時代集團控股有限公司
SITOY GROUP HOLDINGS LTD.

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock Code 股份代號：1023





Environmental, Social and Governance Report
環境、社會及管治報告
2026



DUFFY F&J FASHION & JOY TUSCAN'S 萌迪皇

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ABOUT THE REPORT

The Environmental, Social and Governance ("ESG") Report elaborates on various types of work done by Sitoy Group Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") to fully implement the concept of sustainable development and perform its corporate social responsibilities, and report on its environmental and social performance from 1 July 2025 to 30 June 2026 (the "Year").

SCOPE OF THE REPORT

This Report focuses on the Group's ESG performance in its business of manufacturing and selling handbags, small leather goods and travel goods in the People's Republic of China (the "PRC" or "Chinese Mainland"), Indonesia and Hong Kong during the Year. The key performance indicators ("KPIs") disclosed in this Report are derived from data collected from the Group's major subsidiaries, namely (i) Dongguan Shidai Leather Products Factory Co., Ltd. ("Dongguan Shidai"), (ii) Sitoy (Yingde) Leather Products Co., Ltd. ("Yingde Leather") and (iii) PT Sitoy Leather Products Indonesia ("Indonesia Sitoy"). The scope of this Report has been carefully defined based on the Group's operating entities that may give rise to significant ESG impacts.

REPORTING FRAMEWORK

The ESG Report was prepared in accordance with the "Environmental, Social and Governance Reporting Code" (the "ESG Code") under Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and in compliance with the mandatory disclosure requirements and "comply or explain" provision thereof.

REPORTING PRINCIPLES

In preparing this ESG Report, we meet the four reporting principles stipulated in the ESG Code – "materiality", "quantitative", "consistency" and "balance".

Materiality:

Stakeholder engagement and materiality assessment were conducted for the determination of the content of the ESG Report. The Group has identified ESG-related issues, collected and reviewed the views of internal management and various stakeholders, assessed the relevance and materiality of the issues, and prepared and validated the information in the ESG Report. The ESG Report covers a comprehensive range of material ESG issues of concern to the Group's stakeholders.

Quantitative:

The Group has disclosed quantitative environmental and social KPIs in the ESG Report. To enable stakeholders to have a full understanding of the Group's ESG performance, the standards, methodologies, references and conversion factors used to calculate the KPIs are described wherever appropriate.

Consistency:

The Group uses consistent reporting and calculation methods, as far as reasonably practicable, to facilitate the comparability of ESG performance between years. In the event of any changes in methodologies, the Group will present and explain in detail in the corresponding sections.

Balance:

The Group discloses the ESG achievements and areas for improvement in a transparent and unbiased manner for objective review by stakeholders.

INFORMATION AND FEEDBACK

For detailed information about the environmental, social and corporate governance of the Group, please refer to the official website (www.sitoy.com). Your opinions are highly valued by the Group. Should you have any advice, please contact the Group at esg@sitoy.com.

KEY HIGHLIGHTS

Environmental achievements: accredited with the "Wastewi$e" Certificate at Good Level and the "Energywi$e" Certificate at Basic Level under the Hong Kong Green Organisation Certification.

Internationally recognised certification: attained the Worldwide Responsible Accredited Production ("WRAP") Certification at Gold Level.

Recognised Awards and Honours in Hong Kong: "Happy Company" and "Caring Company".

Community donation: around HKD800,000, including a HKD500,000 donation to Tai Po Wang Fuk Court fire relief fund.

Commitment to sustainable development: joined the ESG Pledge Scheme.

Participated in the activity "SEN Journey – SEN Caregivers Career Development Programme" organised by Tai Po Baptist Church Social Service

Installation of a new wastewater treatment facility to convert scattered industrial wastewater into recyclable water.

Recognised Awards and Honours in Indonesia: the Highest Labor Absorption Award, the Most Innovative CSR Award and the "1 Village 1 Scholar" CSR Programme Award.

BOARD STATEMENT

An effective ESG governance approach is fundamental to the Group's long-term sustainability. To ensure that ESG matters are properly governed across the Group, the board of directors (the "Board") has established an Environmental, Social and Governance Committee (the "ESG Committee").

The ESG Committee is responsible for identifying and managing ESG-related risks, and has duly delegated authority to the Group's management to implement ESG policies. To manage the ESG matters more effectively, the ESG Committee closely monitors emerging local and international trends in ESG issues that may have potential impacts on the Group's business operations, and adjusts its strategies in a timely manner. The ESG Committee holds regular meetings every year and also convenes meetings upon the request of any of its members. In accordance with its terms of reference, its responsibilities include, but are not limited to:

- Propose long-term development plans and sustainable development policies;
- Monitor and review the Group's compliance with ESG-related laws and regulations established by regulatory authorities;
- Identify material ESG risks and opportunities, and determine their relative importance to business operations, through reviewing and assessing internal operations; and
- Formulate sustainable development strategies across all ESG aspects, covering health and safety, community relations, environment, human rights and anti-corruption.

To gather stakeholders' views on ESG issues, the ESG Committee has engaged a third-party ESG consultant to conduct a materiality assessment, with a view to identify issues that may affect the business and stakeholders, particularly in the environmental and social spheres. The identified issues are reviewed and prioritised, and those of high significance to both the Group and its stakeholders are regarded as material. The ESG Committee reviews and finalises the Group's material ESG issues. In addition, the ESG Committee regularly reviews stakeholder communication channels to ensure effective dialogue between the Group and its various stakeholders.

BOARD STATEMENT

To develop and implement effective ESG policies and measures, the ESG Committee reviews the planning and execution of ESG-related work against its targets and goals at regular meetings. The Group also shares its ESG progress with stakeholders, in particular through its annual ESG Report. The chairman of the ESG Committee attends the annual general meeting of the Company to answer questions regarding the ESG Committee's activities and responsibilities.

The Board fully appreciates that ESG goals are not add-on requirements separate from the Company's business; rather, they are key pillars that are deeply integrated with, and mutually reinforcing with, the Company's core operations, including manufacturing, retail and supply chain procurement. For example, the Group enhances suppliers' environmental compliance to secure the stability of raw material quality, while optimising the energy consumption systems in its production workshops to raise production capacity and reduce carbon emissions.

The Group has joined the ESG Pledge Scheme, organised by The Chinese Manufacturers' Association of Hong Kong in cooperation with the Hong Kong Brand Development Council. The Scheme aims to strengthen the business community's attention to sustainable development. By joining the Scheme, the Group has demonstrated its commitment to adopt, practise and promote the concept of sustainable development, and has also pledged to formulate specific and concrete action plans to give effect to this concept.

BOARD STATEMENT

COMMUNICATION WITH STAKEHOLDERS

The Group attaches great importance to the opinions of different stakeholders, which forms the basis for the Group to formulate short-term and long-term strategies for sustainable development. With an aim of communicating effectively with stakeholders, the Group strives to understand and respond to their expectations and needs through a wide range of communication channels.

Stakeholders	Expectations and Requirements	Means of Communication and Response
Government and Regulators	• Strict compliance with national policies, laws and regulations • Paying taxes in full and on time • Production safety	• Regular reporting of information • Regular meetings with regulators
Shareholders	• Returns • Compliant operation • Enhancement of the Company's values • Transparency of information and effective communication	• General meetings • Company announcements • Email, telephone communication and the Company's website
Business Partners	• Operational integrity • Performance of contracts • Mutual benefit and win-win result	• Business communications • Engagement and cooperation
Customers	• Outstanding products and services • Health and safety • Performance of contracts • Operational integrity	• Customer communication meetings • Return visits • Social media platforms
Environmental regulatory department	• Energy conservation and emission reduction • Ecosystem protection • Reasonable water consumption	• Communication with local environmental department(s) • Communication with local residents
Industry	• Establish industry standards	• Communication with local labour department(s) • Participation in industry forums • Visits and mutual inspections
Employees	• Protection of rights • Occupational health and safety • Remuneration and benefits • Humanitarian care	• Employee communication meetings/ activities • Training and workshops • Employee activities
Community and the Public	• Participation in charity	• The Company's website • The Company's announcements • Media interviews • Mutual visits

BOARD STATEMENT

The Group will strive to continually enhance the level of stakeholder engagement so as to collect stakeholders' opinions towards the Group's business and ESG strategies comprehensively.

MATERIALITY ASSESSMENT

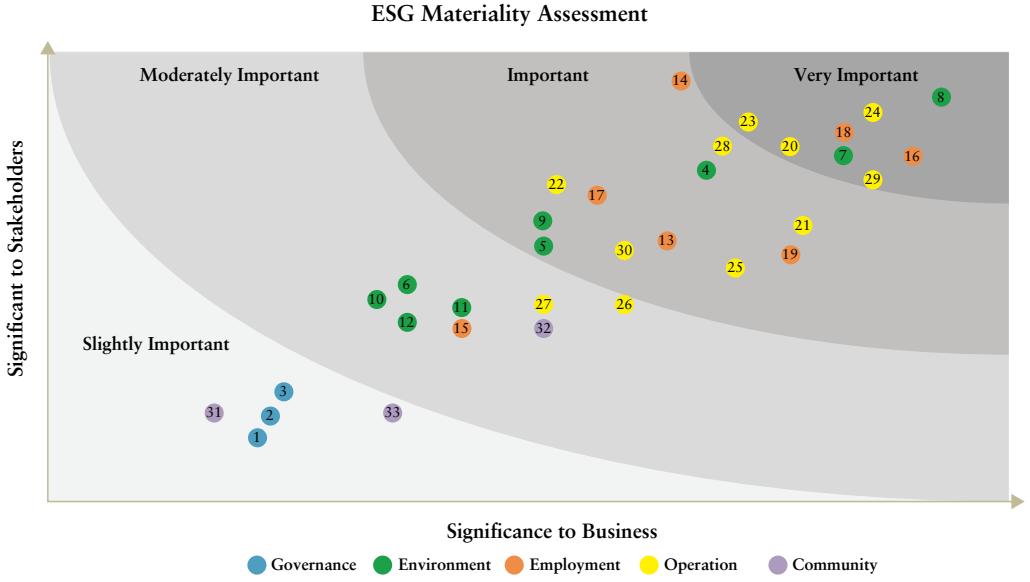
To establish a precise and efficient ESG management strategy, the Group undertook a materiality assessment during the Year to pinpoint ESG issues crucial to the Group's operations and stakeholders. This materiality assessment was conducted in four main phases:

1. Identified several ESG-related concerns that may have potential implications for the business or stakeholders based on the industry and the Group's business characteristics.

2. Organised a survey to collect data on the significance that both internal and external stakeholders of the Group place on ESG-related matters and to grasp their expectations regarding the Group's approach and transparency in addressing ESG concerns.

3. Compared the survey findings with the ESG Industry Materiality Map and the SASB Materiality Map produced by Morgan Stanley Capital International (MSCI) and the Sustainability Accounting Standards Board (SASB), respectively.

