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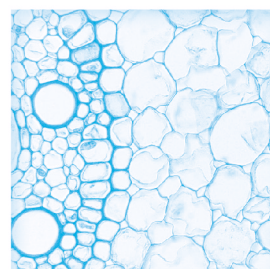


2024

Environmental, Social and
 Governance Report

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ABOUT THIS REPORT

Introduction

Global Bio-chem Technology Group Company Limited (“**GBT**” or the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the manufacture and sale of corn refined products, amino acids, corn sweeteners and polyol chemicals. We are aware that sustainable economic development and improvement of the livelihood of the population are the key trends in society. In order to ensure the sustainability and the harmonious relationship between the Group’s business and the environment, the Group recognises the importance of integrating Environmental, Social and Governance (“**ESG**”) aspects to enhance the Group’s daily operation and corporate governance perspective.

The Governance Structure

To demonstrate our commitment to sustainability, we have integrated corporate governance structure in preparing the Environmental, Social and Governance report (the “**ESG Report**”) for the year ended 31 December 2024 (the “**Year**”). We have established a corporate governance framework to ensure that ESG governance aligns with our strategic growth. The ESG governance structure of our Group consists of three components, namely the board (the “**Board**”) of directors (the “**Directors**”), the ESG working group and the internal audit department of the Company (the “**Internal Audit Department**”).

The Board is responsible for the Group’s ESG strategies and reporting, and ensure the Group’s ESG targets and principles are embedded in the Group’s overall direction and strategies. To better manage and evaluate the ESG performance of the Group, the ESG working group has been established under the instruction of the Board to ensure the Group’s operation and business are running in accordance with the Group’s ESG strategies and moving towards the building of a sustainable business. The ESG working group comprises the financial controller and the staff of the corporate development department. The participation of the Internal Audit Department is also included to ensure the Group’s risk management and internal control processes are in line with the Group’s ESG strategies.

The ESG working group is responsible for identifying business related ESG issues, determining the Group’s ESG objectives, tracking ESG performance and reporting the major issues to the Board. Our ESG working group arranges meetings annually to assess the effectiveness of the current policies and procedures, and establishes methods to improve ESG performance of the Group. During the meeting, the ESG working group will report on the Group’s effectiveness in achieving the goals, set targets for the coming year and discuss with the Board on issues that need to be resolved or improved in order to attain better ESG performance.

Good corporate governance requires constant review and identification of potential risks involved in the business operations. To help the Board and the ESG working group to identify these risks and issues, the Internal Audit Department also takes part in the ESG management in the aspects of risk management and internal audit to identify potential risks in the Group’s daily operation and suggest solutions to the Board and the management.

Reporting Scope

The ESG Report covers all principal business activities of the Group which have financial and operational significance for the Year, includes the Group's operations sites in Jilin Province (namely, Changchun, Xinglongshan and Dehui) in the People's Republic of China (the **"PRC"** or **"China"**), as well as its headquarter in Hong Kong (since the headquarter in Hong Kong mainly serves as administration and financial reporting purposes which does not engage in the production processes, figures in relation to environmental emissions and operating practices were thus not available). The data for Heilongjiang Province; and Liaoning Province, Shanghai City (which were originally operated by the Global Sweeteners Holdings Limited (**"GSH"**), together with its subsidiaries (excluding the subsidiaries located in Changchun), the **"GSH Group"**) have not been included in the data disclosed for 2024 in the ESG Report as they were no longer part of the Group's operations since in 2024. The ESG Report covers the period from 1 January 2024 to 31 December 2024 with comparative figures for the corresponding period in 2023, unless otherwise stated. In order to allow a meaningful comparison, the comparative figures for the year ended 31 December 2023 had been adjusted and disclosed based on a scope consistent with that of 2024 in this ESG Report. The data in the ESG Report which reflect the quantitative principle adopted in compiling the ESG Report are prepared and presented using consistent methodologies. Save for the adjustment made to the scope of disclosure as mentioned above, there is no change in the methods and key performance indicators used in which the data were collected and compiled that will affect the meaningful comparison between the ESG Report and the ESG Report of the Company for year ended 31 December 2023.

Reporting Standard

The content of this ESG Report is prepared in compliance with the Environmental, Social and Governance Reporting Code (the **"ESG Reporting Code"**) set out in the Appendix C2 to the Rules Governing the Listing of Securities (the **"Listing Rules"**) on The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**).

Information relating to the Group's corporate governance practices has been set out in the corporate governance report of the annual report of the Company for the Year.

Materiality Assessment

The Directors, management and the staff of the Group's respective operations have participated in the preparation of the ESG Report and assisted in reviewing and considering the Group's corporate values and mission, operations, competitive strategies, risk management framework and compliance with laws and regulations. The Group has conducted survey with them to assess the importance of matters related to our business and stakeholders. Based on the assessed significant ESG issues, a data collection questionnaire was prepared to collect information from relevant subsidiaries and business units of the Group. Interviews were also conducted with different employees to investigate the details of various operations.



Stakeholder Engagement

The Group values input and feedback of its stakeholders as they are closely connected to the Group's development. Internal and external stakeholders have been involved in regular engagement activities to share their views regarding the Group's operations and performances, which are as shown below.

Stakeholders	Communication Channels	Action and Result
Shareholders and Investors	<ul style="list-style-type: none"> General Meetings and Other Investor Meetings Annual Reports and Interim Reports Announcements and Circulars Investor Relations Enquiry The Company's Website 	<ul style="list-style-type: none"> Physical general meetings have been hold during the Year Timely updated the Company's website with all latest information of the Company All latest information of the Company has been announced by public relations agency
Employees	<ul style="list-style-type: none"> Employees' Feedback Training Programmes and Team Building Activities Regular Performance Review 	<ul style="list-style-type: none"> Regular reviews of employees' feedback Annual appraisals and discussions with employees from time to time have been arranged during the Year
Customers and Suppliers	<ul style="list-style-type: none"> Meetings and Direct Engagements Industry Conferences and Events The Company's Website 	<ul style="list-style-type: none"> Customer satisfaction survey and suppliers meetings have been conducted during the Year Timely updated the Company's website and provided email address for potential customer to reach the Company
Public	<ul style="list-style-type: none"> The ESG Report Community Activities and Social Events The Company's Website 	<ul style="list-style-type: none"> Timely updated the Company's website

MESSAGE FROM CHAIRMAN

During the Year, China's economy had shown an overall recovery, but still faced challenges such as industrial restructuring, insufficient consumer demand, and debt risks. At the same time, the global economic recovery had slowed, with rising trade protectionism and geopolitical conflicts, which had heightened uncertainties and instability. Despite the global push for green and low-carbon cooperation, the goal in achieving carbon neutrality in 2050 still faces challenges in terms of technology, capital, and policy. Against this backdrop, industrial development has entered a new phase focused on quality. This transformation requires enterprises to further enhance their sustainable development capabilities.

In 2024, China's exploration and practice in the green and low-carbon field reached new heights. A series of more refined and forward-looking green and low-carbon policies have been introduced. In terms of industrial structure, traditional high-energy-consuming industries have accelerated their transformation, while emerging green industries are thriving, forming a more rational and efficient industrial layout. Technological innovation has become the core driving force for green and low-carbon development, providing strong support for industrial upgrading. The successful experiences from various pilot regions continue to emerge, providing replicable and scalable examples for green and low-carbon development across the country.

China's commitments to reduce carbon emissions directly affect productions of the Group. The Group has increased investment in energy-saving and emission-reduction technological transformation during the Year. Meanwhile, to reduce the emission and production cost, the Group has been exploring various proposals regarding the refurbishment of the boiler facilities in 長春大合生物技術開發有限公司 (Changchun Dahe Bio Technology Development Co., Ltd.*) ("**Changchun Dahe**") during the Year. The Group's management endeavors to design a refurbishment proposal in compliance with the relevant coal consumption indicators, lowering emission levels and maximising energy conservation.

Sustainability is also built upon the foundation of good corporate governance. We are aware of how it contributes to long-term value creation and success of an enterprise. We understand that continuous effort shall be diligently dedicated to perfect our risk management and internal control systems from time to time. During the past years, our internal control team has continued its efforts in enhancing the Group's enterprise risk management and internal control systems. Similar to what we have been doing for years, trainings and seminars were given to the management and the relevant staff to ensure the effectiveness of the internal control systems in 2024.

In 2024, China is accelerating its green efforts towards the "carbon peaking and carbon neutrality" goals. The Group believes that the management team will not only guide the Group towards a brighter future, but will also remain committed to supporting the ESG strategies of the Group. We will continue to fulfill our responsibility to create economic benefits while upholding our social responsibilities to our stakeholders.

We also firmly believe that sustainable development is our future path. We will continue to deepen our strategies and practices in the ESG aspects and actively fulfill our corporate social responsibilities. We believe that through close cooperation and joint efforts with various stakeholders, we can create a brighter future.

Wang Cheng
Chairman

April 2025

** For identification purposes only*





1. WORKPLACE QUALITY

We consider our employees our business partners, of whom are essential to the success of the Group. GBT values every employee who contributes to the Group's success and emphasises the importance of a healthy and friendly working environment which lays a good foundation for its people to commit to the Group. GBT is keen to establish a corporate culture with self-discipline, inspirations and commitment. We aim to attract the best talents in the market with diversity, create a nurturing ground for both the Company and our people to grow and enjoy the fruits of our success together. Given the nature of the Group's business and the industry the Group operates in, which remain heavily reliant on machine operation and manual labour, it is expected that equality of gender ratio will be difficult to achieve within the Group. However, the Group will still strive to enhance diversity including but not limited to gender, age, ethnicity, educational background, professional expertise, industry experience, function and length of service across all levels of the workforce so far as reasonably practicable. Apart from offering competitive remuneration to our employees, GBT also provides them with trainings, career development and growth opportunities. GBT places high emphasis on workplace condition and safety industry but not limited to ensuring lawful and reasonable working hours and rest periods of our employees. This is one of the keys to our success.

