



廣東晶科電子股份有限公司

APT Electronics Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 2551.HK

Environmental, Social and Governance Report | 2025



Providing intelligent vision products and system solutions integrating “LED+” technologies.

Contents

1. INTRODUCTION	2
1.1 SCOPE OF THE REPORT	2
1.2 REPORTING STANDARD	2
1.3 REPORTING PRINCIPLES	2
2. KEY ANNUAL EVENTS AND HONOURS	3
3. ESG MANAGEMENT	4
3.1 BOARD GOVERNANCE	4
3.2 STAKEHOLDER ENGAGEMENT	4
3.3 MATERIALITY ASSESSMENT	5
4. ENVIRONMENTAL MANAGEMENT	7
4.1 EMISSIONS CONTROL	8
4.2 WASTE MANAGEMENT	8
4.3 NOISE MANAGEMENT	8
4.4 USE OF RESOURCES	9
4.4.1 ENERGY MANAGEMENT	9
4.4.2 WATER RESOURCE MANAGEMENT	9
4.4.3 WASTEWATER MANAGEMENT	9
4.4.4 PACKAGING MATERIAL MANAGEMENT	9
4.5 RESPONSE TO CLIMATE CHANGE	10
4.5.1 GOVERNANCE	10
4.5.2 STRATEGY	11
4.5.3 RISK MANAGEMENT	15
4.5.4 METRICS AND TARGETS	16
5. EMPLOYMENT COMPLIANCE	18
5.1 EMPLOYEE REMUNERATION AND BENEFITS	18
5.2 EMPLOYEE CARE	18
5.3 TALENT RETENTION	20
5.4 HEALTH AND SAFETY	22
6. OPERATIONS MANAGEMENT	24
6.1 SUPPLY CHAIN MANAGEMENT	24
6.2 QUALITY MANAGEMENT	24
6.3 CUSTOMER SERVICE	26
6.4 ADVERTISING AND LABELLING	26
6.5 INTELLECTUAL PROPERTY AND PRIVACY PROTECTION	26
6.6 BUSINESS ETHICS	27
7. CONTRIBUTION TO COMMUNITY	27
APPENDIX I: DATA SUMMARY	28
APPENDIX II: CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF THE STOCK EXCHANGE	32

INTRODUCTION

1. INTRODUCTION

APT Electronics Co., Ltd. (the “**Company**”) and together with its subsidiaries (collectively the “**Group**”) have prepared the second Environmental, Social and Governance (“**ESG**”) Report (“**ESG Report**”) highlighting the Group’s efforts, achievements and commitments on sustainable development during the Year (as defined in the below section). The Group shall continue to develop comprehensive ESG policies, regulations and initiatives to govern the potential ESG-related risks upon listing.

1.1 SCOPE OF THE REPORT

The ESG Report covers the period between 1 January 2025 and 31 December 2025 (the “**Year**”). The Group is a leading China-based provider of intelligent vision products and system solutions integrating “LED+” technologies, with businesses covering automotive intelligent vision, high-end lighting and new-type displays. This ESG Report has demonstrated the environmental, social and governance key performance indicators (“**KPIs**”) of the Group’s principal operating entity APT Electronics Co., Ltd (“**APT Electronics**”), the subsidiary Linlux Electronics Co., Ltd (“**Linlux**”) in GuangZhou and the subsidiary Lynway Vision Technology (NB) Co., Ltd. (“**Lynway Vision**”) in Ningbo, China.

The reporting boundaries of the ESG report is shown in the below table.

Company Name	Location
APT Electronics Co., Ltd.	Guangzhou, Guangdong Province
Linlux Electronics Co., Ltd.	Guangzhou, Guangdong Province
Lynway Vision Technology (NB) Co., Ltd.	Ningbo, Zhejiang Province

1.2 REPORTING STANDARD

The ESG Report is prepared in accordance with the “Environmental, Social and Governance Reporting Code” under Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

1.3 REPORTING PRINCIPLES

The report is prepared based on the principles of “materiality”, “quantitative”, “balance”, and “consistency”.

Materiality

This report is determined through a systematic materiality assessment process and covers key issues that are related to different stakeholders.

Quantitative

This report has disclosed quantitative ESG KPIs.

Balance

In the preparation of this report, the Group focused on an impartial and transparent presentation of its performance in every aspect of sustainable development.

Consistency

This report uses consistent reporting and calculation methods, as far as practicable, to facilitate the comparability of ESG performance between years, while RMB ten millions of revenue is used to calculate the intensity of KPIs. In case of any changes in methodologies, the Group will present and explain in detail in the corresponding sections.

KEY ANNUAL EVENTS AND HONOURS

2. KEY ANNUAL EVENTS AND HONOURS



February 2025	<ul style="list-style-type: none"> Headquarter base of Lynway Vision in the Greater Bay Area Project was launched
March 2025	<ul style="list-style-type: none"> APT Electronics participated in the formulation of the “Technical Specification for Classroom Lighting in Primary and Secondary Schools” which was recognised as a “Greater Bay Area Standard” Awarded the “2025 ALE — Outstanding Supplier in the Automotive Lighting Industry” Awarded the “SEMI Sustainable Development Outstanding Contribution Award”
June 2025	<ul style="list-style-type: none"> Awarded the “Top Ten Outstanding Enterprises in Biological Lighting Components”
July 2025	<ul style="list-style-type: none"> Awarded the “ESG Information Disclosure Excellence Enterprise”
October 2025	<ul style="list-style-type: none"> Linux and the leading enterprise in the field of TV signed a joint technical cooperation project for the research and industrialisation of RGB Mini LED multi-primary colour module system technology solutions Awarded the Hisense Group “Excellent Supplier Award”
November 2025	<ul style="list-style-type: none"> Awarded the National “Little Giant” Enterprise, a designation for specialised, refined, and innovative companies Awarded the “Science and Technology Innovation Golden Bull Award”
December 2025	<ul style="list-style-type: none"> Awarded the “Second Prize of 4th Zhejiang Lighting Award Innovation Product Award” Awarded the “Business Awards 2025 — Globalisation Award Winner” Awarded the “Most Valuable Industrial Manufacturing Company”

ESG MANAGEMENT

3. ESG MANAGEMENT

3.1 BOARD GOVERNANCE

The Board directly oversees the Group’s ESG and climate-related affairs, and regularly reviews overall ESG and climate performance to assess alignment with established ESG vision, strategies and initiatives. It has established clear ESG and climate-related governance policies and strategies, and approves and monitors their implementation.

The Board monitors ESG and climate-related matters and is responsible for formulating and implementing related risk forecasting, mitigation and management plans. It also ensures the Group’s compliance with applicable ESG and climate-related laws and regulations. Through meetings, briefings and other communications, the Board is kept informed of relevant ESG and climate issues, management plans and compliance status.

The Board understands stakeholder expectations and collects feedback on ESG and climate-related topics through various channels. By gathering stakeholder input and engaging third-party professional institutions to conduct materiality assessments, the Board identifies and prioritises the most material ESG and climate issues for the Group and incorporates them into its oversight focus. It regularly reviews evolving stakeholder concerns and material ESG topics, and adjusts relevant policies and management strategies accordingly.

3.2 STAKEHOLDER ENGAGEMENT

The Group considers understanding stakeholders’ views and expectations essential to sound ESG management, and has therefore developed effective and diverse channels to facilitate stakeholder engagement. The Group proactively addresses stakeholders’ expectations and concerns regarding environmental, social and governance risks and challenges, and formulates strategic policies with clear directions.

Stakeholders	Expectations and requirements	Means of communication and response
Government and regulators	<ul style="list-style-type: none"> Compliance with national policies, laws and regulations Support local economic growth Drive local employment Tax payment in full and on time Ensure production safety 	<ul style="list-style-type: none"> Information reporting regularly Meet the regulators regularly Dedicated reports Examinations and inspections
Shareholders	<ul style="list-style-type: none"> Returns Compliant operation Raise company value Transparency in information and effective communication 	<ul style="list-style-type: none"> Shareholders conferences Announcements and circulars Email, telephone communication and company website Dedicated reports Site visits
Business partners	<ul style="list-style-type: none"> Operate with integrity Equal competition Performance of contracts Mutual benefit and win-win result 	<ul style="list-style-type: none"> Review and assessment meetings Business communication Discussion and exchange of opinions Engagement and cooperation