4. Identified material ESG issues, and the matrix below demonstrates the prioritisation of ESG-related concerns.



BOARD STATEMENT

Governance		Environment		Employment and Labour Practices		Operation Practices		Community Investment	
1	Stakeholder Communication	4	Environmental Compliance	13	Employment Compliance	20	Operational Compliance	31	Charity
2	Corporate Governance and Risk Management	5	Fleet Emissions Management	14	Remuneration and Benefits	21	Supply Chain Environmental Risk Management	32	Promotion of Community Development
3	ESG Responsibility	6	Greenhouse Gas Emissions	15	Working Hours and Rest Periods	22	Supply Chain Social Risk Management	33	Rural Revitalization
		7	Waste Management	16	Diversity and Equal Opportunity	23	Product Quality Management		
		8	Energy Consumption	17	Occupational Health and Safety	24	Procurement Management		
		9	Water Resources Management	18	Training and Development	25	Responsible Sales and Marketing		
		10	Green Practices	19	Prevention of Child Labour and Forced Labour	26	Customer Service Management		
		11	Ecological Protection			27	Intellectual Property Protection		
		12	Responding to Climate Change			28	Information Security		
						29	Customer Privacy Protection		
						30	Anti-Corruption		

Following the materiality assessment process outlined above, the Group has identified 8 significant ESG issues. The table below details the key ESG issues determined through the Group's assessment and their corresponding sections in the report.

Aspects	Material Issues		Corresponding Sections
Environmental	7	Waste Management	Emission Management
	8	Energy Consumption	Sustainable Operation
Employment and Labour Practices	16	Diversity and Equal Opportunity	Employment Policies
	18	Training and Development	Development and Training
Operation Practices	20	Operational Compliance	Operation Management
	23	Product Quality Management	Quality Control
	24	Procurement Management	Supply Chain Management
	29	Customer Privacy Protection	Privacy and Intellectual Property Protection

ENVIRONMENTAL PROTECTION

The Group is engaged in the design, research and development, production, sales, retail and wholesale of handbags, small leather goods, travel goods and footwear products, as well as the provision of advertising and marketing services and property investment. As the Group's manufacturing and operational facilities are mainly located in Chinese Mainland and Indonesia, with offices in Hong Kong and Shanghai, the Group complies with the applicable environmental laws and regulations in the regions where it operates. These include, but are not limited to, the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Guangdong Province Emission Limits of Air Pollutants (DB44/27-2001) and the Discharge Limits of Water Pollutants (DB44/26-2001), as well as Law No. 32/2009 on Environmental Management and Protection of Indonesia and Law No. 17/2019 on Water Resources of Indonesia. During the Year, no non-compliance with applicable environmental regulations was identified. The Group's environmental compliance is supported by site-level permits, including local environmental permits lists, environmental management and monitoring reports.

The Group operates a set of comprehensive environmental management systems covering environmental policy and structure, emission handling procedures, pollution incident management, and procedures and standards for setting environmental objectives. Management documents remain in force at Dongguan Shidai, including the environmental management procedure series GM/EP-01-2020 to GM/EP-23-2020, the greenhouse gas emission control procedure GM/EP-25-2020, and the updated waste management control procedure (2026 version). In Indonesia, environmental management is governed by a series of site policies adopted in 2025, covering environmental sustainability, climate change response, waste, noise, fleet emissions, energy, water and other resources. The Group carries out internal audits to evaluate the effectiveness of these systems, and provides environmental training to employees on a regular basis, such as the environmental training programme conducted at Indonesia Sitoy covering wastewater management, energy and water saving, chemical handling and hazardous waste handling during the Year.

EMISSION MANAGEMENT

Apart from complying with relevant local laws and regulations relating to the management of air emissions, water discharge and solid waste (including but not limited to Emission Limits of Air Pollutants (DB44/27-2001) of Guangdong Province, Discharge Limits of Water Pollutants (DB44/26-2001) of Guangdong Province), the Group endeavours to control and mitigate environmental pollution, and strictly controls the management of exhaust emissions from the manufacturing process.

ENVIRONMENTAL PROTECTION

Air Emissions

The Group's principal air emission sources are the exhaust gases generated by paint spraying and gluing during production, vehicle exhaust and stationary combustion sources. Emissions from glue sprayers in the gluing process continue to be transferred to a closed water tank for dilution, sedimentation, filtration and disinfection before discharge. To keep treatment equipment operating effectively, Dongguan Shidai periodically replaces the activated carbon in its workshop air purification equipment. The Group also manages emissions from vehicles and mobile equipment by recording fuel consumption and mileage for their vehicle fleets and controlling official vehicle use, resulting in reduced fuel consumption compared with the same period last year after issuing vehicle use rules. The Group has adopted a fleet emission reduction policy, evaluates and reports on fleet emissions. The Group has introduced two electric forklifts, LED lighting, solar-powered street lamps and the use of the lower-global-warming-potential R32 refrigerant to reduce its carbon footprint. The Group is also gradually replacing fossil fuel-powered vehicles with new energy vehicles.

As part of our environmental management practices and in compliance with local regulatory requirements, the activated carbon in air purification systems is replaced regularly to ensure the continuous and highly efficient treatment of airborne emissions, thereby minimizing the Group's environmental footprint.





ENVIRONMENTAL PROTECTION

Wastewater

The Group's wastewater mainly comprises domestic sewage and industrial wastewater, both of them are treated before discharge. During the Year, Dongguan Shidai installed a new wastewater treatment facility at an investment of over RMB350,000 to convert scattered industrial wastewater into recyclable water, and commenced operation in 2026. The reclaimed water has been reused for the central air-conditioning cooling tower and the glue-spraying water curtain. Furthermore, the Group has installed rainwater and sewage separation system to ensure that wastewater is discharged into the municipal sewer network.



The Group also provides training in limiting water use at tool-washing areas, and implements procedures to reduce water pollution, including the construction of a biological septic tank for domestic wastewater, classification of domestic and rainwater drainage channels, and water-saving campaigns.



ENVIRONMENTAL PROTECTION

Hazardous and Non-hazardous Waste

The non-hazardous waste generated by the Group mainly includes leftover materials from the cutting of leather, fabrics and other raw materials or components. The Group adopts computer typesetting technology to maximise the utilisation rate of raw materials and reduce waste generation. Recyclable waste is sorted and recycled, and the remaining waste is handed over to qualified entities for unified recycling and disposal. The Group strictly complies with the Measures of the General Administration of Customs of the People's Republic of China for the Administration of Processing Trade Scrap, Remaining Materials, Defective Products, By-products and Damaged Bonded Goods and other relevant laws and regulations on waste disposal. In addition, domestic waste generated from daily operations is sorted and collected by the municipal environmental sanitation department on a daily basis. The Group supports the principles of the circular economy by promoting reuse and recycling practices in the workplace. In addition to reusing paper and paper towels in the office, the Group also converts organic kitchen waste into cleaning enzymes through fermentation.



The converted cleaning enzymes

Hazardous waste (such as scrapped computers, waste batteries and waste ink cartridges) is delivered to qualified recycling enterprises for disposal. Other hazardous waste generated during production (including sewage, waste engine oil, waste activated carbon and waste glue) is classified, packaged and stored in accordance with the requirements of the local rules and regulations, and is centrally treated and disposed of safely by environmental protection technology enterprises.





ENVIRONMENTAL PROTECTION

SUSTAINABLE OPERATION

Apart from emission management, the Group also recognises the importance of sustainable development in its daily operations. During the Year, the Group did not have any issues in sourcing water or energy.

The Group has formulated and implemented resources and energy management policies, such as the energy-saving and consumption reduction management system, and green office policy to reduce consumption and conserve resources.

Various measures have been implemented during the Year, such as:

Energy Conservation

Lighting System

- ✓ Utilising light-emitting diode (LED) lights instead of traditional incandescent light bulbs;
- ✓ Dividing the indoor areas into different light areas with independent switches;
- ✓ Installing motion sensors in infrequently used areas;
- ✓ Reducing the number of light fixtures in areas with brightness levels higher than required;
- ✓ Maintaining lighting fixtures and bulbs clean to maximise their energy efficiency;
- ✓ Reminding employees to switch off lights and electric devices when leaving workplaces;
- ✓ Maximising natural light in the workplace as far as practicable; and
- ✓ Designing the workspace layout to improve energy efficiency.

Air Conditioning and Cooling

- ✓ Adopting central control for the air-conditioning system;
- ✓ Utilising air-conditioning system with first-tier energy efficiency labels;
- ✓ Regularly inspecting and replacing pressure gauges, pressure hoses, and connectors of air compressors to reduce the likelihood of cooling agent leaks;
- ✓ Adding shade nets in summer to reduce indoor temperatures;
- ✓ Shortening the operating time of air-conditioning; and
- ✓ The average daily operation time of central air-conditioning in Dongguan Shidai has been reduced by 3 hours, and the idle rate of split air-conditioning has increased by 25%.

Staff Engagement

- ✓ Promoting eco-friendly practices to employees through emails, posters, and internal networks to boost their environmental awareness; and
- ✓ Encouraging employees to utilise public transportation.

Operation Management

- ✓ Optimising transportation and delivery routes for goods;
- ✓ Planning the production process in advance to avoid the unnecessary use of high-powered equipment; and
- ✓ Adjusting operating time during summer to avoid operation at high-temperature.

Others

- ✓ Installing dedicated meters for high-powered equipment and regularly assessing their energy efficiency;
- ✓ Switching off power supply after working hours and on holidays;
- ✓ Promoting the use of the new technology and equipment; and
- ✓ Installing two electric forklifts in Indonesia Sitoy.

Water Consumption

Operation Management

- ✓ Adopting reasonable pipe network design based on water usage to reduce damage or leakage of pipe network and water-using equipment;
- ✓ Installing water-saving faucets and water spray system; and
- ✓ Checking water meter readings periodically, and regularly checking for hidden water leakage.

Others

- ✓ Collecting rainwater and reusing it for greening and fish ponds;
- ✓ Repairing dripping pipelines and faucets;
- ✓ Reminding employees by placing water saving reminder labels in toilets;
- ✓ Using products with "Water Efficiency Labels", such as water taps and urinal equipment; and
- ✓ Reusing reclaimed water for the central air-conditioning cooling tower and the glue-spraying water curtain.

ENVIRONMENTAL PROTECTION

In terms of specific measures, the Group continues to monitor water and electricity consumption data and regularly inspects the status of existing equipment. When replacing damaged equipment, the Group evaluates new equipment on the market and gives priority to energy-saving models. Beyond energy and water conservation, the Group has deeply integrated green office concepts into daily operations: encouraging employees to print on both sides, use recycled paper, adjust document formats to reduce paper usage, and promote electronic information transmission. It monitors paper consumption through regular inventory checks and adopts targeted improvement measures. In the packaging process, it prioritizes size-optimized materials and minimizes the use of fillers to reduce packaging material consumption.

The Group fully recognizes the impact of greenhouse gas emissions and is committed to reducing its carbon footprint. It has effectively reduced carbon emissions from commuting by advocating green commuting and replacing non-essential business trips with video conferences.

During the Year, the Group was accredited with the "Wastewi$e" certificate at a Good Level and "Energywi$e" certificate at a Basic Level by the Hong Kong Green Organisation Certification.





