

CDH 中發展控股有限公司

Central Development Holdings Limited

Incorporated in the Cayman Islands with limited liability
Stock Code : 00475



2024/25

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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DEFINITIONS

“Central Development” or “Company”	means	Central Development Holdings Limited (Stock Code: 00475) is principally engaged in the Energy Business and the Jewelry Business, the shares of which are listed on the Main Board of the Stock Exchange;
“subsidiaries”	means	has the meaning ascribed to it under the Listing Rules;
“Group” or “we”	means	the Company and its subsidiaries;
“Energy Business”	means	principally i) manufacturing and sales of solar cooling intelligent technology products and sales of solar photovoltaic (“PV”) components and accessories (collectively called the “solar energy products”) ; ii) and sales of refined oil, and iii) sales of liquefied natural gas (“LNG”) ;
“Jewelry Business”	means	principally the provision of jewelry products to wholesalers;
“Report”	means	the ninth Environmental, Social and Governance Report published by the Group;
“Reporting Period”	means	1 April 2024 to 31 March 2025;
“Year 2025”	means	1 April 2024 to 31 March 2025;
“Year 2024”	means	1 April 2023 to 31 March 2024;
“Board”	means	the Board of Directors of the Company;
“Listing Rules”	means	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Stock Exchange”	means	The Stock Exchange of Hong Kong Limited;
“Guide”	means	the Environmental, Social and Governance Reporting Guide under Appendix C2 to the Rules Governing the Listing of Securities on Stock Exchange;
“Hong Kong”	means	Hong Kong Special Administrative Region of the People’s Republic of China;
“PRC”	means	the People’s Republic of China, and for the purpose of the Report and geographical reference only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan; and
“%”	means	per cent.



ABOUT CENTRAL DEVELOPMENT

Central Development Holdings Limited focuses on the jewelry business and was listed on the Main Board of the Stock Exchange in April 2007 to meet business development needs. Subsequently, to ensure sustainable business growth, the Group seized the opportunity of the increasing global demand for green energy and began developing its energy business in 2015, expanding its sources of income and diversifying its development. The Group is always and will continue to contribute to the environment, society and community.

ENERGY BUSINESS

One of the principal business of Central Development is energy-related products and services, continuing to focus on the primary goal of providing diversified energy products and services, including the sales of LNG and refined oil, as well as the sales of solar modules and intelligent technology products. Backed by the overall stability and sustainability of the business with an open-minded and innovative mindset while upholding the operating principle of “maintaining a healthy, stable, and long-term business”. Therefore, the Group actively cooperates with partners in related industries to seek new development opportunities. Over the past few years, the Group has successfully obtained various patent use rights applicable to different application scenarios, which have enriched the Group’s product types.

JEWELRY BUSINESS

Another principal business of Central Development is the sales of jewelry products, with a focus on providing suitable products to wholesalers in the PRC and Hong Kong. Our corporate cultures are “service awareness” and “positive thinking”. In order to maintain business plans, source fashionable styles, and seek new customers, where permitted, we have been participating in different jewelry exhibitions, aiming at widening sales channels. In addition, the Group’s long-established relationship with the suppliers enables us to maintain the quality of jewelry products.

ABOUT THE REPORT

PURPOSE OF THE REPORT

Central Development is pleased to present its ninth Environmental, Social and Governance (“ESG”) report. This Report aims to disclose and outline the Group’s ESG sustainable development practices, performance, and outcomes, and significant issues for addressing the challenges of climate change. This Report was reviewed and approved by the Board in June 2025.

REPORTING PERIOD AND SCOPE

This Report presents the ESG performance of Central Development for the financial year from 1 April 2024 to 31 March 2025.

During the Reporting Period, the Energy Business and Jewelry Business should be deemed to generate material ESG impact for the Group. This Report referred to the financial threshold and a materiality level of the Group’s ESG impact and thus covered our factory in Yuyao City, Zhejiang Province (the “Yuyao Factory”) (excluding the part of the factory that has been leased out), our Hong Kong office (the “Hong Kong Office”), our Shenzhen office (the “Shenzhen Office”) and the filling station and office in Chengdu which sales of refined oil products and liquefied natural gas.



ABOUT THE REPORT (Continued)

REPORTING GUIDELINES AND PRINCIPLES

The Report has been prepared in accordance with the ESG Reporting Guide set out in Appendix C2 to the Listing Rules, and complied with the “comply or explain” provisions of the ESG Guide during the Reporting Period.

This Report is prepared based on the following basic principles:

Materiality	By analysing the views of various stakeholders of the Group, the ESG issues that are of great importance to the Group and its stakeholders have been identified, prioritized, and disclosed in this Report.
Quantitative	The data in this Report are disclosed and calculated in compliance with the requirements of Appendix C2 of the Listing Rules – “Environmental, Social and Governance Reporting Guide” and “Appendix 2: Reporting Guidance on Environmental KPIs” and “Appendix 3: Reporting Guidance on Social KPIs” of “How to Prepare an ESG Report” to disclose the Group’s environmental and social key performance indicators in a quantitative manner as far as possible.
Balance	In addition to reporting on the Group’s ESG performance and achievements, this Report also discloses the ESG issues that have a significant impact on the Group’s business and challenges.
Consistency	The Report uses consistent methodologies to allow for meaningful comparisons of ESG data over time. Any changes in the methodologies and reporting scope are explained in remarks for stakeholders’ reference.