Stakeholders	Expectations and requirements	Means of communication and response
Customers	<ul style="list-style-type: none"> • Outstanding products and services • Health and safety • Performance of contracts • Operate with integrity 	<ul style="list-style-type: none"> • Customer service centre and hotlines • Customer feedback surveys • Customer communication meetings • Calling for feedback
Environmental Conservation Organisation	<ul style="list-style-type: none"> • Compliant emission • Energy saving and emission reduction 	<ul style="list-style-type: none"> • Communicate with local environmental department • Reporting
Industry	<ul style="list-style-type: none"> • Ecosystem protection • Establishment of industry standards • Drive industry development 	<ul style="list-style-type: none"> • Investigations and inspections • Communication with local labour department • Participation in industry forums
Employees	<ul style="list-style-type: none"> • Occupational health and safety • Remunerations and benefits • Career development • Care for employee 	<ul style="list-style-type: none"> • Visits and inspections • Employee communication meetings • House journal and intranet • Training and workshop • Employee activity
Community and the public	<ul style="list-style-type: none"> • Improve community environment • Participation in charity • Information transparency 	<ul style="list-style-type: none"> • Workers congress • Company website • Announcements • Interview with media • Social media platforms • Community communication meeting

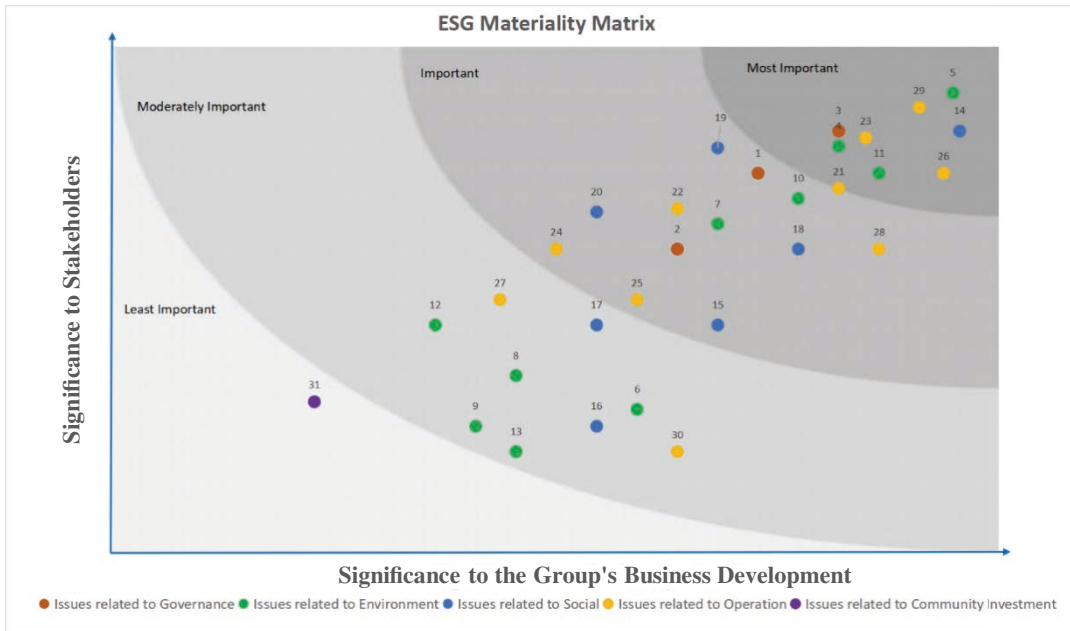
3.3 MATERIALITY ASSESSMENT

The Group recognises that environmental, social and climate-related issues may expose us to various risks and opportunities and affect us in different ways. Materiality assessment is conducted by considering views of internal and external stakeholders, using questionnaires, and referencing industry materiality topics developed by reputable external institutions, namely Morgan Stanley Capital International (MSCI) and the Sustainability Accounting Standards Board (SASB). Environmental and social issues that may have a significant positive or negative impact on the Group are classified as material topics. Based on review of the results from a total of 40 valid questionnaires received, the Group has mapped material topics in the materiality matrix.

ESG MANAGEMENT

Process for Identifying Material Issues

We conducted an ESG material topic assessment with a third-party consultant to evaluate the impact of ESG risks on our operations. Through industry research and review of national policies and market focus, we identified key ESG topics relevant to our environmental and social performance. The Group then distributed questionnaires to collect stakeholder views, analysed results to prioritise topics by their potential impact, and finalised a materiality matrix highlighting the significance of these topics to stakeholders and our business as shown below. Besides, the relevant results were reviewed by management and external experts, and discussed in depth by the Board.



The Group identifies the ESG-related issues and risks from materiality assessment. During the Year, we classified ESG issues by their importance level, which are set out in the following sections.

Most Importance		Importance		Moderately Importance		Least Importance	
3	Anti-corruption and Integrity Management	1	ESG Responsibility	6	Waste Management	31	Charity
4	Emission Management	2	Stakeholder Engagement	8	Green Operation		
5	Greenhouse Gas Emission	7	Energy Consumption and Resource Consumption	9	Use of Raw and Packaging Materials		
11	Environmental Compliance	10	Climate Change Response	12	Noise Management		
14	Employment Compliance	15	Remuneration and Benefits	13	Prevention and Mitigation of Environmental Incidents		
21	Operation Compliance	16	Working Periods and Holidays	17	Diversity and Equal Opportunities		
23	Procurement Practices	18	Occupational Health and Safety	27	Privacy and Data Security		
26	Customer Service Management	19	Training and Development	30	R&D and Innovation		
29	Intellectual Property Protection	20	Prevention of Child Labour and Forced Labour				
		22	Supply Chain Management				
		24	Quality Management				
		25	Responsible Marketing and Promotion				
		28	Customer Health and Safety				

4. ENVIRONMENTAL MANAGEMENT

Through implementing responsible environmental management, the Group strives to balance economic development and environmental protection for their long-term harmonious coexistence. The Group complies with national environmental laws and regulations, and has established internal environmental management system documents accordingly to continuously enhance environmental management effectiveness toward sustainable development goals. The production bases of APT Electronics and Linlux have established and operated environmental management systems in accordance with ISO 14001:2015, and obtained independent third-party certification. To continuously improve environmental performance, the Group formulates an annual environmental management plan with specific objectives, implementation plans, budgets, responsible departments and personnel for material environmental issues. Progress is reviewed regularly to ensure effective delivery of environmental initiatives.



ISO 14001:2015 Environmental Management System Certificate

LED products feature high energy efficiency and long service life, and national energy conservation policies strongly support the development of LED products and technologies. Since its establishment, the Group has focused on R&D and innovation of LED products, continuously improving luminous efficacy, reliability and stability. Such investment not only enhances overall product quality but also fully demonstrates the Group’s firm commitment to environmental protection. The manufacturing process of the Group’s LED products generates: (i) exhaust gas, wastewater and solid waste, which may cause adverse environmental impacts if untreated; and (ii) greenhouse gases that may lead to climate-related risks. We are committed to sustainable development and environmental protection while pursuing revenue growth and production expansion.

ENVIRONMENTAL MANAGEMENT

4.1 EMISSIONS CONTROL

The Group's air pollutants primarily originate from daily operating vehicles, stationary equipment, and production processes. Emission items include nitrogen oxides, sulphur oxides, particulate matter, total non-methane hydrocarbons, tin and its compounds, toluene, xylene, and total volatile organic compounds, among others. The Group strictly complies with the PRC's Integrated Emission Standard of Air Pollutants and other relevant regulations, ensuring all pollutants are treated to meet legal standards before discharge..

To further reduce environmental impact, the Group has implemented various emission reduction measures for fleet operations and production processes. For fleet management, controls are applied through comprehensive vehicle regulations, including regular maintenance, oil changes, pre-heating procedures, tire pressure checks and zero-idling measures to enhance fuel efficiency and reduce exhaust emissions. The fleet exclusively uses unleaded gasoline to reduce harmful emissions, and drivers receive low-carbon driving training to strengthen awareness of energy conservation and emission reduction. Besides, we are gradually promoting fleet electrification and introducing hybrid vehicles, while encouraging employees to use public transport or carpool to further reduce the environmental impact of operations. For emission control in production processes, we strictly follow environmental pollution prevention regulations and implement various control measures to ensure exhaust emissions meet the Guangdong Provincial Air Pollutant Emission Standards. Independent third-party inspections are conducted every six months to ensure consistent and stable compliance with regulatory requirements for all pollutant emissions.

4.2 WASTE MANAGEMENT

The Group strictly complies with the "Solid Waste Pollution Prevention and Control Law of the People's Republic of China" and has formulated a comprehensive waste management policy. It implements classified management for general and hazardous waste to ensure operations meet regulatory requirements and fulfil environmental responsibilities. The Group's general waste mainly consists of office refuse and plastic waste. To promote waste reduction at source, the Group encourages employees to prioritise reusable items in daily operations and minimise the use of single-use consumables. Hazardous waste is primarily chemical waste generated during production, including waste activated carbon, waste glue and waste isopropyl alcohol. The Group implements rigorous classification and inventory management for such waste, and regularly entrusts qualified professional institutions for recycling and disposal to ensure full compliance and control throughout the process. The Group continuously promotes waste reduction and resource circularity. By optimising inventory management and avoiding excessive material stockpiling, it effectively improves resource recycling rates and reduces the environmental impact of operations.

