



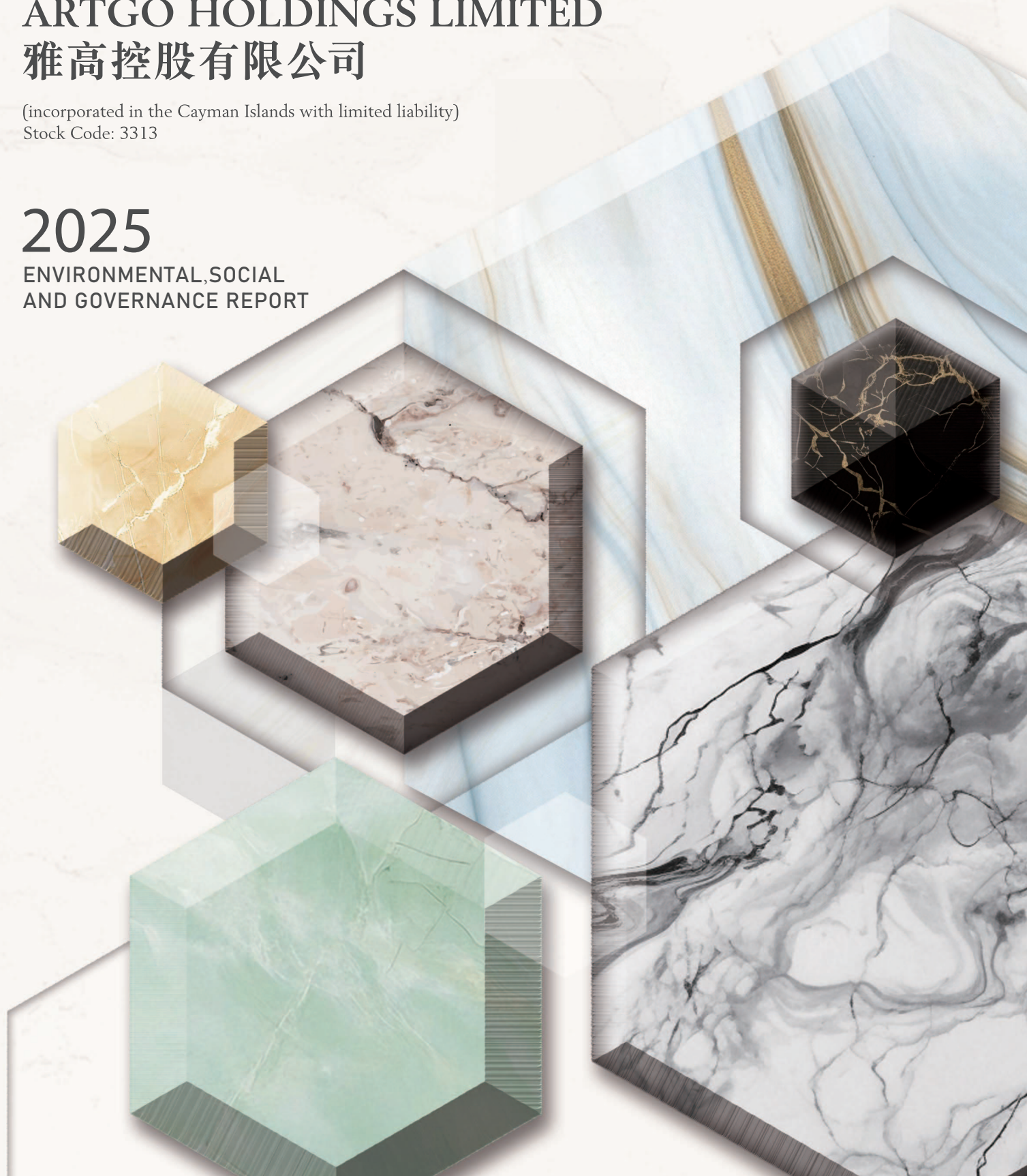
ARTGO HOLDINGS LIMITED

雅高控股有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: 3313

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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1. ABOUT THIS REPORT

Group Overview

ArtGo Holdings Limited (the “Company”, together with its subsidiaries referred to as the “Group”) is listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”, Stock code: 3313). Our enterprise encompasses various activities, including the excavation, refining and retailing of marble, along with trading in commodities. Our products range from marble and calcium carbonate products. In the meantime, the Group has endeavoured to operate its business sustainably.

Reporting Scope

This Environmental, Social, Governance Report (“ESG Report”) is prepared by the Group in accordance with the “Environmental, Social and Governance Reporting Code” (“ESG Code”) as set forth on the Stock Exchange and has complied with the “Comply or Explain” provisions as contained in the ESG Code. The ESG Report covers the Group ESG-related issues for the year ended 31 December 2025 (the “Reporting Period” or “2025”).

Opinions and Feedback

The Report serves as an important tool to communicate to all stakeholders the Group’s efforts in promoting sustainability developments, and to demonstrate its ongoing commitment to enhancing its economic, social and environmental (“ESG”) performance.

As part of our sustainable development initiative, the Group welcomes feedback and opinions from the stakeholders pertaining to the improvement and performance of our ESG aspects. Please submit your opinions to the e-mail address ir@artgo.cn.

Reporting Principles

The following principles are adopted in the Report:

- **Materiality:** Important and relevant information to stakeholders on different ESG aspects are covered in the Report. A materiality assessment was conducted to determine material ESG issues, with results approved by the Board of Directors (“Board”).
- **Quantitative:** The relevant standards, methodologies and assumptions used to prepare the quantitative information are disclosed, as appropriate. Quantitative information is provided with narrative and comparative figures, where possible.
- **Consistency:** Consistent methodologies are used to prepare and present ESG data in the Report, unless otherwise specified, to allow for meaningful comparisons.
- **Balance:** The information is presented without the inappropriate use of selections, omissions or other forms of manipulation that would influence a decision or judgment by the reader.

