



Home essential

 **First Class Experience**

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Environmental, Social and Governance Report

ABOUT THE REPORT

Report Description

Man Wah Holdings Limited (“Man Wah” or “the Company”), together with our subsidiaries (referred to as “the Group” or “we”) is pleased to present the Environmental, Social, and Governance Report (“ESG Report” or “this Report”) for the year ended 31 March 2025 (“FY2025”).

Standard Statements

This report has been prepared with reference to the Environmental, Social and Governance Reporting Code in Appendix C2 of the Listing Rules of the Hong Kong Exchanges and Clearing Limited (the “Exchange”). We follow the following principles.



The Board’s ESG Statement

The Board of Directors of the Group commits that this report contains no false or misleading information, and takes responsibility for the truthfulness, accuracy, and completeness of our contents.

Key contents

- ESG Governance: Disclosure of the Board’s oversight of environmental, social, and governance matters.
- ESG Management Policies and Strategies: Disclosure of the Board’s environmental, social, and governance management policies and strategies, including the process for assessing, prioritizing, and managing significant environmental, social, and governance matters (including risks to the issuer’s business).
- ESG Progress Review: How the Board reviews progress towards environmental, social, and governance-related objectives.

1. COMPLIANCE AND GOVERNANCE, STRENGTHENING THE FOUNDATION OF STABILITY

Adhering to the corporate value of “fulfilling social responsibility and realizing sustainable development”, Man Wah regards social responsibility as the value of Man Wah’s existence, and always insists on fulfilling social responsibility as our own responsibility, operating in compliance with the law, paying taxes legally, abiding by business ethics, and doing our best for the prosperity of the country, the nation and the society.

1.1. Practicing Responsible Governance

1.1.1. ESG Governance

The Group has fully integrated environmental, social and corporate governance (ESG) matters into our development strategies and business activities. We have set up an ESG management system comprising the decision-making level led by the Board of Directors, the management level comprising the ESG management team and the executive level comprising the ESG executive team, forming a top-down ESG promotion mechanism, coordinating and managing the daily ESG work, dynamically identifying and controlling ESG risks and opportunities in the course of production and operation, and continuously improving and strengthening the strategization of the Group’s sustainable development work, standardization and institutionalization of management, and effectively promote the participation of all departments and companies in ESG work.

ESG Governance Framework



1.1.2. Analysis of Material Topics

The Group values the opinions and expectations of all stakeholders. We have established a comprehensive process for identifying and analysing substantive ESG topics. During each reporting period, we review the material topics from the previous reporting period to consider any changes in their impact.

1.1.2.1. Topics Identification

Based on our business model and sustainability background, the Group relies on Appendix C2 of the Listing Rules Environmental, Social and Governance Reporting Code. We also consider national policy guidance, regulatory disclosure requirements, stakeholder concerns, benchmarking against leading companies in the industry, and engage external sustainability experts for consultation. Through this process, we identify 19 material topics related to environmental, social, and governance aspects.

1.1.2.2. Screening Assessment

The Group prioritizes the importance of material issues through quantitative and qualitative analysis, utilizing internal research, expert consultations, and other methods. We rank the material issues based on two dimensions: “Impact significance” and “Financial significance” assessing the significance of each topic accordingly.

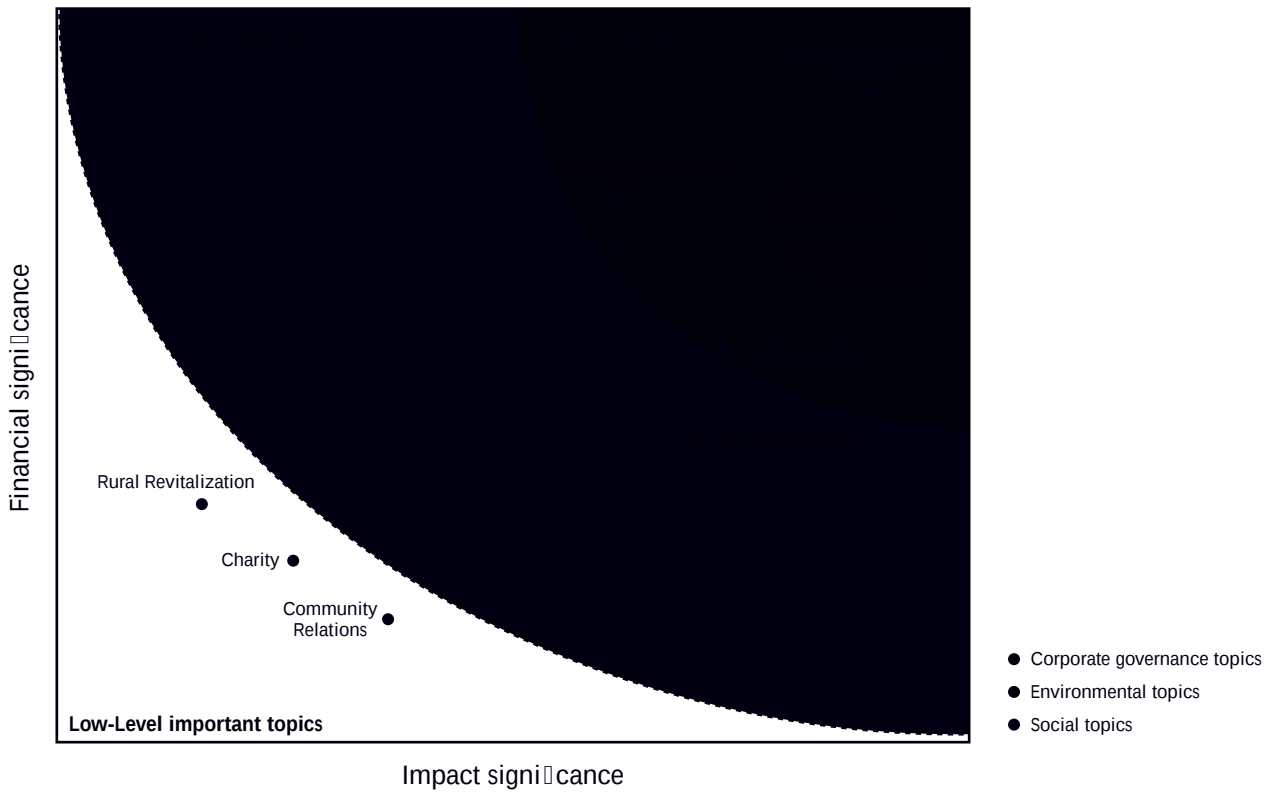
1.1.2.3. Audit Confirmation

Through both internal and external channels, including management and external experts, we review and analyse the results to ensure that the current topics are highly relevant to the Group's own business operations and the development of the industry in which our operates.

1.1.2.4. Response of the Topics

The Group's management is responsible for the final review of material topics and their prioritization, ensuring the identified material topics are feasible and effective. Based on the analysis of material topics, we thoroughly elaborate on them in this report and formulate and implement action plans. These plans are given significant consideration when developing internal development strategies and management policies.

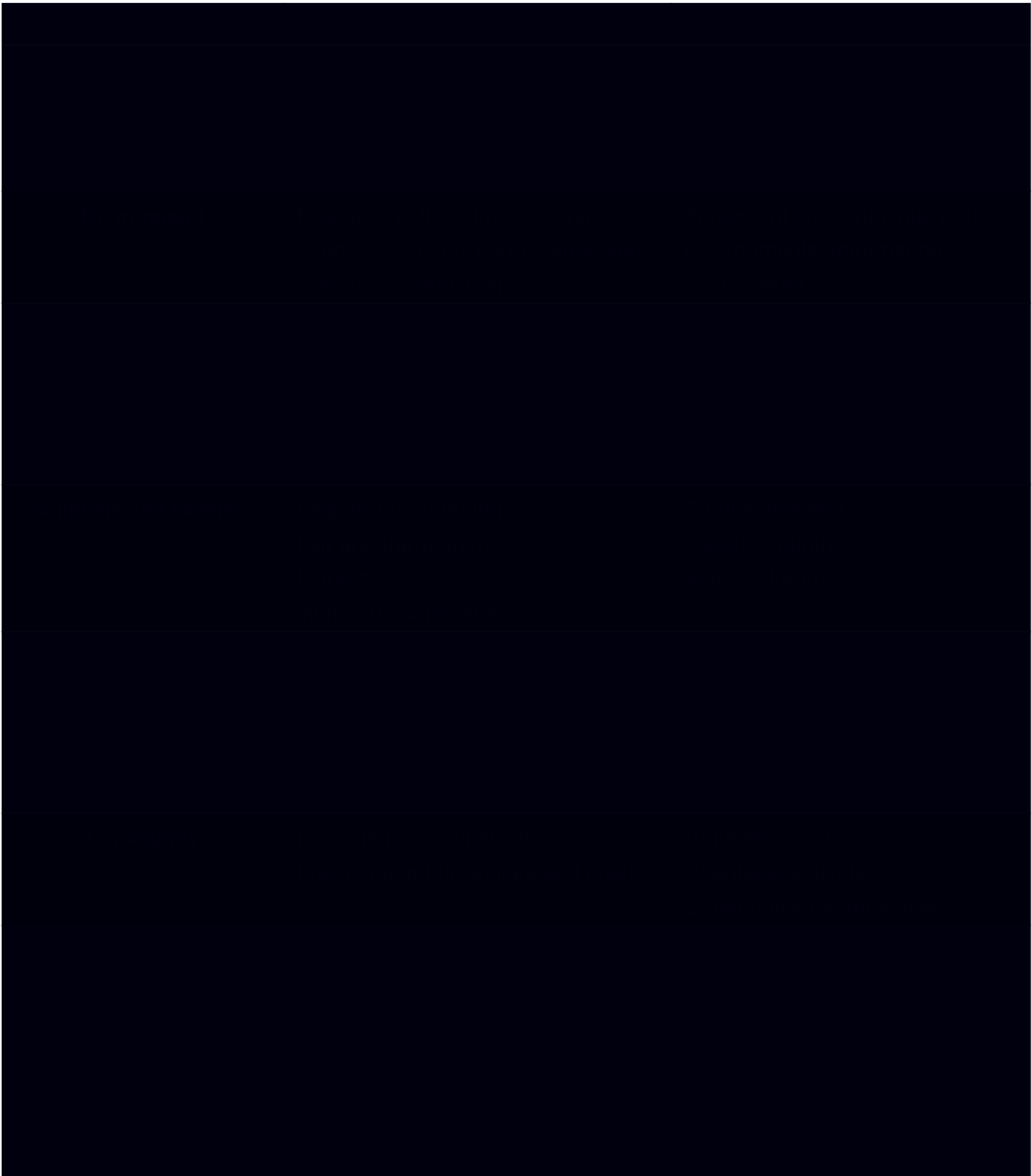
FY2025 ESG Materiality Matrix



1.1.3. Stakeholder Communication

The Group attaches great importance to the diverse demands of stakeholders such as governments and regulatory agencies, shareholders and investors, customers, employees, suppliers and partners, media and non-governmental organizations, communities, and the public. We establish various communication channels tailored to the characteristics of each stakeholder, listen to their relevant opinions on the Group's sustainable development, promptly disclose sustainable development dynamics to all parties, and ensure accurate identification, comprehensive understanding, and precise response to stakeholders' demands.