4.3 NOISE MANAGEMENT

The Group strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution and maintains consistent high standards and strict requirements in its noise management system. It has implemented dedicated noise control procedures to institutionalise and standardise management practices. To effectively control noise in the factory area, the Group has implemented various noise reduction measures. It prioritises the use of environmentally friendly low-noise equipment and ensures normal operation to avoid extra noise from abnormal conditions. Vibration isolation and damping treatments are applied to high-noise equipment to reduce noise impact at the source. The Group also controls vehicle operations in the factory area to shorten dwell time and prohibit horn sounding. Besides, soundproof doors and windows are installed and kept closed during production to further block noise dispersion.

4.4 USE OF RESOURCES

The Group values the protection of finite resources and has put in place a comprehensive management system for energy and resource conservation to deliver on its sustainability commitments. We actively work to lower consumption of resources and energy in all operational processes. We aim at the “Energy Conservation and Consumption Reduction Management System” and strictly comply with relevant national and local laws and regulations, including but not limited to the Law of the People’s Republic of China on the Prevention and Control of Water Pollution, the Water Law of the People’s Republic of China and the Energy Conservation Law of the People’s Republic of China.

4.4.1 ENERGY MANAGEMENT

As a manufacturer of LED products, electricity is a critical resource for the Group’s production and operations. In response to China’s carbon neutrality and energy conservation and emission reduction policies, the Group actively implements various energy-saving initiatives to control compliance costs and mitigate related policy, technical and market risks. Our primary energy consumption is purchased electricity for production processes. To effectively manage electricity use, the Group has implemented strict energy-saving management policies in office areas and production lines, including the introduction of high-efficiency production equipment, adjustment of lighting intensity in overlit areas, implementation of a system to switch off lights and air conditioning in unoccupied areas, and introduction of air-conditioning optimisation schemes to improve operating efficiency and reduce electricity costs.

To increase the proportion of renewable energy use, the Group has installed solar power systems on factory rooftops and transparent solar cells on window surfaces to raise the proportion of renewable energy and reduce reliance on purchased electricity. During the Year, total renewable electricity used by the Group amounted to 3,399 MWh. Going forward, we will continue to expand the application of renewable energy in operations and further optimise overall energy efficiency through various energy-saving measures, demonstrating the Group’s firm commitment to environmental management and sustainable business.

4.4.2 WATER RESOURCE MANAGEMENT

The Group fully recognises the value of water resources and actively promotes responsible water management. Various water-saving measures have been implemented in office premises, including ensuring taps are fully closed, installing water-saving fittings, repairing leaking equipment promptly, adjusting appropriate water pressure, and using low-pollution greywater for cleaning and greening irrigation. We also regularly inspect pipelines for leaks and monitor water meter data to continuously optimise water use efficiency. Meanwhile, a rainwater harvesting system has been installed for irrigation to further reduce tap water consumption and fulfil sustainable development commitments. During the Year, the Group did not experience any water source related issue.

4.4.3 WASTEWATER MANAGEMENT

The Group strictly complies with relevant policies and laws in handling wastewater generated from production processes and office operations. The Group has obtained wastewater discharge permits in accordance with national policies, including but not limited to the Regulations on Urban Drainage and Wastewater Treatment. Domestic wastewater from office premises is discharged into the municipal sewer network for treatment, while wastewater from production processes is sent to waste treatment facilities for filtration. This ensures the Group’s wastewater discharge meets the standards of GB/T 31962-2015 Wastewater Quality Standards for Discharge to Public Sewers and GB 8978 Integrated Wastewater Discharge Standard. We regularly monitor wastewater discharge levels. For FY 2024 and FY 2025, our wastewater discharge volumes were 210.15 kilotons and 227.72 kilotons respectively. The Group has set internal management objectives to ensure wastewater discharge and management comply with national and local regulations.

4.4.4 PACKAGING MATERIAL MANAGEMENT

The Group attaches importance to the environmental impact of packaging throughout its life cycle and actively promotes green packaging management to reduce resource consumption and waste generation. The Group’s packaging materials are mainly plastics and cartons. Based on the principle of packaging simplification, we continuously optimise packaging design and simplify packaging structures to reduce the use of packaging materials at source. During the Year, the total consumption of packaging materials by the Group was 423.14 tonnes.

ENVIRONMENTAL MANAGEMENT

4.5 RESPONSE TO CLIMATE CHANGE

Climate change is a major global issue. The Group fully understands its far-reaching impact on overall operations and long-term development, and has integrated climate-related matters into its corporate strategic planning. During the Year, in accordance with the requirements of Appendix C2 of the Hong Kong Listing Rules, we disclosed climate-related information based on the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets.

4.5.1 GOVERNANCE

Climate-related risks and opportunities have been fully integrated into the Group's governance structure at all levels. As the ultimate oversight level, the Board of Directors is responsible for formulating and implementing sustainable development-related management policies and strategies, and undertakes oversight, decision-making, management and supervisory functions in respect of climate-related matters. The Board reviews relevant topics at regular meetings at least once a year to assess climate-related risks and opportunities faced by the Group, accesses the effectiveness of response measures implemented by management, and ensures the potential impact of climate change on the Group is properly managed. The Board also reviews and oversees the progress of climate-related targets annually, and optimises relevant strategies as needed to align with the Group's overall development strategy. In addition, when overseeing the Group's overall strategy, material transaction decisions, risk management processes and internal policies, the Board takes into account identified climate-related risks and opportunities and makes comprehensive assessments and judgements on relevant trade-offs.

To strengthen the Board's oversight effectiveness on climate issues and ensure members possess sufficient professional competence, the Group continuously enhances the Board's climate-related knowledge and capabilities. Through professional learning resources, thematic in-house training, and participation in external climate-related courses and seminars, directors are kept abreast of the latest trends in climate risks and opportunities, strengthening the Board's ability to identify, assess and judge such matters.

Under the Board's strategic supervision, daily climate-related management has been delegated to management. Management is responsible for implementing strategic targets, supervising the progress of climate-related actions and plans, and reporting assessment outcomes to strengthen the Group's overall climate resilience. Control requirements and implementation procedures have been incorporated into departmental policies, enabling proactive identification of climate-related risks and opportunities, data-driven decision-making, and delivery of practical climate action plans.

4.5.2 STRATEGY

The Group continuously enhances business resilience to climate change and improves its risk assessment system by systematically analysing the potential impact of climate change on operations and the value chain, so as to evaluate risks and develop corresponding management strategies. To further implement measures and strengthen identification and assessment of long-term climate impacts, the Group conducted its first comprehensive climate scenario analysis in the financial year 2025, covering physical risks, transition risks and climate-related opportunities, with full identification and comprehensive evaluation of all types of risks and potential opportunities.

To effectively identify potential climate-related risks and opportunities in business operations, the Group comprehensively considers key variables including global warming trends, climate policy directions and impact periods. Analysis is based on scenario settings and parameters from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) and the Phase 5 Public Report of the Network for Greening the Financial System (NGFS). The selected climate scenarios are consistent with the characteristics of the Group's industry and its overall development strategy, and align with the national "Dual Carbon" strategic direction. The Group expects climate-related risks and opportunities will materially affect the business in the short term (to 2030), medium term (to 2040) and long term (to 2050). These time horizons are determined by reference to the Group's financial budgeting and business development cycles.

In this scenario analysis, the Group assumes that emission reduction policies and disclosure requirements will remain within the current framework during the relevant risk impact period. The table below sets out the scenario models adopted in the Group's climate-related assessment to evaluate the overall impact of climate-related factors on the Group's operations.

Scope	Consistent with the reporting scope, covering the Group's three production bases in Chinese Mainland.
Scenario analysis models adopted	<p>Physical risk analysis adopts the IPCC scenario framework:</p> <ul style="list-style-type: none"> • Shared Socioeconomic Pathway (SSP) 1-2.6: Global warming is limited to approximately 2.0°C. Socioeconomic development and clean energy transition in various countries follow historical trends. A stringent policy environment intensifies transition risks faced by enterprises, while physical risks remain significant. • Shared Socioeconomic Pathway (SSP) 5-8.5: Global warming exceeds 4.0°C. Climate actions by countries are relatively slow, with insufficient progress in emission reduction and adaptation, and an incomplete policy framework. This intensifies the impact of extreme weather events, leading to a significant rise in both short-term and long-term physical risks for enterprises. <p>Transition risk analysis uses the NGFS scenario framework:</p> <ul style="list-style-type: none"> • Net Zero 2050: Countries adopt strict early climate policies. Through energy conservation, consumption reduction and low-carbon technology promotion, global warming is limited to within 1.5°C, with global carbon dioxide emissions reaching net zero by 2050. • Current Policies: Only existing climate policies are maintained. Greenhouse gas emissions continue to rise, with global warming expected to exceed 3.0°C, resulting in a high level of physical risks.