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2. CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

Missions and Objectives

The Group holds the following five core philosophies: safety first, customer-oriented, management-centred, care based, and environment protection prioritised. We attach great importance to our responsibility to society, while taking into account business development and its impact on the environment and society. The following outlines our missions and objectives in terms of environment, community, employment, and operations:

Maintain Highest Ethical Standards

We aim to maintain the highest ethical standards in the conduct of our business. We are committed to upholding the highest standards of corporate governance

Focus on Health and Safety

We prioritise health and safety issues and they are always our top priority

Minimise Environmental Impact

We undertake to minimise the impact of our activities on the environment

Contribute to Communities

We strive to make contributions to the communities in which we operate

Respect Our Staff

We treat each employee with fairness, respect their opinions, and provide them with a comfortable work environment

Encourage Partners to Set High Standards

We encourage our contractors to embrace high standards similar to ours

Culture and Education

We promote the development and appreciation of arts and culture to improve our quality of life and encourage innovation and creative thinking

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Materiality Assessment

During the Reporting Period, the Group evaluated a number of ESG and operating items and assessed their importance to stakeholders and the Group through surveys. This assessment helps to ensure that the Group's business objectives and development direction satisfy the stakeholders' expectations and requirements.

Step 1: Identify potential ESG issues

Taking into account the requirements of "ESG Reporting Code" and the latest sustainability trends in the industry to identify relevant material issues. A list of twenty-one ESG issues was identified as material.

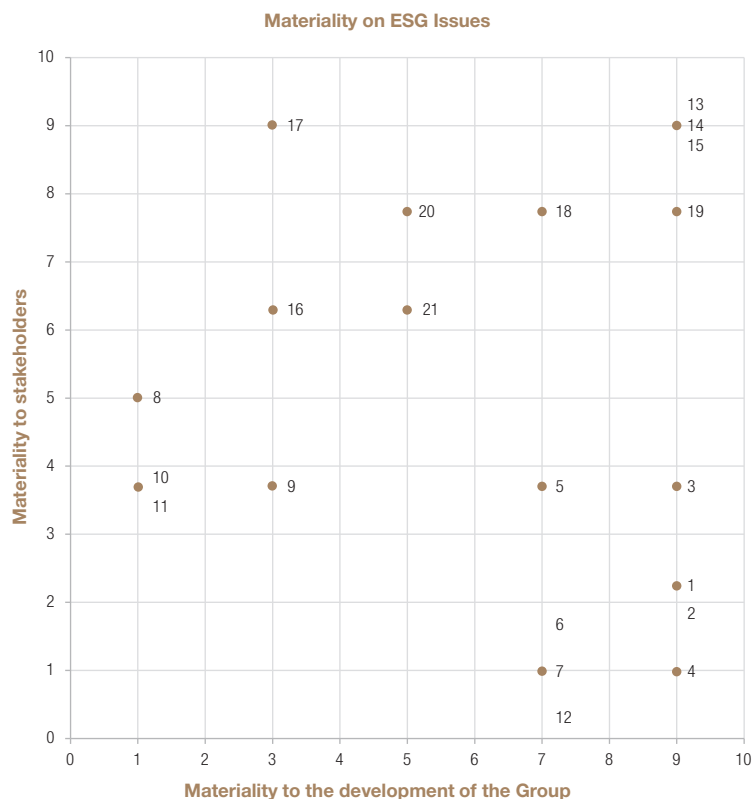
Step 2: Assess the materiality

To determine the materiality of the identified material ESG issues, the view of the Group's senior management as well as our key stakeholders was sought. The relevance/importance of each of the ESG issues was assessed and scored according to their views on a scale of 0 to 10 (0 is irrelevant and 10 is crucial).

Step 3: Prioritise material issues

Based on the materiality assessment result, the Group prioritised the issues in two dimensions, namely, "Materiality to stakeholders" and "Materiality to the development of the Group". The ESG issues that fall within the top right-hand quadrant are of the greatest importance.

The matters of concern for both the Group and stakeholders are listed in the following materiality matrix:



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Aspects	Material issues
Environment	<ol style="list-style-type: none">1. Air emission2. Greenhouse gas (“GHG”) emission3. Waste production4. Natural resources consumption5. Use of packaging materials6. Impact on the environment7. Climate change
Employment	<ol style="list-style-type: none">8. Labour practices9. Employee remuneration and benefits10. Occupational safety and health11. Employee development and training
Supply Chain Management	<ol style="list-style-type: none">12. Green procurement13. Engagement with suppliers14. Environmental and social risk management of supply chain
Product Responsibility	<ol style="list-style-type: none">15. Product/Service quality and safety16. Customer privacy and data security17. Marketing and promotion18. Intellectual property rights
Anti-corruption	<ol style="list-style-type: none">19. Business ethics & anti-corruption20. Internal grievance mechanism
Community	<ol style="list-style-type: none">21. Participation in philanthropy

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Stakeholder Engagement

Stakeholder engagement is the core element of the Group's sustainable development. The Group's stakeholders include shareholders, staff, government and regulatory authorities, customers, suppliers, communities, institutional and individual investors, etc. Focusing on the establishment of regular communication mechanism for stakeholders, the Group has set up online and offline communication channels. The Group discusses relevant issues with its stakeholders through various channels to understand their expectations and needs. The communication channels between the Group and its stakeholders are listed below.

Stakeholders	Expectations	Communication Channels
Shareholders/Investors	Financial results Corporate transparency Sound risk control	Growth in profitability Regular disclosure of information Optimisation of risk management and internal control
Staff	Platform for career development Salaries and benefits Safe working environment	Promotion mechanism Competitive salaries and employee benefits Provision of employee training and improvement in safety awareness
Government and regulatory authorities	Compliance with rules and regulations Paying tax according to the law	Operational compliance Full payment of tax when due
Customers	Standards of logistics and delivery Security of customer information Protection of customers' rights and interests	Monitoring of delivery status with the tracking system Protection of customer privacy Marketing compliance
Suppliers	Cooperation with integrity Business ethics and creditworthiness	Establishment of a responsible supply chain Performance of contracts according to the law
Communities	Environmental protection Job opportunities	Use of environmentally friendly and energy-saving equipment Provision of job opportunities

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CSR governance structure, execution and monitoring

CSR governance structure

Our CSR structure consists of the Board, the management and the executive department. The Board oversees ESG matters as a whole and authorises the management to perform duties relevant to CSR matters. Through collecting CSR-related data regularly, the management can assess, monitor and report material ESG issues to the Board. The executive department is responsible for promoting and implementing ESG policies on the operation level.