Stakeholder Communication Channels



1.2. Adhering to Business Ethics

1.2.1. Internal Control Compliance

The Group adheres to the rule of law and has formulated various systems such as *Internal Audit System*, *Audit File Management System*, *Audit Department Training Management System*, etc. In order to continuously improve the quality of internal audit work. We have set up an internal audit department, which is fully responsible for the Group's internal audit work under the direct leadership of the chairman of the board of directors, and conducts audits of the Group's development strategy, operation and management, internal control and risk management in strict accordance with the auditing procedures to ensure the smooth implementation of the auditing work. We organize and carry out no less than four internal audit trainings for our audit staff every year, with professional, accurate and authoritative training contents, and conduct assessment for the trainers to ensure that the audit trainings are practical and effective, which can effectively enhance the professional ability of the audit staff.

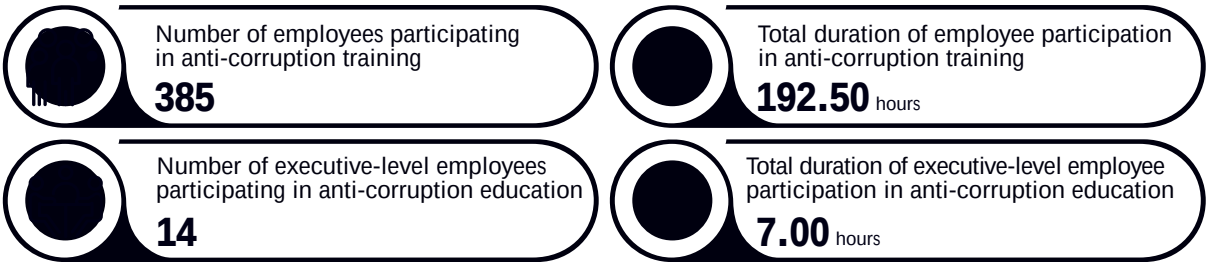
The Group has established a risk management system with the Board of Directors and the Audit Committee as the highest decision-making bodies to continuously improve the Group's risk management and defense capabilities. We prevent and control potential risks in the operating environment and safeguard stable business operations by setting up an organizational and functional system for risk management, formulating risk management strategies, conducting regular assessments of significant risks, identifying significant risks and assigning responsibilities.

1.2.2. Integrity Building

The Group adheres to the bottom line of the law, strengthens the professional ethics education for employees, upholds fair competition, advocates honesty and practices business ethics. We uphold the concept of "practicing with integrity, working cleanly, and having zero tolerance for fraud", continue to improve the anti-corruption and integrity management mechanism, build up a strong ideological line of defense against corruption, and have become a member of the "Corporate Anti-Fraud Coalition". We select some of our colleagues from time to time every month to conduct employee interviews, conduct in-depth investigations on clues from daily work surveys, work arrangement instructions, reports, etc., and transfer cases that reach the amount of the crime to the judiciary for handling. For cases that do not reach the amount of the crime, we rely on the system of each department of the Group and impose different levels of punishment according to the degree of damage to the interests of the Group.

We visit our suppliers on a regular basis to continuously strengthen the prevention and control of integrity risks in our procurement and sales operations, and call on our suppliers to resolutely resist any form of corruption, such as taking bribes. Prior to cooperation, we require suppliers to sign integrity commitment clauses, stipulating that the partner needs to comply with anti-corruption and anti-bribery related laws and regulations, and undertake never to engage in any form of commercial bribery.

In FY2025



2. NATURAL SYMBIOSIS, CREATING A GREEN FACTORY

The Group incorporates the concept of green environmental protection into our operations, strictly observes domestic and international laws and regulations related to environmental protection, continuously improves the efficiency of resource utilization and strictly controls waste emissions. We are concerned about climate change and its impacts, advocate a green, low-carbon and environmentally friendly lifestyle, and strive to realize the organic combination of economic benefits and environmental responsibility.

2.1. Responding to Climate Change

2.1.1. Governance

The Group actively responds to the “Carbon peaking” and “Carbon neutrality” strategies and integrates the management of climate change into our daily management, paying constant attention to topics such as policy changes, laws and regulations, corporate reputation and climate-related risks. We have formulated reasonable response strategies for identified climate risks, taking into account the changes in the external environment and the current state of internal development, to respond to the risks and seize the opportunities through practical actions.

2.1.2. Strategy

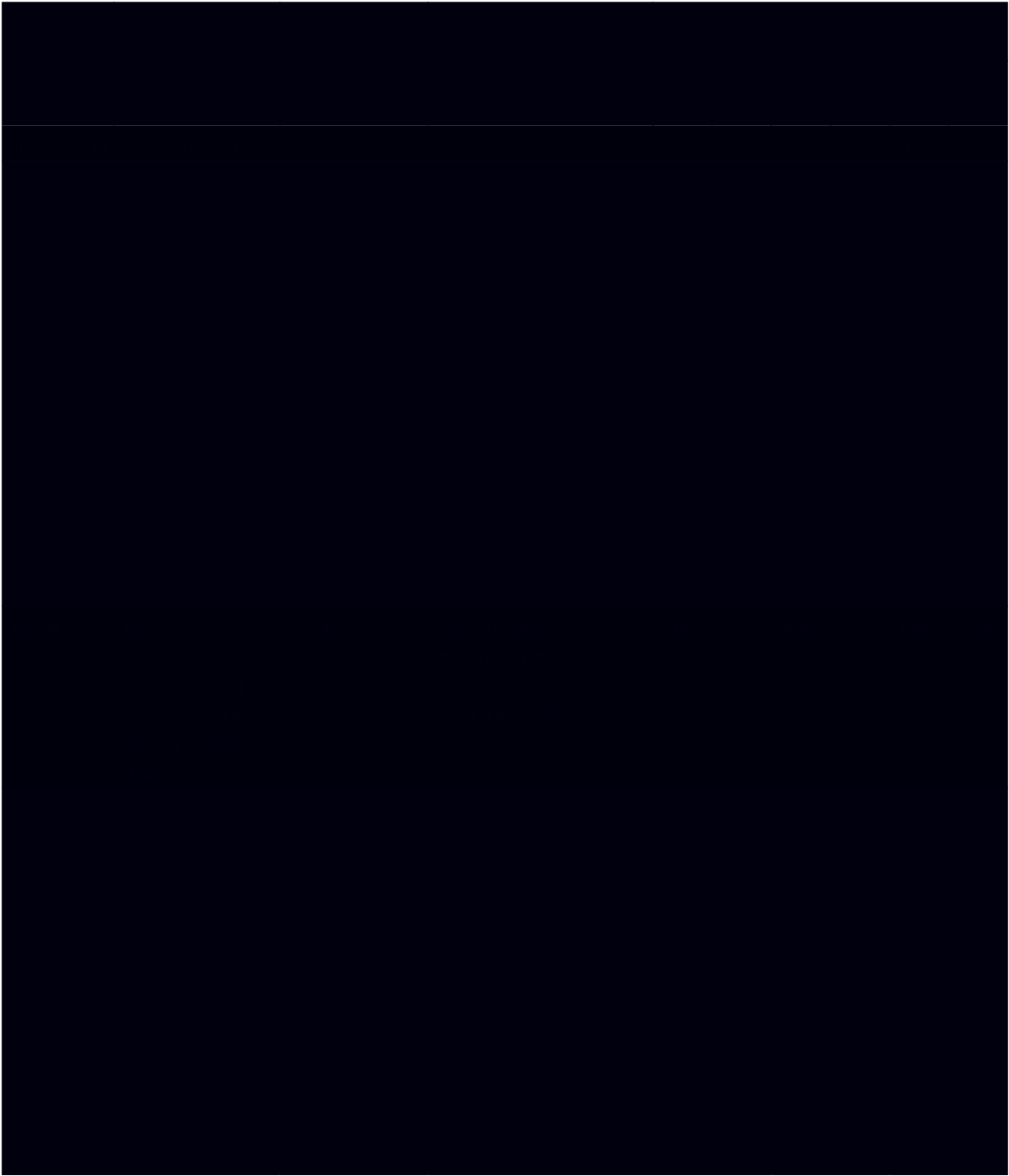
In FY2025, we analyzed the challenges and opportunities arising from climate factors under each scenario in the context of the Group's current operations under high and low GHG emission scenarios, and reviewed the climate-related risks and potential financial impacts that the Group may face.

We selected the low-emission scenario (SSP1-2.6) and the high-emission scenario (SSP5-8.5) of the Shared Socio-Economic Pathways (SSP) scenarios proposed in the Synthesis Report of the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) to assess the physical risks. Transition risks and climate-related opportunities are analyzed based on two scenarios, the Net Zero Emissions Scenario (NZE) 2050 and the Stated Policy Scenario (STEPS).

[illegible]

Our current physical risk assessment covers climate indicators for both acute and chronic risks, with climate-related transition risks coming mainly from policy, legal, and market aspects.







2.1.3. Risk Management

We have incorporated climate change-related risk management into our overall risk management system. We manage climate change-related risks and opportunities potentially affecting the Group through three steps: identification of risks and opportunities, measurement of risks and opportunities, and monitoring and response to risks and opportunities, and take practical actions to respond to the risks and grasp the opportunities from multiple perspectives, such as the establishment of systems, risk prevention and control, and industrial development.



Climate change risk and opportunity management process



2.1.4. Indicators and Targets

The Group’s sources of greenhouse gas emissions are mainly from the consumption of electricity, diesel fuel and other material energy, of which the use of natural gas and diesel fuel is included in Scope 1 Greenhouse Gas Emissions, i.e. direct greenhouse gas emissions. Purchased electricity is included in Scope 2 greenhouse gas emissions, that is, indirect greenhouse gas emissions. Greenhouse gas emission data are presented in terms of carbon dioxide equivalent.

Data relating to the Group’s greenhouse gas emissions for FY2025:

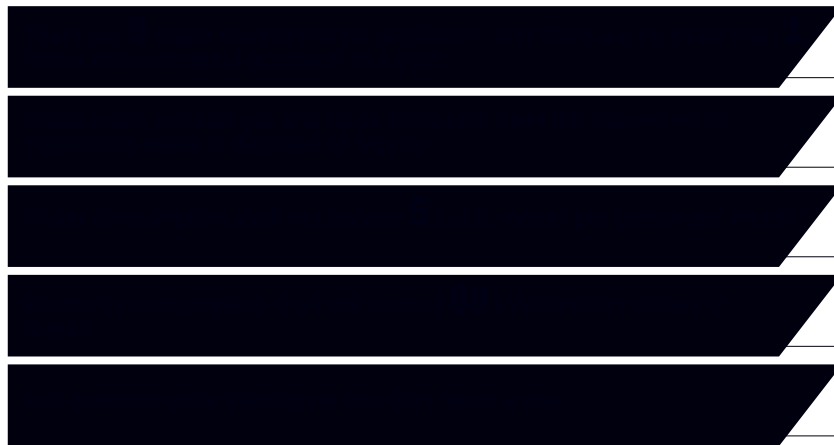
Note: Gasoline and diesel fuel are usage data of the Group’s own vehicles or equipment. The electricity emission factor is taken from the national grid average emission factor in the *Announcement on the Release of CO₂ Emission Factor for Electricity in 2022* issued by the Ministry of Ecology and Environment in 2024, and the gasoline and diesel calorific emission factors are derived from the *Guidelines on Reporting of Environmental Key Performance Indicators* issued by the Hong Kong Stock Exchange.