REPORT ACCESS

This Report is written in both English and Chinese and has been uploaded to the websites of the Stock Exchange and the Company (<http://www.475hk.com>). In case of any discrepancies or inconsistencies, the English version shall prevail.

FEEDBACK

Stakeholder opinions are the cornerstone of our progress and help us establish sustainable governance strategies, directions, and goals. Therefore, we attach great importance to every opinion of our stakeholders. If you have any enquiries or comments regarding this Report, please feel free to contact us through the following means:

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MESSAGE FROM CHAIRMAN

In today's world, climate change has transformed from a distant scientific issue to an urgent real challenge. Frequent extreme weather, ecosystem emergencies, and accelerated energy structure transformation have profoundly affected the global economic landscape and corporate operating models. As a socially responsible enterprise, Central Development is well aware that responding to climate change is not only about fulfilling social responsibilities, but also a strategic imperative related to the long-term resilience, innovation opportunities and core competitiveness of enterprises.

Guided by “carbon neutrality and carbon peak” (“Dual Carbon Goals”) in the 14th Five-Year Plan (2021-2025), the Group has incorporated the goal of “carbon neutrality” into our corporate strategic blueprint, and is promoting the transformation of our business towards cleaner, low-carbon, safer, more efficient, and diversified operations in an orderly manner. The Group is committed to achieving our emission reduction targets, striving to improve our ESG governance and promote sustainable development.

In terms of the environment, the Group will pursue green development and invest more resources in green hydrogen and waste biohydrogen production technologies to pave the way for deep decarbonization. The Group regards sustainable development as its pillar, safety production as its cornerstone, and product quality and service quality as the embodiment of our competitiveness. The three complement each other and jointly build the long-term value of the Group. Central Development will be committed to reducing environmental impact from the source, improving energy efficiency, continuing to focus on renewable energy products, adhering to green procurement, giving priority to suppliers that meet ESG standards, strictly controlling production management processes, fully implementing safety production, strengthening testing and certification, and providing professional services with a customer-centric approach.

Our talents are the key to the Group's development. The Group always regards employees as the most valuable asset and is committed to creating a fair, diverse and inclusive career development platform for employees. In terms of talent training, we continue to optimize the training system to help employees grow. In terms of employee care, we continue to improve the welfare security system, pay attention to the physical and mental health of employees, strive to create a warm and harmonious working atmosphere, and enhance employees' sense of belonging and cohesion.

Looking ahead, the road to energy transformation is by no means an easy one, but it contains huge opportunities for technological innovation, industrial upgrading, and market reshaping. Central Development pledges to continue to work side by side with all stakeholders in an open and collaborative manner to transform climate challenges into a new engine for high-quality development – not only to fulfill our responsibility to protect our planet, but also to create sustainable future competitiveness for ourselves.

Wu Hao







Chairman and Executive Director

SUSTAINABILITY GOVERNANCE

The Board is fully responsible for overseeing the group's ESG strategy, ESG-related issues, and ESG reporting, and has established a clear and progressive governance structure that ensures our sustainable development goals, policies, and measures are handed down to each subsidiary from top to bottom. Within this governance framework, the Board oversees an ESG working group composed of management from various business segments. The working group is responsible for regularly reviewing environmental protection, employment and labour practices, product responsibility, community engagement and other related activities in the regions where the Group operates, as well as coordinating and communicating with external organisations. If any risks are identified during operations, employees will report to senior management, who then relay the information to the ESG working group members to develop immediate countermeasures. To assist the Board in identifying ESG risks and opportunities, the ESG working group provides regular formal reports to the Board. The Group also regularly involves the internal and external professionals and always keeps up with the latest ESG requirements and updates appropriate ESG strategies and practice.

STAKEHOLDER ENGAGEMENT

The Group has established various channels to receive viewpoints and feedback from stakeholders, including employees, investors and shareholders, customers, suppliers and business partners, government and regulators, and community members. The Group values their expectation and concerns so that we can enhance our performance in sustainable development. Below are the communication channels between the Group and stakeholders:

Relevant stakeholders	Communication channels
 Employees	<ul style="list-style-type: none"> • Employee activities • Employee training • Employee performance assessments • Business profile • Emails • Online surveys
 Investors and shareholders	<ul style="list-style-type: none"> • Company website • Company announcements • General meetings • Emails • Meetings with senior management • Annual and interim reports
 Customers	<ul style="list-style-type: none"> • Company website • Exhibitions • Meetings • Emails • Customer feedback and complaints • Telephone
 Suppliers and business partners	<ul style="list-style-type: none"> • Written documents • Emails • Site visits • Meetings • Telephone
 Government departments and regulators	<ul style="list-style-type: none"> • Written documents • Meetings
 Community	<ul style="list-style-type: none"> • Public welfare activities • Company website

MATERIALITY ASSESSMENT

The Group conducted a materiality assessment in the Year 2025 to identify ESG-related topics that have significant impacts on the stakeholders and reflect the Group's significant environmental and social impact. Directors and senior management ranked the importance of material ESG-related topics according to the Group's sustainable strategies, while employees and external stakeholders ranked the importance of material ESG-related topics by their opinions and observations.

The result of the materiality assessment of ESG issues is shown as below:





BUILDING A GREEN ENVIRONMENT

EMISSIONS AND ENERGY CONSUMPTION MANAGEMENT

Emissions Policy

The Group's Energy Business mainly includes the sale of LNG, refined oil, and PV intelligent technology products. To enhance energy performance and reduce the Group's carbon footprint, the Group has great responsibility to engage in environmental protection efforts and lead other enterprises in contributing to the environment by seeking energy-saving opportunities such as environmentally friendly equipment and facilities.