Policy execution

In promoting sustainability and minimising the impact on the ecological environment and natural resources, The Group aims to maximise greening profits in its production activities and to reduce the consumption of natural resources. To fulfil the environmental commitments, the Group will enhance its product and technology performances, optimise production techniques, improve management standards, and increase employee responsibility and awareness of environmental protection. We are dedicated to integrating the spirit of community contribution into our core businesses, providing expertise, human resources, and support for educational and cultural development for philanthropic projects.

Monitoring

The management assists in maintaining the Group's risk management and internal control systems, while the Board monitors the system's effectiveness and appropriateness on an ongoing basis to properly monitor ESG performance and address related sustainability risks. The Group fosters sustainable development by providing the employees with a safe and healthy working environment, offering talent training and development, promoting and implementing supply chain management policies, developing comprehensive mechanisms and measures for environmental protection, as well as enhancing community involvement and participation.

3. ENVIRONMENTAL PROTECTION

The Group has taken various environmental protection initiatives to promote long-term environmental sustainability and minimise carbon emissions. During our business operation and management, practical regulations are introduced to utilise resources efficiently and reduce waste. Our stone mining business and the production of calcium carbonate products business may generate different emissions and waste, leading to environmental impacts. Therefore, we have adopted various policies and procedures to ensure our business operations comply with specific regulations. Considering that our other businesses, including logistics and other trading activities, have fewer environmental impacts, we focus on the efficient consumption of energy and resources throughout our business operations.

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3.1. Emissions

3.1.1. Environmental Policy

The Group's Environmental Policy focuses specifically on air emission reduction, GHG reduction, promotion of waste reduction at the source, enhancement of green purchasing, and encouragement of stakeholder involvements. The Group endeavours to:

- Ensure compliance with all local environmental and related legislation
- Encourage staff at all levels, business partners, and other stakeholders to fulfil their environmental obligations
- Request all new employees to attend Environmental, Health and Safety ("EHS") on-board training to ensure they understand our commitment to environmental protection
- Identify environmental impacts associated with our operations, and set targets to continually improve our environmental performance
- Improve energy efficiencies by adopting the best practicable designs and technologies
- Measure and report our emissions of GHG such as carbon dioxide, nitrous oxide and methane regularly
- Record all emission data, analyse it in detail, and incorporate it into the Key Performance Indicator ("KPI") of employees at all levels
- Encourage our stakeholders to reduce their carbon footprint actively
- Promote waste classification, treatment of harmful and harmless wastes, provision of recycling bins, and other environmental protection measures actively
- Minimise waste generation whenever practical in daily operations through recycling and waste reduction at the source
- Embrace green purchasing practices and adopt the best practicable technologies to conserve natural resources
- Supervise the production safety and quality of our suppliers' products and encourage the use of recycled materials
- Develop environmentally friendly packaging to meet customers' expectations

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- Provide good indoor environmental quality to ensure that all the work environments are healthy
- Provide indoor and outdoor greening and plants
- Provide regular environmental training to employees and continue to raise their awareness of the issues
- Invest in and construct environmental facilities to treat wastewater, waste gas, and solid waste in compliance with the requirements set by the environmental authorities of local government
- Establish internal control mechanisms, and appoint safety practice commissioners and superintendents to implement various safety operation procedures

3.1.2. Compliance with laws and regulations

The Group strictly complies with relevant national environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, as well as laws related to pollutant emissions such as the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, and other national and local policies.

3.1.3. Emissions

The Group is committed to ensuring that all key environmental impacts are identified and managed responsibly. We closely monitor the emission during production and strengthen environmental management to exercise control over main pollution sources. We also make our best efforts to reduce waste emissions. Emission targets are independently set for each project. Currently, our main pollutants include wastewater and dust during production, as well as exhaust gas, air, wastewater and solid waste generated from other daily operations.

3.1.4. Emission reduction and effectiveness

With respect to sewage management during production:

A water recycling system has been implemented during the production process. This system ensures that the sewage generated during marble stone cutting and calcium carbonate production is collected and compressed by the recycling system to filter out waste materials in the water. The waste materials are then compressed into a solid form, while the water is deposited, purified, and reused. This process serves to protect the environment, prevent dust, and reduce local water pollution.

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With respect to dust prevention for efficient reduction of local air pollution:

All mines and production facilities are required to spray water, and install separative enclosures and shielding cases during the production process to ensure the dust generated from stone cutting and calcium carbonate production is eliminated, thereby reducing environmental pollution.

With respect to exhaust gas management:

The Group's exhaust gas primarily comes from office vehicles and light transportation vehicles. The Group employs a strict approval system for office vehicles, and has established rules for light transportation vehicles, including detailed records of mileage and fuel consumption spending, regular calculation, and pooled analyses of discharges for constant improvement.

The Group has reduced exhaust gas emissions by minimising unnecessary business trips and travel and organising vehicle usage more effectively. These measures include increasing the utilisation rate of office vehicles, reasonably controlling vehicle usage costs, and coordinating travel so that trips to the same destination on the same day are shared where possible. However, certain emissions are unavoidable. Equipment (such as generators and heavy-duty equipment including loaders, excavators, forklifts, and other heavy-duty vehicles) on our production sites generates electricity by burning fuels, resulting in the emission of air emission and GHG emission. The Group has developed policies to manage machine-generated smoke emissions. For example, burning waste in the open air is strictly forbidden, and all machines must use low-sulphur diesel.

With respect to water pollution control:

Water pollution may arise from both directly and indirectly in our operations. Therefore, certain preventive measures are implemented. For example, U-shaped trenches are installed at the entrances and exits of mining sites to prevent wastewater leakage and facilitate dredging. Wastewater treatment facilities are also installed at the mining and production sites and undergo regular maintenance. These facilities are routinely inspected and approved by the local government environmental department. Furthermore, we regularly arrange the collection of wastewaters from mining sites such as sanitary wastewater.