The Group has formulated the compensation and benefits system and conducted regular salary adjustment to ensure that all employees are rewarded and recognised with respect to their efforts and contributions. Based on the Group's development strategies, current operating conditions, corporate compensation levels, business objectives and the industry's average salary levels, the human resources department of the Company (the **"Human Resources Department"**) updates the human resources plan from time to time as guidelines for each operating subsidiary for the determination and adjustment of employees' salary. Through key performance indicators' management and performance appraisal, the salary of employees can be linked to their performance as well as the Company's business objectives.

With respect to the termination of the employment contract, it should be based on reasonable and lawful grounds. The Group strictly prohibits any kind of unfair or unreasonable dismissals.

The Group strictly follows the principles of equal opportunities in its employment policies, including recruitment, training, career development and promotion. The Group promotes fair competition. Any kind of discrimination against one's age, gender, religion, marital status, ethnic background, sexual orientation, disability, and pregnancy is strictly prohibited in the Group.

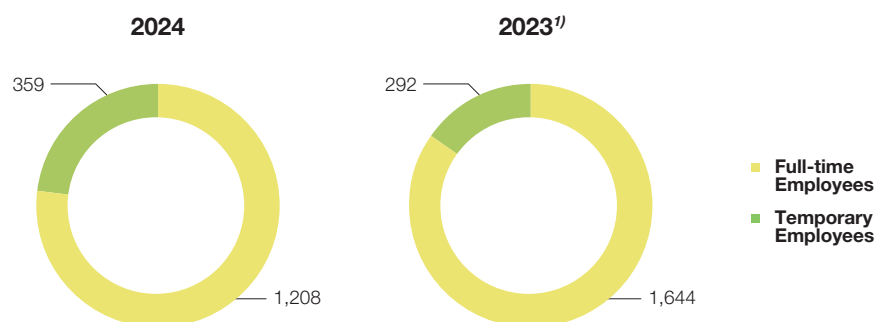
1. WORKPLACE QUALITY

1.1 Workplace Conditions

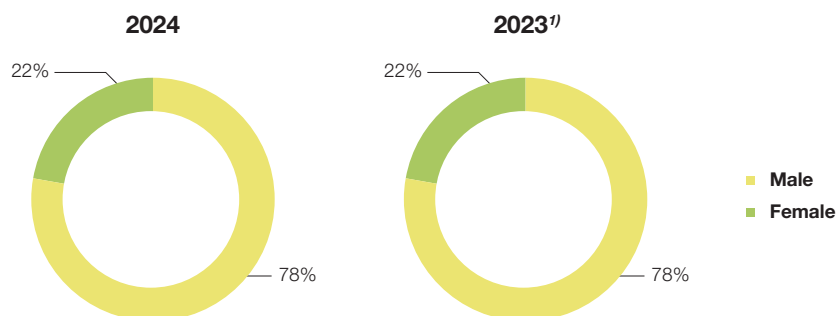
1.1.1 Employment Structure

Below charts show an overview of the Group's employment structure:

Employees by Employment Type

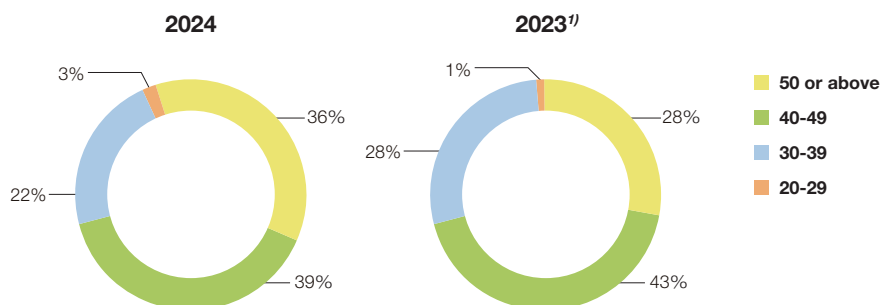


Employees by Gender

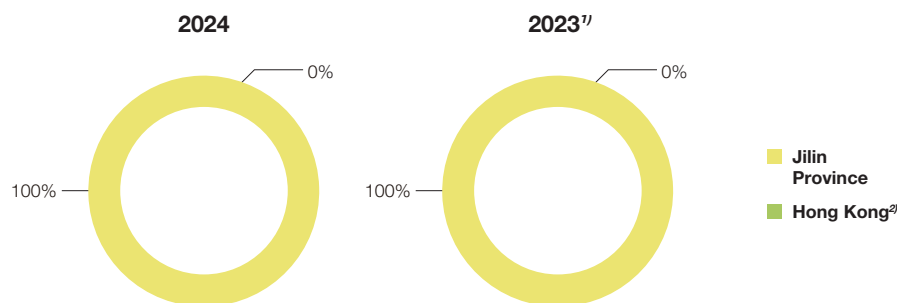


1. WORKPLACE QUALITY

Employees by Age



Employees by Geographical Location



Remarks:

2024: Figures as of 31 December 2024

2023: Figures as of 31 December 2023

1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and the comparative figures for 2023 had been adjusted and disclosed based on a scope consistent and comparable with that of 2024 to allow a meaningful comparison.

²⁾ Figure accounted for less than 0.5%.

1.1.2 Turnover Rate

The Group's turnover rate for the Year was approximately 17.9% (2023: 15.9%), out of which male employees accounted for 72.0% (2023: 72.0%) and female employees accounted for 28.0% (2023: 28.0%). Among the total number of turnover staff, 57.6% (2023: 2.7%) of them were temporary employees.

1. WORKPLACE QUALITY

The details of the turnover pattern are outlined in the tables below:

Turnover Rate by Geographical Region and Employment Type

	Jilin Province	Hong Kong	Total
2024			
No. of Full-time Employees	145	0	145
No. of Temporary Employees	197	0	197
Total No. of Turnover Staff	342	0	342
Turnover Rate ¹⁾	17.9%	0.0%	17.9%
	Jilin Province	Hong Kong	Total ²⁾
2023			
No. of Full-time Employees	355	2	357
No. of Temporary Employees	10	0	10
Total No. of Turnover Staff	365	2	367
Turnover Rate ¹⁾	15.8%	26.5%	15.9%

Turnover Rate by Age and Employment Type

	50 or above	40-49	30-39	20-29	18-19	Total
2024						
No. of Full-time Employees	73	18	36	15	3	145
No. of Temporary Employees	115	59	22	1	0	197
Total No. of Turnover Staff	188	77	58	16	3	342
% to Total Turnover Staff	55.0%	22.5%	17.0%	4.7%	0.8%	100.0%
	50 or above	40-49	30-39	20-29	18-19	Total ²⁾
2023						
No. of Full-time Employees	80	101	123	50	3	357
No. of Temporary Employees	0	0	10	0	0	10
Total No. of Turnover Staff	80	101	133	50	3	367
% to Total Turnover Staff	21.8%	27.5%	36.2%	13.6%	0.9%	100.0%

Remarks:

- 1) Internal transfer under the Group was not counted in turnover rate.
- 2) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and the comparative figures for 2023 had been adjusted and disclosed based on a scope consistent and comparable with that of 2024 to allow a meaningful comparison.



1. WORKPLACE QUALITY

1.1.3 Working Hours

Working hours for all employees under the Group in the PRC are in compliance with the local labour regulations including the Labour Law of the People's Republic of China (《中華人民共和國勞動法》) and the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》).

For operations in the PRC, office workers work 5 days a week with 8 hours a day. Workers at the production sites work on shifts, 8 hours a shift. In any case where overtime work is required, overtime payment will be paid to employees as required under the PRC labour law. Employees' rest days and public holidays are formulated in line with the labour regulations in the PRC. Details of working hours, rest days and public holidays are outlined in the employment contracts for all employees.

All employees in Hong Kong work 5 days a week with 8 hours a day and enjoy rest days, public holidays and paid annual leave, etc. during employment, in line with labour legislation in Hong Kong.

1.1.4 Staff Welfare and Benefits

GBT believes a highly motivated working team will be crucial to the development of the Company. Employees' remuneration packages are based on their job performance and reviewed individually every year to maintain competitiveness. Apart from this, employees have comprehensive medical, accidental and disability insurance coverage and retirement schemes (such as the Mandatory Provident Fund Schemes).

All GBT employees have insurance coverage as required by law and the Company complies with all relevant labour regulations and procedures, including the followings:

- Labour Law of the People's Republic of China (《中華人民共和國勞動法》)
- Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)
- Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》)
- Regulation on Work-Related Injury Insurances (《工傷保險條例》)
- Law of the People's Republic of China on the Protection of Women's Rights and Interests (2022 Revision) (《中華人民共和國婦女權益保障法(2022修訂)》)
- Interim Measures for the Administration of the List of Untrustworthy Parties in Arrears of Migrant Workers' Wages for Joint Punishment (《拖欠農民工工資失信聯合懲戒對象名單管理暫行辦法》)
- Employment Ordinance (Hong Kong) (《僱傭條例》(香港))
- Employment (Amendment) Ordinance 2022 (Hong Kong) (《2022年僱傭(修訂)條例》(香港))
- Minimum Wage Ordinance (Hong Kong) (《最低工資條例》(香港))
- Mandatory Provident Fund Schemes Ordinance (Hong Kong) (《強制性公積金計劃條例》(香港))
- Employees' Compensation Ordinance (Hong Kong) (《僱員補償條例》(香港))
- Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (Hong Kong) (《2022年僱傭及退休計劃法例(抵銷安排)(修訂)條例》(香港))

1. WORKPLACE QUALITY

Apart from this, the Group also provides welfare housing for eligible employees in the PRC. Applicants for welfare housing will be assessed by their term of service and overall performance.

During traditional Chinese festivals, it is the Group's practice to give out gifts such as foodstuff and necessity to employees. The Group would also provide assistance to employees whose families are in difficulties from time to time.

1.1.5 *Compliance with relevant laws and regulations*

During the Year, the Group was not aware of any material breach of relevant laws and regulations, including among others, the laws, regulations and procedures set out in section 1.1.4 above relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare.