The Group strictly complies with applicable laws and regulations related to the environment, including but not limited to the following:

- the Environmental Protection Law of the PRC;
- the Energy Conservation Law of the PRC;
- Law of the PRC on the Prevention and Control of Water Pollution;
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste;
- Law of the PRC on the Atmospheric Pollution Prevention and Control; and
- the Waste Disposal Ordinance (Cap. 354 of the Law of Hong Kong).

During the Reporting Period, the Group was not aware of any prosecutions for violations of laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.

Exhaust Gas Emissions

The exhaust gas emissions produced by the Group come from the usage of vehicles owned by the Group for commuting and transportation. These vehicles generate direct air pollutants, including nitrogen oxides, sulfur oxides, and respirable suspended particulates.

Types of Exhaust Gas	Unit	Year 2025	Year 2024
Nitrogen oxides	Kg	1.79	2.37
Sulphur oxides	Kg	0.04	0.06
Respirable suspended particulates	Kg	0.13	0.17

Carbon Footprint – Greenhouse Gas Emissions

Carbon footprint is the total amount of direct and indirect emissions of greenhouse gas (“GHG”) expressed in terms of the equivalent amount of carbon dioxide (“CO₂-e”) emission. Central Development has always been shouldering corporate environmental and social responsibility, and reducing carbon footprint is the long-term aspiration of the Group.

During the Reporting Period, the total net GHG emissions generated by the Group was 51.17 tonnes of carbon dioxide equivalent (“tCO₂-e”) (mainly carbon dioxide, methane, and nitrous oxide) (Year 2024: 163.62 tCO₂-e), and the significant decrease of the Group’s GHG emissions was mainly due to the emission factor for Sichuan Province used in this Report was 0.1404 referring to 《2022 Electricity Carbon Dioxide Emission Factor》 (《2022年電力二氧化碳排放因子》) published by Ministry of Ecology and Environment of the PRC on 26 December 2024, while the national average emission factor was 0.5856.

Scope of GHG emissions	Unit	Year 2025	Year 2024
Scope 1 – Direct emissions	tCO ₂ -e	8.03	10.94
Scope 2 – Energy indirect emissions	tCO ₂ -e	43.14	152.68
Total emissions	tCO ₂ -e	51.17	163.62
Intensity	tCO ₂ -e/revenue in HK\$ million	0.22	0.87

* The GHG is calculated according to the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” jointly published by the Environmental Protection Department and the Electrical and Mechanical Services Department.

Hazardous and Non-hazardous Waste Management

During the Reporting Period, our major type of hazardous waste produced was toner cartridges, while non-hazardous waste includes primarily waste paper and domestic wastes. Those stationery wastes, waste paper, and domestic wastes were collected and processed by cleaning companies. The operation activities of the Group did not involve the usage of packaging materials.

Type of Waste	Unit	Year 2025	Year 2024
Hazardous waste			
Total	Tonnes	0.0020	0.0005
Intensity	Kg/revenue in HK\$ million	0.0088	0.0025
Non-hazardous waste			
Total	Tonnes	0.65	0.94
Intensity	Tonnes/revenue in HK\$ million	0.003	0.01



BUILDING A GREEN ENVIRONMENT (Continued)

Emissions Target

The Group is committed to minimising air and greenhouse gas emissions from our daily operations by implementing several environmental initiatives. The Group's disclosed targets may be revised to reflect operational changes or upon which emissions management is considered to be a material topic. Overall, the Group hopes to achieve lower emissions and hazardous and non-hazardous KPIs each year than the previous year. During the Reporting Period, though the Group was more active in business operations, we decreased KPIs in exhaust gas emissions, GHG emissions, and non-hazardous waste.

The Group shall continuously achieve its environmental targets by implementing the following measures:

- replace and select nationally standardised motor gasoline for the Company's vehicles to reduce air pollution and carbon emissions;
- adopt electronic communication and electronic filing;
- encourage suppliers to use electronic bills;
- set computers and photocopiers in double-sided printing mode;
- use recycled paper or paper made from sustainable resources;
- update the computers' operating system and software regularly; and
- purchase computer hardware only if necessary.

During the Reporting Period, the Group actively responded to "Hong Kong Green Day" designated by the Green Council and the annually World Vegetarian Day, which mainly aim to bring public awareness to the environmental and health lifestyle.



BUILDING A GREEN ENVIRONMENT (Continued)

The Group also actively joined Plastic Free July by the Plastic Free Foundation, which is a global movement that helps millions of people reduce their plastic waste by implementing the following new initiatives:

- provide reusable cutlery in the office;
- buy stationery with less packaging; and
- use reusable cups instead of disposable plastic cups when entertain visitors.



Resources Management

During the Reporting Period, the Group's primary resource consumption was gasoline, electricity, and water. Specifically, the Group's main source of water consumption is the car washer in the filling station of the Energy Business. The water resources of the Group are supplied by the municipal system, and therefore, we do not have any problem in obtaining suitable water sources. The industrial wastewater and domestic sewage generated therefrom are treated by the sewage treatment plants via a local pipe network.