With respect to treatment of non-hazardous waste:

Certain construction waste and domestic refuse are inevitable during production and daily operation. The Group has long advocated and promoted waste classification and recycling to minimise their environmental impact. Timber, paper, metal and plastic should be separated for recycling. We also provide garbage classification bins for various projects for employees to use and instruct employees on relevant arrangements and specifications in their onboard training. In addition, the construction waste and domestic refuse are disposed of at sites designated by local government to minimise the impacts to the public. No significant amount of hazardous waste is produced by the Group during the production process. In 2025, the Group has set a target to reduce the non-hazardous waste intensity by 2030, using 2025 (707 tonne/million of revenue) as the base year.

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Data on emissions

Set forth below are the air emissions and the non-hazardous waste of the Group for the years of 2025 and the year ended 31 December 2024 ("2024"):

	Unit	2025	2024
<i>Air emissions</i> ¹ :			
Nitrogen oxides	Kg	18.4	22.6
Sulphur oxides	Kg	0.5	0.5
Particulate matter	Kg	1.5	1.7
<i>Non-hazardous waste</i> ¹ :			
Paper waste	Tonne	0.2	0
Wastewater	Tonne	52,193	77,071
Total non-hazardous waste	Tonne	52,193.2	77,071
Non-hazardous waste intensity ²	Tonne/million of revenue	707	1,075

Note(s):

- The emission data are calculated from the Jianxi Keyue Technology Co., Ltd.. Other subsidiaries have been excluded as their contributions to the Group's total emissions are assessed to be immaterial.
- The revenue for 2025 is RMB73.76 million.

3.1.5. Recognition of waste reduction and energy conservation

Constantly striving to utilise various resources to minimise emissions in a reasonable and efficient manner, the Group has been awarded the Wastewi\$e Certificate under the Hong Kong Green Organisation Certification Scheme in recent years. This scheme aims to encourage industrial and business entities/enterprises to implement measures to minimise waste in their respective operation. The scheme included aspects such as producing products, rendering services, and recognising the contributions made by these institutions/enterprises.



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3.2. Use of resources

In 2025, the Group's primary consumption of resources was energy and water for production. Throughout the production process, which includes processing design, equipment procurement, facilities and buildings, and onsite management, we carefully consider the consumption of water, power, raw materials, and other natural resources to minimise the consumption of non-renewable resources.

3.2.1. Resource conservation

The Group implements resource conservation policies that are applicable to all activities related to the energy and resource procurement and consumption of the Group. These policies aim to utilise energy and resources in a reasonable and efficient manner, lower costs, and enhance our environmental performance.

During the business operations, the Group is committed to implementing initiatives for environmental sustainability, including:

- Deploy energy-efficient production equipment and sensor-controlled lighting systems
- Reduce energy consumption during production
- Minimise packaging materials for products
- Promote paperless office
- Recycle and reuse rejected raw materials and defective products if possible
- Use recycled water; and
- Raise environmental awareness among our customers and business partners

3.2.2. Measures for resource conservation and effectiveness

Energy management

Persisting in the philosophy of environmental protection and energy conservation, the Group is committed to reducing energy consumption during our office and mining operations and maintaining full-scale supervision and control of energy usage. Through these efforts, the Group enhances the overall efficiency, thereby fulfilling our environmental and social responsibility and safeguarding the sustainable development of the Group in the long-term. In 2025, the Group has set a target to reduce the energy consumption intensity by 2030, using 2025 (257 MWh/million of revenue) as the base year.

Energy consumption has decreased due to the reduction of production during the year. In the meantime, we have arranged routes for transportation vehicles in a scientific and systematic manner to reduce transportation distances and frequencies. These measures were adopted without affecting the successful delivery of transportation work and were designed to achieve the objective of minimising oil consumption.

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In the office, we proactively promoted the concept of green office by replacing ordinary lighting tubes with energy-efficient lights and encouraging electronic communication and document circulation. We conserved paper by using double-sided printing when printing was required. Additionally, during the winter and summer seasons when heating and air-conditioning were required, we set a maximum allowable temperature to minimise energy consumption while maintaining comfortable office conditions.

Water resource management

The Group encourages reasonable utilisation of resources and waste reduction during its operation. Therefore, throughout the entire business and production process, we actively implement measures to conserve water and power. These measures include the installation of water-saving faucets and other energy-efficient amenities in the office and related facilities. Additionally, we encourage our employees to develop the habit of water and power conservation during their daily life. Signs reminding about conservation are posted at lavatories, hand-washing sinks, and power switches. In the employee cafeteria, all bowls and chopsticks are collected for centralised cleaning, and the used water will be reused to wash vehicles or clean the ground. In 2025, water consumption and the water consumption intensity have recorded an increase of approximately 18% and 14% (2024: decreased by 17% and 15%) respectively. The increase in water consumption intensity is mainly attributable to higher operational activity during the year, including increased production that led to higher absolute water usage. In 2025, the Group has set a target to reduce the water consumption intensity by 2030, using 2025 as the base year (840 Tonne/million of revenue). During the Reporting Period, the Group did not encounter any issues in sourcing water that was fit for purpose.

Packaging material management

The Group recognises the environmental significance of minimising packaging material usage in order to reduce resource consumption and waste generation. We are committed to developing and adopting more sustainable and environmentally friendly packaging solutions. Going forward, we will enhance our transparency by disclosing the total amount of packaging materials used in our operations.

Compliance with laws and regulations

As a responsible mine production enterprise, the Group strictly complies with the Environmental Impact Assessment Law of the People's Republic of China, the Water and Soil Conservation Law of the People's Republic of China, the Provisions on Land Reclamation and other relevant regulations. The Company has formulated an environmental impact assessment report and a water and soil conservation plan specifically addressing water and soil loss and ecological damage, to avoid adverse impact on local plant and animal communities.