1.2 Occupational Health and Safety

GBT is committed to provide a safe and non-hazardous working environment for all staff. Apart from keeping updated on the latest regulations launched by local and national authorities and government bodies, GBT reviews the working environment in each operation sites from time to time to ensure the health and safety of all staff. Such measures include internal control procedures such as the setting up of a work safety inspection team (the **"Inspection Team"**) to inspect the workflow procedures in the production sites from time to time, reporting any work-related accidents, remedies and improvement measures taken to the management in a timely manner, etc. All employees are trained before they carry out their duties to ensure they are fit for the job and continuous training are provided to minimise chance of work-related accidents.

1.2.1 *Work-Related Accidents*

There was no work-related fatal events during the Year (2023 and 2022: Nil and Nil). There were also no work-related accidents or disasters that occurred during the Year (2023: Nil). As such, the Group did not record any lost days due to work injury during the Year and 2023.



1. WORKPLACE QUALITY

1.2.2 Implementation and Monitor of Occupational Health and Safety Measures

All operations of the Group comply with the labour law and safety regulations by local as well as national governments. List of laws and regulations that the Group complied with are as follows:

- Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》)
- Regulation on Work-Related Injury Insurance (《工傷保險條例》)
- Measures for the Ascertainment of Work-Related Injuries (《工傷認定辦法》)
- Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》)
- Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》)
- Notice on the Approved Basis of One-Off Work-Related Death Subsidy 2022 (《關於2022年一次性工亡補助金核定基數的通知》)
- Occupational Safety and Health Ordinance (Hong Kong) (《職業安全及健康條例》(香港))

The Group has its own tailor-made work manuals (the “**Manuals**”) for employees, which incorporate all the occupational health and safety procedures. The Manuals are designed to comply with the regulations/laws above. The Group also set up the Inspection Team to ensure the implementation of these procedures. The Inspection Team carries out weekly inspections to ensure workplace safety to avoid any potential risk, reviews and improves the Manuals from time to time and offers internal training to staff. The Manuals also include guidance on the steps and procedures to be taken in case of emergency or accidents.

During the Year, the Group was not aware of any material breach of relevant laws and regulations, including among others, the list of laws and regulations set out above in this section relating to the provision of safe working environment to employees and protection of employees from occupational hazards.

1.3 Occupational Development and Training

GBT invests in the personal and vocational development of its employees. Career development and advancement opportunities are provided to dedicated staff. To improve employee's knowledge and skills to discharge duties at work, employees in different posts, regardless of one's gender and background, are provided with tailor-made training programmes, by both in-house and external institutions to ensure their performance are in line with the Group's expectations and the changing market.

The Group also actively promotes good corporate governance by offering chances for senior management and executives to attend seminars or forums organised by regulators or other professional authorities on topics such as corporate governance best practices, handling price sensitive information, risk management and updates on the latest Listing Rules, etc. Such training materials will be translated and circulated to the Board as well as subordinate staff in different departments as internal training materials. Internal trainings are given to the Board as part of the corporate governance practices.

1. WORKPLACE QUALITY

1.3.1 Training Programmes for Employees in China

Ordinary staff:

All significant subsidiaries under GBT follow the Group's training requirements and tailor-made/specific training programmes are offered to staff in different posts. All employees attend internal training programmes before commencement of work (including introduction of production processes, operation manual of machineries, work skills training, work safety procedures, management structure and corporate governance, etc.).

On top of this, on-the-job trainings such as work skills training, career planning guidance and training for promoted staff are provided for employees' continuous career development and improvement of their work skills. Implementation of staff training is handled by the human resources department of each operating subsidiary of the Group. Based on the assessment and recommendations by the head of each department on the needs and requirements for their relevant staff, the human resources department of each operating subsidiary of the Group formulates the standards, contents and plan for staff training every year. Assessment, examinations and questionnaires are given to staff after training to assess the effectiveness and results. Quiz competitions and forums are held regularly by the Group for staff to assess the effectiveness of and exchange their ideas on the training programmes.

The details of training of ordinary staff in the PRC for the Year with comparative figures are as follows:

Average Hours of Training Received by Ordinary Staff in the PRC

	Male	Female	Average
2024	18.9 hours	18.6 hours	18.8 hours
2023 ¹⁾	18.0 hours	18.0 hours	18.0 hours

Percentage of Ordinary Staff in the PRC that Received Training

	Male	Female	Average
2024	100.0%	100.0%	100.0%
2023 ¹⁾	100.0%	100.0%	100.0%

Remark:

- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and the comparative figures for 2023 had been adjusted and disclosed based on a scope consistent and comparable with that of 2024 to allow a meaningful comparison.

1. WORKPLACE QUALITY

Managerial grade or above:

Training programmes for employees of managerial grade or above are provided mostly in-house, with seminars or talks organised by external parties on specific topics occasionally or according to market needs. Employees of managerial grade or above may attend training sessions on topics such as professional knowledge, corporate culture, sales and marketing, occupational safety, strengthening skills in management and policy implementation. Such training sessions were carried out by way of seminars, video training and reading sessions. Certain subsidiaries under the Group offer training sessions for employees of managerial grade or above employees on occupational safety, market expansion and professional training.

The details of training of staff at managerial grade or above in the PRC for the Year with comparative figures are as follows:

Average Hours of Training Received by Managerial Grade or Above Staff in the PRC

	Male	Female	Average
2024	13.9 hours	11.3 hours	13.6 hours
2023 ¹⁾	24.0 hours	24.0 hours	24.0 hours

Percentage of Managerial Grade or Above Staff in the PRC that Received Training

	Male	Female	Average
2024	100.0%	100.0%	100.0%
2023 ¹⁾	100.0%	100.0%	100.0%

Remark:

- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and the comparative figures for 2023 had been adjusted and disclosed based on a scope consistent and comparable with that of 2024 to allow a meaningful comparison.

1.3.2 Training Programmes for Employees at the Headquarter in Hong Kong

Ordinary staff:

All new employees are given an introduction session on the Company's operation, corporate governance and corporate culture. All employees are given a copy of the Company's employee handbook as guidelines. Internal and external trainings in relation to professional knowledge and the Listing Rules are also provided via seminars and reading sessions on a continuous basis.

Continuing education allowance scheme has been provided by the Company to all employees in the Hong Kong office since 2016 to facilitate employees in accelerating their professional development.

1. WORKPLACE QUALITY

The details of training of ordinary staff in Hong Kong with comparative figures for the Year are as follows:

Average Hours of Training Received by Ordinary Staff in Hong Kong

	Male	Female	Average
2024	16.0 hours	36.0 hours	22.3 hours
2023	31.0 hours	12.0 hours	24.7 hours

Percentage of Ordinary Staff in Hong Kong that Received Training

	Male	Female	Average
2024	100.0%	33.0%	60.0%
2023	100.0%	60.0%	75.0%

Managerial grade or above:

Trainings for employees of managerial grade or above mainly cover the following aspects: corporate governance, business management and administration, professional knowledge and the Listing Rules. Such trainings are in the form of lectures and seminars organised by internationally renowned universities in Hong Kong and overseas, regulators or other professional bodies such as the Stock Exchange, The Hong Kong Institute of Certified Public Accountants and The Hong Kong Chartered Governance Institute. Apart from this, the company secretary of the Company will update the Company's management from time to time regarding the latest changes in the Listing Rules and guidelines from the Stock Exchange to ensure their work are in compliance with the Listing Rules.

The details of training of staff at managerial grade or above in Hong Kong with comparative figures for the Year are as follows:

Average Hours of Training Received by Managerial Grade or Above Staff in Hong Kong

	Male	Female	Average
2024	16.6 hours	12.0 hours	15.3 hours
2023	9.5 hours	12.0 hours	9.8 hours

Percentage of Managerial Grade or Above Staff in Hong Kong that Received Training

	Male	Female	Average
2024	100.0%	100.0%	100.0%
2023	100.0%	100.0%	100.0%



1. WORKPLACE QUALITY

1.4 Labour Standards

GBT has stringent recruitment procedures to avoid child or forced labour. The Group's labour standards and recruitment procedures are in compliance with all the local as well as national labour regulations. The human resources department of each subsidiary will handle all staff-related matters including recruitment, remuneration, training and other welfares to make sure the Group complies with the relevant labour regulations.

Recruitment and employment under GBT are in strict compliance with all relevant local and national labour laws and regulations, including the followings:

- Labour Law of the People's Republic of China (《中華人民共和國勞動法》)
- Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)
- Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》)
- Vocational Education Law of the People's Republic of China (《中華人民共和國職業教育法》)
- Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》)
- Provisions on Special Protection for Juvenile Workers (《未成年工特殊保護規定》)
- Provisions on the Handling of Criminal Record Checks by Public Security Organs (《公安機關辦理犯罪紀錄查詢工作規定》)
- Employment Ordinance (Hong Kong) (《僱傭條例》(香港))
- Employment (Amendment) Ordinance 2022 (Hong Kong) (《2022年僱傭(修訂)條例》(香港))
- Employment of Children Regulations (Hong Kong) (《僱用兒童規例》(香港))

1.4.1 Recruitment Procedures and Standards

As a part of recruitment and internal procedures, use of child or forced labour is strictly prohibited in the Group and this is explicitly cited in the recruitment guidelines of each subsidiary under the Group. The Group has maintained a database of the qualifications and requirements for different positions and a well-established structure for each department in each subsidiary. Such information would serve as a guideline for recruiting new staff to fit in the position under recruitment. Department supervisors would notify and apply for recruitment of new positions or replacement to the human resources department of each subsidiary. The human resources department of each subsidiary would assess the application and approve or disapprove based on the results of assessment. Recruitment channels of the Group include recruitment agencies, recruitment websites, campus recruitment and internal referral. Respective candidates should pass written tests and interviews and verification check of their academic qualifications and identity. The human resources department of each subsidiary will arrange the signing of a formal employment contract upon confirmation of the employment and keep file of all personal data of each employee as required by the relevant labour law.