The following table provides a summary of the Group's main resource consumption:

Use of Resources	Unit	Year 2025	Year 2024
Direct energy	MWh	29.26	37.45
Indirect energy	MWh	261.78	266.18
Total energy	MWh	291.04	303.63
Intensity	MWh/revenue in HK\$ million	1.28	1.61
Water consumption	m ³	2,758.90	5,360.00
Intensity	m ³ /revenue in HK\$ million	12.10	28.43

BUILDING A GREEN ENVIRONMENT (Continued)

Efficiency Target

The Group targets to improve overall resource efficiency and reduce energy and water consumption year by year through taking the following measures:

- enhance the monitoring of the usage of electricity and turning off unused electrical appliances;
- maintain the air conditioning temperature at a comfortable 26 degrees Celsius;
- use electronic devices with energy efficiency rating (such as those with Grade 1 energy labels);
- conduct regular inspections of air conditioning systems and filters to ensure energy efficiency;
- utilize natural lighting and adopt energy-saving lighting systems, and install motion detectors or light sensors to control the lighting system;
- conduct regular maintenance of the Company's vehicles to ensure fuel efficiency;
- organize online meetings to cut down business air travel;
- conduct regular inspections of water leakages from water pipes and faucets; and
- use faucets with a Grade 1 water efficiency rating to reduce the wastage of water.

During the Reporting Period, the Group celebrated World Car Free Day on 22 September 2024 by encouraging our employees to leave their cars at home to reduce gasoline usage as well as air pollution and promote alternative modes of transportation, such as walking, cycling, and using public transit.





THE ENVIRONMENT AND NATURAL RESOURCES

The Group continues to monitor any possible adverse impacts and is committed to controlling the consumption of resources as well as documenting its emissions. During the Reporting Period, the Group was not aware of any significant impact on the environment and natural resources or any violations of laws and regulations. Regarding the Energy Business in Chengdu, we held the “Operating Licenses for Hazardous Chemicals” and the “Refined Oil Business Activities Qualification”. We also added a “Fueling Station Fuel-gas Recycling Online Monitoring System” in accordance with the requirements of the local government to monitor the concentration of oil and gas emissions from our filling station and prevent any pollution.

CLIMATE CHANGE RISKS AND OPPORTUNITIES

The Group is committed to mitigating climate-related risk and taking advantage of climate-related opportunities by conducting an assessment associated with climate change. The Group has assessed the physical and transitional risks it face from climate-related hazards. In terms of the physical risks, employees and operations of Central Development are threatened by floods, heavy rain and typhoons, which would result in loss of workdays; for transition risks, the Group may face enhanced emissions-reporting obligations, mandates and regulations of existing products and services, and substitution of existing products and services with lower emission options, which would result in higher compliance fees or operation cost.

In response to the national call, the Group, as a socially responsible enterprise has formulated the Environmental Protection Policy and is committed to minimizing the negative impact of its operations and responsibly utilizing natural resources to contribute to addressing climate change, and incorporating climate risk into its decision-making processes. The Group also tried to adopt environmentally friendly measures such as carbon credits to balance its remaining emissions by funding carbon reduction projects while investing in clean energy and energy efficiency measures.

The Group identified sustainable development as our opportunities brought by consumers’ increasing awareness and concerns to climate change. Solar and natural gas, as green and clean energy sources, are becoming one of the important strategies for achieving China’s Dual Carbon Goals. This benefits us in promoting and expanding our natural gas sales business. We have a stable supply chain of resources that ensures the steady growth of our energy business.

The Board will take responsibility for the climate-related risk and opportunities exposure to the Group, and keep abreast with the amendments to the Stock Exchange Listing Rules Appendix C2, which enhanced climate disclosure requirements and took effect on 1 January 2025.

BUILDING A PEOPLE-ORIENTED CULTURE

“An enterprise thrives with people and fails without them.” The Group is very proud to announce that we have received the Aspiring Excellence Award and Good MPF Employer.



HUMAN RESOURCES MANAGEMENT

The Group respects and treats every employee fairly, considers them as our valuable assets, and hopes they can grow with the enterprise. To properly communicate the responsibilities, obligations, and benefits of employees, the Group has established written systems such as the Staff Handbook, the Human Resources Management System, and the Training Management Regulations, which specify employment terms such as compensation, dismissal, recruitment and promotion, working hours and holidays. The Staff Handbook also clearly states the Group's commitment to equal opportunity, diversity, anti-discrimination that all employees will be treated equally on all human resources matters regardless of gender, religion, pregnancy, family status, marital status, race and disability.

In practice, the Group upholds the principle of open and fair competition and ensures openness and transparency in recruitment, and is committed to creating a healthy and friendly work environment as well as providing competitive compensation and benefits to attract and retain talents. Our employee remuneration and promotion are determined based on various factors, including qualification, position, working experience, educational background and performance. Remuneration adjustments will be made based on job responsibilities, educational background, working experience, competence, potential and performance of employees so as to ensure that employees enjoy fairness, diversity, anti-discrimination and equal opportunities in terms of remuneration and promotion. The Group offers different benefits for employees according to the law and local culture including but not limited to insurances, staff medical benefits, holidays, Chinese Lunar New Year bonus and meal allowance. We also organize activities to promote a close relationship between employees by creating a sense of belonging. In terms of dismissal, we implement the relevant provisions of the Employment Ordinance, and a written resignation application shall be submitted to the Human Resources Department and the corresponding manager 30 days in advance, to protect the rights of employees and the Group.

BUILDING A PEOPLE-ORIENTED CULTURE (Continued)

In addition, our employees' opinions can contribute to a stronger governance structure. Therefore, the Group adopts an open attitude and listens carefully to the concerns, needs, and opinions of our employees at work. We meet with our employees to understand their needs and opinions and conduct supervision and review on work procedures, staff benefits and various policies regularly.