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Data on resource consumption

Set forth below are the resource consumption of the Group for the years of 2025 and 2024:

	Unit	2025	2024
Energy consumption			
Electricity consumption	MWh	16,772	13,541
Petrol consumption	MWh	2,165	523
Diesel consumption	MWh	0	0
Total energy consumption	MWh	18,938	14,064
Energy consumption intensity	MWh/million of revenue	257	185
Total water consumption	Tonne	62,022	52,639
Water consumption intensity	Tonne/million of revenue	840	693

3.3. Environmental and natural resources

To minimise the impact caused by the recommencement of production activities on the environment and resources, the mines will strictly implement the “Environmental Protection Policies on Mining”. This includes formulating monthly exploitation quantity policies, using wire saws, reducing blast volumes, and optimising mining equipment. Besides, overnight operation activities are prohibited, and sewage treatment tanks are built to ensure the sewage meets the emission standard. Furthermore, noise control measures are in place to minimise the impact on villagers’ residential and living conditions.

To prevent production activities from damaging vegetation around the mines, we make every effort to avoid causing harm to the plants grown on the requisitioned land. We also proactively engage in environmental and greening restoration and plantation. In addition to ongoing efforts to increase green plantation, we formulate policies regarding land and mine refill following the exploitation of mineral resources to reduce geological impacts. In cases of damage to plants, the Group implements afforestation measures promptly after exploitation to restore greening conditions and the habitats of animals.

Compliance with all applicable environmental protection laws is one of the basic principles specified in the Group’s Environment Policy Statement. Since 2013, we have not experienced any environmental protection accidents that led to penalties or any environmental protection case that was subject to litigation.

The values structure of the Company guides us to fulfil our mission and achieve our goal, with caring for the environment being one of our key values. This structure requires us to manage the long-term and short-term impacts our businesses responsibly have on the environment. As our businesses cover the entire supply chain, the potential environment issues we need to manage vary depending on the type, specifics of the project, and nature of the business. Therefore, we focus on the assessment of individual projects and business activities to effectively manage the potential impacts on the environment.

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3.4 Climate-related Disclosure

Governance

The Board of Directors oversees our risk mitigation and examines our ESG risks, including issues of climate-related risks and opportunities. The Board ensures that it maintains the appropriate skills and competencies to oversee climate-related issues through a combination of expertise and ongoing training. Our Group Sustainability Committee, chaired by our CEO, assesses and manages sustainability issues. The management role of climate-related risks and opportunities are delegated to the ESG working group. The ESG working group reports regularly to the Board of Directors on sustainability matters and handles our day-to-day climate-related issues with support from execution groups, operations units and departments, such as setting and monitoring of GHG emission targets. Climate-related risks and opportunities are taken into account by the ESG working group to the aspects including but not limited to its strategy, decisions on transaction and risk management processes. The climate-related risks and opportunities are also incorporated into the risk management and risk control, as same as other material risks. The results from the above procedures are supported by the oversight by the Board regularly during the Board meeting. The performance metrics are not included in the remuneration policy at the current stage.

Strategy

Considering the climate-related issues, the Group has taken steps for mitigation efforts, as set forth under the section of "ENVIRONMENTAL PROTECTION".

The Group sets targets for identified environmental impacts associated with our operations, so as to continuously improve our environmental performance, such as GHG emissions. To further its commitment regarding climate-related issues, the Group will explore the opportunities to develop long-term climate-related or carbon neutralisation target as part of the Group's transition.

Aligning with the Chinese government's vision, the Group defines short-term as within 1 year, including the next reporting period. Medium-term as by 2030 and long-term as by 2060.

Physical risk

The Group's operations may be exposed to climate-related risks arising from extreme weather events, including heavy rainfall and typhoons in the regions where the Group operates. It is expected that there will be more frequent extreme weather occurrences, occurring from short-term to long-term. The extreme weather might impact on our operations, for instance, the interruptions in daily operation and endanger employee safety. The increase in extreme weather raises the expense for disaster preparedness measures. Thus, escalating the operational costs.

Transition risk

Evolving climate regulations, such as carbon pricing or stringent energy efficiency standards, might occur in the location where the Group operates. There will also be more stringent regulatory requirements from short-term to long-term. The evolving climate regulations, such as carbon pricing or stringent energy efficiency standards, may increase compliance and operational costs.

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Opportunities

The Group recognises the impacts of climate change and remains committed to improving resource efficiency. Through ongoing monitoring and the implementation of energy conservation measures, the Group has enhanced energy efficiency, representing a potential short-term opportunity. The Group also continues to monitor resource use and implements necessary measures to reduce consumption while strengthening production capacity.

Even though the Group's business model and value chain do not face significant concentrated climate-related risks and opportunities, the Group continuously monitors and keeps track on the climate related-risks and opportunities. Also, the Group is aware of the growing climate-related risks to our business such as business model, strategy, resource allocation and the carrying amounts of assets and liabilities. Therefore, the Group will conduct risk assessment to identify and quantify the anticipated financial effect when there is more available information. The Group will continuously develop its skills and capabilities over time and acquire additional resources if necessary.

To reinforce its resilience against the impact of climate change on its operations, the Group is at an early stage of assessing its climate resilience, with significant uncertainty in quantifying potential impacts and their timing. The Group's capacity to adapt its strategy over time is supported by the operational and planning flexibilities within its current business model. The Group will explore the use of climate-related scenario analysis that is commensurate with its circumstances, including scenarios aligned with the latest international climate agreements, in order to enhance its understanding and reporting of climate-related risks and opportunities in the future.

Risk Management

To identify, assess, prioritise and monitor climate-related risks and opportunities, the Group integrates these issues into enterprise risk management ("ERM") system. At this stage, climate-scenario analysis is not incorporated in the risk management process. This system takes into account of the likelihood and impact of the risks and opportunities, which the consideration of scope of operations sets forth under the section headed "Reporting Scope". The likelihood assessment draws on historical data and other information that is reasonably available to the Group during the Reporting Period, while the impact assessment evaluates factors such as financial loss, legal implications, corporate reputation, environmental safety, and business operations. The combined scores of likelihood and impact are used to classify risks into severity levels. Based on this analysis, climate-related risks and opportunities that exceed the limit are prioritised for management actions and reported to management and the Board annually. Climate-related risks and opportunities are addressed as part of the Group's overall ERM system and the results are supported by the oversight by the Board regularly during the Board meeting.