ENVIRONMENTAL MANAGEMENT

The Group considers that a combination of quantitative and qualitative analysis enables a more comprehensive assessment of climate-related risks and opportunities. As operational data is dispersed across business units and no unified and recognised calculation standard has been established industry-wide, the Group is not yet able to develop reliable cross-sectoral climate indicators in a reasonable and cost-effective manner. Furthermore, the Group's climate-related management measures have been integrated into daily operational procedures (such as continuous monitoring of new climate regulations). There are no separately identifiable dedicated projects for addressing climate-related risks and opportunities, so quantified data on current and expected financial impacts cannot be provided at this stage.

Nevertheless, the Group has identified the key financial impacts arising from major climate-related risks and opportunities, and sets out detailed qualitative disclosures in the table below. Meanwhile, the Group is continuously optimising its internal data integration mechanism and scenario analysis modelling capability, and gradually enhancing the level of quantitative disclosure of climate-related information. If there are material adjustments to operational strategies in the future, the Group will timely disclose the quantified impacts on its financial position, operational performance and cash flows.

Through scenario analysis, the Group has identified the following five climate-related risks and opportunities. For detailed qualitative assessment results, please refer to the table below.

Qualitative description of the risk and opportunity assessment results:

Physical Risks						
Risk Type	Key Affected Area	Materiality Level			Impact on Business	Impact on Financial Performance
		Short-term (to 2030)	Medium-term (to 2040)	Long-term (to 2050)		
Acute	Extreme weather events	Two of the Group's production bases in coastal areas	●	●	Business Model : <ul style="list-style-type: none"> Extreme weather (e.g. typhoons, rainstorms and floods) may damage physical assets such as premises and equipment Pose potential threats to employees' safety and health Value Chain : <ul style="list-style-type: none"> May easily cause supply chain disruptions and logistics obstructions, and affect customer service and brand reputation 	<ul style="list-style-type: none"> Increased costs: additional expenses arising from operational disruptions, post-disaster recovery and response measures Revenue loss: suspension of operations and delayed service delivery directly leading to declines in turnover and core earnings

Transition Risks						
Risk Type	Key Affected Area	Materiality Level			Impact on Business	Impact on Financial Performance
		Short-term (to 2030)	Medium-term (to 2040)	Long-term (to 2050)		
Market demand shift	Consumer preferences are gradually shifting towards sustainable products and consumption patterns, which directly affect purchasing decisions and carry the market risk of existing products being replaced by low-carbon alternatives	The Group's LED business	●	●	Business Model : <ul style="list-style-type: none"> Existing products face pressure from low-carbon substitutes, which may lead to customer attrition Value Chain : <ul style="list-style-type: none"> Failure to align existing cooperation standards, selection mechanisms and service specifications with low-carbon trends will reduce overall competitive advantages 	<ul style="list-style-type: none"> Increased costs: higher operating costs from product selection adjustment, service upgrading and technology investment Revenue decline: lower operating income due to customer attrition and market substitution

Note: ● : handled in accordance with current standard procedures; ● : subject to continuous monitoring and tracking; ● : management strategies must be formulated and their implementation tracked.

ENVIRONMENTAL MANAGEMENT

Transition Risks							
Risk Type		Key Affected Area	Materiality Level			Impact on Business	Impact on Financial Performance
			Short-term (to 2030)	Medium-term (to 2040)	Long-term (to 2050)		
Stringent policies and regulation	Stricter climate regulations, higher emission standards, and stronger energy and environmental supervision	The Group's LED business and three production bases in Chinese Mainland	●	●	●	<p>Business Model :</p> <ul style="list-style-type: none"> Must comply with new requirements on carbon tax, ESG disclosure and sustainable development regulations; non-compliance will damage reputation and customer trust <p>Value Chain :</p> <ul style="list-style-type: none"> Rising carbon costs may lead suppliers to adjust quotations, increasing procurement costs Mandatory carbon emission tracking and information disclosure at all stages of operational processes will increase the complexity of overall operational management 	<ul style="list-style-type: none"> Compliance fines: potential penalties for failing to meet disclosure standards, directly increasing operating expenses Increased governance costs: higher capital expenditure on equipment renewal, energy-saving retrofits and employee training Higher business costs: increased procurement costs squeezing overall profit margins

Opportunities							
Opportunity Type		Key Affected Area	Materiality Level			Impact on Business	Impact on Financial Performance
			Short-term (to 2030)	Medium-term (to 2040)	Long-term (to 2050)		
Operational efficiency optimisation	Green product demand	The Group's LED business and three production bases in Chinese Mainland	●	●	●	<p>Business Model :</p> <ul style="list-style-type: none"> Reduce reliance on traditional power and enhance overall operational stability and adaptability <p>Value Chain :</p> <ul style="list-style-type: none"> Optimise office and operational processes through energy-efficient systems 	<ul style="list-style-type: none"> Energy cost savings: lower power and energy consumption effectively reducing overall operating costs
			<p>Business Model :</p> <ul style="list-style-type: none"> Adapt to the green market trend, expand sustainable-related businesses and services, and strengthen market positioning <p>Value Chain :</p> <ul style="list-style-type: none"> Optimise the supply chain to meet green product standards, improving customer recognition and loyalty 	<ul style="list-style-type: none"> Revenue growth: rising demand for green products and services driving expansion in business scale and earnings 			

Note: ●: handled in accordance with current standard procedures; ●: subject to continuous monitoring and tracking; ●: management strategies must be formulated and their implementation tracked.

ENVIRONMENTAL MANAGEMENT

Mitigation measures for risks and opportunities:

Risk Type	Mitigation Measures
Extreme weather events	<ul style="list-style-type: none"> Crisis and emergency management plans have been established The Group continuously monitors daily weather updates, issues timely safety alerts, and clarifies work specifications and safety protection requirements for employees and on-site staff during extreme weather conditions
Market demand shift	<ul style="list-style-type: none"> Keeps pace with the green consumption trend, continuously optimises product selection standards and service processes, effectively reduces the risk of existing products being replaced by low-carbon alternatives, thereby stabilising the customer base and improving customer retention
Stringent policies and regulations	<ul style="list-style-type: none"> Timely tracks updates to laws and regulations to ensure all internal operations fully comply with the latest compliance standards Continuously monitors international climate governance progress and regulatory changes relevant to the Group's operations, and regularly conducts identification, assessment and monitoring of climate-related risks and opportunities

Opportunity Type	Response Measures
Operational efficiency optimisation	<ul style="list-style-type: none"> Upgrades and optimises air conditioning, lighting and supporting equipment systems at operating sites to further improve energy efficiency Gradually expands the application of solar power, continuously increases the share of solar energy in total energy consumption, and reduces reliance on conventional grid power
Green product demand	<ul style="list-style-type: none"> Continuously invests in R&D of more energy-efficient and intelligent products

Although the Group has not yet formulated a standalone climate transition plan at this stage, it has continued to implement various measures to mitigate and adapt to climate risks by allocating appropriate human and internal resources. During the year, the Group completed the identification of major Scope 3 greenhouse gas emission categories associated with operating activities, and continued to implement decarbonisation actions and enhance overall climate resilience. During the Year, the Group had no specific capital expenditure, financing arrangements or investment projects in response to climate-related risks and opportunities. In addition, the emission reduction and related response measures disclosed in the previous reporting period have been fully implemented at all operating locations.

Although the Group has implemented various management measures on climate-related issues, the effectiveness of future climate resilience plans may still be affected by a number of material uncertainties, including unclear global and regional climate policy directions, volatile market demand for green products, evolving intensity and frequency of physical impacts from climate change, and uncertainties in the implementation timeline and regulatory stringency of climate-related requirements applicable to the Group. In such a changing environment, the Group has the flexibility to optimise its overall strategy and operating model in a timely manner in response to short-, medium- and long-term climate trends. Relevant adjustment mechanisms have been integrated into the Group's daily strategic planning and operational management processes to ensure timely alignment of operational directions, workflows and value chain collaboration with evolving climate risks, regulatory updates and market changes.

Looking ahead, the Group will continue to monitor climate-related risks and opportunities, review the implementation effectiveness of various emission reduction measures, and optimise its strategies and policies in a timely manner based on operational conditions. It will track the progress of various climate actions through regular monitoring mechanisms. The Group will also review and adjust emission reduction and response measures as necessary with reference to internal operational performance and external climate trends, to ensure the orderly progress of various climate actions and continuously enhance the Group's adaptability to climate change and overall operational resilience.

4.5.3 RISK MANAGEMENT

The Group has fully integrated the identification, assessment, prioritisation and management of climate-related risks and opportunities into its overall risk management framework and system, ensuring that climate risk management is effectively embedded in daily operations to properly address the challenges arising from climate change. Such integration is consistent with the Group's existing risk management framework, and no material adjustments have been made to the relevant management procedures during the Year.