The Group strictly complies with employment-related laws and regulations, including but not limited to:

- the Labour Law of the PRC;
- the Regulation on the Administration of Housing Accumulation Funds;
- the Labour Contract Law of the PRC;
- the Employment Ordinance (Cap. 57 of the Law of Hong Kong);
- the Social Insurance Law of the PRC;
- the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Law of Hong Kong);
- the Regulation on Work-Related Injury Insurances;
- the Employees' Compensation Ordinance (Cap. 282 of the Law of Hong Kong);
- the Employment Promotion Law of the PRC;
- the Sex Discrimination Ordinance (Cap. 480 of the Law of Hong Kong);
- the Interim Measures Concerning the Maternity Insurance for Enterprise Employees;
- the Racial Discrimination Ordinance (Cap. 602 of the Law of Hong Kong);
- the Plan for Reform of the State and Local Tax Collection and Administration Systems;
- the Disability Discrimination Ordinance (Cap. 487 of the Law of Hong Kong);
- the Interim Regulation on the Collection and Payment of Social Premiums;
- the Family Status Discrimination Ordinance (Cap. 527 of the Law of Hong Kong); and
- the Regulations on Unemployment Insurance;
- the Personal Data (Privacy) Ordinance (Cap. 486 of the Law of Hong Kong).

During the Reporting Period, the Group was not aware of any violation of employment-related laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.



BUILDING A PEOPLE-ORIENTED CULTURE (Continued)

As at 31 March 2025, there was a total of 64 employees. The employee distribution by gender, employment type, employee category, age group and geographical region during the Reporting Period and in the Year 2024 was as follows:

Employee Structure		Year 2025	Year 2024
Total number of employees		64	64
By gender	Male	37	39
	Female	27	25
By employment type	Full-time	61	62
	Part-time	3	2
By employee category	Senior management	9	5
	Middle management	12	18
	General employee	43	41
By age group	<30	3	2
	30-40	24	29
	41-50	19	18
	>50	18	15
By geographical region	Hong Kong	9	6
	The PRC	55	58

The employee turnover rates by gender, age group and geographical region during the Reporting Period and the Year 2024 are as follows:

Employee Turnover Rate		Unit	Year 2025	Year 2024
By gender	Male	%	17	5
	Female	%	42	16
By age group	<30	%	33	0
	30-40	%	57	14
	41-50	%	11	11
	>50	%	6	0
By geographical region	Hong Kong	%	33	17
	The PRC	%	27	9

* $\text{Turnover rate} = \frac{\text{Number of employees who left employment during the Reporting Period}}{\text{Number of employees as at the year-end of the Reporting Period}} \times 100$

OCCUPATIONAL HEALTH AND SAFETY

The Group values the physical and mental well-being of its employees. The Group has established the General Rules for Safety Production to specify the rules that employees need to comply with in the workplace of the production line and strictly adhere to the safety procedures of machinery operation, and provides appropriate labour protection equipment (such as safety helmets, work clothes, and work shoes) to avoid dangerous work. In case of work-related injuries, the Group will follow up immediately on the day of the accident to ensure that the injured employees are in stable condition, and those who are seriously injured will be sent to the hospital immediately for treatment. The cause of the accident will be investigated later, and appropriate measures may be taken to reduce the chance of an accident.

In addition, in order to allow our employees to better understand the importance of production safety and safety related knowledge, we have arranged three-tier safety education and technical training with topics including but not limited to hazardous chemicals regulations and technical specifications, safety inspection and education, sharing cases of accident, and learning how to use firefighting equipment.

The Group shares with the employees the study materials regarding safe production from the website <https://anquanyue.org.cn/index.html> specially in June as the national safe production month, to enhance the employees' risk avoidance capabilities in response to emergencies.



In the post-pandemic economic recovery, the Group continuously takes effective and appropriate preventive measures to reduce the risk of infection by including but not limited to carrying out daily disinfection work in all workplaces, providing masks and sanitizing products to employees and clients who pay a visit to our office, and implementing flexible working hours arrangement to avoid overcrowding during peak hours.



BUILDING A PEOPLE-ORIENTED CULTURE (Continued)

The Group strictly complies with the laws and regulations related to occupational health and safety, including but not limited to:

- the Production Safety Law of the PRC;
- the Production Safety Regulations of Zhejiang Province;
- the Law of the PRC on the Prevention and Treatment of Occupational Diseases;
- the Fire Control Law of the PRC;
- the Occupational Safety and Health Ordinance (Cap. 509 of the Law of Hong Kong); and
- the Regulation on Work-related Injury Insurances.

During the Reporting Period, the Group was not aware of any violation of the laws and regulations relating to occupational safety, and there were no work-related injuries or fatalities in the past three years.

PROFESSIONAL DEVELOPMENT AND TRAINING

The Group deeply understands the value of investing resources in the professional development of our employees and encourages them to pursue further education in job-related skills and knowledge. The Group has formulated the Training Management Regulation to specify the management of staff training and development work. We have established a comprehensive development program, and the Human Resources Department is responsible for formulating the annual training plan, assessing the implementation of training, and tracking the results of the assessment and training, expecting to assist them in enhancing their vocational skills, professionalism and understanding of our company culture.

In line with its mission to promote lifelong learning, Central Development also provides sponsorship to our employees who acquire relevant professional qualifications. This grant aims to support employees' career development paths and enabling them to keep up with emerging technologies and industry trends.