As an environmentally responsible company, we actively participate in green living and energy-saving events to demonstrate our commitment to support the environment and raise environmental awareness of our employees. In collaboration with the WWF-Hong Kong, we participated in "Earth Hour" on 28 March 2026 by switching off non-essential lights and electric-powered devices in our offices and retail stores for one hour in response to the global challenge of climate change.



ENVIRONMENTAL PROTECTION

RESPONSE TO CLIMATE CHANGE

Climate change has become a major challenge facing the global community. The Group attaches great importance to the various impacts of climate change and has fully integrated climate-related considerations into its strategic planning. During the Year, the Group continued and enhanced its climate-related disclosures under Part D of Appendix C2 to the Listing Rules. Organised around the four core pillars of "Governance", "Strategy", "Risk Management" and "Metrics and Targets", these disclosures set out the governance arrangements, management processes, response measures and progress towards targets adopted by the Group to identify, assess, monitor and respond to climate-related risks and opportunities.

(i) Governance

The Group has integrated climate-related risks and opportunities into its ESG governance structure, which comprises the Board, the ESG Committee and management. As the highest governing body, the Board oversees the Group's sustainable development policies and strategies, taking the lead on deliberation, decision-making, management and supervision. The Board has delegated climate governance responsibilities to the ESG Committee, with execution delegated to management.

To ensure climate matters are systematically addressed, the ESG Committee integrates them into the agenda of its regular meetings, which are held at least once a year and upon the request of any member. These meetings focus on discussing the Group's climate-related risks and opportunities, as well as assessing whether management has implemented effective measures to mitigate climate change impacts. The ESG Committee also reviews and monitors progress towards ESG and climate targets at its regular meetings, making revisions as needed to keep strategies on track. In addition, the ESG Committee considers climate-related risks and opportunities when reviewing the Group's strategies and risk management processes and related policies, and evaluates their potential impacts on the Group's business development and operations.

Management's core responsibilities include monitoring the implementation of the Group's climate-related actions and plans in line with the strategy, as well as reporting on the progress of climate-related assessments to enhance the Group's resilience. These controls and procedures are fully integrated within the Group's policies in various operational departments to enable the Group to proactively identify potential climate-related risks and opportunities, make data-informed decisions, and roll out actionable climate action plans.

To ensure the Board has the expertise to fulfil its oversight role, the Group supports directors in enhancing their climate-related knowledge and capabilities. Initiatives include providing access to specialised learning resources, organising targeted internal training sessions, and facilitating participation in climate-focused programmes and seminars delivered by external professional institutions. These efforts strengthen the Board's ability to navigate complex climate challenges and stay abreast of the latest developments in climate risks and opportunities.

This well-structured and clearly accountable climate governance framework enables the Group to systematically address the challenges posed by climate change and provides solid assurance for our long-term sustainable development.

ENVIRONMENTAL PROTECTION

(ii) Strategy

The Group aims to enhance our business resilience to climate change and build an environmentally responsible enterprise. We have refined our risk assessment procedures to analyse the potential impacts on our businesses and value chain, thereby evaluating and formulating optimal mitigation measures.

To operationalise these goals and address the limitations of traditional risk assessment procedures in capturing long-term climate impacts, the Group conducted the first comprehensive climate scenario analysis in FY2026. This analysis covered both physical risks and transition risks, as well as climate-related opportunities, with detailed screening and assessment performed for each risk and opportunity category.

– **Physical risks:** Risks related to physical impacts of climate change, which can be event-driven (acute risks) or caused by longer-term shifts in climate patterns (chronic risks).

– **Transition risks:** Risks related to the transition to a lower-carbon economy, which may entail policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.

– **Climate-related opportunities:** Opportunities emerging from the low-carbon transition and climate adaptation process, covering areas such as green product development and operational energy efficiency improvements, which can bring positive benefits to the Group, including revenue growth, cost savings and enhanced brand value.

To conduct a comprehensive analysis of climate-related risks and opportunities that may arise throughout our business development, the Group needs to take into account factors such as global temperature rise pathways, changes in climate policies and time horizons of impact. Therefore, we selected scenario assumption models and relevant parameters from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) and the Phase 5 public release of the Network for Greening the Financial System (NGFS). The selected scenarios align with the nature of the Group's industry and strategic goals and are consistent with China's 'dual carbon' strategy and the Hong Kong government's target of 'achieving carbon neutrality by 2050'. Moreover, the Group expects the anticipated impact range of risks and opportunities to have a material impact over the short, medium and long term, covering up to 2030, up to 2040 and up to 2050. These time horizons are defined by taking into account the Group's operational budgeting cycle and strategic business planning cycle.

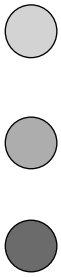
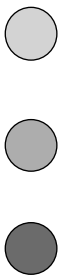
In the scenario analysis, we assume that there will be no changes to our mitigation policies and reporting scope within the anticipated impact range of risks. The following table presents the selected climate scenario models covering both low-emission and high-emission scenarios to better understand the impacts of climate change on the Group.

ENVIRONMENTAL PROTECTION

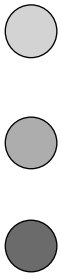
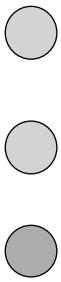
Scope	Same as the reporting boundary, which covers all principal operating activities of factories, warehouses and offices in Hong Kong, Chinese Mainland and Indonesia.
Scenario Used	IPCC for physical risks analysis: • **SSP 1–2.6:** Global warming reaches 2.0°C. Governments' social, economic and clean energy transitions align with historical trends. Stringent policies amplify transition risks for enterprises, while physical risks remain notable. • **SSP 5–8.5:** Global warming exceeds 4°C. Delayed government climate action, stalled emission reduction/adaptation and insufficient policies drive extreme climate impacts, increasing enterprises' immediate and long-term physical risks. NGFS for transition risks analysis: • **Net Zero 2050:** Early adoption of stringent climate policies. By reducing energy demand and advancing low-carbon technologies, it aims to limit global warming to well below 1.5°C and achieve global net-zero carbon dioxide emissions around 2050. • **Current Policies:** Only currently implemented climate policies remain in place, leading to continued growth in GHG emissions. Global warming is projected to exceed 3°C, resulting in severe physical risks.

The Group has identified the core financial implications of key climate risks and opportunities and provided detailed qualitative disclosures in the tables below. The following six climate-related risks and opportunities, which are reasonably expected to affect the Group's cash flows, access to financing and cost of capital, have been identified from the assessment and analysis conducted under the selected high-carbon and low-carbon scenarios across short, medium and long-term time horizons from 2030 to 2050. Detailed qualitative assessment results for these risks and opportunities are presented in the tables below.

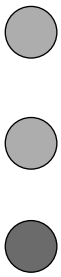
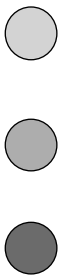
ENVIRONMENTAL PROTECTION

Physical Risks					
Risk Category	Affected Areas	Materiality Level[1]		Impact on Business	Impact on Financial Performance
Acute extreme weather events	Production factories and equipment; retail stores and logistics & supply chain operation	Short term (2030) Medium term (2040) Long term (2050)		Business model: Extreme weather can reduce production efficiency and result in equipment damage or failures. Value Chain: Extreme weather can damage warehouses, disrupt logistics, delaying deliveries and even harming customer trust and brand image.	Higher repair, maintenance and replacement costs; revenue loss from reduced production capacity; higher fixed-asset impairment risk.
Chronic precipitation changes	Production factories and equipments; retail stores and logistics & supply chain operations	Short term (2030) Medium term (2040) Long term (2050)		Business model: Higher humidity makes it harder to protect moisture-sensitive leather, fabric and finished goods, increasing stock damage. Value Chain: Delivery delays during extreme weather.	Rising energy and warehouse maintenance costs; growing risk of inventory write-downs; higher logistics and expedited shipping costs.

ENVIRONMENTAL PROTECTION

Transition Risks					
Risk Category	Affected Areas	Materiality Level		Impact on Business	Impact on Financial Performance
Market demand shift toward sustainable products and eco-friendly manufacturing methods	Own-brand business, brand assets, product mix	Short term (2030) Medium term (2040) Long term (2050)		Business model: Without timely adaptation, the Group could lose eco-conscious customers to low-carbon alternatives and lose competitiveness. Value Chain: Consumers and brand customers increasingly prefer sustainable materials and low-carbon products. Furthermore, they may request eco-friendly manufacturing methods.	Higher spending on sustainable materials, certifications and R&D; potential brand revaluation; revenue mix changes or revenue decline if the trend is missed. Extra investment in fixed assets/ extra cost for re-assessment of production methods that help reducing pollution.
Policy and Regulation Tightening	Cross-border trade, compliance operations, sites in China, Indonesia and Hong Kong	Short term (2030) Medium term (2040) Long term (2050)		Business model: Expanding carbon pricing and disclosure requirements raise compliance burdens. Value Chain: Supplier carbon costs may be passed on; tighter export-market rules could affect market access.	Rising compliance, data and low-carbon retrofit costs; higher operating cash outflows; squeezed margins from supplier price increases; potential carbon tax costs.

ENVIRONMENTAL PROTECTION

Climate-related opportunities					
Opportunity Category	Affected Areas	Materiality Level		Impact on Business	Impact on Financial Performance
Operational energy efficiency	Operation sites including warehouses and production areas	Short term (2030) Medium term (2040) Long term (2050)		Business model: Continue energy-saving measures to reduce energy use. Value Chain: Improve operational resilience.	Lower long-term operating costs; reduced exposure to energy price volatility.
Green product promotion and business expansion	Product development and sales	Short term (2030) Medium term (2040) Long term (2050)		Business model: Develop eco-friendly footwear, handbags and small leather goods using recycled materials and green certifications to strengthen brand positioning. Value Chain: Attract sustainability-conscious customers.	Green product premiums and market share growth support revenue and margins; stronger brand value.

[1]Materiality Definitions –

: Handle through standard existing processes;

: Need to be monitored consistently;

: Require management strategy planning and implementation tracking.

With respect to the climate-related risks and opportunities identified above, the Group has formulated corresponding adaptation and mitigation measures as well as strategies to pursue related opportunities. These measures have been integrated into the Group's day-to-day operational management system and will be dynamically optimised in response to the evolution of climate risks and business development.

ENVIRONMENTAL PROTECTION

Types of Risks	Mitigation Measures
Acute extreme weather events	• Maintain comprehensive insurance; • Keep emergency response and business continuity plans updated and drill regularly; • Strengthen flood and wind protection and backup power/equipment; • Arrange backup capacity and alternative logistics; • Distribute its production facilities and operational activities across different geographic locations to reduce its dependence on any single site.
Chronic precipitation changes	• Strengthen warehouse humidity and temperature controls and inspections; • Improve inventory management to reduce mould and damage; • Improve drainage and rainwater reuse.
Market demand shift toward sustainable products	• Monitor customer and market sustainability trends; • Develop eco-friendly products with recycled materials and green certifications; • Strengthen green branding to reduce substitution risk; • Develop eco-friendly manufacturing methods.
Policy and Regulation Tightening	• Monitor climate policy in China, Indonesia, Hong Kong and export markets; • Promote low-carbon transition across the supply chain; • Assess carbon pricing and tariff impacts.

