related risks and opportunities they reasonably anticipate could affect their cash flows, access to financing, or cost of capital in the short, medium, or long term. Specifically, issuers must:	6.4.1 Climate Strategy
	(a) Describe the climate-related risks and opportunities that are reasonably expected to impact the issuer's cash flows,	

	financing channels, or capital costs in the short, medium, or long term.	
	(b) Explain whether the identified climate-related risks are physical risks or transition risks	
	(c) Provide specifics on the reasonable expectations regarding the time horizon (short, medium, or long term) for each identified climate-related risk and opportunity	
	(d) Explain how the issuer defines short-term, medium-term, and long-term, and how these definitions are linked to the scope of its strategic decisions.	
Business model and value chain		
21	Issuers must disclose information that helps understand the current and expected impacts of climate-related risks and opportunities on their business model and value chain. Specifically, issuers must disclose:	6.4.1 Climate Strategy
	(a) Describe the current and expected impacts of climate-related risks and opportunities on the issuer's business model and value chain; and	
	(b) Describe where climate-related risks and opportunities are concentrated in the issuer's business model and value chain (e.g., geographic regions, facilities and asset types).	
Strategy and Decision making		
22	Issuers must disclose information that enables them to understand the impact of climate-related risks and opportunities on their strategies and decisions. Specifically, issuers must disclose:	6.4.1 Climate Strategy Since there are no material climate risks or quantifiable financial impact identified, the Group consider transition plan related information for immaterial risks to be non-material to stakeholders.
	(a) Information regarding how the issuer plans to address climate-related risks and opportunities in their strategies and decision-making, including how the issuer plans to achieve any climate-related targets set and any legally or regulatory mandated targets. Specifically, issuers must disclose the following information: (i) Changes to the issuer's business model (including resource allocation) in response to climate-related risks and opportunities, both now and in the future.	

	(ii) Any adaptation or mitigation work that has been or is expected to be carried out (directly or indirectly). (iii) Any climate-related transition plans of the issuer (including information on the key assumptions used in developing the transition plans and the factors on which the plans are based), or, if the issuer does not have such plans, an appropriate negative statement. (iv) How the issuer plans to achieve any climate-related targets described in paragraphs 37 to 40 (including any greenhouse gas emission targets, if any)	
	(b) Information on how the issuer plans to provide resources for actions disclosed under paragraph 22(a).	
23	The issuer must disclose the progress of the plans disclosed in paragraph 22(a) for each previous reporting period.	
Financial Condition, Financial Performance, and Cash Flow		
Current Financial Impact		
24	The issuer must disclose the following qualitative and quantitative information:	There were no significant expenses incurred due to extreme weather, nor were there any substantial fines for violating climate-related laws and regulations. In terms of financing, the Group has not issued green bonds to raise funds for climate project investments.
	(a) How climate-related risks and opportunities affected the issuer's financial position, financial performance and cash flows during the reporting period.	
	(b) Information regarding the climate-related risks and opportunities identified in paragraph 24(a) when there is a significant risk that would lead to a material adjustment of the carrying amounts of assets and liabilities in the relevant financial statements for the next reporting year.	
Expected Financial Impact		
25	The issuer must disclose the following qualitative and quantitative information:	Given the ongoing evolution of assessment models, we consider it premature to conduct anticipated financial impact analyses at this stage.
	(a) After considering their strategies for managing climate-related risks and opportunities, and considering the following, how the issuer expects its financial condition to change in the short, medium, and long term:	

	(i) its investment and disposal plans; and (ii) its planned sources of funding for implementing the strategy; and	
Climate Resilience		
26	After considering the climate-related risks and opportunities identified by the issuer, the issuer must disclose information to enable others to understand the resilience of its strategies and business model to climate-related changes, developments, or uncertainties. The issuer must use climate-related scenario analysis to assess its climate resilience in a manner appropriate to its circumstances. When providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer must disclose:	
	(a) The issuer's assessment of its climate resilience as of the reporting date, which aids to understand: (i) The impact of the analysis results on the issuer's strategy and business model, including how the issuer will respond to the impacts identified in climate-related scenario analyses. (ii) The scope of significant uncertainties considered in the issuer's assessment of climate resilience; and (iii) The issuer's ability to adjust its short, medium, and long-term strategies and business model based on climate developments.	6.4.1 Climate Strategy
	(b) How and when climate-related scenario analysis is to be conducted, including: (i) The input data used includes: (1) Climate-related scenarios and their sources used in the analysis by the issuer. (2) Whether the analysis covers multiple different climate-related scenarios. (3) Whether the climate-related scenarios used in the analysis relate to climate-related transition risks or climate-related physical risks. (4) Whether the issuer has used scenarios that align with the latest international agreements on climate change in its analysis.	6.4.1 Climate Strategy