2.2. Strengthening Environmental Management

2.2.1. Environmental Management

The Group's environmental management system covers all business processes of the Group. We have formulated the *Environmental Protection Management System*, prepared and published the *Environmental Information Disclosure Report* on a regular basis, obtained the approval of the environmental impact assessment of construction projects, emission permits and passed the completion inspection and acceptance in accordance with the law, and strictly implemented the requirement of "Three Simultaneous Events (Environmental Protection Supporting Equipment and the Main Engineering Works are Designed, Constructed and Commissioned at the Same Time)" of the construction projects. We have established a three-tier environmental management system structure, set environmental objectives, and have passed ISO14001 environmental management system certification, which organically combines environmental management with production management system to ensure the simultaneous realization of safety, economic and environmental objectives.

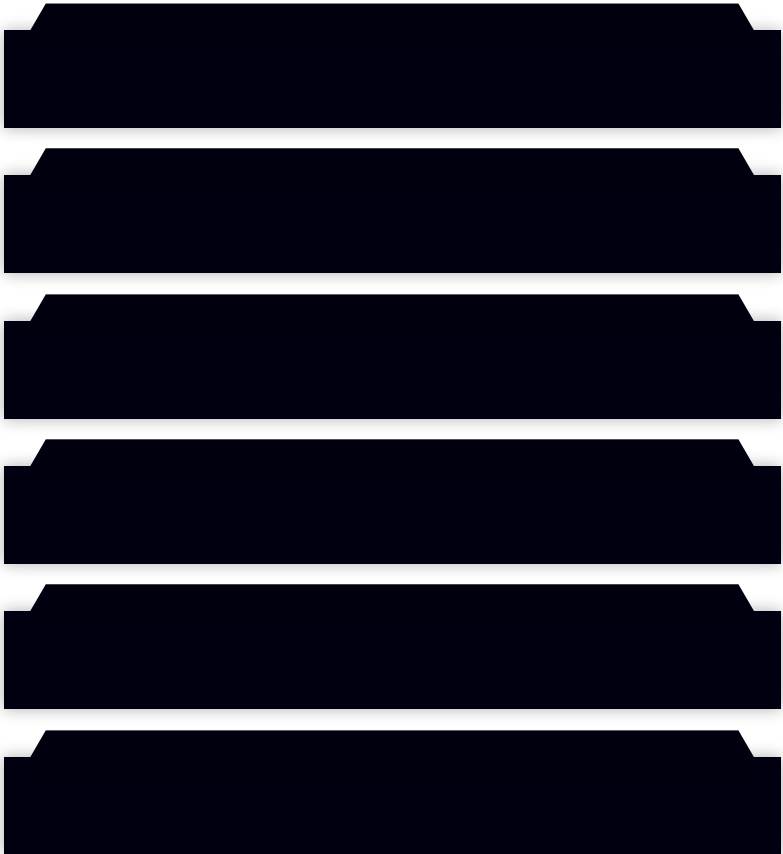
In FY2025, we have achieved the stated environmental targets:



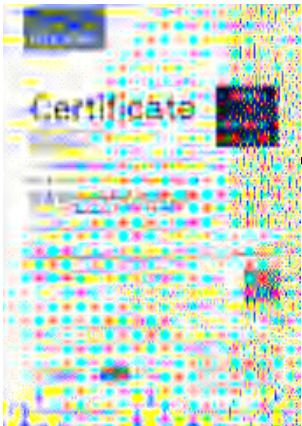
¹ Accidents that cause casualties and economic losses of more than RMB5,000 or are complained about or punished due to environmental pollution.

² An accident that causes minor environmental pollution, does not affect the outside world, causes no casualties1 TdP 0 is53 427c Tm(2)

Environmental Management Organization



Chongqing Man Wah Furniture Manufacturing Co. ISO14001 Management System Certification



Man Wah Furniture Manufacturing (Huizhou) Co. ISO14001 Management System Certification

The Group formulates and records the *Emergency Response Plan for Environmental Emergencies*, identifies environmental risk factors and evaluates them, and conducts regular emergency response training for environmental incidents. We regularly supervise the production status of our factories, summarize various environmental protection problems, carry out appropriate corrections and rectifications in a timely manner, and supervise and inspect the results of the rectifications and make suggestions for possible technological reforms.

2.2.2. Environmental Advocacy and Implementation

The Group attaches importance to the cultivation of environmental awareness among all staff, actively carries out environmental protection activities and publicizes the concept of environmental protection and energy conservation through such channels as signage, energy conservation conferences, the Group's internal publicity network, bulletin boards and banner signs.

2.3. Enhancing Resource Effectiveness

2.3.1. Water Use

The Group places water resource conservation at the forefront of corporate development. We strictly follow the water resource management system, analyze the monthly production water and electricity usage data, and assess and control the overall usage in a reasonable trend. We take a series of water use measures in production and life to regulate water use, rationally develop, utilize and recycle, and protect water resources.

During FY2025, the Group's water resources were utilized as follows:



2.3.2. Material Management

The Group's packaging materials mainly involve cartons, plastic bags and sponge crumbs. We use packaging materials rationally and effectively, and make technical improvements to our products by upgrading our wood-plastic bedside panels and replacing the materials from secondary processed wood to recyclable materials. This not only reduces the cost and difficulty of assembly, but also minimizes the impact on the natural environment. For FY2025, the Group used approximately 39,894.35 tons of different types of packaging materials.

Measures to reduce packaging materials:

- Research and design to choose environmentally friendly materials
- Promotes lightweighting of packaging materials
- Promote green recycling of packaging materials and advocate the recycling of packaging materials

2.3.3. Energy Management

The Group establishes a complete energy consumption management process, formulates systems such as the *Water and Electricity Energy Conservation and Environmental Protection Management System*, sets up full-time energy consumption administrators, carries out round-the-clock special inspections, immediately notifies the site of any problems detected for treatment, review and correction, and produces point inspection record sheets, so as to achieve the objectives of improving the energy utilization rate, controlling the production costs and sustained management and control.

We strictly implement the energy conservation system, take the selection of energy-saving equipment, elimination of backward capacity equipment or production processes, strengthening energy-saving technological transformation, energy-saving awareness of the implementation of a variety of initiatives on the ground to control the energy consumption targets, and integrate energy-saving elements into the daily production and operation.

Our energy-saving and consumption-reducing measures (partial):

- Eliminate all drips, leaks, etc., in production and living areas
- Enhance routine maintenance management of water-using equipment
- Timely identification and resolution of water wastage issues
- Enhancing the recycling of water resources
- Lighting outside the plant with solar lamps
- Installation of new energy vehicle charging posts to advocate green mobility

During FY2025, the Group's energy consumption by category was as follows:



2.3.4. Cleaner Production

Cleaner production is an important means to realize the synergistic effect of pollution reduction and carbon reduction, and is an effective way to accelerate the formation of green production mode and promote the overall green transformation of economic and social development. The Group has taken a series of cleaner production initiatives such as the elimination and renewal of old equipment, the use of LED energy-saving lamps for lighting throughout the plant, and the increase in the proportion of non-fossil energy utilization, in order to promote the realization of synergistic efficiency in reducing pollution and carbon emissions. Currently, we have the Hong Kong-Guangdong Cleaner Production Partners (Manufacturing) Logo Certificate, the China Green Product Certification and the China Environmental Labeling Product Certification, which demonstrates the community's recognition of the Group's green initiatives.



Hong Kong-Guangdong
Cleaner Production Partners
(Manufacturing) Logo Certificate



China Environmental Labeling
Product Certification



China Green Product
Certification

We are actively practicing the concept of green development by adopting the form of “self-generated electricity, surplus electricity on the Internet”, and all of our fifteen production bases around the world, except for Eastern Europe, are equipped with photovoltaic power generation systems. Solar photovoltaic power generation systems are installed on the roofs of factories, dormitories and office buildings, and solar panels and wind power generators are installed on all lighting street lamps, realizing the greening and energy saving of public lighting through dual clean energy power supply. During the reporting period, the Group used photovoltaic and wind power to generate 7.59 million kWh of electricity.



Factory roof solar
photovoltaic
panels



Lighting street
lamp wind power
generator

2.4. Strict Emissions Management

2.4.1. Wastewater Management

The Group’s wastewater during the operation period includes domestic wastewater and production wastewater. The Group monitors wastewater discharges annually, continuously strengthens wastewater management, reduces the amount of wastewater discharged, and adheres to good wastewater treatment and reuse and production wastewater treatment.



2.4.2. Exhaust Gas Management

The Group's exhaust gases mainly include organized and unorganized exhaust gases. We have formulated the *Management System of Environmental Protection Exhaust Gas Facilities* to strengthen the management of the whole process of exhaust gases from generation to discharge to ensure that the exhaust gas pollutants are discharged in compliance with the standards. In order to ensure the air quality in the workplace, we install devices such as cloth bag pulse dust removal, electric bag dust removal, air collection hoods, water spray treatment and air extraction systems to effectively reduce the concentration of exhaust gases, minimize the emission of exhaust gases and ensure the effective collection of exhaust gases for treatment.

During the reporting period, the Group's exhaust emissions were as follows:



Date	Description	Amount	Balance	Total
	1/1/2020	100.00	100.00	
	2/1/2020	50.00	50.00	
	3/1/2020	25.00	25.00	
	4/1/2020	12.50	12.50	
	5/1/2020	6.25	6.25	
	6/1/2020	3.12	3.12	
	7/1/2020	1.56	1.56	
	8/1/2020	0.78	0.78	
	9/1/2020	0.39	0.39	
	10/1/2020	0.19	0.19	
	11/1/2020	0.09	0.09	
	12/1/2020	0.05	0.05	
	1/1/2021	0.02	0.02	
	2/1/2021	0.01	0.01	
	3/1/2021	0.00	0.00	
	4/1/2021	0.00	0.00	
	5/1/2021	0.00	0.00	
	6/1/2021	0.00	0.00	
	7/1/2021	0.00	0.00	
	8/1/2021	0.00	0.00	
	9/1/2021	0.00	0.00	
	10/1/2021	0.00	0.00	
	11/1/2021	0.00	0.00	
	12/1/2021	0.00	0.00	
	1/1/2022	0.00	0.00	
	2/1/2022	0.00	0.00	
	3/1/2022	0.00	0.00	
	4/1/2022	0.00	0.00	

The main noise sources of our Group are production equipment such as injection molding machines, opening machines, bag opening machines and auxiliary equipment such as cooling towers and air compressors, and the noise source intensity can reach 72–90dB(A). We start from controlling the noise

3. HEALTHY AND COMFORTABLE, GUARDING THE QUALITY OF LIFE

The Group has always practiced the corporate mission of “bringing healthy, comfortable, value-added and stylish homes to thousands of households” and is committed to providing customers with high-level products and services. We effectively control the quality of purchasing, incoming materials, production process, finished product shipment and other procedures, strictly guarantee product quality, take the customer’s needs as our own responsibility, and constantly improve product technology and research and development level, and continue to enhance our core competitiveness.

3.1.2. Innovations Achievements

The Group continues to increase our investment in research and development and is committed to product innovation and technology upgrades in order to meet the ever-changing needs of the market and to enhance the competitiveness and sustainability of our products. Through the unremitting efforts of our R&D team, we have a number of outstanding R&D achievements.