1. WORKPLACE QUALITY

1.4.2 Remedial Measures in Case of Non-compliance

In case of non-compliance relating to child or forced labour, the Group would report the case to the police, the local labour bureau or equivalent authorities immediately and provide any appropriate assistance to the victim(s), including sending the victim(s) back home. The Group would endeavour to ensure the employees of its subsidiaries to co-operate with the police, the local labour bureau or equivalent authorities during the investigation of the crime. If it is discovered that such crime is caused by an act of negligence of the employee(s) of the Group, the Group would immediately terminate the employment contract with the relevant employee(s) and compensate any loss and damage which has been caused to the victim(s). However, if it is found that such crime was caused by fraudulence by any parties, the Group would take any necessary legal action against the fraudster.

During the Year, the Group was not aware of any material breach of relevant laws and regulations, including among others, those listed under section 1.4 above relating to child and forced labour.

The Group has not been involved in any case of non-compliance on child or forced labour during the Year (2023: Nil).





2. ENVIRONMENTAL PROTECTION

Ecosystem integrity is extremely important to our natural habitat. An imbalanced ecosystem will disrupt global climate and food supply. It is thus important for us to behave and contribute in a way to minimise our environmental footprints that lead to climate change. To mitigate the effect from climate change, as a responsible corporate, we share the responsibilities to reduce emissions and minimise our footprint on the environment to slow down the process. Since the major raw material of the Group is corn kernels, a crop which is susceptible to climate change, the harvest of corn will directly affect the business of the Group. Apart from that, extreme climate resulting from climate change will disrupt transportation network and change consumption patterns of consumers overall. As such, the Group has built strong awareness on environmental conservation and places it at equal importance alongside our business development. It is the Group's mission to maintain environmental sustainability together with its business growth.

To achieve this, during the Year, the management of the Group has:

1. continued to devote research and development ("**R&D**") effort to production efficiency and lower greenhouse gas emission;
2. reduced waste disposal and imposed stringent wastewater treatment standards against the discharge of pollutants;
3. promoted use of recycled materials and renewable and biodegradable resources;
4. promoted sustainable use of energy, water, crops and other raw materials;
5. promoted energy conservation; and
6. complied with the relevant environmental regulations in all production facilities.

2.1 Emission

The Group has set up a supervising team (the "**Supervising Team**") in each subsidiary to monitor emissions of gas, discharge of waste water and generation of hazardous and non-hazardous wastes. The Supervising Team is responsible for the formulation of emission/discharge control procedures and environmental protection measures, regular check and evaluation of emission standards, ensuring those standards are in compliance with the relevant national and local environmental regulations. Upon the request from the local environmental protection bureau, each subsidiary would also submit emission and discharge samples for random check.

2. ENVIRONMENTAL PROTECTION

2.1.1 Types of Emissions and Respective Emission Data

During the production processes of the Group, certain amount of sulfur dioxide, nitrogen oxide, wastewater and cinders would be emitted/discharged. The emission data are outlined in the tables below:

Summary of the Types of Emission and Emission Data

Operation Location – Jilin Province	Air Emissions		Wastewater (metric tonne)	Cinders (metric tonne)
	Sulfur Dioxide (metric tonne)	Nitrogen Oxide (metric tonne)		
2024	192	241	2,336,095	19,009
2023 ¹⁾	111	142	1,327,108	16,939
Change	73.0%	69.7%	76.0%	12.2%

Remark:

- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and only the comparative figures for 2023 relating to the operations of Jilin Province, basing on a scope consistent and comparable with that of 2024, had been included and disclosed to allow a meaningful comparison.

2. ENVIRONMENTAL PROTECTION

2.1.2 Direct and Energy Indirect Greenhouse Gas Emissions

Summary of the Greenhouse Gas Emissions Performance

Operation Location	2024 Indicators		2023 ³⁾ Indicators	
	Scope 1 ¹⁾ (tCO ₂ e)	Scope 2 ²⁾ (tCO ₂ e)	Scope 1 ¹⁾ (tCO ₂ e)	Scope 2 ²⁾ (tCO ₂ e)
Jilin Province	424,161	0	346,057	1
Total	424,161	0	346,057	1

Summary of Unit Greenhouse Gas Emissions per Metric Tonne of Product Produced

Operation Location	2024 Indicators		2023 ³⁾ Indicators	
	Scope 1 ¹⁾ (tCO ₂ e)	Scope 2 ²⁾ (tCO ₂ e)	Scope 1 ¹⁾ (tCO ₂ e)	Scope 2 ²⁾ (tCO ₂ e)
Jilin Province	1.12	0.00	1.30	0.00
Average	1.12	0.00	1.30	0.00

Remarks:

- 1) Scope 1 covers the direct emissions of greenhouse gas (i.e. carbon dioxide) from sources owned and controlled by the Company.
- 2) Scope 2 covers the indirect emissions of greenhouse gas (i.e. carbon dioxide) resulting from the generation of purchased electricity by the Company.
- 3) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and only the comparative figures for 2023 relating to the operations of Jilin Province, basing on a scope consistent and comparable with that of 2024, had been included and disclosed to allow a meaningful comparison.

2. ENVIRONMENTAL PROTECTION

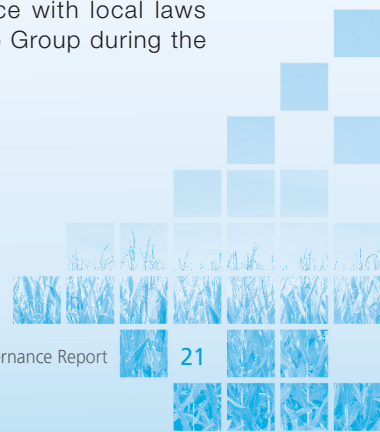
Under the PRC's emission standards, there is no written standard on the quantity of greenhouse gases emitted. However, the Ministry of Ecology and Environment of the PRC has written guidelines on the emission concentration and quality. These guidelines are written on the "Emission Permit" issued by the local environmental protection bureau to the subsidiaries of the Group, or as updated from time to time. As the total emission level of the Group depends on our production volume and most of our production has been suspended since the end of 2019, with the operation of the Group's production site in Dehui resumed only since the end of 2022 and production plans of other facilities for 2025 are still subject to further adjustment, it is thus unrealistic to set emission target for 2025. Depending on the progress of resumption of the operation of the Group's subsidiaries, it will then be appropriate for the Group to disclose our emission target when the Group resumes normal operation. On the other hand, the Group strives to utilise higher quality coal in the production sites where there is an internal power plant with the aim to reduce overall emission level.

The Group's production processes would emit certain pollutants such as sulfur dioxide and nitrogen oxide. In case where the emission level of the Group goes beyond the emission standards as set out in the guidelines issued by the local environmental protection bureau, the relevant Supervising Team will alert the relevant divisions in the production department and the production plant immediately to fix the problem. In addition, real time monitoring devices are placed at all discharge outlets of the Group's facilities and connected to the local environmental protection bureau's network to keep track of emission data. Such data is also subject to real time monitoring by the Environment Protection Information Centre of the City as well as the Provincial Environmental Protection Information Centre.

All production sites of the Group in the PRC have their own wastewater treatment facilities in place to remove physical, chemical and biological contaminants from wastewater (from both industrial and domestic sewage in the production sites), with the objective to produce an environmentally-safe sewage discharges for recycle uses. The Supervising Team monitors the discharges of wastewater by the wastewater treatment facilities of the Group every hour through sample testing to ensure the pH value, Chemical Oxygen Demand ("**COD**") value and discharge volume of the wastewater are in line with the relevant laws and regulations. Similar with the emission of greenhouse gases, monitoring devices are placed at all discharge outlets of the Group's wastewater treatment facilities and connected to the local environmental protection bureau's network to keep track of emission data such as COD value. Such data is also subject to real time monitor by the Environment Protection Information Centre of the City as well as the Provincial Environmental Protection Information Centre.

With respect to the cinder produced by the power plants, it will be sold as raw material for the production of cinder blocks after treatment.

The Group's emission and discharge of wastes are in compliance with local laws and regulations. No penalty nor warning has been received by the Group during the Year (2023: Nil).



2. ENVIRONMENTAL PROTECTION

2.1.3 Hazardous and Non-Hazardous Waste Produced

Summary of Hazardous and Non-Hazardous Waste Produced

Operation Location - Jilin Province	Hazardous Waste		Non-Hazardous Waste				
	Lubricating Oil (metric tonne)	Experimental Effluent (metric tonne)	Cardboard (metric tonne)	Plastics (metric tonne)	Flexitank (metric tonne)	Scrap Metal (metric tonne)	Food Waste (metric tonne)
2024	22	1	0	161	201	79	9
2023 ¹⁾	21	0	0	57	116	422	0
Change	4.8%	0.0%	0.0%	182.5%	73.3%	(81.3%)	0.0%

Remark:

- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and only the comparative figures for 2023 relating to the operations of Jilin Province, basing on a scope consistent and comparable with that of 2024, had been included and disclosed to allow a meaningful comparison.

Summary of Unit Hazardous Waste and Non-Hazardous Waste per Metric Tonne of Product Produced

Operation Location - Jilin Province	Hazardous Waste		Non-Hazardous Waste				
	Lubricating Oil (kilogram)	Experimental Effluent (kilogram)	Cardboard (kilogram)	Plastics (kilogram)	Flexitank (kilogram)	Scrap Metal (kilogram)	Food Waste (kilogram)
2024	0.05	0.00	0.00	0.37	0.52	0.18	0.02
2023 ¹⁾	0.08	0.00	0.00	0.21	0.43	1.58	0.00
Change	(37.5%)	0.0%	0.0%	76.2%	20.9%	(88.6%)	0.0%

Remark:

- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and only the comparative figures for 2023 relating to the operations of Jilin Province, basing on a scope consistent and comparable with that of 2024, had been included and disclosed to allow a meaningful comparison.

2. ENVIRONMENTAL PROTECTION

During the Year, the amount of hazardous waste increased due to the operations of the production site increase in Dehui in 2024. The amount of non-hazardous waste produced by the Group also increased during the Year as production volume increased in Dehui production sites.