During the Reporting Period, Central Development provided various types of training for employees, including onboarding training, internal, and external training. For external training, we arranged for directors and employees to participate in training provided by professional training institutions and government departments, such as the Stock Exchange, Shanghai Stock Exchange ("SSE"), Shenzhen Public Companies Association, accounting firms, and the Independent Commission Against Corruption ("ICAC"). The training covers a wide range of issues such as business ethics, anti-discrimination, sustainability disclosure standards, safe production, advanced technology, etc.

BUILDING A PEOPLE-ORIENTED CULTURE (Continued)

The percentage of employees trained and average training hours by gender and employee category are as follows:

Training Hours		Unit	Year 2025	Year 2024
Percentage of Employees Trained				
By gender	Male	Percentage	35	54
	Female	Percentage	81	60
By employee category	Senior management	Percentage	67	100
	Middle management	Percentage	16	61
	General employee	Percentage	31	49
Average Training Hours Per Employee				
By gender	Male	Hours	20	30
	Female	Hours	12	14
By employee category	Senior management	Hours	21	98
	Middle management	Hours	18	27
	General employee	Hours	12	13

LABOUR STANDARDS

Central Development is well aware that child labour and forced labour are serious violations of fundamental human rights, and therefore strictly prohibits all forms of child labour and forced labour, adopting a “zero tolerance” policy towards them. We stipulate in the Staff Handbook that the Human Resources Department should verify the identity documents of applicants to prevent hiring minors. In addition, employment contracts are signed and amended with employees based on the principles of equality, willingness, and agreement, and there is no event of forced labour. The Group defines working hours and rest arrangements of employees. In case of emergency, overtime work shall be approved by department heads and managers, and compensation leave shall be given to employees who work overtime. If any cases of child labour or forced labour are identified, we will take them seriously and hold those in charge of the relevant departments accountable, and may subsequently take appropriate measures to prevent their recurrence.

We strictly comply with relevant labour laws and regulations, including but not limited to:

- the Labour Law of the PRC;
- the Regulations on Paid Annual Leave for Employees;
- the Provisions on the Prohibition of Using Child Labour of the PRC;
- the Law of the PRC on the Protection of Minors; and
- the Employment Ordinance (Cap. 57 of the Law of Hong Kong).

During the Reporting Period, the Group did not have any irregularities related to child labour and forced labour.



BUILDING OPERATIONAL EXCELLENCE

SUSTAINABLE SUPPLY CHAIN

The Group's Energy Business is mainly engaged in the procurement of LNG and refined oil, while our Jewelry Business is mainly engaged in purchasing jewelry to resell. Under reasonable and practicable circumstances, the Group's procurement department places great emphasis on identifying potential environmental and social risks when selecting suppliers to establish a stable and environmentally preferable supply chain.

The Group has established the Code of Conduct for Suppliers with suppliers, which includes compliance with environmental protection regulations, protection of employee health and safety, prohibition of corruption and bribery, and prohibition of child labour and forced labour. In the Policy on Product Responsibilities and Supply Chain, the Group regulates the requirements for selecting and managing suppliers.

In selecting suppliers, the Group takes factors such as the safety of product composition, the quality of products, prices, environmental risks, and environmental performance. The Group also reviews the risks and performance of potential suppliers in social responsibility such as responsible procurement, protection of labour rights, welfare and equal opportunities, protection of intellectual property rights and anti-corruption. The Group periodically visits factories of major suppliers to inspect the quality of products ordered and examines conditions including appearance, size and production environment and other conditions. If we find a supplier fails to provide standard products and materials or fails to meet the delivery schedule, the supplier may be warned, temporarily or even permanently denied an order.

During the Reporting Period, the Group had 15 suppliers on our supplier list in the PRC, which were reviewed periodically and updated by our employees.

PRODUCT QUALITY MANAGEMENT

The Group always aims to provide high-quality and safe products, and responsible services to our customers and thus formulated the Policy on Product Responsibilities and Supply Chain and Stock Management System to regulate the storage management of products and the handling procedures of customer complaints. The Group strictly complies with the laws and regulations related to product liability such as the Product Quality Law of the PRC, the Law of the PRC on Protection of Consumer Rights and Interests, and the General Principles of the Civil Law of the PRC.

The Group implemented rigorous quality control measures and standards across different business operations:

ENERGY BUSINESS (Refined oil and LNG products)

- Request the suppliers to provide inspection and testing reports to ensure that the products meet the standards of auto-fuels; and
- Involve the testing agency to conduct tests on the items including but not limited to the status of samples, storage environmental conditions, total amount of sulfur and density of refined oil and LNG products.