Our innovative research and development results (partial):

- **Alloy rack**

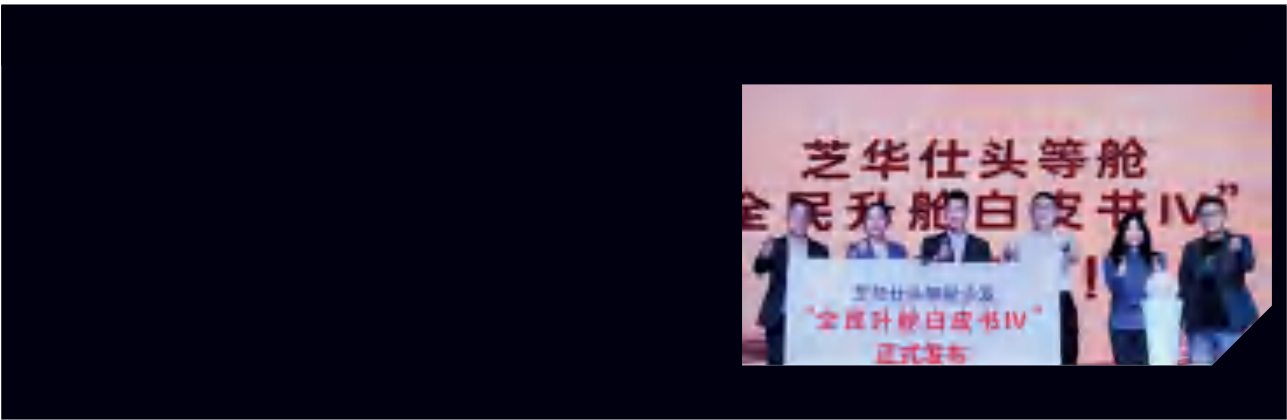
Made of alloy carbon steel material, it has passed 260,000 times of no-load opening and closing without fracture test, and the functional sofa with a load of 160kg can also be smoothly retracted and operated, with a warranty of 10 years.

- **Noise Reduction Treatment Motors**

The sound of the sofa opening and closing is better than the EU silent standard, and it adopts FEA stress motor design, which can realize the maximum thrust of 1,700N, easily coping with people of different body shapes, creating a quiet and comfortable using environment for every home.

- **15D Siliconized Hollow Spiral Space Foam**

Realize scientific zoning support, adapt to the user's different height and weight changes, perfect deformation, wrapping the body, fit the human body curve, sit and lie down are release pressure.



3.1.3. Informatization

The Group has actively embraced digital changes, built advanced factories for intelligent manufacturing through intelligent, Internet+ and big data technologies, continuously realized the improvement of production efficiency, the strengthening of the distribution system and the optimization of service quality, and constructed a perfect online and offline integrated service system, so as to provide users with a convenient shopping experience.

3.1.3.1. Digitalization System



China's Light Industry "Leader" in Digital Transformation by 2024

Our online platform not only displays rich product information with the help of 3D technology and guidance from professional consultants, enabling consumers to understand the effect of product experience at home without leaving their homes, but also realizes personalized recommendations to help customers quickly find the products of their choice; offline stores use digital means to optimize the product display and customer service process to enhance the experience of customers in stores. During the reporting period, our smart store system solution was selected as one of the "Leader" cases for the digital transformation of China's light industry in 2024.



3.1.3.2. Intelligent Manufacturing

In the process of intelligent manufacturing of our products, our Group conducts both manual and intelligent machine all-round product quality inspection and testing many times at the same time.

3.1.4. Information Security

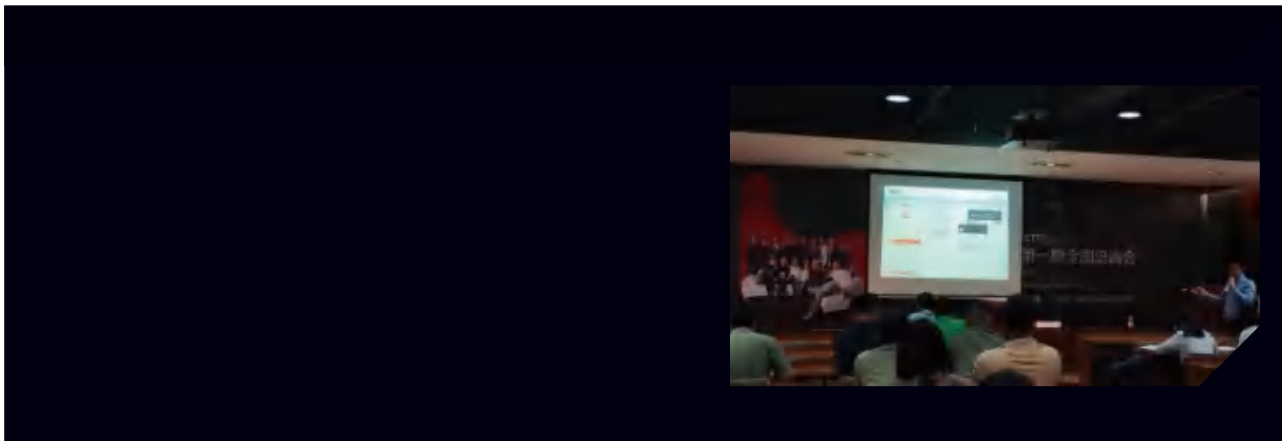
In the era of “Internet + Big Data”, information security is of paramount importance. The Group has formulated and continuously updated systems such as the *Information Security Incident Management Procedures*, *Information Security Management Regulations and Measures for the Security Management of Office Networks and Terminals* to clearly define the information security management system, establish mechanisms for reporting, responding to and dealing with information security incidents, and strengthen the security management of office networks and desktop terminals. We have passed the ISO27001 information security management system certification and conduct regular supervision and audit, and carry out information security training on a regular basis so as to keep our employees aware of information security at all times. During the reporting period, we did not receive any complaints or feedback related to infringement of customer privacy or leakage of data and information.

Our information security management practices:

- All systems involving customer-related data are set up with corresponding data encryption.
- All office computers are set up with encryption of outgoing files, access to external computer media, computer screen watermark marking, restrictions on the use of third-party chat software, commercial antivirus software to protect computers from poisoning and other related data leakage prevention operations.
- Network level between factories, Internet outreach areas are deployed firewalls, anti-virus walls to protect against external attacks.
- For outside visiting customers to access the Company's network and other behaviors using differentiated visitor-only network, Internet behavior control and other measures.
- From time to time, employees are educated to protect the Company, customer data and other related concepts.



ISO27001 Information Security Management System Certification Supervision and Audit Qualification Notice



3.1.5. Intellectual Property Rights

The Group attaches great importance to the protection of intellectual property rights, and regards it as an important guarantee for the promotion of technological innovation and sustainable development of enterprises. We have formulated system documents such as *Trademark Application Procedure* and *Appearance Patent Application Procedure*, maintained long-term cooperation with external professional intellectual property attorneys, and set up an intellectual property manager position (i.e. IPR) in the Legal Department to be in charge of the Group's intellectual property rights on a full-time basis, so as to ensure that the intellectual property rights management network covers a full range of areas, from research and development to market, and from products to projects.

In addition, the Company enhances the awareness of intellectual property protection by organizing staff training on a regular basis, establishes an intellectual property early warning mechanism, pays timely attention to intellectual property developments in the industry, prevents infringement risks and safeguards the Company's legitimate rights and interests. During the reporting period, the Group did not experience any significant or important incidents of intellectual property rights violation management.



3.2. Safe and High-Quality Home Furnishing

3.2.1. Lean Manufacturing

The Group is customer-oriented, committed to sustainable innovation and development, and utilizes green, ecological, safe, and environmentally friendly raw materials and production processes. We introduce a variety of multifunctional products that meet diversified and personalized needs, aiming to create a quality life for more families.

3.2.1.1. Quality Management

The Group has a strict set of execution standards and processes. Based on the certifications of three management system certifications: ISO9001 Quality Management System Certification, Shenzhen Quality Standard System Certification, and Customs Advanced Enterprise Certification (valid for 5 years), we plan, establish and maintain our own quality management operation system. We formulate systems such as the *Nonconforming Product Control Procedure* and the *Continuous Improvement Control Procedure*, set quality objectives, and strictly control every process in product material selection, production, assembly, testing and shipment.



Man Wah Furniture Manufacturing (Huizhou) & Home Furnishing (Huizhou) Co., Ltd
ISO9001 Quality Management System Certification



Shenzhen Quality Standard System Certification



Customs Advanced Enterprise Certification



Chongqing Manwah Furniture Manufacturing Co., Ltd
ISO9001 Quality Management System Certification

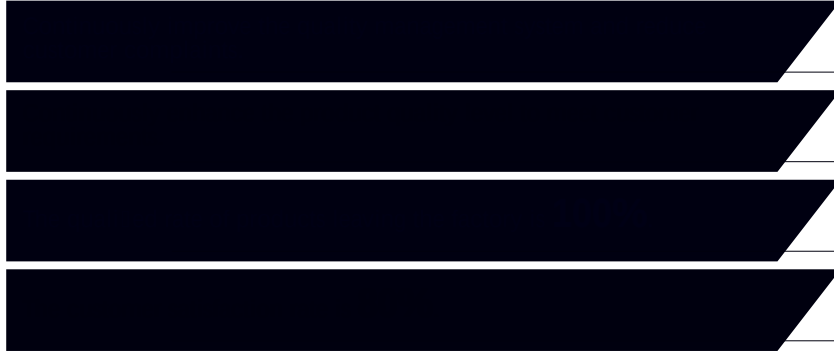


Manwah Furniture (China) Co., Ltd.
ISO9001 Quality Management System Certification



Manwah Industrial (Wujiang) Co., Ltd.
ISO9001 Quality Management System Certification

In FY2025, we have achieved the established quality objectives:



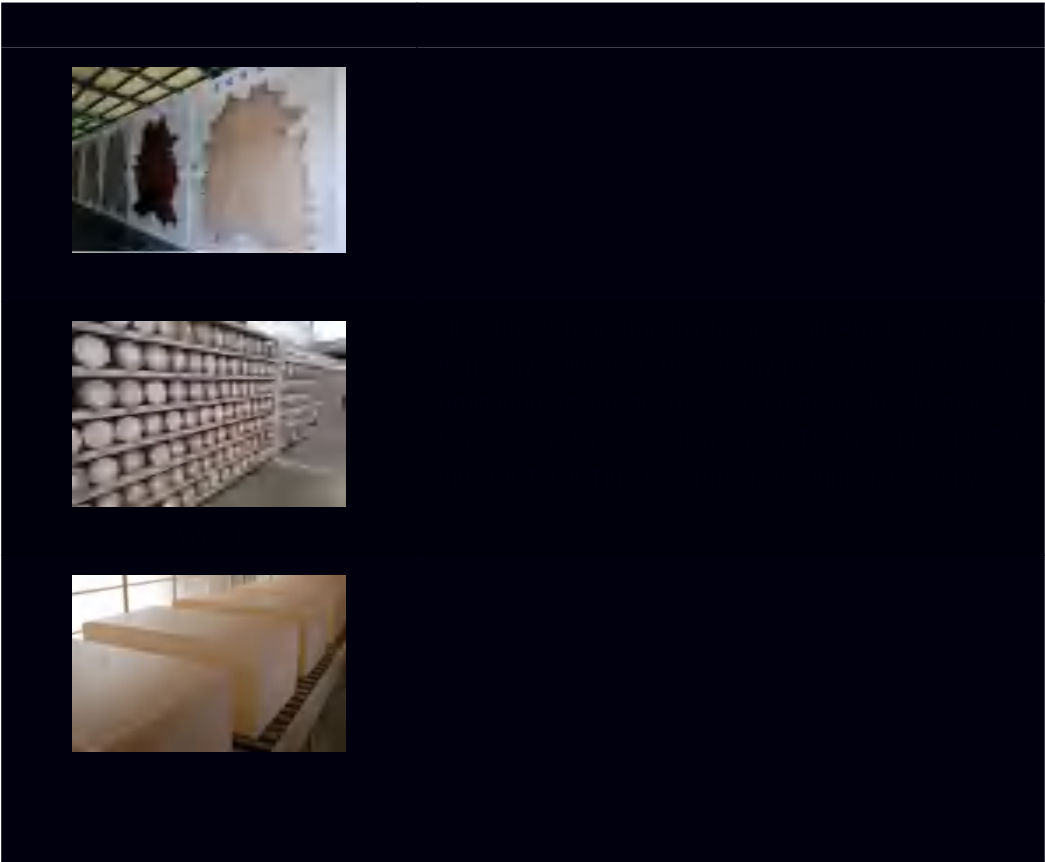
To avoid quality risks, control and improve product quality, we conduct a full-process quality risk level assessment of our products, analyze potential failure causes, and formulate corresponding countermeasure suggestions. At the same time, we carry out internal and external quality training, conduct regular analyses of quality issues, and comprehensively enhance employees' awareness of quality culture.