Types of Opportunities	Response Measures
Operational energy efficiency	• Continue optimising lighting and production equipment; • Assess the feasibility of installing on-site solar photovoltaic; • Monitor and review energy performance regularly; • Improve operational energy efficiency by monitoring market trends and adopting green practices
Green product promotion and business expansion	• Expand low-carbon supplier and partner networks; • Promote green products through own brands and retail channels.

ENVIRONMENTAL PROTECTION

Going forward, the Group will regularly monitor climate-related risks and opportunities, evaluate mitigation effectiveness, adjust strategies based on operational performance, and track the progress towards all climate-related target achievement through daily monitoring. The Group will adjust climate-related targets in a timely manner based on operational performance and external climate trends, to ensure the targets are both feasible and ambitious. We will also optimise mitigation and response measures as needed, in line with target progress and the results of effectiveness evaluations. Based on the climate-related scenario analysis described above, the Group assesses that during the Year its strategy and business model are reasonably resilient to climate-related changes, developments and uncertainties, taking into consideration its identified climate-related risks and opportunities. Significant areas of uncertainty considered in the assessment of the Group's climate resilience include the timing and severity of physical climate impacts, the pace and direction of developments in policy, technology and markets, and the limitations in quantifying the related financial effects. The Group has the capacity to adjust, or adapt, its strategy and business model to climate change over the short, medium or long term through its climate governance and risk management processes and operational efficiency measures.

(iii) Risk Management

The Group has integrated the processes for identifying, assessing, prioritising, and managing climate-related risks and opportunities into the overall risk management framework and system to embed climate risk management into day-to-day operations. We also ensure that the Group effectively addresses the challenges posed by climate change. This integration aligns with our existing risk management structure and no significant changes were made to our risk management process during the Year.

Throughout the processes, the Group considers parameters such as asset location and type, historical exposure to extreme weather and energy consumption patterns. Climate data from the publicly available scenario sources, as well as internal data such as utility consumption records and operational incident logs are utilised. Below is a summary of the climate risk and opportunity management process of the Group:

1. Identification	The Group conducts research on climate change trends, domestic and international industry developments and technological changes, carries out peer benchmarking and collects stakeholders' opinions. It also performs climate-related scenario analysis, taking into account its operational conditions and business characteristics. The identification scope covers the Group's major operating locations, relevant asset types, business processes and value chain links, and encompasses physical risks, transition risks and climate-related opportunities that may affect the Group. Through these research, benchmarking and analysis efforts, the Group develops a list of climate-related risks and opportunities, ensuring that the identification work covers the key links of its major operational and management processes.
2. Evaluation	The Group conducts a comprehensive assessment, taking into account the nature, likelihood and magnitude of the potential impacts and opportunities. The assessment is performed qualitatively across dimensions such as operational continuity, asset resilience, cost changes, compliance requirements, market demand and reputational impact; where data is available, quantitative information such as energy consumption, greenhouse gas emissions, resource use and historical operational data is also referenced.

ENVIRONMENTAL PROTECTION

3. Prioritisation	Based on the assessment results of climate-related risks and opportunities, the Group prioritises the identified items based on the likelihood of occurrence and significance of impact. This prioritisation process aligns with our overall risk management framework and business objectives.
4. Monitoring	Management regularly evaluates and monitors the identified climate-related risks and opportunities and continuously follows up on the implementation of climate-related action plans, including the execution of adaptation and mitigation measures, resource use, greenhouse gas emission performance and progress towards targets. The ESG Committee reviews the planning and execution of this work at its regular meetings, and material changes are reported to the Board as appropriate.

(iv) Metrics and Targets

The Group regards the advancement of climate resilience and sustainable operational practices as a core strategic priority. The Group consistently aligns its sustainability targets and associated initiatives with China's national 'dual carbon' strategy and Hong Kong's regional carbon peaking and neutrality objectives.

To align with these climate frameworks, the Group conducts ongoing assessments of its ESG KPIs and has developed targeted reduction and management goals that mirror the requirements of these national and regional climate and sustainability frameworks. In addition, the Group will continue to refine the mechanisms for formulating, evaluating and verifying these targets to ensure the transparency and credibility of its decarbonisation efforts.

Target Category	Target Scope	Qualitative Targets	Quantitative Targets	Progress Review
GHG Emissions	All operating sites of the Group	• Commit to the long-term production of carbon dioxide neutral products and the provision of carbon dioxide neutral services; • Continue to drive the transition towards the use of renewable energy instead of traditional fuels	Reduce Scope 1 and 2 GHG emission intensity by 3% by 2029/30, with a baseline of 2025/26	In progress
Waste	All operating sites of the Group	• Maximise resource utilisation, with the goal of establishing production processes that will not cause serious damage to the environment; • Reduce waste paper and other waste generated from production processes and from the use of our products	Reduce Hazardous and Non-hazardous Waste intensity by 3% by 2029/30, with a baseline of 2025/26	In progress

ENVIRONMENTAL PROTECTION

Target Category	Target Scope	Qualitative Targets	Quantitative Targets	Progress Review
Electricity	All operating sites of the Group	• Prioritise the use of energy-saving, highly efficient and environmentally friendly equipment and machinery; • Continue to drive the transition towards the use of renewable energy instead of traditional fuels	Reduce electricity consumption intensity by 3% by 2029/30, with a baseline of 2025/26	In progress
Water	All operating sites of the Group	• Continue to implement water conservation measures to reduce water consumption	Reduce water consumption intensity by 3% by 2029/30, with a baseline of 2025/26	In progress

During the Year, the Group conducted GHG identification, assessment and inventory activities to effectively manage our GHG emissions. These activities covered the Group's operations in Hong Kong, Chinese Mainland and Indonesia, with our Scope 1 and Scope 2 emissions accounting completed in accordance with the requirements of the 'Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)'. In addition, the Group completed a preliminary mapping of our Scope 3 emissions sources with reference to the 'Greenhouse Gas Protocol: A Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)'.

After taking into account our core operations, the estimated scale of emissions, data availability and peer research, the following categories are included in our Scope 3 calculation. Other categories are considered to have limited relevance to the Group's current business operations, or their data foundation and quantifiability still require further development, and are therefore not included in the calculation scope for this reporting period. The Group will continue to review the relevance of each Scope 3 category to its business operations and the availability of data, and will expand its data collection and disclosure scope as appropriate, so as to improve the completeness and data quality of future Scope 3 disclosures.

- Category 1: Purchased Services
- Category 4: Upstream Transportation and Distribution
- Category 5: Waste Generated in Operations
- Category 6: Business Travel
- Category 9: Downstream Transportation and Distribution

Please refer to the appendix for the specific GHG emission data.

EMPLOYMENT AND LABOUR PRACTICES

The Group is committed to creating a harmonious workplace for employees, aiming to enhance sincere and interactive communication, support their career development, and protect their interests. As a responsible employer, we strive to implement better employment practices and advocate ethics and human rights in the workplace.

EMPLOYMENT POLICIES

The Group believes that employees are the core driving force behind the Company's success. It is dedicated to providing a fair and open working environment for employees and strengthening their sense of belonging. The Group formulates employment policies not only in accordance with all local laws and regulations on employment and labour practices, including but not limited to the "Labour Law of the PRC", "Labour Contract Law of the PRC" and "Employment Ordinance of Hong Kong", but also in compliance with the employment standards required by our customers.

In recruitment, the Group ensures that all candidates are considered on a fair and open basis, without discrimination on grounds of age, gender, health status, marital or family status, race, nationality, religious belief, political affiliation, sexual orientation or any other characteristic. We adopt an internal-first recruitment strategy, offering existing employees promotion opportunities before considering external candidates, so that they have the chance to advance within the organisation. External recruitment is nonetheless considered where necessary to bring in fresh perspectives and specialised expertise.

Working hours are clearly defined in labour contracts and vary according to the nature and location of the work. The Group strictly prohibits forced labour. Where exceptional circumstances require overtime, employees are notified promptly, and compensatory leave or allowances are provided in recognition of the additional demands placed on them, reflecting our commitment to employee welfare and a healthy work-life balance.

The Group does not tolerate discrimination based on gender, sexual orientation, disability, age, race, national or ethnic origin, family status or any other legally protected characteristic. Our employment policies, which are aligned with the regulations of the regions in which we operate, apply to all employment activities and human resources-related matters, including recruitment, training, promotion, job transfer, remuneration, benefits and contract termination. The Group also actively embraces inclusive employment practices, such as recruiting people with disabilities, and provides the necessary facilities to help them adapt to the working environment. In addition, we actively organise or participate in equality and anti-discrimination activities to advocate against discrimination. The Group has also formulated a Group-wide Diversity, Equity and Inclusion Policy, which establishes a consistent framework for promoting diversity, advancing equitable treatment and building an inclusive workplace. The Policy requires employment-related decisions to be based on merit and legitimate business needs, and extends beyond employees to the Group's interactions with customers, communities, suppliers and other external stakeholders. It expressly prohibits harassment, sexual harassment, bullying, victimisation and vilification, and provides reporting and investigation channels through which employees can raise concerns confidentially without fear of retaliation.

When an employee intends to resign or is laid off, the human resources department conducts an exit interview to understand the reasons for departure and implements improvement measures to help reduce future employee turnover.

EMPLOYMENT AND LABOUR PRACTICES

The Group maintains strict compliance with applicable laws and regulations and holds a firm zero-tolerance stance towards child labour and forced labour, supported by an internal policy prohibiting such practices, and the Group reviews the implementation and effectiveness of such policy from time to time as appropriate. To prevent such practices, job applicants are required to provide personal documents such as ID cards, birth certificates, driver's licences, household registers and academic certificates, so that their age, identity, educational background and appearance can be verified against the information provided. Should any case of child labour or forced labour be discovered, the Group will take immediate action to terminate the employment concerned.

During the Year, the Group did not find any violations of applicable labour laws and regulations in its operating areas, nor did it receive any disciplinary actions related to labour protection issues.

SALARY AND BENEFITS

To attract and retain top industry talent, the Group offers competitive remuneration, supplemented by rewards and bonuses for outstanding performers. Remuneration packages are determined by each employee's qualifications, position and seniority, and are reviewed on an annual basis. Regular performance evaluations are carried out, and the results inform both training needs and other human resources decisions, including promotion, job transfer and remuneration setting. In addition to public holidays and other statutory holidays, employees are entitled to maternity leave, marriage leave, paternity leave and compassionate leave, among others.

In accordance with the Social Insurance Law of the PRC, the Mandatory Provident Fund ("MPF") Schemes Ordinance of Hong Kong, the Badan Penyelenggara Jaminan Sosial ("BPJS") regulations in Indonesia and other relevant laws and regulations, the Group makes social insurance and housing provident fund contributions for employees in Chinese Mainland, contributes to MPF schemes for employees in Hong Kong, and makes the contributions required under the BPJS regulations for employees in Indonesia. Beyond these statutory requirements, the Group provides employer liability insurance for employees in Chinese Mainland and medical and labour insurance for employees in Hong Kong. Dongguan Shidai and Yingde Leather provide employees with a range of amenity, medical and recreational facilities, including canteens, clinics, sports grounds, libraries and internet centres. In Indonesia, the Group safeguards employees' welfare through BPJS Kesehatan and BPJS Ketenagakerjaan in compliance with statutory requirements, complemented by additional benefits such as canteens, clinics and meal allowances. In addition, we have received several awards in recognition of our efforts in this area.