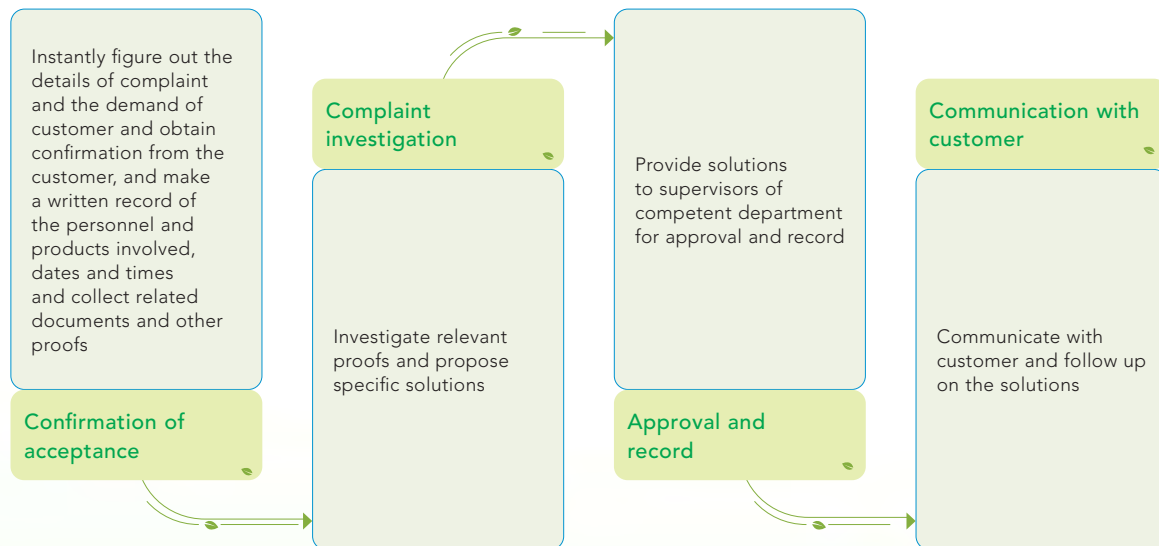
ENERGY BUSINESS (Solar energy products)

- Conduct several quality inspections of products on a regular basis according to international standards and customer requirements, such as STC tests (including temperature cycling test, wet freezing test, humid heat test), EL test (Electroluminescence), appearance test, etc.;
- Ship product after obtaining approval and passing inspection; and
- Take corresponding remedial measures, including product return, recall or recovery, in the event that products fail to meet the requirements of safety and quality.

JEWELRY BUSINESS

- Conduct internal sampling inspections for quality and regular calibration of our jewelry authenticating apparatus to ensure that the quality of the products can be accurately inspected.

The Group values the opinion of customers and has established procedures to handle customer complaints promptly once receiving a complaint:



During the Reporting Period, the Group was not aware of any serious violations of laws and regulations for product and service quality, and no complaints were received about products and services, or incidents of recall occurred for safety and health reasons.



BUILDING OPERATIONAL EXCELLENCE (Continued)

ADVERTISING AND MARKETING

The Group is in full compliance with applicable laws and regulations regarding advertising and marketing, including but not limited to the Trademark Law of the PRC, the Advertising Law of the PRC, and the Trade Description Ordinance (Cap. 362 of the Law of Hong Kong).

In practice, prior to marketing and advertising, all promotional materials are rigorously reviewed by the management of the Group to ensure that they are balanced, accurate, honest, and fair and that the information is disseminated in the most appropriate manner.

During the Reporting Period, we were not aware of any violations of advertising and marketing laws and regulations related to the products and services we provided.

CONSUMER DATA PROTECTION AND PRIVACY POLICY

As a responsible enterprise and licensed money lender, the Group adheres to the Personal Data (Privacy) Ordinance (Cap. 486 of the Law of Hong Kong) to safeguard all personal data collected from partners, customers, employees, and suppliers. The Group establishes a Privacy Policy to ensure that all collected data is securely processed. For instance, our customer data must be stored in a secure computer system and accessible only to authorized employees, and as stated in the Policy on Product Responsibilities and Supply Chain, our customers' awareness and consent must be ensured before using any personal data. Our Staff Handbook clearly states that leaking customer data is strictly prohibited. Upon discovery, the employment will be immediately terminated, and depending on the severity of the incident, the right to pursue legal action will be reserved.

During the Reporting Period, the Group was not aware of any confidential data or information breach.

INTELLECTUAL PROPERTY

Due to the possession of various patented technologies, trademark registrations, and patent licensing agreements with partners, the Group is well aware of the importance and responsibility of protecting intellectual property. The Group protects our intellectual property through the registration of trademarks and patents and complies with regulations on intellectual property rights such as the Patent Law of the PRC and the Copyright Law of the PRC. In order to enhance our employees' awareness of intellectual property protection, the Group clearly stated in the Staff Handbook that leaking company confidential information and patented technology information is strictly prohibited. Upon discovery, the employment will be immediately terminated, and depending on the severity of the incident, the right to pursue legal action will be reserved.

During the Reporting Period, the Group was not aware of any violations of laws and regulations for intellectual property rights, and there were no significant infringements of the Group's intellectual property rights.



INTEGRITY AND HONESTY

The Group deeply understands the importance of integrity and honesty in business operations, recognizing them as the foundation for business development. We are committed to eradicating all unethical behaviors such as bribery, extortion, fraud, money laundering, and conflict of interest. We believe that maintaining business reputation and compliance with all applicable laws and regulations within the industry are the most basic expectations of all stakeholders towards the Group. Therefore, we strictly adhere to anti-corruption laws and regulations, including but not limited to:

- the Criminal Law of the PRC;
- the Anti-Unfair Competition Law of the PRC;
- the Regulations of the PRC for Suppression of Corruption;
- the Prevention of Bribery Ordinance (Cap. 201 of the Law of Hong Kong); and
- the Money Lenders Ordinance (Cap. 163 of the Law of Hong Kong).