The hazardous waste of the Group will be treated and disposed in accordance with the guidelines issued by the local environment protection bureau while certain hazardous (after proper treatment) and non-hazardous wastes could be recycled or reused. As the production plans of the Group's production sites in 2025 are still subject to further adjustment, and the Group will target to resume the Xinglongshan production facilities in coming years, it is impracticable for the Group to set reduction targets for hazardous waste and non-hazardous waste in 2024. Nevertheless, we will continue to focus on the reduction and recycle use of wastes through internal training sessions to staff to raise environmental awareness. At the same time, the Group will utilise its R&D capabilities on the application of new technologies in waste recycling and treatment of solid waste prior to disposal when the operation resumes.

Apart from that, the Group has included staff's performance in relation to environmental awareness such as disposal of wastes and energy conservation for each operation sites in their annual appraisal to enhance staff's initiatives to reduce waste disposal.

2.1.4 Recycle Use of Wastewater

With respect to water conservation, a portion of the wastewater of the Group will be recycled after wastewater treatment and biological treatment. Recycled water will be used as cooling agent in production and daily use such as cleaning and flushing water. Apart from wastewater, certain catalysts used during the production process could also be recycled after rinsing and filtration.





2. ENVIRONMENTAL PROTECTION

2.1.5 Compliance with the Relevant Laws and Regulations on Emissions

All subsidiaries under GBT are in strict compliance with the relevant laws and regulations on emission amounts, emission standards and the monitoring of emission data. These laws and regulations include:

- Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)
- Law of the People's Republic of China on Conserving Energy (《中華人民共和國節約能源法》)
- Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》)
- Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》)
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste (《中華人民共和國固體廢物污染環境防治法》)
- Catalogue of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》)
- Air Pollution Prevention and Control Regulations of Jilin Province (Revised) (《吉林省大氣污染防治條例(修訂)》)
- The Administrative Measures for Pollutant Discharge Licensing (for Trial Implementation) (《排污許可管理辦法(試行)》)
- Reform Program of the Ecological Environmental Damage Compensation System (《生態環境損害賠償制度改革方案》)
- Policies for Technologies Used to Prevent and Clean Up Pollution in the Sugar Industry (《製糖工業污染防治技術政策》)
- Discharge Standard of Water Pollutants for Sugar Industry (《製糖工業水污染物排放標準》)
- Discharge Standard for Municipal Sewerage System (《污水排入城鎮下水道水質標準》)
- Emission Standard of Air Pollutants from Industrial Kilns and Furnaces (《工業爐窯大氣污染物排放標準》)
- Emission Standard of Air Pollutants from Thermal Power Plants (《火電廠大氣污染物排放標準》)
- Emission Standard for Air Pollutants from Boilers (《鍋爐大氣污染物排放標準》)
- Emission Standard for Industrial Enterprises Noise at Boundary (《工業企業廠界環境噪聲排放標準》)

During the Year, the Group was not aware of any material breach of relevant laws and regulations, including among others, those listed above in this section relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

2. ENVIRONMENTAL PROTECTION

2.2 Use of Resources

The production processes of the Group would involve the consumption of water, electricity, steam, coal and packaging materials. As the majority of the Group's products are feed and food grade products, it is crucial for the Group to source water from reliable sources. Therefore, the Group's source of water comes mainly from the local water supplies with a portion of recycled water. As the local utility providers are controlled by the local government, source of water is relatively stable and reliable, the Group has not encountered any problem in sourcing water in all of its production sites. As for electricity, most of the Group's production sites have a power plant in place. During the Year, approximately 38.0% (2023: 24.0%) of the electricity needs for the Group's production was supplied by the power plant internally with the shortfall sourcing from local Electricity Supply Bureau. The increase in proportion in 2024 was a result of the full resumption of operation in the Group's production sites in Dehui. Owing to the suspension of operation of the Group's other production facilities, targets set for water and electricity efficiency will not be available until our operation resumes to normal level. All the steam required for production is generated by the boilers in the power plants. Coal and packaging materials are sourced from the market by bids and tenders. To ensure the quality of the suppliers and their services, all suppliers should pass the Group's standard verification procedures and quality assurance process before being recognised as the Group's suppliers.

Regarding the use of resources, all subsidiaries under the Group are encouraged to take part in energy conservation scheme to promote environmental awareness amongst the employees. Results of energy conservation are included as one of the parameters in the annual appraisal of each subsidiary of GBT as well as individual staff.

2.2.1 Summary of Consumption of Water, Electricity, Steam and Coal

Total Consumption of Water, Electricity, Steam and Coal

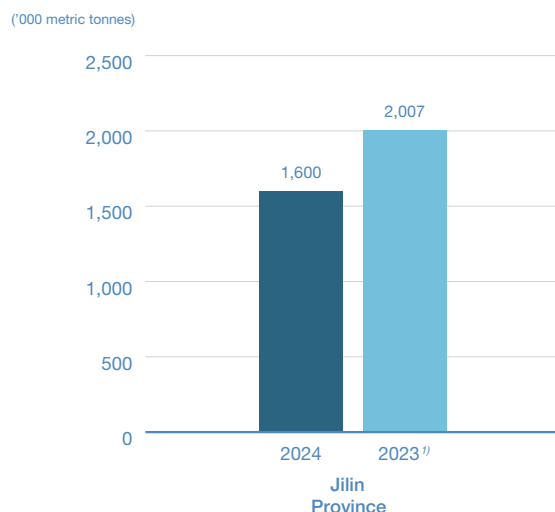
	Water (<i>'000 metric tonne</i>)	Electricity (<i>'000 kwh</i>)	Steam (<i>'000 metric tonne</i>)	Coal (<i>'000 metric tonne</i>)
2024	1,600	273,716	1,048	360
2023¹⁾	2,007	189,249	937	239
Change	(20.3%)	44.6%	11.8%	50.6%

Remark:

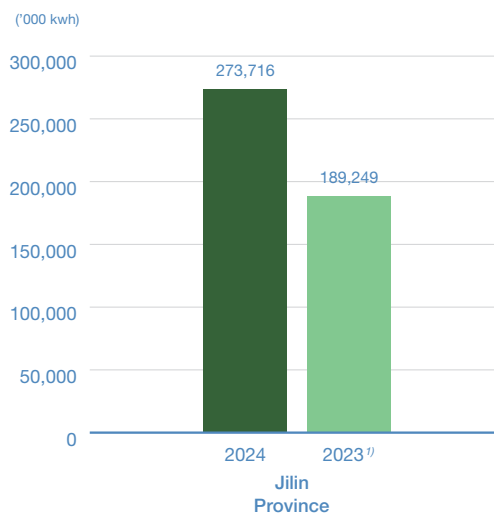
- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and only the comparative figures for 2023 relating to the operations of Jilin Province, basing on a scope consistent and comparable with that of 2024, had been included and disclosed to allow a meaningful comparison.

2. ENVIRONMENTAL PROTECTION

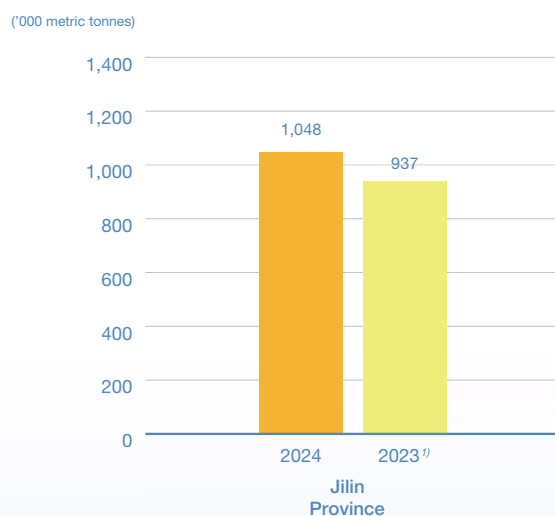
Water Consumption by Facility Locations



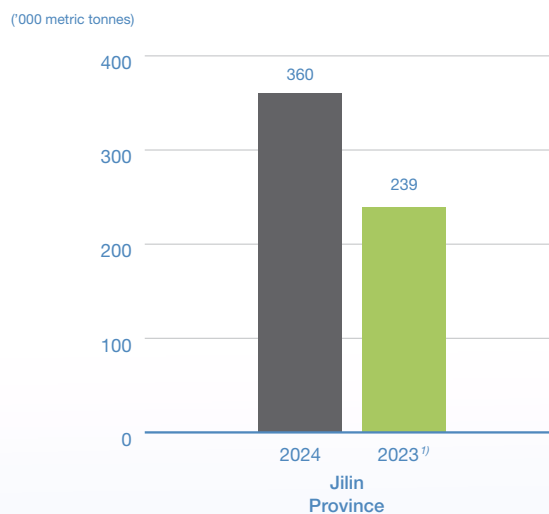
Electricity Consumption by Facility Locations



Steam Consumption by Facility Locations



Coal Consumption by Facility Locations



Remark:

- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and only the comparative figures for 2023 relating to the operations of Jilin Province, basing on a scope consistent and comparable with that of 2024, had been included and disclosed to allow a meaningful comparison.

2. ENVIRONMENTAL PROTECTION

Due to the increase in production at Dehui, the overall electricity consumption, steam consumption and coal consumption of the Group's production facilities increased for the Year, resulting in the overall increase in the electricity consumption and coal consumption of the Group's Jilin Province business increased during the Year.

Consumption of Water, Electricity, Steam and Coal by Upstream Production

	Water (<i>'000 metric tonne</i>)	Electricity (<i>'000 kwh</i>)	Steam (<i>'000 metric tonne</i>)	Coal (<i>'000 metric tonne</i>)
2024	1,600	273,716	1,048	360
2023 ¹⁾	2,007	189,249	937	239
Change	(20.3%)	44.6%	11.8%	50.6%

Remark:

- 1) Since the downstream production belongs to the GSH Group, but the Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and downstream production had then been deconsolidated from the Group, there had been no consumption for downstream production during the Year. The operations in Heilongjiang Province had been suspended since 2019 and they had been derecognised in June 2023. Therefore, no relevant data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and the comparative figures for 2023 had been adjusted and disclosed based on a scope consistent and comparable with that of 2024 to allow a meaningful comparison.