Training for the Course of Internal Auditor

3.2.1.2. *High-quality Raw Materials*

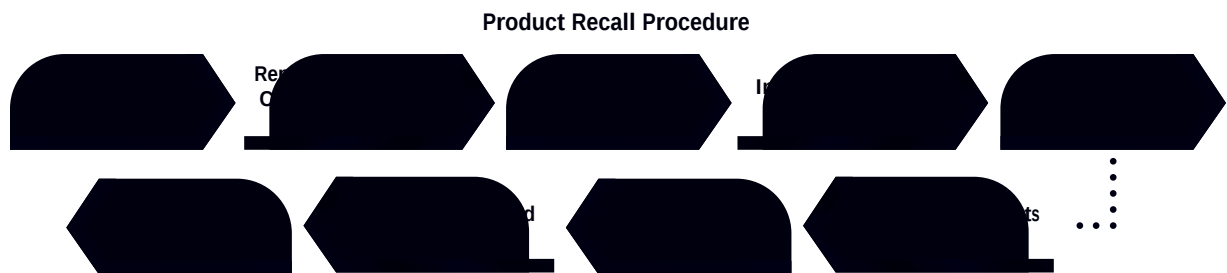
The Group selects high-quality raw materials globally. All the materials we choose have passed third-party testing and comply with the quality and environmental protection standards required by the markets in Europe, America, Southeast Asia, and China, effectively ensuring the high quality and safety of our products.



3.2.1.3. Product Recall and Traceability

The Group has improved the handling process of nonconforming products through stipulating the control process for nonconforming products. This prevents the misuse of nonconforming products or their entry into the next process or leaving the factory, and effectively deals with them to enhance product quality. By formulating the *Quality and Safety Control Procedure for Goods Subject to Legal Inspection*, we ensure that the quality of all incoming materials, the production process, and the finished products meets the Company's standard requirements. We make sure that all production processes are carried out in strict accordance with the standard requirements, promptly detect and correct process quality issues, and prevent nonconforming products from leaving the factory.

To ensure a prompt response and handling of product quality incidents, we have formulated and continuously optimized the *Product Recall Procedure*, clarifying the responsible organizations and measures in the event of a recall. According to the nature of the products, the products to be recalled are classified into three categories. According to the quantity of products launched on the market, the product recall levels are divided into Level I and Level II, and the recall methods for each level are explained. In addition, we organize relevant departments to conduct a product recall drill once a year to ensure that in case of a recall need, unsafe products can be quickly and completely recalled. In FY2025, our product recall rate was 0%.



The Group has formulated the *Identification and Traceability Control Procedures*, established a digital traceability system, regularly organized meetings for all employees on the quality plan and its implementation path, conducted risk assessments before product production and during the production process, and provided detailed descriptions of the product identification methods, traceability processes, and identification procedures, ensuring product safety in all aspects.

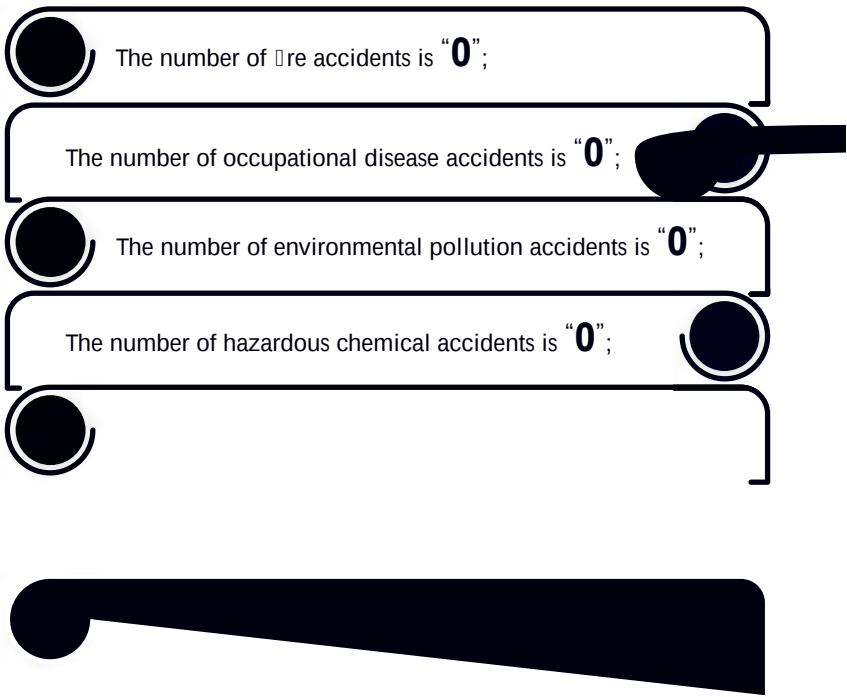


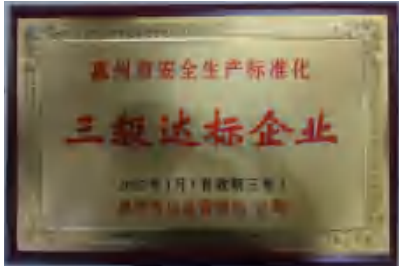
3.2.2. Safety Production

The Group regards safety as the primary condition for the survival and development of the enterprise, prioritizing it above all other tasks. We strictly adhere to relevant domestic and international safety production laws and regulations. We have newly added 10 safety management regulations (a total of 70 in all), such as the *Regulations on the Investigation, Management and Control of Major Hidden Hazards* and the *Measures for the Management of Work Safety Responsibility System and Work Safety Assessment*. We fulfil our duties conscientiously, solidly promote various safety production tasks.

3.2.2.1. Safety Management

The Group implements the safety production policy of “Safety First, Prevention First, Comprehensive Governance, Full Participation, and Continuous Improvement”, organizes the establishment and implementation of a dual-prevention mechanism for safety risk grading and control, and hidden danger investigation and governance. We set safety goals, establish a safety committee, appoint department heads as the primary persons responsible for Environment, Health, and Safety (EHS), and establish a sound system of full staff responsibility for safety production to ensure the effective implementation of safety production work.





Hui Zhou City Safety
Production Standardization
Level III



Qualified Enterprise Safety
Production Standardization
Level III

Enterprise Certificate
Vice President Unit of
Daya wan District Fire Service
Association, Huizhou

3.2.2.2. Safe Operation

The Group regularly conducts safety inspections, emergency drills, safety training, safety risk identification, assessment, and hierarchical control and management. We formulate safety risk management lists, actively publicize and train employees on work-related injury prevention, work safety policies and regulations, and strengthen safety awareness. As a result, a safety training system covering all employees and the entire process has been established to ensure that all employees possess the necessary safety knowledge and skills. As of the end of the reporting period, our Group has 70 safety management personnel who have passed relevant safety training and assessments.



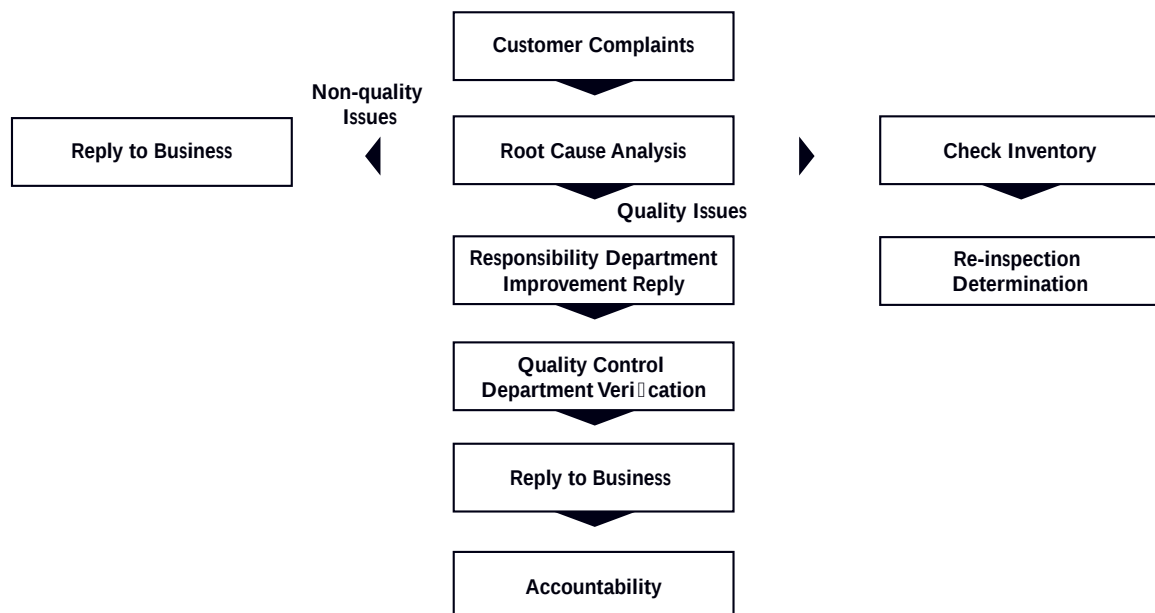
3.3. Promoting Mutual Benefit and Win-Win Situation

3.3.1. Customer Service

The Group adheres to the business philosophy of “Quality First, Customer Supreme”, takes it as our responsibility to meet customer needs, is determined to promote the Company’s strategy of “Zero-quality After-sales Service”, and does a good job in the full-process tracking management of pre-sales, in-sales, and after-sales services. We provide customers with high-quality experiences and services, and continuously improve customer satisfaction.