	(5) Why the issuer considers the selected climate-related scenarios as relevant to assessing resilience against climate-related changes, developments, or uncertainties. (6) The time frame used in the analysis by the issuer; and (7) The scope of operations covered in the analysis (e.g., the locations and business units involved in the analysis).	
	(ii) Key assumptions made by the issuer in the analysis; and	
	(iii) The reporting period for conducting climate-related scenario analysis.	
(III) Risk Management		
27	Issuer must disclose the following information:	6.4.2 Climate Risk Management
	(a) The processes and related policies used by the issuer to identify and assess climate-related risks, prioritize them, and maintain monitoring, including information regarding: (i) The data and parameters used by the issuer (e.g., sources of data and the scope of operations covered by the processes). (ii) How the issuer can and does use climate-related scenario analysis to identify climate-related risks. (iii) How the issuer assesses the nature, likelihood, and extent of the impacts associated with such risks (e.g., whether the issuer considers qualitative factors, quantitative thresholds, or other standards used). (iv) How the issuer monitors its climate-related risks (v) How the issuer monitors climate-related risks; and (vi) How the issuer can and does change its processes compared to the previous reporting period.	
	(b) The processes used by the issuer to identify, assess climate-related opportunities, and prioritize and maintain monitoring, including information on how the issuer can and does use climate-related scenario analysis to determine climate-related opportunities.	
	(c) How the process of identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities is integrated into the issuer’s overall risk management process, and to what extent.	

<table>
<tr><td colspan="3">(IV) Metrics and Targets</td></tr>
<tr><td colspan="3">Greenhouse Gas Emissions</td></tr>
<tr><td>28</td><td>Issuers must disclose the absolute total greenhouse gas emissions during the reporting period (in tons of CO_2 equivalent), categorised as:
(a) Scope 1 greenhouse gas emissions
(b) Scope 2 greenhouse gas emissions
(c) Scope 3 greenhouse gas emissions</td><td rowspan="6">6.4.3 Climate Metrics and Targets</td></tr>
<tr><td>29</td><td>Issuer must:</td></tr>
<tr><td></td><td>(a) Unless required otherwise by regulatory authorities or another exchange where the issuer is listed, issuers must quantify their greenhouse gas emissions in accordance with the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)."</td></tr>
<tr><td></td><td>(b) Disclose the methods used for measuring greenhouse gas emissions, including:
(i) The measurement methods, input data, and assumptions used by the issuer to quantify its greenhouse gas emissions.
(ii) Why the issuer chose this measurement method, the input data, and the assumptions made for measuring greenhouse gas emissions.
(iii) Any changes made to the measurement methods, input data, and assumptions during the reporting period, including reasons for the changes.</td></tr>
<tr><td></td><td>(c) For Scope 2 greenhouse gas emissions disclosed under paragraph 28(b), disclose the issuer’s Scope 2 greenhouse gas emissions on a geographical basis, along with any necessary contractual documents to understand that emissions.</td></tr>
<tr><td></td><td>(d) For Scope 3 greenhouse gas emissions disclosed under paragraph 28(c), disclose the categories included in the quantification of Scope 3 greenhouse gas emissions according to the "Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)."</td></tr>
</table>

Climate-related Transition Risks		
30	Issuers must disclose the amount and percentage of assets or business activities that are vulnerable to climate-related transition risks.	No material vulnerable assets were identified in terms of percentage or asset value.
Climate-related Physical Risks		
31	Issuers must disclose the amount and percentage of assets or business activities that are susceptible to climate-related physical risks.	No material vulnerable assets were identified in terms of percentage or asset value.
Climate-related Opportunities		
32	Issuers must disclose the amount and percentage of assets or business activities related to climate-related opportunities.	The use of revenue as a metric to classify our products into green and general categories for calculating green product revenue is currently not applicable. We will regularly assess the applicability.
Capital Expenditure		
33	Issuers must disclose the capital expenditures, financing, or investment amounts related to climate-related risks and opportunities.	The Group did not incur any climate-related capital expenditure and did not obtain any climate-related financing in the Reporting Year.
Internal Carbon Pricing		
	Issuer must disclose the following:	
34	(a) Explanation of how the issuer may apply carbon pricing in decision-making (e.g., investment decisions, transfer pricing,	We have not yet incorporated internal