Unit Consumption of Water, Electricity, Steam and Coal per Metric Tonne Product Produced

	Water (<i>metric tonne</i>)	Electricity (<i>kwh</i>)	Steam (<i>metric tonne</i>)	Coal (<i>metric tonne</i>)
2024	4.17	714.01	3.65	0.94
2023 ¹⁾	7.50	708.22	3.50	0.89
Change²⁾	(44.4%)	0.8%	4.3%	5.6%

Remarks:

- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and the comparative figures for 2023 had been adjusted and disclosed based on a scope consistent and comparable with that of 2024 to allow a meaningful comparison.
- 2) As different products have different resources consumption patterns, unit consumption varies due to changes in product mix.

2. ENVIRONMENTAL PROTECTION

As all the Group's productions are located in Jilin Province, the unit consumption of water, electricity, steam and coal per metric tonne product produced of the Group does not need to be categorised by geographic location.

2.2.2 Conservation of Resources

GBT has strong awareness of resources conservation. Continuous R&D work on raising the efficiency use of energy, water and steam is our major focus. The Group's R&D team is dedicated to improve the facilities and production technology to achieve conservation of resources. Their achievements have been recognised and this is shown by the awards and recognition received in the past years.

The Group has formulated a "Guidelines on Resource Consumption" for all of its significant subsidiaries to ensure efficient use of energy, water, steam and other raw materials. To increase employees' awareness of resource conservation, the Group also incorporates production efficiency and resource conservation scheme results into the annual appraisal of individual staff. Apart from this, maintenance works and system check are carried out on all machineries and facilities on regular basis to keep them in good condition and ensure production safety.

2.2.3 Consumption of Fuel

Consumption of Fuel by Type

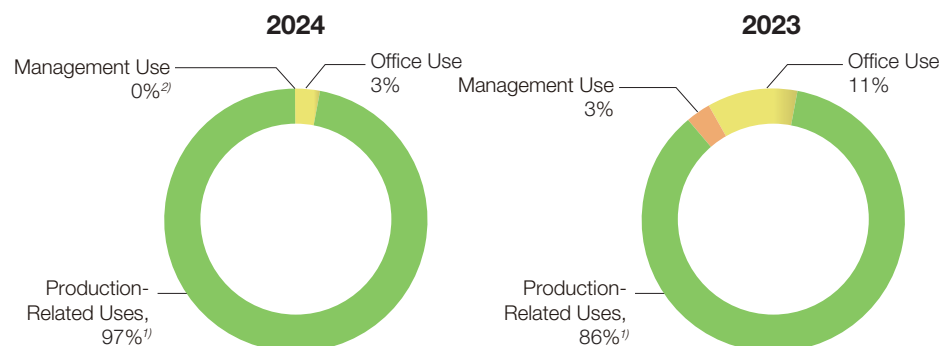
	Gasoline (Litre)	Diesel (Litre)	Total (Litre)
2024	10,229	326,952	337,181
2023 ¹⁾	156,365	1,051,511	1,207,876
Change	(93.5%)	(68.9%)	(72.1%)²⁾

Remarks:

- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and the comparative figures for 2023 had been adjusted and disclosed based on a scope consistent and comparable with that of 2024 to allow a meaningful comparison.
- 2) The Group's production volume increased for the Year, but consumption of fuel decreased due to the diesel used by the external fleet was not consumed by the Group.

2. ENVIRONMENTAL PROTECTION

Consumption of Fuel by Purpose



Remarks:

- 1) Production-related uses include fuel consumption in relation to transportation of raw materials and products.
- 2) Figure accounted for less than 0.5%.

Unit Consumption of Per Metric Tonne Product Produced

	Diesel (Litre)
2024	0.85
2023 ¹⁾	3.94
Change	(78.4%)

Remark:

- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and the comparative figures for 2023 had been adjusted and disclosed based on a scope consistent and comparable with that of 2024 to allow a meaningful comparison.

2.2.4 Consumption of Packaging Materials

Major packaging materials the Group uses packaging bags as its major packaging materials, depending on the storage requirements of the products and the specifications on customer's orders. The Group encourages the recycle use of packaging materials, where applicable. Among them, most plastic pails could be recycled and reused. To encourage customers to participate in the recycle of packaging materials, the Group requires each of its customers to pay a deposit equivalent to the cost of the plastic pails. In case of failure of return or damage, the Group will deduct the amount from the deposit as penalty. In addition, the Group continuously explores new packaging materials and transportation mode that are more environmental-friendly and cost saving.

2. ENVIRONMENTAL PROTECTION

Consumption of Packaging Materials of the Group

	Plastic Pails (Unit)	Packaging Bags (Unit)	Unit Consumption (Unit)
2024	0	12,216,525	32
2023¹⁾	0	18,830,031	70
Change	0.0%	(35.1%)	(54.3%)

Remark:

- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and the comparative figures for 2023 had been adjusted and disclosed based on a scope consistent and comparable with that of 2024 to allow a meaningful comparison.

During the Year, all (2023: all) packaging bags used by the Group were non-recyclable. The Group shall continue to explore, where feasible, other recyclable alternatives.

2.3 Effects on the Environment and Natural Habitats

The ecosystem plays an important part in our lives. It maintains the stability of our natural habitat which provides us with what we need. The maintenance of biodiversity is crucial for a healthy mechanism of the ecosystem. As the major raw material of the Group is corn kernel, the distortion of the ecosystem and the environment will have immediate effect on our operation. GBT is dedicated to maintaining biodiversity and minimising the footprint on the environment.

2. ENVIRONMENTAL PROTECTION

The Group is committed to minimising the effects of its operation and production processes on the natural environment. As described in the previous sections, emission of greenhouse gases and wastewater of the Group are in compliance with the relevant laws and regulations, while cinders and a portion of wastewater are treated for recycle use. In terms of the use of resources, conservation of resources with high efficiency and exploration of recycle use of materials are highly promoted among the Group's members.

Nevertheless, the Group has continuously studied and researched for ways to further minimise our footprints on the environment. The operations of the Group's Dehui production site resumed since the end of 2022 where refurbishment and resumption plans for other production facilities in 2025 are still subject to further adjustment, we were not able to set efficiency target in relation to the conservation of resources until the Group's operation resumes to relatively normal level. However, the Group strives to further reduce total energy consumption by undertaking the following measures:

Approaches	Measures
Production	<ul style="list-style-type: none">• Streamline the production processes and reduce any unnecessary use of materials• Shift to new production processes to reduce consumption• Launch green ("green" in the sense of minimising energy consumption during production process or posing less harm to the environment) products to market
Green Initiatives	<ul style="list-style-type: none">• Adjust air conditioning temperature to 25 degree Celsius at office• Switch off lighting and air-conditioning when unattended• Encourage staff to take public transport to and from workplace
Employee Awareness	<ul style="list-style-type: none">• Engage employees by initiating the recycle practices at production sites and offices• Convey environmental messages via company email/ electronic device

2. ENVIRONMENTAL PROTECTION

On top of this, the Group also promotes office and production automation to reduce consumption of paper and unnecessary exhaustion of other raw materials. All data and information regarding daily operation such as procurement, production, sales and finance are digitally created, collected, stored, analysed, and relayed to accomplish basic tasks. At the production plants, production procedures and manipulation of machineries are all automated to ensure precision and lower consumption of paper for production records. Every employees of the Group are advocates of resources conservation. Recycle use of paper is a common practice within the Group.

Below is a summary of paper consumption (number of pages) of the Group:

Operation Locations	2024	2023 ¹⁾	Change
Jilin Province	352,000	244,000	44.3%
Hong Kong ²⁾	46,336	209,730	(77.9%)
Total³⁾	398,336	453,730	(12.2%)

Remarks:

- 1) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and the comparative figures for 2023 had been adjusted and disclosed based on a scope consistent and comparable with that of 2024 to allow a meaningful comparison.
- 2) The paper consumption of the Group's Hong Kong office includes the paper consumption with respect to the publication of circulars, annual reports and interim reports, as well as the daily paper consumption in office.
- 3) During the Year, with the aim of reducing our impact on the ecosystem, we continued to use environmental-friendly paper when printing our annual reports and interim reports. In June 2023, the Stock Exchange published consultation conclusions on "Proposals to Expand the Paperless Listing Regime" under which many changes to the Listing Rules are introduced, including but not limited to the mandatory electronic dissemination of corporate communications, the reduction in the number of submission documents, and mandatory submission by electronic means. The amended Listing Rules are effective from 31 December 2023. In compliance with the amended Listing Rules, the overall paper consumption of the Group, in particular in the Hong Kong office, had significantly decreased during the Year.

3. OPERATING PRACTICES

Sustainable development covers not only environmental aspects but also social ones. To our customers, product safety ranks at the top of our priority list. Apart from ensuring product hygiene and safety during production processes, supply chain management is a continuous focus of the Group. Supplying quality and safe products to customers not only builds the reputation and brand name of the Group, but also exhibits our social responsibility to the community. On the other hand, to provide a nurturing ground for the healthy growth of the industry, the Group is dedicated to uphold a lawful operating environment. We continuously educate our staff on business conduct. Corruption, bribery, extortion, fraud or any form of crimes are strictly prohibited. We also have whistleblowing and investigation procedures in place to reinforce the integrity of the Group.

3.1 Supply Chain Management

Ensuring product quality and safety has always been the mission of GBT. The Group has stringent control in every process, from supply chain management, production processes, packaging, to delivery to customers. With respect to supply chain management, the Group has respective guidelines and policies in place for all staff when carrying out their duties.

In line with the Group's corporate and ESG strategies, the Group takes into consideration the ESG performance of our suppliers when assessing and shortlisting the Group's suppliers. The Group makes sure we work with suppliers that share the same value and work diligently towards a common goal of building sustainable businesses. While we are constantly striving to strengthen and perfect our ESG strategies, we also extend our awareness towards our supply chain to ensure the raw materials/products we use in our production process aligns with our value. In appraising our suppliers, we will try our best to identify any social and environmental risks or issues that concern us. It is important for us to work with socially responsible suppliers. Through our appraisal processes, the Group ensures it does not work with suppliers that engage child labour, put their workers in poor working conditions, or deprive their workers of human rights. We also assess environmental aspects of our suppliers in terms of emission control and environment protection, energy conservation, corporate value and strategies in making greener products through production process enhancement and new production applications.