We have formulated the *Customer Complaint Handling Process*, which elaborates in detail on the responsible departments and response steps in the event of customer complaints. From the project consultation stage, our professional team, with our rich industry experience, provides customers with customized solutions. During the product production process, the Company strictly controls every process to ensure the high quality of the delivered products. In terms of after-sales service, we have set up a 400 hotline and a fast-response after-sales service team to ensure that customers can receive timely and professional assistance, whether it is product repair or usage consultation. At the same time, we have established a monthly review system. Every month, organized by the General Manager of the Manufacturing Center and the Quality Control Department, heads of the procurement, production, business, R&D, and transportation departments are convened to analyze and improve customer complaint issues.

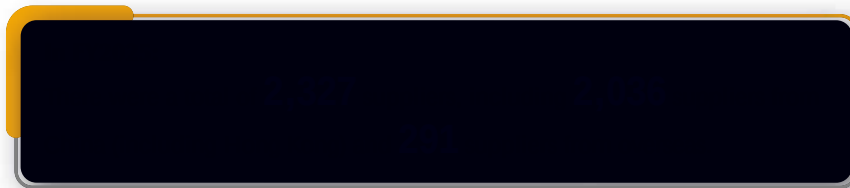
Customer Complaint Handling Process Flowchart



3.3.2. Supplier Management

The Group has always adhered to the principles of fairness, impartiality, openness, honesty and trustworthiness, and continuously improved the supplier management system. We conduct full-process tracking in aspects such as supplier access, supervision, and capability enhancement, and make every effort to build an integrated platform for the value chain of smart home products. We continuously promote the technological innovation and management level of suppliers, enhance the stability and risk resistance of the supply chain, and facilitate suppliers and the Company to move forward hand in hand.

We have formulated systems such as the *Supplier Service Management Procedure* and the *Supplier Development and Control System*, and require suppliers to sign documents such as the *Supplier Social Responsibility Commitment*, the *Supplier C-TPAT Agreement*, the *Supplier Trade Security Agreement*, and the *Notification of Environmental, Occupational Health and Safety Requirements for Relevant Parties* to create a healthy and sustainable supply chain.



Supplier Full Life Cycle Management System





³ A framework designed to regulate suppliers' code of conduct, developed by the Business Social Compliance Initiative, which requires suppliers to comply with a range of social responsibility and environmental protection standards in the areas of human rights, labor rights, anti-corruption, environmental protection, intellectual property protection, and customer privacy protection.

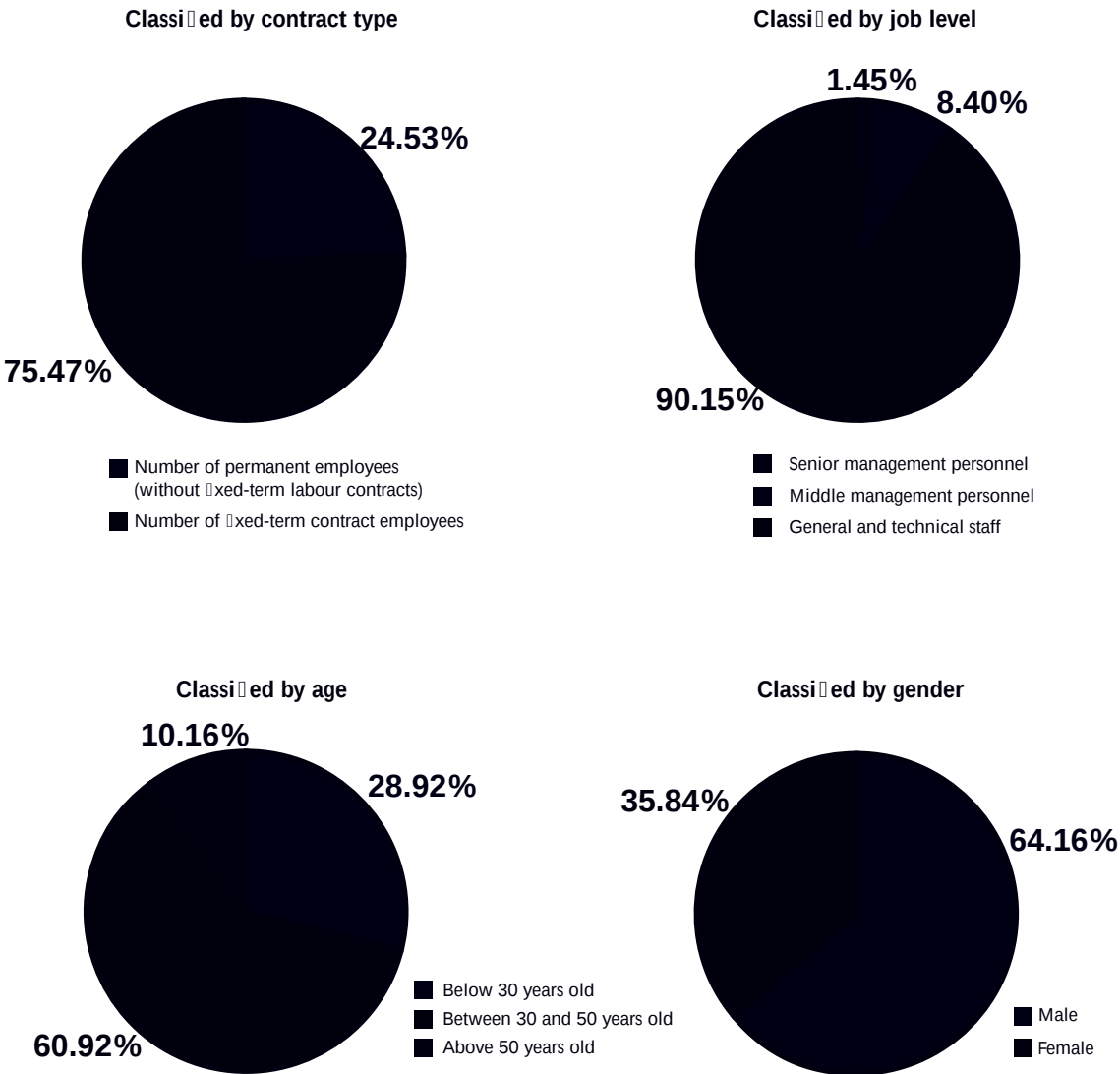
4. PEOPLE-ORIENTED, BUILDING A DREAM HOME

The Group has always regarded talent construction as an important part of the Company's strategy. We adhere to the talent concept that "employees are the most valuable assets of the enterprise", advocate the principle of "putting people first and enabling employees and the enterprise to grow together", and continuously pay attention to safeguarding employees' rights and interests, as well as promoting diversity and equality. We have established a sound and reasonable salary and welfare system, provided employees with a healthy, safe and comfortable working environment, and are committed to creating a platform where employees can display their personal talents, realize their self-worth, and create a better life.

4.1. Safeguarding Employee Rights

4.1.1. Diversity and Equality

As of March 31, 2025, the total number of employees in the Group was 26,134. The statistics of employees categorized by gender, age, job level, and contract type are as follows:



4.1.2. Salary and Benefits

The Group has a scientific, reasonable and complete salary incentive system, guided by the principle of mutual benefit and ability-oriented rewards to encourage greater efforts. We continually refine our internal incentive mechanisms to motivate employees to unleash their full potential and initiative, thereby enhancing work quality and efficiency. For managerial positions and above, the Group has established a detailed monthly quantitative performance evaluation and stock option scheme, assessing key performance indicators (KPIs) based on actual data to minimize subjective judgments in assessments and ensure that rewards for senior management are based on objective metrics.

The Group has established and improved an employee welfare system, providing employees with comprehensive and diverse welfare benefits. We have taken measures such as adding charging piles, planning new parking spaces and adopting an intelligent license plate recognition system to enhance employees' commuting convenience. We have launched special food service windows and carried out the upgrading and renovation of smart canteens to provide employees with a convenient and healthy dining environment. We have established various employee community clubs and built supporting leisure facilities such as KTV rooms, yoga rooms, street dance rooms, table tennis halls, badminton halls, and basketball halls for the clubs. Also, we have planned and held a variety of cultural and sports activities for employees according to local conditions, such as art evenings, hiking activities, basketball games, football games, and photography activities, so that employees can develop a healthy lifestyle and a positive attitude towards life in their spare time.

Welfare System





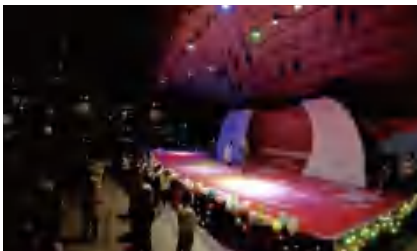
Huizhou Foreign-funded Enterprises
Basketball League



The 14th "Trade Union Cup"
Staff Sports Meeting



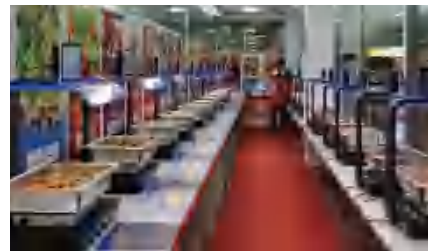
Employee Gymnasium



The 2024 Christmas and 2025 New
Year's Day Carnival Party



The Activity of "Employees Making
Zongzi Together"



The All-intelligent Weighing and
Checkout System in the Canteen



Weekly Birthday Party



Pre-Spring Festival Condolences



The May Day Gourmet Chef
Competition

The Group is well aware of the important role and contributions made by female employees within the Company. As always, we pay close attention to and support their career development and personal growth. We strictly implement the regulations regarding the leave during pregnancy, childbirth, and lactation periods for female employees, and organize special activities for female employees to create a relaxed and friendly working environment for them.



4.1.3. Communication and Care

The Group seeks to understand and address the concerns of our employees, strengthening care and support for employees and helping them solve difficulties in both their work and personal lives. We have established an open and transparent democratic management communication system, effectively harnessing the roles of employee democratic management, participation, and oversight.

4.1.3.1. Employee Communication

The Group sets up secure and confidential email boxes and regularly holds employee forums, communication sessions, democratic life meetings, etc. Employees can put forward reasonable suggestions or opinions on any matters and report them to the administration through telephone, letters or other means. The Company respects the voices of employees. After receiving employees' opinions or suggestions, we will conduct investigations, provide replies or report them to higher authorities, cooperate with various departments for improvement, and keep the information confidential.

4.1.3.2. Employee Assistance

The Group has always been concerned about the actual needs of employees and has made efforts to relieve their economic pressure as a return for their hard work. We support the point-based enrollment system for employees' children, helping employees solve practical life problems. Moreover, we have supported the "Golden House in Books" scholarship program for 15 consecutive years, encouraging the children of Man Wah's employees who excel both academically and morally to create greater value for their families and society through learning. Since its establishment in 2010, the "Golden House in Books" project has issued 821 scholarships to employees, with the total scholarship amount exceeding HK\$14,667,760.

4.2. Help Employee Development

4.2.1. Dual Enhancement of Skills and Education

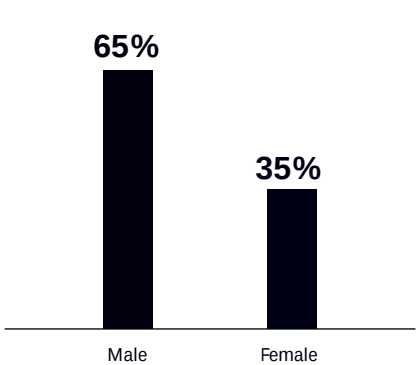
The Group implements the national strategy of "strengthening the country through talent", assisting employees in their development from campus to workplace, from ordinary to outstanding, and from execution to management. We foster their growth through a combination of theory and practice, scientifically constructing a talent development chain. We continuously strengthen the construction of skilled talents, gradually establishing a multi-dimensional high-skilled talent training system based on skills training, guided by the certification of vocational skills levels, and utilizing skills competitions as a catalyst.