EMPLOYMENT AND LABOUR PRACTICES

To promote work-life balance and foster a supportive workplace culture, the Group organised a variety of employee activities and provided comprehensive staff benefits during the Year, including:

Celebration of Chinese New Year





During the Chinese New Year, we held handicraft workshops and wrote couplets to decorate the office, boosting staff engagement.







We also organised a joint celebration across Dongguan, Hong Kong, Shanghai, Yingde, and Indonesia, with around 4,000 employees attending fashion shows, song and dance performances, all of which were received with enthusiastically.

EMPLOYMENT AND LABOUR PRACTICES

Celebration of Chinese Mid-Autumn Festival

To celebrate the Mid-Autumn Festival, some branches gathered together and prepared a carefully organised dinner for all employees, and some held exciting game activities, greatly enriching the staff's after-work lives.







Celebration of Dragon Boat Festival

During the Dragon Boat Festival, the Group demonstrated its care for employees by distributing approximately 400 beautifully packaged gifts containing traditional festive treats, such as zongzi, and organising enjoyable festival-themed games for employees.



EMPLOYMENT AND LABOUR PRACTICES

Sitoy Summer Fiesta







In July and August, the Group launched the "Sitoy Summer Fiesta" campaign to promote work-life balance among employees. The campaign featured a series of health-promoting activities, including Ice Cream Day, Fruit Day and summer cooling initiatives to help employees beat the heat. These initiatives helped reduce employee stress and improve work efficiency. In addition, Indonesia Sitoy organised "Fiesta Summer" in conjunction with the Independence Day celebrations, providing employees with an opportunity to come together, celebrate Indonesia's national spirit and enjoy a range of festive activities in a lively and engaging atmosphere.





EMPLOYMENT AND LABOUR PRACTICES

Team Building Activities

To foster strong cross-departmental collaboration, boost morale, and cultivate a positive workplace culture, the Group regularly organises interactive team-building activities. Through outdoor team challenges, wellness workshops, and social gatherings, we create meaningful opportunities for employees to connect, collaborate, and recharge beyond their daily responsibilities. These initiatives reflect our belief that a cohesive, engaged, and highly motivated team is fundamental to our shared long-term success. Here are some memorable moments from the events.











EMPLOYMENT AND LABOUR PRACTICES

Our commitment to promoting work-life balance and happy workplace culture has been recognised and awarded as "Happy Company" by The Chinese Manufacturers' Association of Hong Kong and Promoting Happiness Index Foundation for the sixth consecutive year in 2026. In recognition of the Group's continuous contributions in caring for the environment, employees and the community, the Group has been awarded "Caring Company" by the Caring Company Scheme launched by the Hong Kong Council of Social Service.





DEVELOPMENT AND TRAINING

The Group attaches great importance to building a team with diverse expertise and helping employees explore their potential. To this end, it conducts regular performance appraisals to evaluate employees' work abilities, efficiency, attitudes, interpersonal skills, and other competencies. Outstanding employees will be given promotion opportunities. With the aim of fully unlocking employees' potential, the Group has developed a comprehensive internal promotion system and provides them with smooth career development paths.

Meanwhile, the Group offers pre-job training programmes to new recruits before they start working, enabling them to familiarize themselves with the Group's policies and organisational structure, work culture, employee benefits, and safety knowledge. From time to time, it also provides on-the-job training at different levels to help employees enhance their skills and productivity. For example:

- Training on the introduction of manufacturing requirements and the origin of customers' brands is provided for workshop leaders and management;
- Training on manufacturing skills such as the oblique opening of cutting bed is provided for leaders working in workshops;
- Orientation training such as occupational health and safety, business ethics and chemicals knowledge is provided for new employees;
- Training on safety awareness of supply chain is provided for the management of different departments;
- Training on risk and emergency management is provided for new employees and different departments;

EMPLOYMENT AND LABOUR PRACTICES

- Training on information security management and disposal is provided for employees using computers and working in the office premises;
- Training on the latest relevant laws, regulations and policies is provided for custom department, human resources department and other related departments;
- Training on customs and shipping and the latest relevant laws, regulations and policies is provided for employees of the customs department, finance department, and human resources department;
- Warehouse management training is provided for employees working in warehouses;
- Trade security training;
- Training on operation procedures for management in workshop;
- Training on social responsibility including occupational health, safety, environment and business standard of clients is provided for management in workshop;
- Training on displaying newly arrived products for employees in the retail store;
- First Aid Training and Fire Brigade Training for colleagues; and
- Health awareness training, such as an anti-AIDS awareness session.



In addition to internal training, the Group offers external training programmes to meet employees' training needs, such as leadership training, management training, and team-building training. To encourage employees to participate in work-related training courses offered by external professional organisations, the Group provides subsidies for external training to eligible employees.

EMPLOYMENT AND LABOUR PRACTICES

OCCUPATIONAL HEALTH AND SAFETY

The Group is paying close attention to employees' health and safety. The Group not only adheres to the provisions of the "Law of the PRC on the Prevention and Control of Occupational Diseases", "Occupational Safety and Health Ordinance of Hong Kong", and other local relevant laws and regulations, but also complies with all occupational health and safety guidelines imposed by customers. During the Year, all of the Group's production factories have obtained WRAP Certification affirming its commitment to safe, lawful and ethical manufacturing practices. Furthermore, the Group received a Certificate of Compliance from the Ministry of Manpower of the Republic of Indonesia (Kemnaker RI) in achieving an outstanding compliance score of 91.89, classified under the "Excellent" category. This recognition demonstrates the Group's commitment to upholding labor standards, promoting occupational safety and health, and continuously enhancing compliance with Norma 100 requirements.









The Group has established a comprehensive work safety plan covering safety inspections, incident reporting and handling, safety training and equipment safety management, with a view to strengthening overall safety management and enhancing employees' safety knowledge and awareness. To uphold the principle of 'prevention is better than cure', four internal safety inspections are conducted at the workplace every month. Employees across the Group actively support these arrangements and attach great importance to workplace safety.

EMPLOYMENT AND LABOUR PRACTICES

Upon recruitment, new employees are introduced to essential safety information during pre-job training, including job content, occupational hazards and work safety requirements. They are required to complete the induction training and pass an examination before taking up their posts. To minimise work-related risks and injuries, the Group has developed safety guidelines and operation manuals for manufacturing processes, which are displayed in employees' work areas, including on walls and workstations. Work safety training programmes and adequate personal protective equipment and supplies are also provided to employees, supported by a standardised system for their distribution, provision and management. In addition, third-party consultants regularly inspect occupational hazards arising from chemical materials, indoor air quality, dust and noise, and carry out equipment maintenance checks in accordance with applicable national or industry standards, so as to ensure a safe working environment.

To respond promptly and effectively to dangerous incidents, injuries and other emergencies, the Group has formulated detailed emergency management procedures covering fires, hazardous chemical spills, work-related injuries, infectious diseases and natural disasters.

The Group also conducts safety and fire drills on a regular basis to enhance employees' safety awareness and emergency response capabilities. During the Year, Dongguan Shidai, Yingde Leather and Indonesia Sitoy all carried out hazardous chemical leakage drills and fire drills.









The Group carried out material risk assessment to identify the source of risks and safety assessment, and continuously improved and monitored the issues. During the Year, there were 302 lost days due to work injury among our employees. In the past three years, there were no work-related fatalities. The Group did not notice any non-compliance with the applicable laws and regulations relating to occupational health and safety in the areas where it operates and did not face any disciplinary action with respect to occupational health and safety issues.

The Group prioritises the health, safety, and overall well-being of its workforce as a foundational element of our corporate culture. The Group is dedicated to maintaining a secure, healthy, and supportive work environment by enforcing rigorous workplace safety standards, providing continuous health and safety training, and promoting holistic physical and mental wellness initiatives. Through proactive risk management, ongoing safety audits, and an open culture where employee well-being is continually monitored and championed, we ensure our team members feel safe, valued, and empowered every day.

EMPLOYMENT AND LABOUR PRACTICES

Our commitment to employee health and safety is reflected in concrete, daily workplace practices. We align our infrastructure with international standards – such as installing proper stair handrails, mandate occupational disease health examinations for staff to ensure ongoing preventive care. To protect our workforce from broader health threats, we implement responsive hygiene measures, including whole-factory disinfections during peak influenza periods, ensuring a clean and supportive environment.




Occupational disease health examinations






Whole-factory disinfections

OPERATION MANAGEMENT

Integrity, responsibility and compassion are the foundation stones we use to build excellence in our operation. We have continued to safeguard the quality of our products and services with reliable and accountable management systems whilst adhering to the principle of sustainable development.

SUPPLY CHAIN MANAGEMENT

The raw materials used to produce handbags, small leather goods, travel items and footwear mainly comprise leather, fabric, straw, polyurethane and polyvinyl chloride, together with auxiliary materials such as threads, linings, reinforcing materials, edge paints and a range of packaging materials.

Where customers designate suppliers in their orders, the Group follows the order requirements strictly and procures raw materials of the specified quantity, type and quality. For orders without designated suppliers, the Group's procurement team selects suppliers against its own criteria, including quality, price, experience, service, compliance and payment terms. To maintain an efficient and stable supply chain, the team conducts regular visits to both designated and non-designated suppliers, ensuring that raw materials meet the required standards and are delivered on time. Only suppliers that satisfy these criteria are included on the certified supplier list. The Group also inspects incoming raw materials rigorously; materials that fail its tests are returned to the relevant suppliers, and suppliers that repeatedly fall short of the Group's requirements are removed from the certified list, with procurement discontinued.

The Group is attentive to the environmental and social risks embedded in its supply chain. It regularly reviews updates to supply chain-related policies and regulations in the regions where it operates so as to identify potential risks, and engages with both internal and external stakeholders to understand the environmental and social implications of its sourcing activities. Suppliers' environmental and social performance is taken into account in the selection process, and the Group will not accept suppliers that fail to comply with environmental and social policies and regulations, including those associated with child labour, human rights violations, occupational safety issues or environmental protection risks. In addition, the Group's procurement processes are subject to customer-imposed guidelines on safety, health, environment and human rights, which help reduce the environmental and social risks arising from its manufacturing operations. Many raw material suppliers are designated by customers and have been recognised by those customers for their environmental and social governance performance.

The Group embeds environmental considerations in its supply chain management and procurement practices. It assesses the environmental impact of products and raw materials, giving priority to items with minimal environmental impact, such as those carrying water-saving labels, recyclable materials and energy-efficient products. Preference is also given to items with significant recycling benefits, minimal packaging and extended shelf life. Where appropriate, the Group selects suppliers that are geographically closer and more accessible in order to reduce transport-related carbon emissions. Employees are likewise encouraged to use products purchased earlier so as to avoid waste caused by expiration.