As corn is a major raw material of the Group's production which we mainly sourced from local farmers and traders, we are constantly aware of the risk that harmful substances used (such as chemical insecticides) may pass along the supply chain and may eventually pass onto our customers/end users. As such, stringent quality control process in our corn procurement is important (For details, please refer to section 3.1.1.1 Corn Procurement Procedures below).

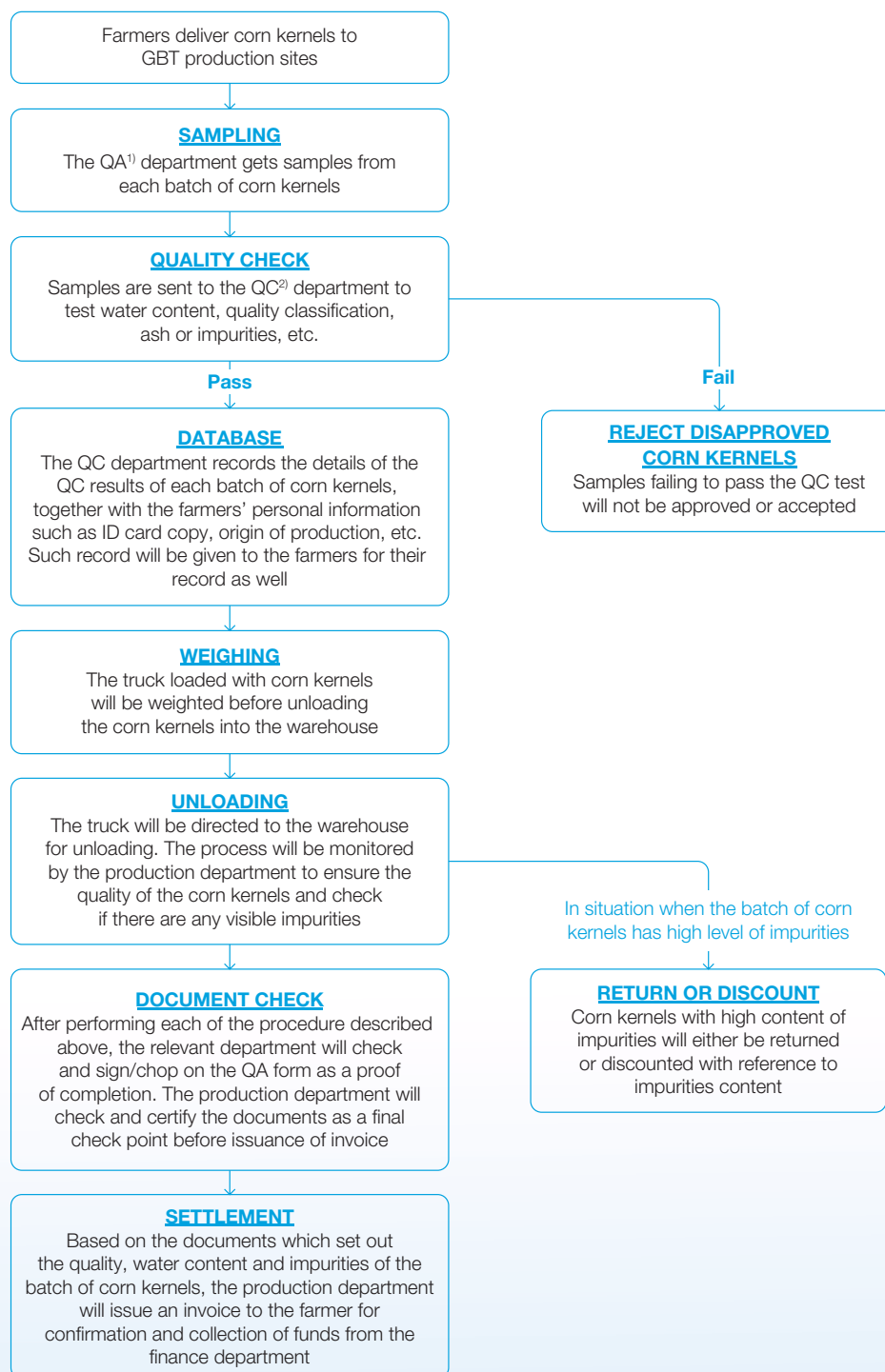
3.1.1 Engaging Suppliers

For the engagement of suppliers, the Group implements a stringent supplier certification process. Every supplier is required to go through a list of assessment procedures before qualifying as the Group's supplier.

3.1.1.1 Corn Procurement Procedures

The Group procures corn kernels, the Group's major raw material, in the corn producing regions in Northeast China. Most of the corn was purchased directly from farmers and traders. As a major raw material for production, the Group adopts stringent quality control/assurance process during the corn procurement process. Below is a summary of the flow of corn procurement adopted by GBT:

3. OPERATING PRACTICES



Remarks:

1) QA: Quality Assurance

2) QC: Quality Control

3. OPERATING PRACTICES

3.1.1.2 Maintenance of Suppliers Database (for procurements other than corn)

The procurement department plays an important role in the screening and engagement of suppliers. The primary focus of the procurement department is to conduct market researches, maintain a database of suppliers and update suppliers' information on regular basis. The procurement department will examine each supplier in the following aspects:

Aspects	Details
Company Qualifications	Examine suppliers' business registration, production approval, examination report of the product and other related documents to justify the suppliers have the relevant qualifications, ability and capacity to produce.
Company Background	Assess suppliers in terms of their operations, credit worthiness, management systems, environmental awareness and lawfulness. Suppliers who have good operations and credit worthiness and have the least impact on the environment are preferred. Food safety is another major consideration during the assessment process. Suppliers with stringent control in production safety and hygiene with no records of violation of food safety laws will pass the assessment.
Product Quality Assurance	For raw material and packaging suppliers, they should submit samples for assessment and testing before delivery. The test will be based on the relevant national or industry standards. Suppliers are also required to submit food safety and/or quality assurance documents issued by government bodies for certain types of raw materials (food related).
Pricing	Pricing is another major aspect that the panel would look into to get the best quality with the best price. The principal objective is to ensure the Group operates at the lowest cost without sacrificing quality.
Delivery	Continuously check on the samples from suppliers' delivery, product/service quality as well as the timeliness of delivery.
Customers Service	Assess suppliers' responsiveness and timeliness regarding order placement, delivery and after sale service.
Environmental Impacts	Evaluate the suppliers' impact on the water, land and atmospheric environment of the community. Extra credits will be given to suppliers adopting greener production processes and producing greener products such as biodegradable materials, etc.

The assessment reports of the suppliers will be filed accordingly, and information of those suppliers which passed the relevant assessments of the procurement department will be updated in the database.

3. OPERATING PRACTICES

3.1.1.3 Screening and Engaging Suppliers (for procurements other than corn)

Every year end, each significant subsidiary will submit its annual procurement plan which lays down the details of the procurement items/services (including machineries, production raw materials and daily consumables) to the procurement department for approval. The procurement department will then assess if the proposed items and quantities are justified. After the plan is approved, the procurement department will compile a list of suppliers for the corresponding items (at least 3 suppliers for each item) from its database. The procurement department will review and assess the suppliers with reference to the reports and the suppliers' quotation. Site visits to the suppliers' production sites will also be carried out to determine whether the new suppliers meet the Group's requirements. It will also consider engaging more than one supplier for the same item to avoid over-reliance on a single supplier.

After the procurement plan is finalised, each significant subsidiary will enter into a supply contract with the assigned supplier which outlined the details of the purchase and the obligations and rights of each party.

3.1.1.4 Suppliers' Quality Assurance and Order Follow-up (for procurements other than corn)

To monitor the quality of our suppliers' goods and services, the QA department will carry out random checks periodically. Suppliers whose goods or service qualities fall below the Group's quality requirement will be penalised (e.g. refunds or return of goods, etc.). For serious and/or persistent sub-standard performance, the supplier will be blacklisted and removed from the Group's suppliers database.

3.1.2 Numbers of Suppliers (for procurements other than corn)

Summary of Numbers of Suppliers by Categories

Operation Location – Jilin Province	Machinery	Raw Materials	Packaging Materials	Utilities	Logistics	Others	Total by Locations ^{1/}
2024	7	19	3	3	17	9	58
2023 ^{2/}	13	20	4	3	4	9	53
Change	(46.2%)	(5.0%)	(25.0%)	0.0%	325.0%	0.0%	9.4%

3. OPERATING PRACTICES

Remarks:

- 1) The numbers of suppliers in the above tables were the sums of the numbers of suppliers engaged by each subsidiary. Since certain suppliers supply goods or services to various subsidiaries of the Group, the total numbers of suppliers in the above tables did not represent the total numbers of suppliers of the Group as a whole for the relevant year.
- 2) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and only the comparative figures for 2023 relating to the operations of Jilin Province, basing on a scope consistent and comparable with that of 2024, had been included and disclosed to allow a meaningful comparison.

Geographic Distribution of Suppliers in 2024

Geographic Regions	Machinery	Raw Materials	Packaging Materials	Utilities	Logistics	Others	Total by Locations
Northeast China	4	9	3	3	15	4	38
Northern China	1	3	0	0	0	0	4
Eastern China	2	2	0	0	1	5	10
Others	0	5	0	0	1	0	6
Total by Categories¹⁾	7	19	3	3	17	9	58

Geographic Distribution of Suppliers in 2023

Geographic Regions	Machinery	Raw Materials	Packaging Materials	Utilities	Logistics	Others	Total by Locations ²⁾
Northeast China	9	15	2	3	4	4	37
Northern China	1	2	0	0	0	0	3
Eastern China	3	1	2	0	0	5	11
Others	0	2	0	0	0	0	2
Total by Categories¹⁾	13	20	4	3	4	9	53



3. OPERATING PRACTICES

Remarks:

- 1) *The number of suppliers in the above tables were the sums of the number of suppliers engaged by each subsidiary. Since certain suppliers supply goods or services to various subsidiaries of the Group, the total number of suppliers in the above tables did not represent the total number of suppliers of the Group as a whole for the relevant year.*
- 2) *The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and the comparative figures for 2023 had been adjusted and disclosed based on a scope consistent and comparable with that of 2024 to allow a meaningful comparison.*

3.2 Product Safety

As a socially responsible corporate, GBT puts a lot of efforts in ensuring product safety, as we are well aware that a lot of our products go to the feed and food and beverage industries. With the increasing concern about food safety in China, it is of the Group's priority to ensure product quality and safety.