We continuously support employees in improving their academic qualifications, open up paths for school-enterprise cooperation, collaborate with teaching institutions, and introduce corresponding reward policies to create an atmosphere of “learning while working”, encouraging employees to actively pursue academic advancement and continuing education. We have established an employee development system that integrates “skills training + vocational skill level assessment + skills competitions” for comprehensive incentive and cultivation. Through training programs such as technician talent cultivation, reserve cadre elite training camps, middle-level management training, and the Marketing Executive Seminar at Tsinghua University, we have formed a comprehensive and sound talent cultivation system.

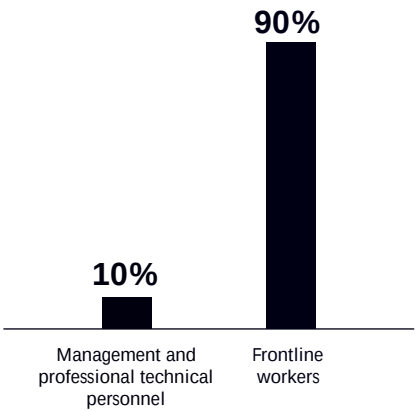


Training data segmented by gender and position is as follows:

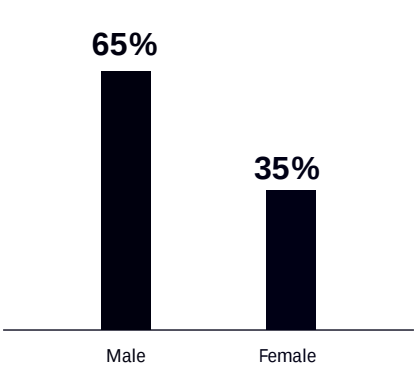
Percentage of training attendance by gender



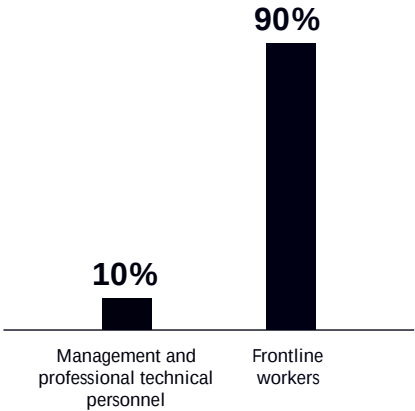
Percentage of training attendance by employee category



Percentage of training hours by gender



Percentage of training hours by employee category



The Talent Cultivation System of Man Wah



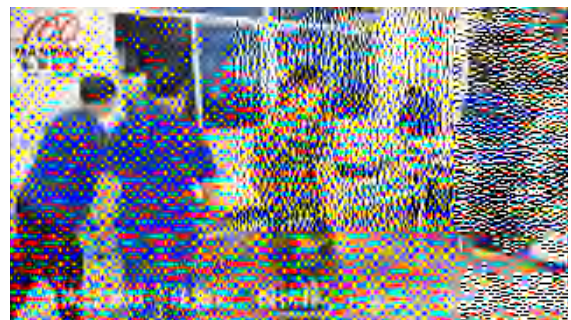
Staff Learning Activities



Weekly Training Courses



Store Internship Business Training



Upholstering Skills Competition



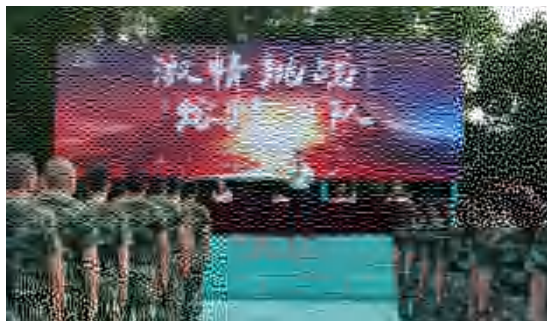
We actively respond to the new enterprise apprenticeship system, which mainly features “recruiting workers means enrolling students, joining enterprises means entering schools, and joint cultivation by enterprise and school instructors”. We collaborate with educational and training institutions (vocational colleges, technical schools, private vocational training institutions) to carry out new apprenticeship system training, aiming to enhance employees' vocational skills.



4.2.2. Dual Channels for Professional Management

The Group is committed to building a high-quality and professional talent team. Based on the Group's business needs and employees' personal development aspirations, we have formulated a comprehensive development plan that includes promotions, salary adjustments, job transfers, and training, among others. At the same time, we have improved the fair and just performance appraisal system and job promotion management system, and established clear job qualification standards as well as a learning points system for outstanding employees, providing a clear basis and guarantee for employees' career advancement and growth.

Campus Recruitment Reserve Cadre Promotion and Development Plan



Military Training and Expansion Activity in 2024



Expansion Training of the Manufacturing Center of Tianjin Factory



4.3. Occupational Health and Safety

The Group strictly adheres to occupational health laws and regulations, establishing a comprehensive occupational health and safety protection system. We formulate and implement occupational health policies and measures. By organizing various free medical consultations and popular science publicity activities, building the “Staff Spiritual Oasis” and equipping it with a professional team of psychological counselors, we pay attention to the physical and mental health of employees to ensure that they can work in a healthy state and a safe environment.

We have obtained the ISO45001 Occupational Health Management System certification and formulated various occupational disease prevention and control systems, such as the *Occupational Health Examination Management System* and the *Occupational Disease Prevention and Control Propaganda and Training System*. These systems clarify the Group’s responsibilities for preventing and controlling occupational disease hazards, standardize all aspects of occupational disease prevention and control work, and aim to prevent, control and eliminate occupational disease hazards. During the reporting period, a total of 2,512 occupational health examinations were conducted within the Group, with an investment of HK\$551,750. There were no cases of occupational disease hazard factors exceeding the standard, and no major occupational health incidents occurred.

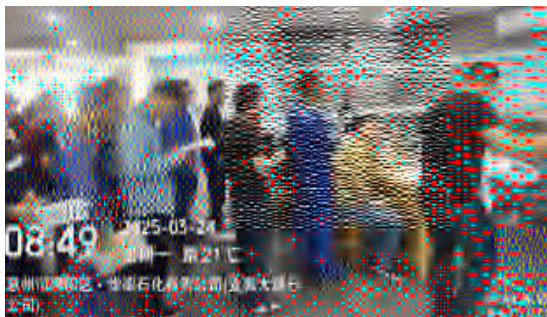


ISO45001:2018
Occupational Health
Management System
Certification

Environmental, Social and Governance Report

To ensure the occupational health and safety of our employees, we have implemented the following measures:

- Mandatory pre-employment, on-the-job, and post-employment occupational health examinations are conducted monthly for employees engaged in work involving occupational disease hazards, and individual occupational health surveillance files are established.
- Regularly analyze, detect, and evaluate occupational disease hazard factors, and entrust a third-party to conduct detection of occupational hazard factors in the workplace.
- Provide corresponding labor protection articles, emergency equipment, and emergency drugs for each position.
- Set up occupational disease hazard notification boards and bulletin boards to publicize health knowledge.
- Formulate emergency rescue plans for occupational disease hazard accidents and conduct regular occupational health training.
- Strengthen special inspections of labor protection articles, and deal with personnel who violate regulations and fail to wear labor protection articles.
- Establish the “Staff Spiritual Oasis” and equip it with a professional team of psychological counselors.



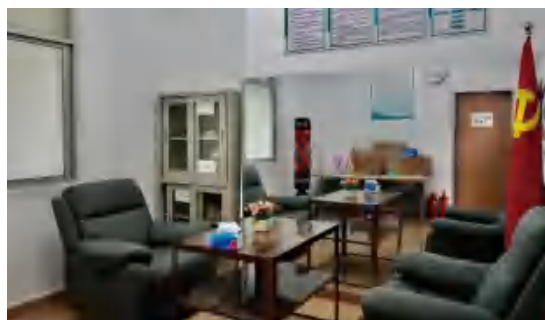
Occupational Health Examination



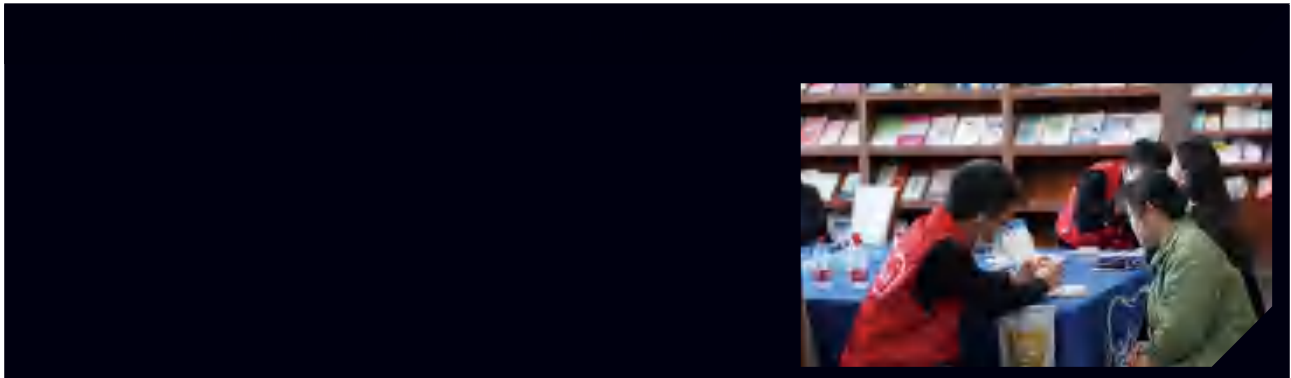
Free Medical Consultation Activity for Employees



Popular Science Activity of Anti-drug Propaganda



Staff Spiritual Oasis



5. SPREADING WARMTH, ENABLING A BETTER LIFE

The Group has always adhered to the core values of “fulfilling social responsibilities and achieving sustainable development”, and upheld the concept of “giving back while developing”. By leveraging our industrial, resource and innovation advantages, we have deepened diverse measures such as industrial collaboration, educational assistance, and livelihood security. We have provided a large number of high-quality employment positions and opportunities for professional skills improvement for rural residents. We have extensively participated in public welfare donations in various fields such as education, medical care and environmental protection, cared for the health of students, and promoted talent development. While achieving stable development, we actively give back to society and make unremitting efforts to promote social harmony and progress.

5.1. Actively Engage in Charitable Donations

The Group has always firmly believed that the value of an enterprise lies not only in creating economic wealth and the magnitude of donation figures, but more importantly, in sharing the hardships with society and its ability to transform goodwill into sustainable action. In FY2025, we made donations of funds and goods to institutions or individuals such as the Charitable Federation of Daya Bay Economic and Technological Development Zone, Xingping Student Aid Foundation, Chongqing Welfare Foundation for the Disabled, etc. The total donation amount was HK\$14,202,000. As a result, we have been honored and recognized with several public welfare and charitable awards.