In the implementation phase of risk management, the Group conducts analysis by comprehensively referencing key factors including asset location, asset characteristics, historical impacts of extreme weather and energy consumption patterns, combined with public climate scenario data and internal operational records. The following is a detailed description of the Group's climate-related risk and opportunity management process:

- 1. Identification** The Group identifies potential climate-related risks and opportunities by analysing climate change trends, domestic and international industry developments, technological advancements and other external factors, conducting peer benchmarking and gathering stakeholder views, while performing climate scenario analysis tailored to the Group's operational conditions and business characteristics. Through various research and assessment activities, the Group identifies potential climate risks and opportunities across its three production bases in Chinese Mainland, covering all key aspects of operations.
- 2. Assessment** The Group conducts a comprehensive assessment to analyse the potential impact of climate-related risks and opportunities on its business model, value chain and financial performance, as well as their likelihood and magnitude of impact. The assessment uses consistent data and parameters as the identification stage and covers the same reporting scope and business processes.
- 3. Prioritisation** Based on the assessment results of climate-related risks and opportunities, the Group prioritises issues according to their likelihood and potential impact, in line with the Group's overall risk management framework and business objectives.
- 4. Monitoring** The Group's management is responsible for regularly assessing and monitoring identified climate-related risks and opportunities, and reviewing the effectiveness of relevant mitigation and response measures. Management also periodically reports to the Board on the identification, assessment and management of climate risks and opportunities to strengthen the Board's oversight function and ensure the effective implementation of risk management and opportunity realisation measures.

ENVIRONMENTAL MANAGEMENT

4.5.4 METRICS AND TARGETS

The Group regards strengthening climate resilience and building a sustainable operating model as important development directions, and is committed to aligning its sustainable development goals and related action plans with mainstream international sustainability standards. In setting targets, the Group follows the national “Dual Carbon” strategy as a primary guideline, and such targets also form an important part of the country’s implementation of its climate commitments under the Paris Agreement.

To align with the above climate governance framework, the Group continuously reviews and assesses its ESG performance indicators and has established specific greenhouse gas emission reduction and management targets, all formulated by reference to the requirements of the national climate and sustainable development framework. At this stage, these targets have not been verified by an independent third party nor developed in accordance with industry decarbonisation methodologies. The Board monitors the implementation progress and effectiveness of the targets annually and evaluates whether appropriate adjustments are required. In view of the current business expansion, the Group has adjusted the relevant target settings during the year to match actual needs and more accurately reflect the progress achieved.

To translate established emission reduction targets into tangible results, the Group focuses on achieving actual decarbonisation by improving energy efficiency and optimising operational processes. The Group currently has no plans to use carbon credits to achieve emission offsets. However, it will continue to monitor developments in the carbon market and related policies. When conditions permit in the future, the Group may use such tools as supplementary measures to support its long-term carbon neutrality vision.

The Group’s decarbonisation targets are as follows:

Target Type	Target Description
Greenhouse gas emission	Using 2025 as the base year, reduce the combined emission intensity of Scope 1 and Scope 2 greenhouse gases by 5% by 2030
Waste generation	Using 2025 as the base year, reduce hazardous waste intensity by 5% by 2030
Energy consumption	Using 2025 as the base year, reduce energy consumption intensity by 5% by 2030

ENVIRONMENTAL MANAGEMENT

In addition, during the Year, the Group conducted identification, assessment and inventory of greenhouse gases to effectively manage its emissions. This exercise covers the operations of the Group's three production bases in Chinese Mainland. The calculation of Scope 1 and Scope 2 emissions has been completed in accordance with the requirements of the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)". Scope 3 emission sources have also been compiled with reference to the "Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)".

Considering the operational characteristics of the Group's production bases, estimated emission scales, data availability and industry research outcomes, the Group has included the following categories in its Scope 3 emissions calculation:

- Category 5 (Waste generated in operations)
- Category 6 (Business travel)

For greenhouse gas emission data for the year, please refer to "Appendix I: Data Summary".

The Group's strategy focuses on optimising the operational performance of its core business and building long-term corporate value, which is consistent with its current risk management framework. To date, the Group has not incorporated an internal carbon pricing mechanism or climate-related factors into its governance structure and remuneration policy. The main reason is that such factors do not currently have a direct and material connection with the characteristics of the Group's industry, its current operational priorities and core financial decision-making needs. The Group will continue to monitor the development of climate-related monitoring indicators, industry best practices and the application of internal carbon pricing mechanisms. When relevant conditions are met, the Group will actively assess the feasibility of integrating the above climate-related factors into its governance structure and remuneration policy system and promote the implementation of relevant measures.

EMPLOYMENT COMPLIANCE

5. EMPLOYMENT COMPLIANCE

The Group strictly complies with employment-related laws and regulations, including but not limited to the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China. It is committed to building a fair, equal and inclusive workplace, ensuring transparent processes in recruitment, promotion, benefits and career development. We conduct structured exit interviews to understand employee turnover reasons and continuously improve human resource management. The Group has zero tolerance for discrimination in any form, including differential treatment based on age, gender, health, marital status, race, religion, political affiliation, sexual orientation or other protected status. Meanwhile, we provide special protection for pregnant and postnatal female employees, including restrictions on heavy physical work and overtime, provision of breastfeeding allowances, and gradual adjustment of workload based on actual conditions. In addition, the Group fosters a friendly and inclusive workplace through accessible facilities, skills development coaching, and equality and anti-discrimination activities, strengthening a corporate culture of non-discrimination and diversity.

To eliminate child labour, the Group strictly verifies age during recruitment. If child labour is identified or reported, we immediately cease their employment and implement corrective actions. Minor employees aged 16 to 18 are closely monitored, prohibited from hazardous work, and receive regular health assessments. To prevent forced labour, we implement clear working hour policies and clock-in systems, prohibit mandatory overtime. All overtime is voluntary and subject to supervisor approval.

5.1 EMPLOYEE REMUNERATION AND BENEFITS

A fair and reasonable remuneration system plays a key role in maintaining employee stability and improving work performance. A comprehensive benefit system is equally important as it not only enhances employee satisfaction and supports their physical and mental well-being but also strengthens overall corporate competitiveness. The Group has formulated remuneration and benefit management measures and established a standardised compensation and benefit system to attract, motivate and retain talented people required for business development, while ensuring all payments comply with relevant laws and regulations. Employee benefits consist of statutory benefits and corporate benefits, including social insurance, paid annual leave, statutory holidays, festival and birthday care, travel leave and health checks. The Group will adjust its benefit structure in a timely manner by reference to operating conditions and market benefit levels to maintain team stability and employee engagement. In addition, the Group has established a trade union management system to regulate the use of trade union funds and design welfare programmes and activities, striving to promote employees' physical and mental health and work-life balance.

5.2 EMPLOYEE CARE

Regarding employee engagement and community building, the Group organises a variety of corporate cultural activities each year to care for employees' physical and mental health. These include providing free accommodation, distributing gifts during traditional festivals and seasonal occasions, regularly hosting cultural and sports events, birthday celebrations, employee forums, departmental team building activities, and health check-ups for all employees. During the Year, the Group held its 16th Employee Fun Sports Day. The event brought together the Group's senior management, all employees and their families to participate in interactive activities designed to promote teamwork, health and a strong sense of community cohesion.

Case Sharing: “Crafting for the Winter Solstice, Warmth Together at APT Electronics”

During the Year, APT Electronics held a Winter Solstice themed event, which thoughtfully blended the cultural essence of the solar term, handcraft activities and corporate community culture, creating an immersive and heartwarming experience. During the event, every member of the APT Electronics family embraced the traditional festival of reunion through enjoyable handcraft sessions and shared laughter. Such precious warmth and cohesion has become a valuable source of solidarity and profound humanistic care for APT Electronics as it embarks on a new journey, enabling the corporate culture to be inherited and elevated through the charm of traditional festivals.



Case Sharing: “Salute Every Her”

In the Year, APT Electronics held a themed event for International Women’s Day at Chimelong Safari Park in Panyu, Guangzhou. Amid a strong festive atmosphere, all female employees fully felt the vibrant vitality of spring and the natural charm of wild animals. While relaxing and enjoying the joy, they further narrowed the distance between each other, enhanced camaraderie, and deeply experienced the warmth and care from the APT Electronics family, fully demonstrating the company’s emphasis on female employees and its humanistic care.



EMPLOYMENT COMPLIANCE

Case Sharing: “Weaving Dreams with Skill, Cherishing the Dragon Boat Festival”

In this Year, APT Electronics held a Dragon Boat Festival themed event. Through an innovative format of “experience plus learning”, the event revitalised Chinese traditional culture in the new era. Taking the Dragon Boat Festival as an important opportunity, the Company has truly integrated cultural confidence into the daily work and life of every employee. This has not only inherited the cultural heritage of the traditional festival, but also injected sustained and profound cultural momentum into the long-term development of the Group, further enriching the humanistic connotation of the corporate culture.