To make sure potential corruption cases are handled in a timely manner, the Group has formulated the Anti-corruption Policy and Whistleblowing Policy, stipulating that our employees shall not abuse their power to engage in malpractice such as corruption and soliciting or accepting a bribe. As for the reporting mechanism, the Group has implemented communication channels for reporting cases of corruption or fraud for our partners, employees, customers, and suppliers to report any non-compliances. Whistleblowers could report to the chief executive officer or the chairman of the Audit Committee and all reports will be handled directly by the Audit Committee. All personal information of whistleblowers will be kept confidential to protect them from unfair treatment. The Group will conduct an investigation based on the nature and severity of the complaints and establish a committee formed by senior officers to review the investigation report. Upon completion of the investigation, the whistleblower will receive a written report on the result of the investigation. If the result shows that the case is true, wrongdoers will receive appropriate disciplinary action, and in a more serious case, it will be handed to law enforcement agencies.

To strengthen the anti-corruption awareness for directors and employees, the Group arranged about one hour of training during the Reporting Period covering the topic of conflicts of interest, anti-corruption, and ethical business culture.

During the Reporting Period, the Group was not aware of any litigation and complaints involving violations of laws and regulations relating to corruption, bribery, extortion, fraud, and money laundering, and was also not aware of any concluded legal case regarding corrupt practices brought against us or our employees.

CARING FOR THE COMMUNITY

Central Development is willing to take on corporate social responsibility and actively participate in various environmental and community welfare activities. We have formulated the Community Investment, Sponsorship, and Donation Policies to establish the structures and standards of community investment and encourage employees to actively participate in various voluntary activities and social services, including different cultural and recreational activities and activities held by charities.

The Group treated “Climate Change and the Environment”, “Youth Education and Development”, “Community Health”, and “Culture Arts” as the core themes of our community investment. To echo the theme of “Climate Change and Environment”, during the Reporting Period, the Group celebrated the International Day for Biological Diversity, initiated by the United Nations. We encouraged employees to support sustainable products, limited hunting season, harvesting quotas, wildlife refuges, and anything that can contribute to biodiversity preservation.



Additionally, the Group also organized the employees to watch the film regarding caring for the disabled on the 2024 National Disability Day. We encouraged employees to be aware of Community Health and help those who need help.



The Group will allocate more resources to community activities in the future, with management responsible for regularly reviewing the goals and direction of policies and investments. We will also evaluate the Group’s social performance to assist more vulnerable communities.

KEY PERFORMANCE INDEXES REFERENCE TABLE

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Policy
KPI A1.1	The types of emissions and respective emissions data.	Exhaust Gas Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Carbon Footprint – Greenhouse Gas Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous and Non-hazardous Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous and Non-hazardous Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions Target
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions Target



KEY PERFORMANCE INDEXES REFERENCE TABLE (Continued)

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resources Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Resources Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resources Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Efficiency Target
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Efficiency Target
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Resources Management <i>Note:</i> the Group has not produced packaging material in its core business
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	THE ENVIRONMENT AND NATURAL RESOURCES
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	THE ENVIRONMENT AND NATURAL RESOURCES
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	CLIMATE CHANGE RISKS AND OPPORTUNITIES
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	CLIMATE CHANGE RISKS AND OPPORTUNITIES

KEY PERFORMANCE INDEXES REFERENCE TABLE (Continued)

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Remarks
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	HUMAN RESOURCES MANAGEMENT
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	HUMAN RESOURCES MANAGEMENT
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	HUMAN RESOURCES MANAGEMENT
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	OCCUPATIONAL HEALTH AND SAFETY
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	OCCUPATIONAL HEALTH AND SAFETY
KPI B2.2	Lost days due to work injury.	OCCUPATIONAL HEALTH AND SAFETY
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	OCCUPATIONAL HEALTH AND SAFETY



KEY PERFORMANCE INDEXES REFERENCE TABLE (Continued)

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Remarks
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	PROFESSIONAL DEVELOPMENT AND TRAINING
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	PROFESSIONAL DEVELOPMENT AND TRAINING
KPI B3.2	The average training hours completed per employee by gender and employee category.	PROFESSIONAL DEVELOPMENT AND TRAINING
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	LABOUR STANDARDS
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	LABOUR STANDARDS
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	LABOUR STANDARDS <i>Note:</i> no such incidents were reported during the Reporting Period
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	SUSTAINABLE SUPPLY CHAIN
KPI B5.1	Number of suppliers by geographical region.	SUSTAINABLE SUPPLY CHAIN

KEY PERFORMANCE INDEXES REFERENCE TABLE (Continued)

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Remarks
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.	SUSTAINABLE SUPPLY CHAIN
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SUSTAINABLE SUPPLY CHAIN
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SUSTAINABLE SUPPLY CHAIN
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	PRODUCT QUALITY MANAGEMENT ADVERTISING AND MARKETING CONSUMER DATA PROTECTION AND PRIVACY POLICY
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	PRODUCT QUALITY MANAGEMENT
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	PRODUCT QUALITY MANAGEMENT <i>Note:</i> no products and service-related complaints received during the Reporting Period
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	INTELLECTUAL PROPERTY
KPI B6.4	Description of quality assurance process and recall procedures.	PRODUCT QUALITY MANAGEMENT



KEY PERFORMANCE INDEXES REFERENCE TABLE (Continued)

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Remarks
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	CONSUMER DATA PROTECTION AND PRIVACY POLICY
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	INTEGRITY AND HONESTY
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.	INTEGRITY AND HONESTY
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	INTEGRITY AND HONESTY
KPI B7.3	Description of anti-corruption training provided to directors and staff.	INTEGRITY AND HONESTY
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	CARING FOR THE COMMUNITY
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	CARING FOR THE COMMUNITY
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	CARING FOR THE COMMUNITY