The “Warm Winter Action” donated winter jackets (windbreakers) and warm supplies worth approximately HK\$107,860 in total to 444 sanitation workers in Xingping City



Public welfare donation activity of hard-tipped calligraphy entering campuses



The plaque of "The Medical Field is Warm as Spring, and Great Love Knows No Bounds"



The title of "Caring Enterprise"

5.2. Empowering Students for the Future

The Group has always been concerned about the growth environment of students, actively fulfilled social responsibilities, and helped with the healthy development of numerous students. In FY2025, we donated carefully customized memory foam mattresses to Tianjin University and Beijing University of Chemical Technology. Relying on high-quality raw materials and advanced development technologies, these mattresses can effectively conform to the human body curves, evenly distribute the body pressure, create a comfortable and scientific sleeping experience for students, and help them to engage in study and life with full energy, which demonstrates our care for the physical and mental health of students.



Donate memory foam mattresses to students of Beijing University of Chemical Technology



Donate memory foam mattresses to students of Tianjin University

In addition, we have been continuously strengthening the communication between the enterprise and young talents, actively participating in talent exchange activities, facilitating the communication of young talents between the Chinese mainland and Hong Kong, and continuously contributing to regional development and talent cultivation.

APPENDIX

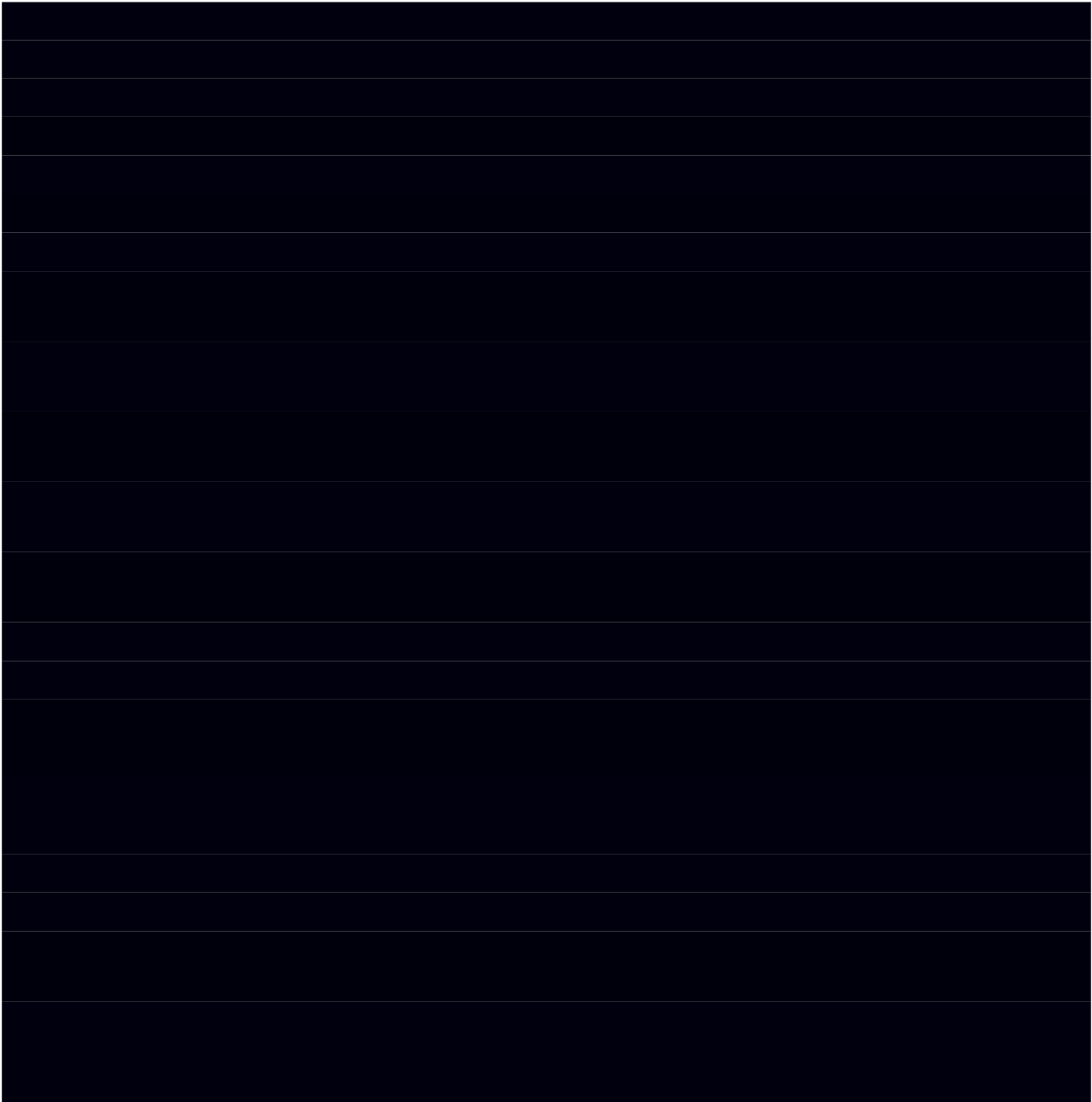
Key Performance Indicators



⁴ The statistical scope of the current environmental data has covered more than 90% of the Group's scope.









Performance Indexes

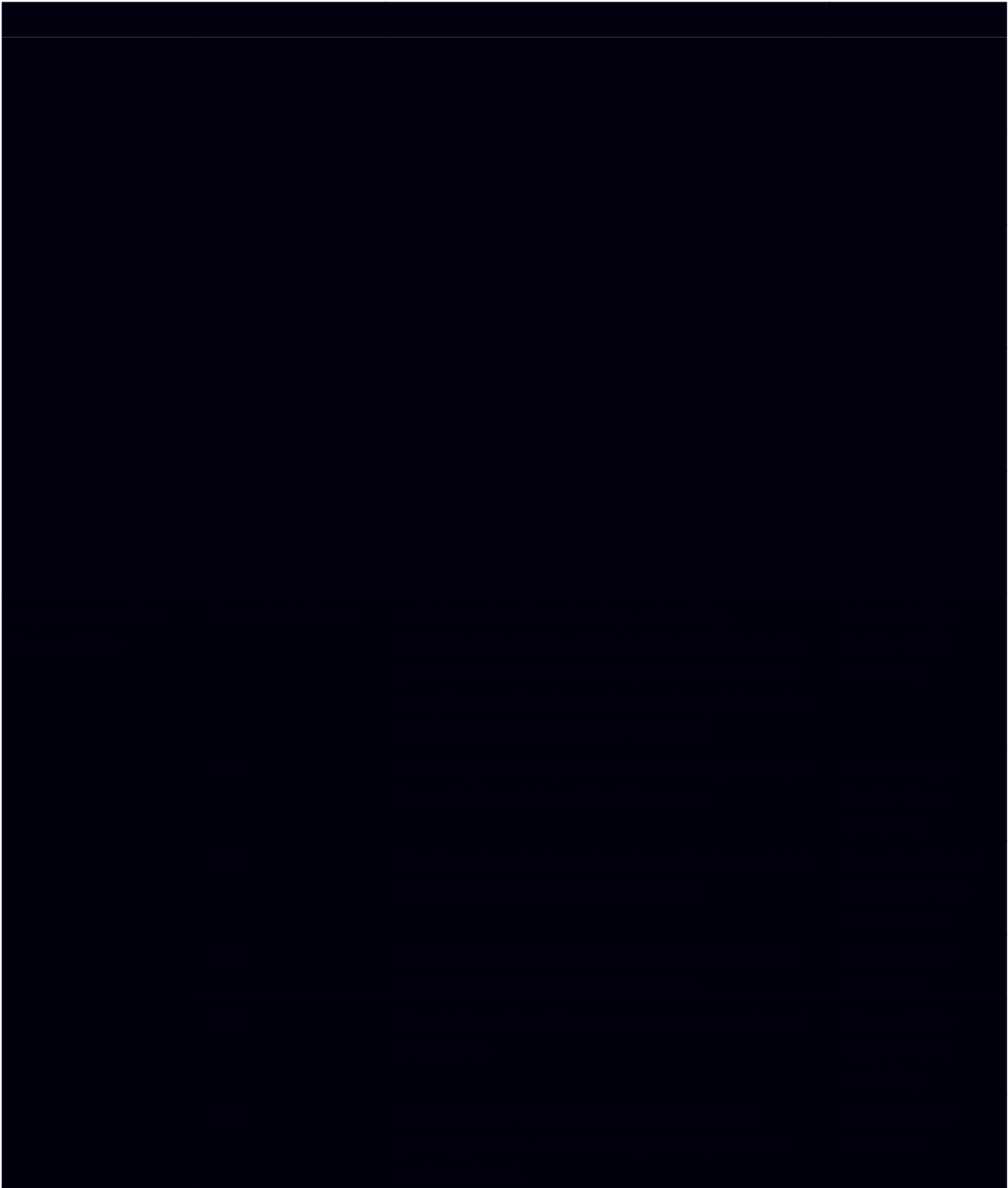
The Company has complied with the “mandatory disclosure requirements” and the “comply or explain” provisions set out in Appendix C2 of the *Listing Rules’ Environmental, Social and Governance Reporting Code*. The following table provides an overview of the Company’s compliance with these regulations.

Part C: “Failure to comply or interpretation” provision











Date	Time	Location	Weather	Remarks
1998-01-01	08:00	St. Ignace	Clear	Arrived at St. Ignace
1998-01-01	12:00	St. Ignace	Clear	Lunch at St. Ignace
1998-01-01	16:00	St. Ignace	Clear	Departed St. Ignace
1998-01-02	08:00	St. Ignace	Clear	Arrived at St. Ignace
1998-01-02	12:00	St. Ignace	Clear	Lunch at St. Ignace
1998-01-02	16:00	St. Ignace	Clear	Departed St. Ignace
1998-01-03	08:00	St. Ignace	Clear	Arrived at St. Ignace
1998-01-03	12:00	St. Ignace	Clear	Lunch at St. Ignace
1998-01-03	16:00	St. Ignace	Clear	Departed St. Ignace
1998-01-04	08:00	St. Ignace	Clear	Arrived at St. Ignace
1998-01-04	12:00	St. Ignace	Clear	Lunch at St. Ignace
1998-01-04	16:00	St. Ignace	Clear	Departed St. Ignace
1998-01-05	08:00	St. Ignace	Clear	Arrived at St. Ignace
1998-01-05	12:00	St. Ignace	Clear	Lunch at St. Ignace
1998-01-05	16:00	St. Ignace	Clear	Departed St. Ignace
1998-01-06	08:00	St. Ignace	Clear	Arrived at St. Ignace
1998-01-06	12:00	St. Ignace	Clear	Lunch at St. Ignace
1998-01-06	16:00	St. Ignace	Clear	Departed St. Ignace
1998-01-07	08:00	St. Ignace	Clear	Arrived at St. Ignace
1998-01-07	12:00	St. Ignace	Clear	Lunch at St. Ignace
1998-01-07	16:00	St. Ignace	Clear	Departed St. Ignace
1998-01-08	08:00	St. Ignace	Clear	Arrived at St. Ignace
1998-01-08	12:00	St. Ignace	Clear	Lunch at St. Ignace
1998-01-08	16:00	St. Ignace	Clear	Departed St. Ignace
1998-01-09	08:00	St. Ignace	Clear	Arrived at St. Ignace
1998-01-09	12:00	St. Ignace	Clear	