5.3 TALENT RETENTION

The Group upholds the philosophy of nurturing outstanding talents and strengthening employees’ sense of responsibility, and formulates diversified training programmes each year to promote the continuous professional growth of employees. Training covers orientation for new employee, management practices, financial literacy, customer service, product knowledge, emerging technologies, environmental protection and various professional skills training. Through these efforts, we build a friendly and developmental workplace where every employee can fully utilise their strengths and contribute to our long-term vision. In addition to internal training courses, the Group actively encourages employees to participate in external training programmes to enhance their professional competencies. To support continuous learning, we provide examination leave, education scholarships and tuition subsidies, and encourage employees to attend external professional seminars and workshops to keep abreast of the latest industry trends and gain diverse perspectives, thereby bringing innovative thinking and development momentum to the Group. To support employees’ internal career growth, we have established a mentorship programme to guide employees in pursuing internal advancement opportunities. Our promotion policy prioritises internal candidates over external recruitment. Employees’ contributions, performance and technical skills are recognised and rewarded. We conduct regular performance appraisals and reward employees based on their contributions to the Group, motivating them to continuously improve their capabilities.

Case Sharing: “Fengyu Program” Talent Cultivation Project

To further enhance the effectiveness of talent development, the Group launched the “Fengyu Program” talent cultivation project this Year. Through fair selection, systematic training lasting 6 months was provided to a number of department backbones. With the Individual Development Plan (IDP) as the core, this project integrates one-on-one mentor guidance and cross-departmental rotation practice, comprehensively helping participating employees achieve breakthrough growth in key areas such as on-the-job professional capabilities and leadership. Meanwhile, the Group ensures the solid implementation of talent cultivation through a sound evaluation and bonus incentive mechanism.



Case Sharing: Onboarding Training for Experienced Hires

In order to support the rapid integration of experienced talents, the Group has carefully designed induction training for new employees recruited through social recruitment. Through team challenge competitions and the establishment of a buddy network, the sense of unfamiliarity in the workplace is eliminated. Knowledge contests and company exploration sessions stimulate initiative, helping employees familiarise themselves with the organisational structure and align with core values. The Group is committed to building an open and collaborative growth environment, comprehensively accompanying each new member through their role transition.



EMPLOYMENT COMPLIANCE

5.4 HEALTH AND SAFETY

Safety Management System

Health and safety serve as the prerequisite and foundation for sound business operations. The Group cares about the health and safety of its employees and the public, and complies with occupational health and safety laws and regulations, including but not limited to the Work Safety Law of the PRC and the Law of the PRC on Prevention and Control of Occupational Diseases. It has implemented a safety management system in line with the requirements of ISO 45001:2018, based on which comprehensive safety management plans and annual safety management objectives are formulated. The Group requires employees to undergo annual health examinations and provides a series of training programmes focusing on occupational health and safety. Records of the Group’s annual occupational health and safety training, safety drills, exercises and annual fire equipment inspections are maintained to ensure proper implementation and maintenance of all safety measures. During the Year, there were no major violations related to occupational health and safety. In addition, the number and rate of work-related fatalities over the past three years (including the current year) were zero.



ISO 45001:2018 Occupational Safety and Health Management System Certification

Emergency Response Plans

Adhering to the management philosophy of prevention first and safety paramount, the Group has established a comprehensive emergency response plan to fully protect employees' occupational health and personal safety. The emergency management system covers various emergency scenarios including fire, food poisoning, infectious diseases, natural disasters and accidental injuries, with standardized emergency plans and response procedures formulated. Taking fire emergency as an example, on-site personnel will activate fire-fighting facilities, cut off hazard sources in accordance with regulations, and promptly notify the fire control center as appropriate. Through clear notification mechanisms, alarm procedures and preventive control measures, all types of emergencies are ensured to be handled rapidly and effectively.

For workplace safety, the Group strengthens overall control over high-risk operations, provides appropriate personal protective equipment and sets clear safety objectives. It has established a reporting mechanism for safety hazards, work-related injuries and occupational health irregularities, with timely rectification and follow-up on unsafe conditions. Violations of safety protocols are strictly managed. The Group also conducts special investigations into work-related injuries and occupational health incidents to identify root causes and continuously improve its safety management system, protecting employees' occupational health and safety.

Case Sharing: Fire Drill

During the Year, the Company conducted a fire emergency evacuation drill with active participation from all employees. The drill covered key procedures including fire response, emergency evacuation, headcount assembly and practical fire extinguisher operation. The whole exercise was well-organised and orderly, with full evacuation completed in just 3 minutes and 3 seconds. Through this practical drill, employees' emergency escape, self-rescue and self-protection capabilities were further enhanced, and their safety awareness strengthened, laying a solid foundation for the Group's safe and stable development.



OPERATIONS MANAGEMENT

6. OPERATIONS MANAGEMENT

Compliant operation and adherence to laws and regulations form a vital foundation for the Group’s business development and corporate reputation. To effectively mitigate risks arising from non-compliance, such as penalties, operational disruption and reputational damage, the Group has established comprehensive procedures governing customer service, complaint handling, advertising and product labelling. Through rigorous internal controls, the Group ensures compliant operations and safeguards its long-term and stable development. The Group strictly complies with relevant national and local laws and regulations, including but not limited to the Product Quality Law of the People’s Republic of China and the Regulations on Quality Responsibility for Industrial Products.

6.1 SUPPLY CHAIN MANAGEMENT

The Group has established a robust supplier selection and risk management mechanism. Potential suppliers are comprehensively assessed based on criteria including product quality, delivery capability, production capacity and regulatory compliance with only those meeting the Group’s standards are included in the approved supplier list. We prioritise suppliers with strong environmental and social performance, such as those holding international certifications including WRAP, SA8000 and Fair Trade, to ensure their operations align with ISO 26000 guidelines and fulfil conflict minerals management requirements. We continuously evaluate and monitor suppliers’ environmental and social practices, require strict compliance with environmental protection laws and responsible sourcing standards, and strengthen supply chain quality and compliance through questionnaires and on-site audits as necessary.

The Group actively promotes green procurement by prioritising products and services with low environmental impact, focusing on energy-saving and water-saving certified items and materials that reduce resource consumption. Strategically, we promote green packaging using recyclable and highly durable materials, and encourage local sourcing to cut transport-related carbon emissions. We also enhance the environmental and social performance of the overall supply chain through supplier communication and training programmes, steadily fulfilling our sustainability commitments.

6.2 QUALITY MANAGEMENT

Producing high-quality products is a core operational commitment of the Group. We implement stringent testing procedures prior to product launch and maintain a comprehensive quality management system to oversee product performance at all stages. We proactively collect and track customer feedback, and take clear and prompt action on all product quality and safety issues. We also actively obtain various international certifications, including but not limited to IATF 16949:2016, ISO 9001:2015 and ISO 14001:2015, fully demonstrating our adherence to high operational standards.



ISO 9001:2015 Quality Management System Certification

OPERATIONS MANAGEMENT

The Group implements strict quality control policies and has established comprehensive management procedures for incoming inspection, in-process inspection and finished goods inspection, achieving rigorous quality oversight throughout the entire product process. For incoming materials from suppliers, strict quality testing is conducted. Any non-conforming items are immediately labelled and segregated, with proper disposal determined in accordance with regulations, while supplier corrective actions and relevant claims are followed up. During production, quality is doubly controlled by on-site personnel and inspectors to promptly identify non-conforming products and mark defects. Appropriate actions such as reworking, repairing, sorting or scrapping are taken for defective items based on actual conditions. A rapid response mechanism is activated for quality issues, with clear time limits for each stage to ensure efficient and timely resolution. Finished goods are verified strictly against standards to ensure every delivered batch meets customer requirements and applicable regulatory standards.

The Group has established quality training and integrated product responsibility training into its core training curriculum. Regular training on product safety management is provided to all employees, with more frequent training and assessment for key positions. New employees and employee undergoing job transfers must complete relevant quality training and pass assessments, so as to fully strengthen quality awareness and professional competence across the organisation, further demonstrating the Group's firm commitment to continuous quality improvement. Meanwhile, the Group standardises warehouse management and sets clear requirements for the entire process of product storage, handling, packaging and transportation to ensure integrity and safety throughout logistics and prevent unplanned quality damage.

In addition, the Group has developed a non-conforming product control procedure that clarifies the responsibilities of all departments in product safety management and non-conforming product disposal, implementing full-scope quality and safety control over the entire product life cycle. The Group has also established a sound problem analysis and closed-loop improvement mechanism that drives root-cause resolution and standardised optimisation of quality management through professional reports. Each quality management record is retained long-term as required. During the Year, the Group had no product recalls due to safety and health reasons, which fully validates the effectiveness and implementation capacity of its quality management system.

OPERATIONS MANAGEMENT

6.3 CUSTOMER SERVICE

The Group upholds the dual commitments to excellent customer service and compliant operations, and has established a comprehensive customer service management framework focusing on efficient response and full-process control of customer complaints. It has formulated policies and standard procedures including customer complaint handling, contract review management, and customer satisfaction survey management, to ensure that customer requests receive prompt response, rigorous follow-up and independent investigation, and drive continuous optimisation and improvement of the service system. The Group conducts comprehensive analysis and review of all customer feedback to identify areas for improvement in service operations and define optimisation directions. Meanwhile, it regularly carries out customer satisfaction surveys to comprehensively evaluate the current service level and customer experience. The survey results are incorporated into the Group's overall service improvement strategy, with a dedicated satisfaction survey report produced. The report systematically summarises key information and conclusions from the survey, providing a strong reference for strategic decision-making and daily operational optimisation.