	and scenario analysis). (b) The pricing of greenhouse gas emissions for evaluating its cost per ton of greenhouse gas emissions.	carbon pricing into our decision-making process. We will explore the use of internal carbon pricing in the future.
Compensation		
35	Issuers must disclose how climate-related considerations may be incorporated into compensation policies or provide an appropriate disclaimer. This may form part of the disclosures required under paragraph 19(a)(iv).	We will explore the feasibility of incorporating climate-related indicators into the compensation considerations for senior management.
Industry Indicators		
36	The exchange encourages issuers to disclose industry indicators related to one or more specific business models and activities or to indicators that are commonly related to relevant industry characteristics. In deciding which industry indicators to disclose, the exchange encourages issuers to refer to the "Industry Disclosure Guide" of the "International Financial Reporting Standards Sustainability Disclosure Standards (S2)" and other industry disclosure requirements in international environmental, social, and governance reporting frameworks, considering their applicability.	We have not yet incorporated IFRS S2 Industry-based Guidance and other industry disclosure requirement. We will explore the use of industry indicators in the future.
Climate-related Targets		
37	Issuers must disclose (a) the qualitative and quantitative targets set to monitor progress toward achieving their strategic targets related to climate; and (b) any targets mandated by law or regulation, including greenhouse gas emissions targets. Issuers must disclose the following information for each target:	We have established a greenhouse gas emissions, electricity consumption, paper usage and packaging material usage target. As we move forward, we will consider having a third party verify our targets.
	(a) Indicators used to set goals.	
	(b) The purpose of the target (e.g., mitigation, adaptation, or science-based initiatives).	

	(c) Scope of the target (e.g., whether the target applies to the entire group of issuers or only to specific business units or geographic areas).	
	(d) The applicable period of the target.	
	(e) The baseline period for measuring progress.	
	(f) Any interim or mid-term targets (if any).	
	(g) If it is a quantitative target, whether it is an absolute target or an intensity target.	
	(h) How the latest international climate change agreements (including any legal commitments arising from those agreements) assist the issuer in setting targets.	
38	Issuers must disclose the methods for setting and reviewing each target, and how they monitor progress toward achieving targets, including:	
	(a) Whether the objective itself and the method of setting the objective have been verified by a third party.	
	(b) The issuer's processes for reviewing targets.	
	(c) Indicators used to monitor progress toward achieving targets.	
	(d) Any amendments to the targets and the reasons.	
39	The issuer must disclose information on the performance of each climate-related objective and an analysis of trends or changes in the issuer's performance.	
40	For each greenhouse gas emission target disclosed in paragraphs 37 to 39, the issuer must disclose:	6.4.3 Climate Metrics and Targets We will explore the feasibility of purchasing carbon credits to offset greenhouse gas emissions generated during operations.
	(a) Which greenhouse gases are covered by the target.	
	(b) Whether the target covers Scope 1, Scope 2, or Scope 3 greenhouse gas emissions.	
	(c) Whether this target is a total greenhouse gas emissions target or a net greenhouse gas emissions target; if it is a net target, the issuer must also disclose the relevant total greenhouse gas emissions targets.	

	(d) Whether the target was developed using industry decarbonization approaches	
	(e) How the issuer plans to use carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. Regarding the use of carbon credits, issuers must disclose: (i) The extent and manner to which carbon credits are relied upon to achieve any net greenhouse gas emissions targets (ii) Which third-party programs will verify or certify the carbon credits (iii) The type of carbon credits, including whether the associated offsets are based on natural or technological carbon removal, and whether the associated offsets are achieved through emission reductions or carbon removal; and (iv) Any other important factors necessary to make people understand the credibility and integrity of the carbon credits that the issuer plans to use (e.g., assumptions about the carbon offsetting effect).	
Applicability of Cross-industry Indicators and Industry Indicators		
41	In preparing disclosure content to comply with the provisions set out in paragraphs 21 to 26 and 37 to 38, issuers must reference (i) cross-industry indicators (see paragraphs 28 to 35) and (ii) industry indicators (see paragraph 36), considering their applicability.	We have not yet incorporated cross-industry indicators or industry disclosure requirement. We will explore the applicability in the future.

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