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Metrics and Targets

The Group also places importance on reducing GHG emissions and aims to lower the consumption of power, fuel and other resources.

The measurement of GHG emissions data is presented in terms of carbon dioxide equivalent, in accordance with, including but not limited to, the reporting requirements of the “GHG Protocol Corporate Accounting and Reporting Standard” issued by the World Resources Institute. The GHG emissions are measured with operation control approach where the Group has the authority to establish and enforce operating policies. The Scope 2 GHG emission is disclosed with location-based.

The Group has set a target (covering scope 1 and scope 2) of reducing the GHG emission intensity of 2% by 2030, using 2025 as a base year (2025: 92.1 tonne/million of revenue) as a mitigation effort. The GHG emission intensity has recorded a decrease of approximately 16.8% due to the efficient GHG management. The target covers the scope that the Group has operation control, which the Group has authority to introduce and implement operation policies and procedures. The measurement and the target of the GHG emissions mainly include carbon dioxide, methane and nitrous oxide. Its process would be reported by the ESG working group and reviewed by the Board annually.

In the future, the Group is dedicated to enhancing the target by adopting international agreement and verifying with a third-party. The target will also be enhanced by deriving from sectoral decarbonisation approach. Carbon credit will also be used to offset GHG emissions.

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Set forth below are the GHG emissions of the Group for the years of 2025 and 2024:

	Unit	2025	2024
GHG emissions ¹ :			
Scope 1 — fuel combustion	Tonne	98.4	84.3
Scope 2 — electricity consumption	Tonne	6,697.2	7,853.8
Scope 3 — Category 5: Waste generated in operation ²	Tonne	0.9	—
Total emission (Scope 1 and Scope 2)	Tonne	6,795.6	7,938.1
Total emission (Scope 1, Scope 2 and Scope 3) ²	Tonne	6,796.5	—
Emission intensity (Scope 1 and Scope 2)	Tonne/million of revenue	92.1	110.7
Emission intensity (Scope 1, Scope 2 and Scope 3) ²	Tonne/million of revenue	92.1	—

Note(s):

1. The emission data are calculated from the Jianxi Keyue Technology Co., Ltd.. Other subsidiaries have been excluded as their contributions to the Group's total emissions are assessed to be immaterial.
2. Scope 3 calculation newly calculated in 2025.

The Group identifies climate-related risks and opportunities that might have an impact on the business. When there is more available information, the Group will disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks, the amount and percentage of assets or business activities vulnerable to climate-related physical risks or the amount and percentage of assets or business activities aligned with climate-related opportunities.

Moreover, the Group has not applied carbon pricing in decision making. Nonetheless, the Group will keep close monitoring to any changes in such policy and market developments to ensure compliance with ESG-related laws and regulations.

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4. EMPLOYMENT AND LABOUR PRACTICES

4.1. Employment

The Group considers employees as one of its most valuable assets and place high importance on the employees' personal development. Staff is the most important asset that drives the long-term development and sustainability of the Group.

Employees receive remunerated based on the job nature, market trends, and individual performance. Apart from medical insurance and mandatory provident fund, discretionary bonuses are rewarded to employees based on individual performance. Appraisal and self-assessment systems have been implemented to better identify human resources needs and support our development.

The Group also provides specific benefits for our female employees before and after maternity, such as:

- Paid antenatal examination and maternity leave shall be provided during pregnancy
- Workload adjustment during the later stage of pregnancy
- Childbirth allowance during maternity leave and ensuring the income of pregnant female employees is not lower than during normal working times
- Fifteen days of advance maternity leave shall be provided if the physical condition requires
- Breastfeeding time on each working day up to 1 year after the date of childbirth

Equal opportunities

Being an equal opportunities employer, the Group is committed to creating a working environment with fairness, openness and mutual trust. The Group adopts equal employment opportunity policies and ensuring equal treatment for all employees. The Group strongly opposes discrimination unrelated to work and prohibits all forms of workplace discrimination. Employees in the same position are remunerated equally, regardless of their gender and orientation. Employment, remuneration and promotion are not influenced by social identities, such as ethnicity, race, nationality, gender, religion, age, sexual orientation, political faction and marital status.

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Composition of Employees

The diverse workforce of the Group in terms of gender, employment ranking, age group and region, is illustrated in the table below:

	2025	2024
	Number of staff	Number of staff
Total workforce	168	172
By gender		
Male	122	124
Female	46	48
By employment ranking		
Senior management	21	11
Middle management	32	17
General staff	115	144
By age group		
18–30	1	4
31–40	36	36
41–50	68	60
51 or above	63	72
By region		
Hong Kong	16	12
People’s Republic of China (“PRC”)	152	160

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The Group strives to maintain the staff turnover rate at an acceptable level to facilitate the accumulation of professional skills and experience. In our effort to streamline processes and reduce the needs of manpower, the staff turnover rate is approximately 8%¹ (2024: 18%), categorised by gender, age group and region² as follows:

	2025	2024
	Number of staff	Number of staff
By gender		
Male	7%	19%
Female	11%	14%
By age group		
18–30	0%	33%
31–40	14%	37%
41–50	3%	14%
51 or above	10%	5%
By region		
Hong Kong	13%	33%
PRC	7%	19%

Note(s):

1. The staff turnover rate is calculated by dividing the total number of staff leaving employment during the Reporting Period by the number of staff at the end of the Reporting Period, multiplied by 100%.
2. The staff turnover in different categories is calculated by dividing the number of staff in the specified category during the Reporting Period by the number of staff in the specified category at the end of the Reporting Period, multiplied by 100%.

Compliance with laws and regulations

During the Reporting Period, the Group was not aware of any material non-compliance with any relevant laws and regulations in relation to employment, including but not limited to the following:

- Labour Law of the People's Republic of China;
- Labour Contract Law of the People's Republic of China;
- Employment Ordinance of Hong Kong;
- Minimum Wage Ordinance of Hong Kong;
- Mandatory Provident Fund Schemes Ordinance of Hong Kong; and
- Employees' Compensation Ordinance of Hong Kong.