During the Year, the Group had a total of 605 suppliers. The suppliers by location are presented in the table below:

Locations	Number of Suppliers
Chinese Mainland	386
Indonesia	52
Italy	46
Hong Kong	38
Others	83

OPERATION MANAGEMENT

QUALITY CONTROL

Product quality and safety are the foundation of the Group's product commitment and are embedded in every stage of its manufacturing process. Through long-standing cooperation with international brands, the Group has developed in-depth expertise and know-how across every key step of production, particularly in the manufacture of high-end and luxury handbags and small leather goods. Dongguan Shidai and Yingde Leather are each recognised as an advanced Authorised Economic Operator ("AEO") (高級認証企業) by the Customs of PRC for complying with the relevant supply chain security standard.





The Group adopts a scientific approach to management, supported by the Electronic Tracking System ("ETS") and the Enterprise Resources Planning ("ERP") system. These systems are used to evaluate manufacturing performance, identify production bottlenecks, improve operational efficiency and further enhance production capabilities. Through them, the Group can manage production processes in real time, track the status of raw materials and finished products, and assess employees' work efficiency with ease. After inspection, each batch of leather and fabric, which are key raw materials, is assigned a barcode by the ERP system and stored in warehouses equipped with air-conditioning, humidity control and specially designed racks before being delivered to the production lines.

Production line employees are well trained and possess the necessary experience and skills, with each employee assigned to a specific step in the manufacturing process to enhance work efficiency. To ensure high productivity, the ETS displays the daily target number of components that each employee is expected to complete in every workshop, and a team leader is responsible for supervising and monitoring the quality of a specific step on each production line. To confirm that finished products meet the relevant requirements and that defective items are identified at an early stage, the Group conducts various quality inspections, including random sampling tests at different stages of the manufacturing process. Laboratory testing procedures are also carried out, covering decolourisation and fading, warping, abrasion, tensile strength and water resistance. Customers also deploy on-site quality control personnel to inspect finished products. Where customers report any non-conforming products, the Group recalls them in accordance with the procedures required by the customers and takes corresponding remedial measures to minimise impacts and customer losses. During the Year, the Group was not aware of any products being recalled for safety or health reasons.

OPERATION MANAGEMENT

The Group has also established a chemical management team to implement a range of quality management measures. For example, it engages third parties to conduct chemical testing on finished products, ensuring compliance with the product safety standards of the United States, the European Union or other international standards, as required by customers and by the laws and regulations on restricted and hazardous materials in the regions where the products are imported and sold.

The Group has successfully fulfilled the requirements of the relevant ISO standard, demonstrating our strong commitment to quality, efficiency, compliance, and continual improvement. This achievement reflects the effectiveness of our management systems, processes, and internal controls, while reinforcing our dedication to meeting customer expectations and applicable regulatory requirements.



CUSTOMER SERVICE

The Group sells handbags, small leather goods, travel items and footwear under the TUSCAN'S and Fashion & Joy brands through its retail stores and e-commerce platforms in Chinese Mainland and Hong Kong. Committed to delivering high-quality products and services, the Group strictly enforces quality control throughout the manufacturing process.

The Group has developed service guidelines for retail store employees, requiring them to serve customers with enthusiasm and sincerity, maintain a solid grasp of product knowledge and promote sales in line with customers' needs. Customer complaints must be handled politely and promptly, with appropriate follow-up measures taken. The Group generally provides a warranty period for all products sold in its retail stores; where defective products are identified, employees carefully confirm and record customers' maintenance requirements. The Group also seeks to improve service quality and refine product development by collecting and retaining customers' opinions and suggestions and by conducting customer satisfaction surveys.

During the Year, the Group did not receive any complaints regarding our retail businesses.

OPERATION MANAGEMENT

ADVERTISEMENT AND PROMOTION

The Group strictly complies with applicable laws and regulations, such as the "Advertising Law of the People's Republic of China". It promotes the products sold in its retail stores through both online and offline activities. Online activities mainly comprise interactions on social media platforms such as Facebook, Instagram, WeChat, Weibo and TikTok, as well as promotions on the official website and other online media. Offline activities include roadshows, new store opening events, in-store displays and promotions, and magazine advertisements, among others.

The Group is committed to ensuring that all advertising and promotional activities comply with the advertising and promotion laws and regulations of the regions in which it operates, including but not limited to the "Advertising Law of the PRC" and "Trade Descriptions Ordinance of Hong Kong". Clear standards have been established for advertising and product label design, for the procedures to obtain promotional materials and for related considerations. All published product information is subject to strict review and contains no false advertising of any form that could harm consumers' rights and interests.

PRIVACY AND INTELLECTUAL PROPERTY PROTECTION

The Group attaches great importance to privacy protection and complies with applicable privacy laws and regulations, including but not limited to the Personal Data (Privacy) Ordinance of Hong Kong. All new recruits are required to sign a confidentiality agreement. Under the Group's confidentiality provisions and non-compete restrictions, employees are prohibited from disclosing technical information (such as manufacturing methods, experimental data, drawings and operation manuals), business information (such as customer lists, marketing plans, procurement documents and cooperation agreements) or customer information. Employees must provide sufficient justification before accessing any customer information. The collection and use of such data must be carried out lawfully, and customer information may only be used through the channels specified in the contract. In addition, employees are required to store and use the Group's information and documents in strict compliance with its regulations. The Group continuously monitors and tests for privacy risks and organises employee training sessions on privacy matters to promote privacy awareness.

The Group strictly abides by the "Trademark Law of the PRC", "Copyright Law of the PRC", "Copyright Ordinance of Hong Kong" and other relevant laws and regulations on intellectual property protection. In addition to manufacturing products for customers, the Group has established its own brands. It has implemented internal policies to eliminate the risk of infringing the intellectual property rights of customers and third parties in its design, research, development and manufacturing processes, while also protecting its own rights. Employees engaged in manufacturing customers' products are not permitted to participate in the production of the Group's own products. The Group's design and development team must ensure that its designs are not identical or closely similar to the products of other customers or to products available in the public market. Furthermore, measures have been adopted to support the management and protection of intellectual property, including storing product information on password-protected computers, encrypting files during transmission and prohibiting employees from taking product prototypes and samples out without permission.

During the Year, the Group did not find any violations of applicable laws and regulations on privacy and intellectual property protection in its operating areas, nor did it face any disciplinary actions related to these issues.

OPERATION MANAGEMENT

ANTI-CORRUPTION

The Group has long regarded honesty and integrity as among the most important moral principles. It adheres to all applicable local anti-corruption laws and regulations, including but not limited to the "Criminal Law of the PRC" and "Prevention of Bribery Ordinance of Hong Kong", and strictly prohibits any form of bribery and corruption in its operations. The Group has introduced a dedicated Whistleblowing Policy, which further demonstrates its determination to implement anti-corruption efforts.

Employees are obliged to avoid conflicts of interest when dealing with suppliers, customers and other third parties cooperating with the Group, and any potential conflicts of interest must be reported to the Group. Employees in important positions are required to sign an anti-commercial bribery statement. If employees discover any illegal behaviour, they should report it through the dedicated reporting email to the company secretary, and the whistle-blower's privacy will be strictly protected.

To enhance employees' awareness of ethical issues and corruption risks, training was provided to employees during the Year. For instance, anti-corruption training sessions were organised for employees, covering the laws, regulations and company policies relating to corruption prevention, as well as the skills for handling ethical situations in the workplace and the procedures for reporting corruption or other illegal conduct.

In respect of the procurement process, the Group has established an internal monitoring team to assess suppliers' performance on a monthly basis, with a view to identifying and preventing any illegal activities. When selecting suppliers, priority is given to those that have signed international anti-corruption agreements. The Group also promotes business integrity and ethics among its staff by regularly organising anti-corruption seminars.

During the Year, the Group did not find any violations of applicable anti-corruption laws and regulations, nor did it face any disciplinary actions related to corruption issues.



COMMUNITY INVESTMENT

While focusing on its business operation, the Group consistently meets its social responsibilities through community contributions. The Group remains committed to engaging in public welfare initiatives to assist the underprivileged in the communities it serves. During the Year, the Group has made contributions in the subsequent areas:

Awards for Social Impact and Community Engagement in Indonesia

The Group received three prestigious awards from the Kendal Special Economic Zone (KEK Kendal): Highest Labor Absorption, Most Innovative CSR, and 1 Village 1 Scholar CSR Program. Presented by the Governor of Central Java and the Regent of Kendal, these awards recognize the Group's ongoing commitment to social innovation, community empowerment, and the creation of sustainable employment opportunities.

The Highest Labor Absorption award acknowledges the Group's contribution to generating employment and supporting local economic development. The Most Innovative CSR award reflects the Group's efforts to implement creative and impactful initiatives that address community needs. Meanwhile, the 1 Village 1 Scholar CSR Program highlights the Group's commitment to expanding access to education and supporting talented students from surrounding communities. Collectively, these recognitions demonstrate the Group's continued efforts to create long-term value for its employees, local communities, and other stakeholders.





COMMUNITY INVESTMENT

Donation

Demonstrating our commitment to community welfare, the Group donated HKD500,000 in November 2025 to the government-established Tai Po Wang Fuk Court fire relief fund to support emergency relief and post-disaster recovery for affected residents. We extend our deepest sympathies and sincere best wishes to all the affected families as they rebuild and recover.



Yingde Leather continued its targeted poverty alleviation support during the Year. It donated RMB90,000 to the Guangdong Poverty Alleviation and Relief Day in June 2025 and RMB50,000 to Hengshishui Town for poverty alleviation and rural revitalisation, followed by a donation of RMB140,000 in support of Yingde City's "Hundreds, Thousands and Tens of Thousands Project" (百千萬工程) in June 2026.





COMMUNITY INVESTMENT

Support for Gender Equality

The Group celebrated International Women's Day across all its regions, reaffirming its commitment to gender equality and the recognition of women's contributions in the workplace. Through culturally appropriate gestures, including gifts and pledge cards in Hong Kong, gifts and red packets at Dongguan Shidai, festival gifts for employees at Yingde Leather, and roses presented to female employees in Indonesia, the Group expressed its appreciation for the dedication and achievements of its female employees. These activities also promoted an inclusive and supportive workplace culture in which all employees are valued and respected.







COMMUNITY INVESTMENT

Supporting Cancer Patients

The Group supported breast cancer awareness across all its regions, with employees taking part in pink-themed campaigns, including Dress Pink Day in Hong Kong and Yingde Leather, a 'Pink Ribbon' awareness campaign at Dongguan Shidai, and a breast cancer awareness talk and training session at Indonesia Sitoy. Donations raised from the Group's Dress Pink Day participation were directed to free breast cancer support services.









COMMUNITY INVESTMENT

Caring for our Environment – Tree Planting Challenge

Indonesia Sitoy carried out three tree-planting initiatives during the Year, donating and planting a total of 560 trees. These initiatives contributed to environmental conservation, enhanced local green spaces, and encouraged employee participation in sustainability activities.

Yingde Leather also organised a tree-planting day, during which 10 participants planted approximately 15 trees around the factory. The activity promoted environmental awareness among employees and supported the Group's efforts to improve the ecological environment surrounding its operations.







Indonesia Sitoy also conducted an environmental activity by planting 250 mangrove trees at Mangunharjo Beach. This initiative helps prevent coastal erosion, absorb carbon emissions, preserve coastal ecosystems, and provide habitats for marine life. The 250 mangrove trees planted are estimated to have a carbon sequestration potential of approximately 2,000 kg CO_2e per year.