To meet high-standard service quality requirements, the Group has established a full-process closed-loop customer complaint handling system, which sets clear management requirements for the entire process of complaint receipt, follow-up and disposal, and independent verification. All customer complaints are subject to detailed analysis and root-cause review to timely resolve various issues in service delivery and continuously improve service processes. During the year, the Group received a total of 17 customer complaints. All complaints were handled in a standardised manner and closed in strict accordance with the Customer Complaint Handling Procedures, representing a 100% complaint resolution rate.

6.4 ADVERTISING AND LABELLING

The Group attaches great importance to the standardisation and compliance of advertising and promotion, strictly abides by the relevant management requirements for advertising release across various media, and takes legality and compliance as the core principle for product promotion and marketing activities. In various business activities such as product recommendation and marketing promotion to customers, all relevant employees are required to strictly comply with the Advertising Law of the People's Republic of China and industry regulations to standardise marketing conduct and ensure all promotion activities are conducted within the legal framework. Adhering to the principle of integrity in operation, the Group commits to providing customers with true and accurate product information. A strict review mechanism is established for advertising content and product labels released to the public, verifying the authenticity, completeness and accuracy of information to prevent false or misleading statements and information omissions, and effectively protect consumers' right to information and legitimate rights and interests.

6.5 INTELLECTUAL PROPERTY AND PRIVACY PROTECTION

The Group attaches high priority to the protection and management of intellectual property, strictly complies with the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China and other relevant laws and regulations. It has established a dedicated intellectual property management procedure that clarifies the management responsibilities of all departments in patents, trademarks, copyrights and other fields, and identifies and prevents potential intellectual property risks in operations. For personnel management, the Group conducts intellectual property background checks on new employees. New employees in R&D roles are required to sign an intellectual property declaration. Employees in key departments with access to core information must sign confidentiality or non-compete agreements, and employees leaving sensitive positions must also sign non-compete agreements to strictly prevent leakage of the Group's intellectual property. Meanwhile, the Group uniformly uses legally licensed software and prohibits employees from installing computer software without authorisation to ensure no infringement of third-party intellectual property rights.

CONTRIBUTION TO COMMUNITY

Regarding privacy and data protection, the Group strictly complies with the Personal Information Protection Law of the People's Republic of China, the Consumer Rights Protection Law of the People's Republic of China and other relevant provisions, and regards customer data security as a critical part of ensuring stable business operations. We adhere to high-standard data protection requirements, which customer information is only used for purposes agreed in contracts, and employees are granted access only when there is a legitimate business need. To achieve full life-cycle security management of data, the Group implements policies including the Confidential Data Management Rules and Information System Disaster Recovery Plan, covering data generation, transmission, processing, storage and destruction to safeguard data confidentiality, integrity and availability. In addition, the Group legally protects the personal information of employees and job applicants, implements access control for sensitive areas such as finance, continuously conducts privacy risk monitoring and employee training, requires employees handling sensitive information to sign confidentiality agreements, and strengthens data protection provisions in customer cooperation through standard sales contracts and confidentiality agreements. During the Year, the Group had no data leakage incidents and no related financial losses incurred.

6.6 BUSINESS ETHICS

To uphold the highest ethical conduct and integrity standards in its operations, the Group has established a comprehensive Code of Conduct covering core policies including avoidance of conflicts of interest, business confidentiality, anti-bribery, anti-corruption and equal opportunity. It clearly stipulates that any violation of the Code of Conduct and business ethics shall be seriously dealt with, and serious cases may result in termination of employment or business partnership.

To strengthen the implementation of the above principles, the Group has not only formulated a dedicated anti-corruption policy but also established a multi-channel confidential reporting system, including a reporting hotline, dedicated email and suggestion boxes. This encourages employees and stakeholders to report internal violations of disciplines and laws, fraud, corruption and acts detrimental to the Group's interests and reputation through formal channels. A clear reporting procedure is also established, requiring employees to promptly report any suspected bribery, corruption or breach of the Code of Conduct to their immediate supervisors, so as to ensure accountability and transparency in compliance management.

In addition, the Group applies anti-corruption requirements comprehensively to partnerships and internal management. Anti-corruption agreements are signed with employees, directors, suppliers and customers, with copies kept for record. Meanwhile, anti-corruption training is included as a mandatory induction course for new employees, systematically covering the Code of Conduct and relevant anti-corruption laws and regulations to enhance their anti-corruption awareness. During the Year, a total of 1,380 employees attended the training, with a total of 690 training hours. At the same time, the Group has adopted a dedicated complaint policy and standardised employee grievance handling procedures to effectively protect the legitimate rights and interests of whistle-blowers. It continuously fosters a corporate culture of compliance and integrity, thereby fulfilling its core commitment to ethical operations. During the Year, the Group and its employees were not involved in any litigation cases relating to corruption.

7. CONTRIBUTION TO COMMUNITY

The Group upholds the spirit of corporate citizenship, actively fulfils social responsibilities, and continuously promotes public welfare, charity and community care initiatives to give back to society through concrete actions. During the Year, APT Electronics donated RMB 50,000 to the Guangzhou Yangcheng Guangcai Cause Foundation to support the development of local Guangcai programmes and social services. APT Electronics also donated RMB 300,000 to the Nansha District Education Foundation of Guangzhou, helping optimise educational resources and support the long-term development of education in Nansha District, demonstrating the Group's emphasis on and support for public welfare and education.

APPENDIX I

APPENDIX I: DATA SUMMARY

Environmental Indicators

Air Pollutants	FY2024	FY2025
Nitrogen Oxides (NO _x) (kg)	18.02	14.02
Sulphur Oxides (SO _x) (kg)	0.32	0.24
Particulate Matter (PM) (kg)	329	8,411¹
Non-methane Total Hydrocarbons (kg)	1,918	12,800¹
Tin and its compounds(kg)	0.00	0.00
Toluene (kg)	0.20	1.00
Xylene (kg)	45.99	60.00
Total Volatile Organic Compounds (kg)	1,265	520¹
<hr/>		
GHG Emissions²⁻³	FY2024	FY2025
Total GHG Emissions (tCO ₂ e)	28,105	36,944
Scope 1 – Direct GHG Emission (tCO ₂ e) ⁴	74	39
Scope 2 – Indirect Energy Emission (tCO ₂ e) ⁵	27,503	35,947
Scope 3 – Other Indirect Emission (tCO ₂ e) ⁶	528	958
Intensity (tCO ₂ e/RMB ten million of revenue)	93	152
<hr/>		
Non-hazardous Waste⁷	FY2024	FY2025
Total Non-hazardous Waste (tons)	1,756	1,840
Intensity (tons/RMB ten million of revenue)	5.79	7.57
<hr/>		
Hazardous Waste⁸	FY2024	FY2025
Total Hazardous Waste (tons)	63	68
Intensity (tons/RMB ten million of revenue)	0.21	0.28
<hr/>		
Energy Consumption	FY2024	FY2025
Total Energy Consumption (MWh)	50,181	62,525
Direct energy consumption (MWh)	209	157
Indirect energy consumption (MWh)	49,394	58,969
Renewable Energy ⁹ (MWh)	578	3,399
Intensity (MWh/RMB ten million of revenue)	166	257
<hr/>		
Water Consumption	FY2024	FY2025
Total Water Consumption (m ³)	262,687	286,795
Intensity (m ³ /RMB ten million of revenue)	866	1,180
<hr/>		

Notes:

1. Due to the expansion of production lines, emissions of particulate matter and total non-methane hydrocarbons have increased this year compared with last year. Meanwhile, emissions of total volatile organic compounds have decreased, mainly owing to the Group's continuous investment in production process optimisation, source emission reduction and waste gas treatment.
2. Greenhouse gas emissions are calculated using the operational control approach. This method defines the accounting scope based on the Group's authority to control operational policies for various business activities. It not only reflects the Group's actual responsibilities in carbon emission management more precisely but also helps strengthen the monitoring and management of greenhouse gas emissions, ensuring alignment with the Group's sustainable development objectives.
3. The Group's greenhouse gas emission calculation methodology is formulated in accordance with the "Greenhouse Gas Accounting System: Enterprise Accounting and Reporting Standards (2004)". The types of greenhouse gases covered include carbon dioxide, methane and nitrous oxide. To improve data readability, emissions are presented uniformly in units of tonnes of carbon dioxide equivalent (tCO₂e).
4. Scope 1 direct emissions arise from the use of refrigerants in air-conditioning equipment at production sites and from fuel consumption in vehicles. Emission factors used in calculations are based on the Guidelines for Reporting Environmental Key Performance Indicators issued by the Stock Exchange of Hong Kong, the National Development and Reform Commission (NDRC) of the People's Republic of China, and the Sixth Assessment Report published by the IPCC. Emissions in this year have decreased compared with last year, mainly due to the lower frequency of vehicle usage and the addition of new energy vehicles by the Group.
5. Scope 2 indirect emissions result from indirect greenhouse gas emissions generated by purchased energy. Emission factors used in calculations are derived from the national average grid emission factors issued by the Ministry of Ecology and Environment of the People's Republic of China. Affected by business expansion, electricity consumption has increased this year compared with last year, leading to a corresponding rise in related emissions.
6. Scope 3 other indirect emissions cover other indirect emissions generated outside the Group, including:
 - Category 5 (waste generated in operations) includes domestic waste, production waste, food waste and electricity consumption for water treatment generated during the Group's operations in the reporting year. Emission factors are referenced from the China Product Carbon Footprint Database (CPCD), the UK Department for Environment, Food and Rural Affairs (Defra), the "Research on Energy Consumption of Urban Water Supply Systems in China" issued by Tsinghua University, and the "Statistical Analysis and Quantitative Identification of Energy Consumption Laws of Urban Sewage Treatment Plants in China" issued by Tsinghua University and the National Urban Water Supply and Wastewater Engineering Technology Research Center.
 - Category 6 (business travel) includes carbon emissions from aviation and high-speed rail travel by employees at production sites during the Year. Emission factors are referenced from the China Typical Business Travel and Accommodation Emission Factors (2024).

Scope 3 emissions have increased this year compared with last year, mainly because the Group has adjusted the calculation methodology and statistical scope based on the feasibility of data acquisition. For business travel, high-speed rail-related emissions are included this year, whereas only aviation emissions were counted last year. For waste, domestic waste and production waste are covered this year, whereas only paper waste and wastewater treatment were counted last year.

7. Non-hazardous waste includes general waste, food waste, plastics, metals, timber and waste paper.
8. Hazardous waste refers to chemical waste generated during the production process.
9. Due to the optimisation of data collection methods, the Group has improved the data collection methodology on renewable energy consumption data, enabling corresponding disclosure for fiscal years 2024 and 2025. The increase in renewable energy consumption is mainly due to the expansion of solar panel installation area.

APPENDIX I

Social Indicators

Number of Employees	FY2024	FY2025
Total	2,459	2,404
By Gender		
Male	1,459	1,349
Female	1,000	1,055
By Employment Type		
Permanent	2,142	2,404
Temporary	317	0
By Age Group		
Aged Below 30	1,185	1,108
Aged 30 to 50	1,246	1,266
Aged Above 50	28	30
By geographical region		
PRC	2,450	2,392
Hong Kong	9	9
Taiwan	/	1
Turkey	/	1
Germany	/	1
<hr/>		
Employee Turnover Rate¹	FY2024	FY2025
Total	41%	49%
By Gender		
Male	45%	51%
Female	34%	46%
By Age Group		
Aged below 30	55%	67%
Aged 30 to 50	29%	33%
Aged above 50	20%	17%
By Geographical Region		
PRC	41%	49%
Others	0%	0%
<hr/>		
Average Hours of Training per Employee and Percentage of Employees Who Received Training	FY2024	FY2025
By Gender²		
Male	7 (78%)	7 (78%)
Female	7 (63%)	6 (72%)
By Employee Category³		
Frontline personnel	12 (69%)	6 (81%)
Non-Frontline personnel	4 (74%)	8 (68%)
<hr/>		

Workplace Health and Safety	FY2024	FY2025
Number of Work-related Fatalities	0	0
Number of Work-related Injuries	2	3
Lost Days due to Work Injury	50	196

Locations of Major Suppliers⁴	FY2024	FY2025
Supplier in Total	325	228
Southern China	119	107
Eastern China	111	98
Northeast China	65	2
Central China	16	5
North China	11	7
Southwest China	/	4
Overseas	3	5

Number of Concluded Legal Cases Regarding Corrupt Practice Brought Against the Issuer or Its Employees	FY2024	FY2025
Total	0	0

Notes:

1. The formula for employee turnover rate is employees who left this Year/(Employees at the beginning + Employees at the end)/2 *100, separate statistical analyses were conducted for different classification groups including gender, age, and region.
2. The proportion of trained employees by gender is calculated by dividing the headcounts of trained employees of each gender by the total number of employees in corresponding gender.
3. The proportion of trained employees by employee type is calculated by dividing the number of trained employees of each employee type by the total number of employees in corresponding gender.
4. The number of suppliers which were assessed by the Company in terms of procurement management, R&D capabilities, quality production. As the Group is currently consolidating resources and optimizing its supplier base, the number of suppliers for the current year has decreased compared with last year.

APPENDIX II

APPENDIX II: CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF THE STOCK EXCHANGE

ESG Indicators	Summary	Section/Explanation	Page
Environment			
A1 Emissions			
General Disclosure	Information on: (a) the policies; and (a) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Control Waste Management Use of Resources Response to Climate Change Metrics and Targets	8–10, 16–17
KPI A1.1	The types of emissions and respective emissions data.	Emissions Control Appendix I: Data Summary	8, 28
KPI A1.2	(Deleted on 1 January 2025)		
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	Waste Management Appendix I: Data Summary	8, 28
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Waste Management Appendix I: Data Summary	8, 28
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions Control Metrics and Targets	8, 16–17
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management Metrics and Targets	8, 16–17
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	Use of Resources Metrics and Targets	9, 16–17
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources Appendix I: Data Summary	9, 28
KPI A2.2	Water consumption in total and intensity.	Use of Resources Appendix I: Data Summary	9, 28
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources Metrics and Targets	9, 16–17
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps are taken to achieve them.	Use of Resources	9
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Use of Resources	9

ESG Indicators	Summary	Section/Explanation	Page
A3 The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Use of Resources	9
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Use of Resources	9
A4 Climate Change			
General Disclosure	(Deleted on 1 January 2025)		
KPI A4.1	(Deleted on 1 January 2025)		
Social			
Employment and Labour Practices			
B1 Employment			
General Disclosure	Information on: (a) the policies; and (a) 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 Compliance	18–21
KPI B1.1	Total workforce by gender, employment type, age group, and geographical region.	Appendix I: Data Summary	30
KPI B1.2	Employee turnover rate by gender, age group, and geographical region.	Appendix I: Data Summary	30
B2 Health and Safety			
General Disclosure	Information on: (a) the policies; and (a) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety	22–23
KPI B2.1	Number and rate of work-related fatalities that occurred in each of the past three years including the reporting year.	Appendix I: Data Summary	31
KPI B2.2	Lost days due to work injury.	Appendix I: Data Summary	31
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety	22–23

APPENDIX II

ESG Indicators	Summary	Section/Explanation	Page
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Retention	20–21
KPI B3.1	The percentage of employees trained by gender and employee category.	Appendix I: Data Summary	30
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Data Summary	30
B4 Labour Standards			
General Disclosure	Information on: (a) the policies; and (a) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment Compliance	18
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment Compliance	18
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Compliance	18
Operating Practices			
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	24
KPI B5.1	Number of suppliers by geographical region.	Appendix I: Data Summary	31
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	24
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	24
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	24

ESG Indicators	Summary	Section/Explanation	Page
B6 Product Responsibility			
General	Information on:	Operational Management	24–27
Disclosure	(a) the policies; and (a) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling, and privacy matters relating to products and services provided and methods of redress.	Quality Management Intellectual Property and Privacy Protection	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Management	24–25
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Operational Management	24–27
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property and Privacy Protection	26–27
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Management Operational Management	24–27
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Intellectual Property and Privacy Protection	26–27
B7 Anti-corruption			
General	Information on:	Business Ethics	27
Disclosure	(a) the policies; and (a) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the prevention of bribery, extortion, fraud, and money laundering.		
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Appendix I: Data Summary	31
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics	27
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics.	27

APPENDIX II

ESG Indicators	Summary	Section/Explanation	Page
Community			
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.	Contribution to Community	27
KPI B8.1	Focus areas of contribution.	Contribution to Community	27
KPI B8.2	Resources contributed to the focus area.	Contribution to Community	27
Climate Disclosures			
Governance Strategy	Governance Climate-related Risks and Opportunities Business Model and Value Chain Strategy and Decision-making Financial Condition, Financial Performance and Cash Flow Climate Resilience Financial Impacts of Climate-related Risks and Opportunities	Governance Strategy	10 11–14
Risk Management Metrics and Targets	Risk Management GHG Emissions Climate-related Transition Risks Climate-related Physical Risks Climate-related Opportunities Capital Operations Internal Carbon Pricing Remuneration Industry Indicators Climate-related Targets Cross-industry Indicators and Industry specific Indicator Applicability	Risk Management Metrics and Targets	15 16–17