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4.2 Occupational Health and Safety

Adhering to the development principle of “human-oriented and safety-first”, we prioritise production safety in all our production and operational activities, establishing and operating a sound occupational health and safety management system within the Group. We purchase safety liability insurance and employment injury insurance for all employees, and provide safety precaution education and training. In addition, we have incorporated the position of a safety specialist into our personnel structure, developed exploitation and production systems for safety precautions, arranged for annual safety training and education (prior to and during employment), provided regular safety education; and employed safety personnel to monitor construction safety during construction activities carried out by the frontline employees. This ensures a safe and up-to-standard production and operational process, creating a healthy and safe working environment for all Group staff.

We implement various safety measures, including:

- Provide safety construction systems and safety facilities in plants
- Provide information, instruction, training and supervision on safety, health and environment
- Place safety warning signs at the sites and organise regular team meetings to investigate potential site risks
- Designate Safety Specialists to supervise employees in conducting various safety procedures in accordance with the Group requirements
- Conduct training on operational skills and safety production in various processes
- Ensure safety in handling materials, including use, handling, storage and transportation
- Develop an inspection system for machinery and sites before employees' on/off duty
- Formulate emergency plans to cope with emergent environmental issues, power and water failure, etc.
- Provide employees with the necessary labour-protective products

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The Group has consistently followed the employment approach of “selection-employment-cultivation-promotion-retention”. New employees will undergo training related to operational skills, safety production training, etc. For existing employees, we offer various training methods such as “internal and external training”, “projects and topics exercise”, and “job rotation” to facilitate their progression from elementary to senior management roles. This approach allows them to continually enhance their quality and capabilities, enabling career growth and providing multiple development opportunities.

- Conduct safety training every year (before employment and during work)
- Conduct training on operational skills and safety production in various processes

Occupational health and safety statistics

	2025	2024	2023
Number of lost days due to work injury	Nil	Nil	Nil
Number of work-related fatalities	Nil	Nil	Nil

Compliance with laws and regulations

The Group has established and stringently implemented internal safety and health policies in compliance with the relevant laws and regulations throughout the year, including but not limited to the following:

- | | |
|-----------|---|
| PRC | <ul style="list-style-type: none"> • Production Safety Law • Law on Prevention and Control of Occupational Diseases • Regulation on Work-Related Injury Insurances |
| Hong Kong | <ul style="list-style-type: none"> • Occupational Safety and Health Ordinance |

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4.3 Safety Development and Training

Employees and talented personnel form the foundation of corporate development. The Group continually improves its occupational training system to ensure equal opportunities for all staff, enhancing both the staffs' quality and their career development. With a comprehensive curriculum and regulatory training system in place, the Group actively cultivates internal and external teaching resources to support the growth of its management and technical teams, enhancing overall human resources. The Group will formulate education and training programmes for employees every year based on the annual operational strategy and development needs of its human resources.

The Group provides induction training and an introduction to the staff handbook to all new joiners. To ensure employees across various sectors of the Group receive sufficient and relevant training, programmes are broadly categorised into three main streams:

- | | |
|----------------------|---|
| Laws and regulations | <ul style="list-style-type: none"> • Listing rules • Anti-corruption |
| Safety | <ul style="list-style-type: none"> • Safety production in mines • Fire safety |
| Environment | <ul style="list-style-type: none"> • Environment protection awareness |

In 2025, the Group provided a total of 574 hours of training for 125 employees, covering employees of all ranks. The training details by the Group are listed below:

By gender		By employment ranking		
Male	Female	Senior management	Middle management	General staff
Average number of hours of training received by employees (hours)¹				
4.0	2.0	2.1	2.7	3.8
Percentage of employees attended training²				
76%	24%	12%	22%	66%

In 2024, the Group provided a total of 688 hours of training for 172 employees, covering employees of all ranks. The training details by the Group are listed below:

By gender		By employment ranking		
Male	Female	Senior management	Middle management	General staff
Average number of hours of training received by employees (hours)				
5.8	8.8	4.7	4.7	7.0
Percentage of employees attended training				
81%	19%	6%	22%	71%

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Note(s):

1. The average number of hours of training received by employees is calculated by dividing the training hours during the Reporting Period by the total number of employees (including resigned employees) during the Reporting Period.
2. The percentage of employees attended training is calculated by dividing the number of trained employees in the specific category during the Reporting Period by the total number of trained employees in the specified category during the Reporting Period, multiplied by 100%.

4.4 Labour Standards

The Group is committed to upholding and dedicated to safeguarding the labour rights of its staff and has established a compliant mechanism for staff to report any labour violations. It is consistently the Group's policy to prohibit from employing individuals below the legal working age of 18. Moreover, the employment contracts explicitly outline the employment terms and conditions in accordance with essential legal requirements. During the interview process, the human resources department requests the job applicants to provide valid identity documents for verification purposes.

Child Labour Remediation Measures

If child labour is discovered, the human resources department would immediately remove the child from the workplace and arrange a special labour health check to ensure the child's health condition has not been affected. Furthermore, the human resources department would contact the family and arrange for the child to be sent back home. The Group would cover all related expenses, including medical and transportation costs.

Compliance with laws and regulations

The Group's policy is to disqualify a person from employment if they are found to be hired against the requirements of the Labour Contract Law. During the Reporting Period, no labour disputes between the company and its staff have been recorded.

The Group adhere to the laws and regulations prohibiting child labour and forced labour, which mainly include the following:

- | | |
|-----------|--|
| PRC | <ul style="list-style-type: none">• Labour Law• Law on Protection of Minors• Provisions on the Prohibition of Child Labour |
| Hong Kong | <ul style="list-style-type: none">• Employment Ordinance |

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5. OPERATION PRACTICES

5.1 Supply Chain Management

The Group guides suppliers to fulfil their social responsibilities through the assessment of supply chain responsibility, promoting our social responsibility concepts and policies to the entire supply chain. This is done to effectively prevent any material negative impact from the supply chain on labour practices, the environment and society.