COMMUNITY INVESTMENT

Caring for our Environment – Red Packets Recycling Initiative

During the Year, the Group participated in the Greeners Action "Reborn Lai See Packets" reuse and recycling programme in February 2026, distributing recycled red packets to employees and collecting used red packets for recycling. This initiative complements the office's earlier participation in the Greeners Action mooncake box recycling campaign. In addition, the office voluntarily signed the "Eco-Friendly Red Packets Charter" to reduce the printing of red packets, with the aim of cutting the production volume by 10% compared to the previous year. Moreover, the Group used these "renewed red packets" to distribute Chinese New Year red packets to its employees.

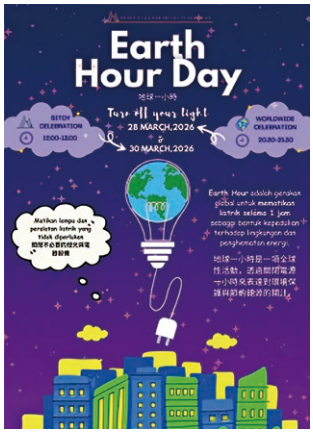




Caring for our Environment – Supporting Earth Day

In celebration of Earth Day, the Group launched a series of green workplace initiatives aimed at fostering environmental stewardship among our workforce. Through interactive eco-challenges, tree-planting drives, and practical education on energy conservation and waste reduction, we empowered employees to incorporate sustainable practices into both their personal lives and daily operations.





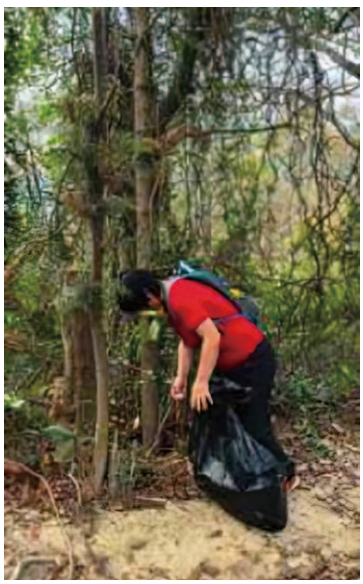
COMMUNITY INVESTMENT

Caring for our Environment – Cleaning up Litter in the Wild

The Group organised employee volunteer teams to conduct clean-up activities along local hiking trails, in parks, and across coastal areas. Through these initiatives, employees helped remove litter, reduce potential threats to wildlife, protect biodiversity, and restore the natural beauty of local ecosystems. The activities also fostered environmental awareness and encouraged employees to contribute actively to the protection of their surrounding communities.









COMMUNITY INVESTMENT

Giving back to Society – Blood Donation

The Group collaborated with local healthcare organisations to organise a corporate blood donation day, providing employees with an opportunity to contribute directly to the community and support patients in need. Through this initiative, employees were encouraged to participate in a meaningful cause that helps maintain an adequate blood supply for healthcare services and may provide critical support to individuals requiring medical treatment or emergency care. The activity also promoted greater awareness of the importance of blood donation and encouraged employees to embrace the spirit of volunteerism. By facilitating employee participation in community health initiatives, the Group demonstrated its commitment to social responsibility, employee engagement and making a positive contribution to the well-being of the wider community.







COMMUNITY INVESTMENT

Giving back to Society – Supporting Social Enterprise

The Group is dedicated to driving positive social and environmental impact by supporting and participating in the activities of purpose-driven social enterprises. Through direct event involvement, joint program initiatives, responsible procurement, and mentorship, we help these organisations scale their reach. We believe business success should actively champion community initiatives, foster inclusive economic growth, and contribute to sustainable development.

- ✧ Food Angel
  The Group participated in the Food Angel Food Assembly programme during the Year, successfully assembling approximately 7,000 meal boxes for those in need. The activity gave our employees the opportunity to contribute directly to community welfare, reflecting the Group's commitment to supporting the underprivileged.





COMMUNITY INVESTMENT

Giving back to Society – Supporting Social Enterprise

- Tai Po International Baptist Church

  The Group took part in the Superrun charity run held by Tai Po International Baptist Church on 1 March 2026, which supports children with special educational needs (SEN) and their families by funding essential therapy, counselling and community programmes that foster genuine inclusion and joy. The Group donated HK$10,000 to support children with SEN and their families.

浸信會欣悅社會服務處
Baptist Charis Social Service
大埔浸信會社會服務處
Tai Po Baptist Church Social Service





- Gingko House

  The Group supported Gingko House, a social enterprise dedicated to promoting senior employment in the food and beverage industry, by ordering its rice dumplings as Dragon Boat Festival treats. Through this initiative, the Group contributed to the enterprise's meaningful mission and supported employment opportunities for senior citizens.

銀杏館
Gingko House



SUMMARY OF KEY PERFORMANCE INDICATORS

The environmental and social key performance indicators are as follows (comparison of 2026 and 2025, which include Dongguan Shidai, Yingde Leather and Indonesia Sitoy):

Indicators[1]	Year ended 30 June 2026	Year ended 30 June 2025
Environmental Aspect		
Vehicle Exhaust Emissions[2]		
Total Emission of Nitrogen Oxides (NO_x) (kg)	62.38	62.85
Total Emission of Sulphur Oxides (SO_x) (kg)	0.37	0.35
Total Emission of Particulate Matter (PM) (kg)	5.02	4.58
GHG Emissions[3,4]		
Total Emission (Scope 1&2) (t CO_2e)	7,072.14	6,204.20
Scope 1 & 2 Emission Intensity (kg CO_2e/m^2 of floor area)	36.01	31.59
Scope 1 Direct Emissions[1 & 5] (t CO_2e)	202.27	262.58
Scope 2 Energy Indirect Emissions[6] (t CO_2e)	6,869.87	5,941.63
Scope 3 Other Indirect Emissions[7] (t CO_2e)		
• Category 1: Purchased Services	66.82	N/A*
• Category 4: Upstream Transportation and Distribution	459.13	N/A*
• Category 5: Waste Generated in Operations	163.95	162.03
• Category 6: Business Travel	105.95	68.65
• Category 9: Downstream Transportation and Distribution	978.81	N/A*

* The indicator was newly added during the Year; therefore, comparative figures for the previous year are not presented.

1 As the Group resubmitted the relevant data for 2024/25 this year, the Vehicle Exhaust Emissions, GHG Emissions, Non-hazardous Wastes, Hazardous Wastes and Direct Energy Consumption data for 2024/25 have been recalculated and updated in the table. The previous-year figures were recalculated to correct identified inaccuracies and to reflect the latest verified information.

2 The calculations of air pollutants from the PRC take reference from the emission factors from the Appendix II "Reporting Guidance on Environmental KPIs" ("Appendix II") published by the Stock Exchange.

3 The Group uses an operational control approach for GHG emission accounting. This methodology defines the accounting scope based on the Group's authority to enforce operational policies across its business activities, which more accurately reflects its actual responsibilities in carbon emission management, helps strengthen GHG emission monitoring and governance, and ensures that accounting outcomes align with its sustainability goals.

4 The calculation methodology of GHG emissions is aligned with "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)". Emission factors used for calculation are referenced from "Appendix II : Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, and the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department. The Group's GHG emissions include carbon dioxide, methane and nitrous oxide, and are presented in tonnes of carbon dioxide equivalent (tCO_2e) for better readability.

5 Scope 1 covers emissions from stationary combustion sources, emissions from vehicles, and fugitive emissions from refrigerant use and emission reductions from tree planting. The calculation method of stationary combustion sources is based on Appendix II provided by the Stock Exchange and the emission factors are from the "Enterprises in Other Sectors of Industry - Guidelines on Greenhouse Gas Emission Accounting and Reporting (Trial)" issued by the National Development and Reform Commission ("NDRC") of the PRC. The calculation method of emissions from vehicles is based on Appendix II provided by the Stock Exchange and the emission factors are from the "Land Transport Enterprises — Guidelines for Accounting and Reporting of Greenhouse Gas Emissions (Trial)" issued by the NDRC of the PRC. The calculation method and emission factors of fugitive emissions from refrigerant use are based on Appendix II provided by the Stock Exchange.

6 Scope 2 covers emissions from electricity purchased from power companies. This is calculated based on the emission factors in the "2022 Average Carbon Dioxide Emission Factor of China Regional Power Grid" provided by the NDRC. The increase in Scope 2 emissions is aligned with the increase in production volume during the Year.

7 Scope 3 covers the outbound business trip for employees, the methane gas generation at landfill due to paper waste and the electricity for water treatment, purchased services and upstream and downstream transportation and distribution. The calculation of outbound business trip is based on the International Civil Aviation Organisation Carbon Emissions Calculator. The calculation method and the emission factor of methane gas generation at landfill due to disposal of paper waste is based on Appendix II provided by the Stock Exchange. The calculation of electricity for water treatment is based on emission factors provided by the research published by Tsinghua University in "China Urban Water Supply System Energy Consumption Study" and the statistical analysis and quantitative identification of the energy consumption law of urban sewage treatment plants in China published by Tsinghua University and the National Urban Water Supply and Drainage Engineering Technology Research Centre. The emission factors used for other Scope 3 category calculations are based on a comprehensive set of supply chain emission factors developed by the U.S. Environmental Protection Agency (EPA). The increase in Category 6: Business Travel is aligned with the increase in operation in Indonesia during the Year.

SUMMARY OF KEY PERFORMANCE INDICATORS

Indicators[1]	Year ended 30 June 2026	Year ended 30 June 2025
Solid Wastes		
Non-hazardous Wastes[8]		
Total Production (t)	695.91	639.22
Production Intensity (kg/m^2 of floor area)	3.54	3.25
Hazardous Wastes[1 & 9]		
Total Production (t)	25.13	11.39
Production Intensity (kg/m^2 of floor area)	0.13	0.06
Use of Resources		
Energy[13]		
Total Consumption (MWh)	12,064.93	10,861.43
Consumption Intensity (kWh/m^2 of floor area)	61.43	55.30
Direct Energy Consumption[1 & 10] (MWh)	426.31	389.51
Indirect Energy Consumption[11] (MWh)	11,638.62	10,471.92
Water[12]		
Total Consumption (m^3)	306,184.12	339,107.07
Consumption Intensity (m^3/m^2 of floor area)	1.56	1.73
Packaging Materials[13]		
Total Consumption of Plastic Products (piece)	7,606,526	6,862,058
Consumption Intensity of Plastic Products (piece/product)	1.34	1.29
Total Consumption of Paper Products (piece)	36,268,782	27,737,918
Consumption Intensity of Paper Products (piece/product)	6.39	5.23

8 Non-hazardous waste for the year ended 30 June 2026 included domestic waste and food waste. The non-hazardous waste data for the year ended 30 June 2026 is based on the daily estimated volume of general waste and the volume-to-weight conversion factors provided by the Beijing Municipal Commission of Urban Management.