The Group will conduct a dynamic assessment of the supplier's social responsibility performance during the survey, tender and performance phases, and integrate sustainable concepts into daily supply chain management:

- Enterprise qualification
- Environmental impacts of production and use processes
- Labour relations
- Employee occupational safety and health protection
- Health and safety impact assessment
- Ecological impacts of raw material sources

The Company integrates social responsibility indicators into the project business by designing supplier evaluation plans, screening suppliers, purchasing needed products and monitoring the construction process. The commitment is to achieve a green, safe, harmonious, and win-win supply chain management system. As a company with ethical responsibility, the Group's selection goes beyond price. A number of criteria will be considered in each purchase.

In 2025, the Group had 236 suppliers and all of them are located in the PRC (2024: 35).

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5.2 Product Responsibility

Customer satisfaction

We establish our quality management system based on ISO9001 series quality system standards and develop management responsibility for production inspection to ensure the attainment of our quality goals. We adopt a policy that links quality to performance, performance to responsibility, and accountability to remuneration. The product management process must start from the very beginning, monitor the procedure, and inspect the result. We continually improve technology R&D, reform, innovate, and listen to our users' opinions and suggestions.

Marble stones are natural and harmless to human bodies, and ancillary materials used pass the quality safety inspection. Sampling of stones are taken, and tests conducted at least once a year to assess the levels of heavy metals and product radiation, ensuring our stones meet the requirements of the latest national standards and pose no negative effects on humans.

During the Reporting Period, the environmental protection authorities of Jiangsu Province regularly inspected the safety and production processes of our mine in Jiangsu.

During the Reporting Period, no products were recalled due to quality, safety, and health issues. The occasional recalled of products was mainly related to the overall display effect differing from the project designer's original design. Also, the number of products and service-related complaints was kept at a low level and all cases were handled through our established customer service procedures and follow-up to prevent recurrence.

Practices relating to observing and protecting intellectual property rights

The Group attaches importance to observing and protecting intellectual property rights in its business operations. Although the Group does not own any material registered intellectual property, it complies with applicable laws and avoids unauthorised use of third-party materials. During the Reporting Period, the Group was not aware of any material non-compliance, disputes or litigation relating to intellectual property rights.

Privacy and data protection

The Group actively promotes the sustainable development of the industry chain, encourages our partners to jointly fulfil our social responsibilities, and provides quality products and services for the society. On the other hand, we emphasise the importance of integrity and corporate transparency and strive to build stable and longstanding customer relationship based on trust and mutual benefits. We safeguard and respect the privacy and options of our customers, and privacy is of the utmost importance to us. In order to provide thorough safeguards for customer privacy and data, as well as to prevent the leakage of customer information, our Privacy Policy and Commitments include the following:

- We respect customer privacy and options
- We ensure that privacy and security are deeply rooted in all of our actions
- Unless required by our customers, we will not push any marketing messages to the customers, and our customers may change their preferences at any time. We will never reveal or sell customer information

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- We are committed to safeguarding the security of customer information, including collaboration with reliable partnerships
- We are committed to remaining open and transparent about how we use customer information
- We will not use customer information without notifying the relevant customers
- We respect customer rights and continue our efforts to meet customer demands, in addition to satisfying our legal and operation obligations

Compliance with laws and regulations

During the Reporting Period, the Group was unaware of any non-compliance with laws and regulations that significantly impacted health and safety, labelling and privacy matters relating to products. This included, but not limited to the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, etc.

5.3 Anti-corruption

The Group is committed to creating a corporate atmosphere of integrity by diligently implementing the eight requirements for integrity and self-discipline among its cadres and employees. The Group requires cadres of all levels to act with integrity and self-discipline by eliminating extravagance and waste from various aspects including material procurement, production, marketing and management. To ensure that employees understand and comply with the relevant provisions on “anti-corruption” (including but not limited to prevention of bribery, extortion and fraud), the Group emphasises “the maintenance of high ethical standards and encourages a resolute stance against personal corruption”. It is explicitly stated that “the atmosphere of integrity cannot be trampled and destroyed by anyone”. The whistleblowing policy was established to uphold openness and accountability among our employees and other stakeholders of the Company. Employees are encouraged to report any suspected misconduct. If any employee found violation in anti-corruption measures after investigation, the employee will face disciplinary actions, including immediate termination of labour contracts.

In our commitment to anti-corruption, we adopted a zero-tolerance attitude and strictly disallowed employees, suppliers, customers, and all partners of the Group from engaging in any corruption, extortion, fraud, money laundering and other misconduct. The staff manual provides guidance on employees' behaviours, for example, the acceptance of gifts and conflict of interests, to enhance employee awareness. The Group encourages staff to report suspected corruption cases.

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Furthermore, to promote sustainable and healthy development, the Group has compiled the Integrity and Self-discipline Management Regulations to help employees rectify misconduct, encourage adherence to regulations and rules, and serve as a warning to correct mistakes and regulate behaviours. Anti-corruption training was attended by team members in the sales department, as well as the management teams at each operational site and headquarters throughout the year.

Compliance with laws and regulations

During the Reporting Period, the Group has no concluded legal cases regarding corrupt practices brought against the Group or the employees. complied with relevant laws and regulations related to bribery, extortion, fraud, money laundering, including, but not limited to:

- | | |
|-----------|---|
| PRC | <ul style="list-style-type: none">• Criminal Law• Company Law• Anti-Unfair Competition Law |
| Hong Kong | <ul style="list-style-type: none">• Prevention of Bribery Ordinance• Anti-Money Laundering and Counter-Terrorist Financing Ordinance |

6. COMMUNITY INVESTMENT

While striving for its own growth, the Group does not forget its commitment to the public welfare undertakings and giving back to the society. The Group has supported various initiatives to meet the needs of underprivileged groups and improve their quality of life, aiming to alleviate poverty, facilitate pluralistic unity, and promote community harmony. By encouraging employees to participate in various volunteer, public welfare, sports and cultural activities, we promote volunteer activities that express care for others, society and nature. During the year, the Group provided daily necessities and monthly financial subsidies for the poor.