9 Hazardous waste included waste light tube, toner cartridge, sewage, computers and lubricant, and is calculated based on the actual amount of waste. The hazardous waste generation over the past two years has been updated by incorporating sewage discharge volume based on actual conditions. The increase in hazardous waste is primarily due to the replacement of activated carbon in air-purification equipment in accordance with the latest rules and regulations in 2026.

10 Direct energy consumption is derived from the fuel consumption of generators, gas cooking ovens and vehicles. The emission factors for generators and gas cooking ovens are provided by the "Enterprises in Other Sectors of Industry — Guidelines on Greenhouse Gas Emission Accounting and Reporting (Trial)" issued by the NDRC of the PRC. The calculation method of emissions from vehicles is based on the emission factors provided by the "Land Transport Enterprises — Guidelines for Accounting and Reporting of Greenhouse Gas Emissions (Trial)" issued by the NDRC of the PRC.

11 Indirect energy consumption is derived from purchased electricity consumption and is calculated based on the actual amount consumed.

12 Water consumption is calculated based on the actual amount consumed.

13 The increase in the consumption of energy and packaging material is aligned with the increase in production volume during the Year.

SUMMARY OF KEY PERFORMANCE INDICATORS

Indicators	Year ended 30 June 2026	Year ended 30 June 2025
Social Aspect		
Employment		
Total Number of Employees	5,128	4,474
By Gender		
Male	1,687	1,579
Female	3,441	2,895
By Age Group		
Below 30 Years Old	1,811	1,202
30 ~ 50 Years Old	2,464	2,477
Above 50 Years Old	853	795
By Type of Employment		
Full-time	5,128	4,441
Part-time	/	33
By Geographical Location		
Chinese Mainland	2,765	3,020
Hong Kong	4	3
Indonesia	2,359	1,449
Malaysia	/	2
Employee Turnover Rate[14]		
Total Employee Turnover Rate	29%	33%
By Gender		
Male	31%	34%
Female	28%	33%
By Age Group		
Below 30 Years Old	37%	68%
30 ~ 50 Years Old	25%	28%
Above 50 Years Old	27%	18%
By Geographical Location		
Chinese Mainland	30%	29%
Hong Kong	57%	29%
Indonesia	27%	51%
Malaysia	100%	/

[14] Employee turnover rate is calculated in accordance with the calculation formula: number of resigned employees divided by the average number of employees at the beginning and end of the year.

SUMMARY OF KEY PERFORMANCE INDICATORS

Indicators	Year ended 30 June 2026	Year ended 30 June 2025
Percentage of Employees Trained[15]		
Total Percentage of Employees Trained	100%	100%
By Gender		
Male	100%	100%
Female	100%	100%
By Employee Category		
Senior Management	100%	100%
Middle Management	100%	100%
Entry-level Management	100%	100%
Frontline Employees-Operators	100%	100%
Frontline Employees-Equipment Technicians	100%	100%
Average Training Hours Completed[16]		
Total Average Training Hours Completed	40	35
By Gender		
Male	34	28
Female	42	39
By Employee Category		
Senior Management	24	16
Middle Management	35	32
Entry-level Management	35	30
Frontline Employees-Operators	43	32
Frontline Employees-Equipment Technicians	35	53

[15] Percentage of employees trained is calculated in accordance with the Appendix III published by the Stock Exchange.
[16] Average training hours completed is calculated in accordance with the Appendix III published by the Stock Exchange.

APPENDIX: CONTENT INDEX OF "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE"

ESG Indicators	Summary	Sections	Page
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.	Environmental Protection Emission Management; Sustainable Operation	9 9 13
KPI A1.1	The types of emissions and respective emissions data.	Summary of Key Performance Indicators	51
KPI A1.2	Direct and energy indirect greenhouse gas emissions in total and intensity.	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced and intensity.	Summary of Key Performance Indicators	52
KPI A1.4	Total non-hazardous waste produced and intensity.	Summary of Key Performance Indicators	52
KPI A1.5	Description of emissions target set and steps taken to achieve them.	Emission Management; Response to Climate Change (Metrics and Targets)	10 23
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target set and steps taken to achieve them.	Emission Management; Response to Climate Change (Metrics and Targets)	12 23
Aspect A2: Use of Resources	**General Disclosure** Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection Sustainable Operation	9 13
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Summary of Key Performance Indicators	52
KPI A2.2	Water consumption in total and intensity.	Summary of Key Performance Indicators	52
KPI A2.3	Description of energy use efficiency target set and steps taken to achieve them.	Sustainable Operation; Response to Climate Change	13 24
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target set and steps taken to achieve them.	Sustainable Operation	13
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced.	Summary of Key Performance Indicators	52

APPENDIX: CONTENT INDEX OF "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE"

ESG Indicators	Summary	Sections	Page
Aspect A3: The Environment and Natural Resources	**General Disclosure** Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Protection Emission Management; Sustainable Operation	9 9 13
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emission Management; Sustainable Operation	9-14
Aspect A4: Climate Change	**General Disclosure** Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Repealed 1 January 2025	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Repealed 1 January 2025	
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.	Employment and Labour Practices Employment Policies; Salary and Benefits	25-26
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Summary of Key Performance Indicators	53
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Summary of Key Performance Indicators	53
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.	Employment and Labour Practices Occupational Health and Safety	33-34
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety	34
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety	34
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety	33-35

APPENDIX: CONTENT INDEX OF "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE"

ESG Indicators	Summary	Sections	Page
Aspect B3: Development and Training	**General Disclosure** Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employment and Labour Practices Development and Training	31-32
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Summary of Key Performance Indicators	54
KPI B3.2	The average training hours completed per employee by gender and employee category.	Summary of Key Performance Indicators	54
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.	Employment and Labour Practices Employment Policies	26
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment Policies	26
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Policies	26
Operating Practices			
Aspect B5: Supply Chain Management	**General Disclosure** Policies on managing environmental and social risks of the supply chain.	Operation Management Supply Chain Management	36
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	36
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	36
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	36
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	36

APPENDIX: CONTENT INDEX OF "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE"

ESG Indicators	Summary	Sections	Page
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.	Operation Management Quality Control; Customer Service; Advertisement and Promotion; Privacy and Intellectual Property Protection	36-39
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Control	37
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Service	38
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Privacy and Intellectual Property Protection	39
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Control	37
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Privacy and Intellectual Property Protection	39
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.	Operation Management Anti-corruption	40
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption	40
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption	40
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption	40

APPENDIX: CONTENT INDEX OF "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE"

ESG Indicators	Summary	Sections	Page
Community			
Aspect B8: Community Investment	**General Disclosure** Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment	41-50
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment	41-50
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment	41-50

ESG Indicators	Summary	Sections	Page
Climate-related Disclosures			
I. Governance			
19.	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Response to Climate Change: i Governance The Group has not incorporated climate-related performance metrics into its remuneration policy during the Year.	15

APPENDIX: CONTENT INDEX OF "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE"

ESG Indicators	Summary	Sections	Page
	(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and		
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies.		
	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:		
	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and		
	(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.		

APPENDIX: CONTENT INDEX OF "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE"

ESG Indicators	Summary	Sections	Page
II. Strategy			
20.	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall disclose: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Response to Climate Change: ii Strategy	16-20
Business model and value chain			
21.	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Response to Climate Change: ii Strategy	18-20

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Strategy and decision-making			
22.	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Response to Climate Change: ii Strategy The Group does not have a formal climate-related transition plan currently. The Group will continue to assess the feasibility of developing such a plan in the future. Climate-related measures are resourced through the Group's existing operational and capital budgeting processes. The Group has not separately disclosed the amount of resources allocated to climate-related activities during the Year.	21-24

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23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Response to Climate Change: ii Strategy	21-22
Financial position, financial performance and cash flows			
24.	An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Response to Climate Change: ii Strategy Quantitative information about the current financial effects of climate-related risks and opportunities has not been quantified, as such effects cannot be separately identified and the level of measurement uncertainty involved is high. The Group has disclosed qualitative information about these effects and will continue to assess the feasibility of disclosing quantitative information in the future.	N/A
25.	An issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Response to Climate Change: ii Strategy Quantitative information about the anticipated financial effects of climate-related risks and opportunities has not been quantified, as such effects cannot be separately identified and the level of measurement uncertainty involved is high. The Group has disclosed qualitative information about these effects and will continue to assess the feasibility of disclosing quantitative information in the future.	18-20

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Climate resilience			
26.	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	Response to Climate Change: ii Strategy	16-17; 22

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III. Risk Management			
27.	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Response to Climate Change: iii Risk Management	22-23

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	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.		
IV. Metrics and Targets			
Greenhouse gas emissions			
28.	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	Summary of Key Performance Indicators	51
29.	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Response to Climate Change: iv Metrics and Targets Summary of Key Performance Indicators	24; 51

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	(b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).		

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Climate-related transition risks			
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable and supportable information was not available during the Year without undue cost or effort, the Group will establish a work plan to assess, identify and quantify the assets and business activities exposed to climate-related risks and opportunities, with the aim of incorporating the required disclosures in the future.	N/A
Climate-related physical risks			
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable and supportable information was not available during the Year without undue cost or effort, the Group will establish a work plan to assess, identify and quantify the assets and business activities exposed to climate-related risks and opportunities, with the aim of incorporating the required disclosures in the future.	N/A
Climate-related opportunities			
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable and supportable information was not available during the Year without undue cost or effort, the Group will establish a work plan to assess, identify and quantify the assets and business activities exposed to climate-related risks and opportunities, with the aim of incorporating the required disclosures in the future.	N/A
Capital deployment			
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group did not deploy any capital expenditure, financing or investment towards climate-related risks and opportunities. The Group will continue to assess and, where applicable, disclose such deployment in the future.	N/A

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Internal carbon prices			
34.	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Group has not yet incorporated internal carbon pricing into our decision-making processes. The Group will consider the feasibility of adoption of internal carbon pricing in the future.	N/A
Remuneration			
35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group has not yet incorporated climate-related performance metrics into its remuneration policy. The Group will consider the feasibility of enhancing our remuneration policy to integrate such metrics.	N/A
Industry-based metrics			
36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Given the nature of the Group's business and the current stage of development of the relevant data and methodologies, the Group did not disclose specific industry-based metrics during the Year, and will continue to assess their applicability in the future.	N/A

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Climate-related targets			
37.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Response to Climate Change: iv Metrics and Targets	23-24

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38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Response to Climate Change: iv Metrics and Targets We will consider the feasibility of engaging a third party to verify the Group's targets. No revisions to the target were made during the Year.	23-24
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Response to Climate Change: iv Metrics and Targets	23-24
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and	Response to Climate Change: iv Metrics and Targets Currently, these targets have not been derived using a sectoral decarbonisation approach. We will consider the feasibility of purchasing carbon credits to offset greenhouse gas emissions generated from our operations.	23-24

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	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).		
Applicability of cross-industry metrics and industry-based metrics			
41.	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Having considered the nature of the Group's business and the availability of relevant data, the Group did not adopt cross-industry or industry-based metrics during the Year, and will continue to assess the applicability in the future.	N/A

時代集團控股有限公司
SITOY GROUP HOLDINGS LTD.

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock Code 股份代號：1023

DUFFY F&J FASHION & JOY TUSCAN'S 萌迪鱼