The Group adopts stringent control on product quality and safety along the production process. This has earned the Group a good reputation in the industry. The internal quality controls of the Group are mainly operated according to the relevant requirements of ISO9001 quality management systems and ISO14001 environmental management systems. The subsidiaries of the Group were also awarded the HACCP (Hazard Analysis and Critical Control Point) certifications and QS (Quality Safety) certifications.

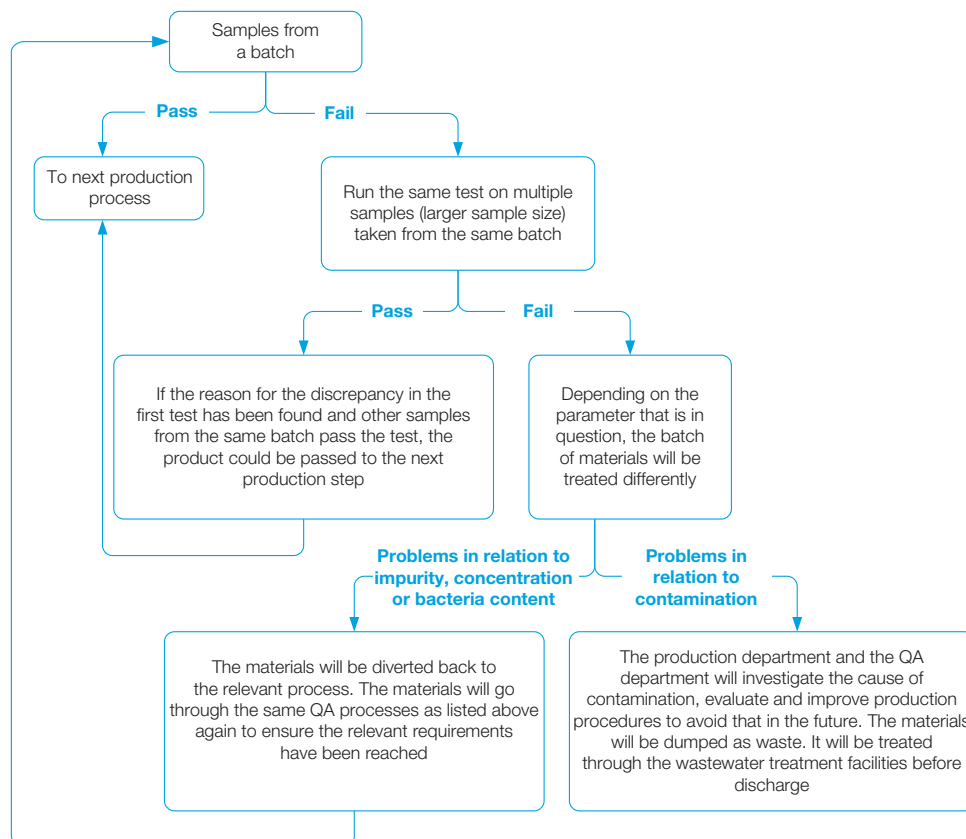
3.2.1 Standards and Procedures of Quality Assurance Processes

GBT has written guidelines and standards for the quality assurance processes which include the details of the examination of raw materials, packaging materials and finished products, etc. The details of the examination cover the examined subject, methods and scope which the Group has formulated with reference to the requirements of the relevant national and industry standards. Below is a summary of the standards of the Group adopts for different types of materials or products:

- Raw materials & production materials: The QA department and the relevant production units would inspect and examine all raw materials and production materials to make sure they are in line with the relevant National GuoBiao ("GB") standards and the Group's requirements. Those which have not been examined or fail to pass the examination are strictly prohibited for production use.
- Intermediate and finished products: The production department and the QA department are responsible for the inspection and examination of intermediate and finished products. The production department monitors each of the production processes and carries out tests for the materials in each process; while the QA department is responsible for carrying out tests on all finished products and random tests on intermediate products. Both departments keep a record of the findings of the tests which includes the details of production batch number, test frequency, sample size and passing rate, etc. In general, the QA department will keep every batch of tested samples for 3 to 12 months (depending on the shelf life of the products and nature of customers). In case of customer's complaint, this will serve as a basis to investigate the cause of the quality issue.

3. OPERATING PRACTICES

The Group adopts random sample testing method for most of the production processes as required by the relevant National GB standards or industry standards. In general, sample testing is carried out on every stage of production. Only qualified materials could be passed to the next process. The below diagram illustrates the workflow of the QA process:



On top of the above arrangements, each subsidiary of the Group will submit samples to qualified third-party laboratory or inspection bodies for examination and inspection on regular basis as required by the PRC regulations.

- **Packaging materials:** Cleansed packaging materials and tankers would be inspected and examined randomly before sending into the packaging lines. During the packing process, workers keep track of the weight of materials to ensure it falls within the allowed range. Packaged products would be inspected before sending to the warehouse to ensure product quality.
- **Warehousing:** Finished products will be transferred to the warehouse after inspection and stocktaking. The warehouse should be kept in clean, ventilated and dry condition as required by national and industry standards.



3. OPERATING PRACTICES

- Delivery: Before delivery, the QA department will carry out a final random check on the products. Once the batch of products passes the examination, the QA department will issue a QA report to the customers. At the same time, as part of customer service and quality assurance follow-up, the QA department will keep the samples from each batch for 3 to 12 months, depending on the nature or requirement of each customer. The truck should be cleaned and sterilised before loading products onto it.

Below is a list of the relevant national and industry standards adopted for the Group's products:

- Edible Corn Starch: GB/T 8885-2017
- Corn Gluten Meal for Feedstuffs: Q/JZYC 001-2017¹⁾
- Corn Germ Meal for Feedstuffs: Q/CDCJT 02-2018¹⁾
- Corn Syrup Solid: Q/CDCJT 08-2018¹⁾
- Fibre Feed for Feedstuffs: Q/CDCJT 03-2018¹⁾
- Maize Oil: GB/T 19111-2017
- Hygienical Standard for Feeds: GB 13078-2017
- Glucose Syrup: GB/T 20885-2007
- Maltose: GB/T 20883-2017
- Syrup for Brewing: QB/T 2687-2005
- Isomaltooligosaccharide: GB/T 20881-2017
- High Fructose Syrup: GB/T 20882-2007
- Maltodextrin: GB/T 20884-2007
- Food Nutrition Fortifier — L-Lysine: GB 34466-2017
- Feed Grade L-Threonine: GB 7300.101-2019
- Feed Grade L-Lysine Sulphate: Q/CDCJT 09-2017¹⁾
- Deicing Salt: GB/T 23851-2017

Remark:

- 1) *Industry standard adopted by the Group, which has a higher requirement as compared with GB.*

3.2.2 Standards and Procedures for Recall of Products

All of the Group's products must undergo the relevant examinations or tests to prevent products that have or potentially have any quality or food safety problems from getting into the market. To ensure we react quick enough to cases where products which are proved to have quality defects or may endanger public health and safety enter the market; and to minimise possible risk and damage posed to the community, the Group has written guidelines regarding the procedures for the recall of products. All members of the Group strictly follow the guidelines in case of defective products.

3. OPERATING PRACTICES

Each significant subsidiary of the Group has established a product recall team to be responsible for the recall of defective products, which is directly led by the general manager of the subsidiary. The procedures for product recall are as follows:

1. When the sales department receives customer's complaint regarding product quality or safety, they will collect all the relevant information according to the nature of complaint and submit it to the QA department immediately for further investigation. With the information on hand, the QA department will then start investigating the case. If the product is proved to have defect, whether it is visible or latent in nature, in relation to quality such as large discrepancy in concentration or color, high bacteria content or contamination, etc., the QA department will report to the product recall team immediately. The product recall team will inform the relevant departments to suspend production and sale of the defective product and at the same time commence the product recall procedures.
2. As soon as the production department receives the reported case, they will examine the production record of the relevant batch of product involved including the product name, specification, batch number, deliveries, volume sold and stock. The production department will then issue a "Product Recall Notice" to the sales department.
3. The sales department will follow up with customers and request to quarantine the product involved. The sales department will also record the volume involved and the reasons for requesting recall, and then inform the logistics department to arrange the recall of the products. The logistic department will record the details (including product name, volume, order number and invoice number, etc.) of the products recalled and segregate them properly.
4. The QA department will examine the recalled product and submit a report outlining the type of the quality defect, the cause of the problem, people who might be affected, level of seriousness and urgency, and suggesting solutions to handle the defective products (disposal for contaminated or hazardous product while other defective products (such as problems in relation to concentration or color) will be reprocessed and recycled as appropriate). Depending on situation, the product recalled will also be sent to a third-party laboratory or inspection body for examination. The report will be submitted to the general manager of the relevant subsidiary for further handling. If it is found that the product may endanger public health, the QA department will immediately inform the relevant government bodies responsible for quality supervision. Considering the seriousness of the case and as advised by the relevant authorities, the Company will make a proper announcement to the community through the media to notify the people who are affected or may possibly be affected. At the same time, the Company would seek legal advice from the legal counsel regarding the legality of decisions and actions.
5. The production department will reprocess/dispose the defective products as suggested while the sales department will follow up the case with the customer.
6. The administration department will keep a full report of the case for record.
7. The QA department will revise and verify the quality assurance system from time to time to ensure the products are safe and meet the quality requirements.

3. OPERATING PRACTICES

There was no customers' complaint cases and product recall case in relation to product safety problems in the Group during the Year (2023: 11 customer's complaint cases).

3.2.3 Statistics of Customer's Complaint and Product Return Cases for the Group's Core Business

Number of Cases of Customers' Complaints and Product Return

Operation Location – Jilin Province	Problems in relation to										Total by Locations	
	Product Quality		Packaging		Quantity		Invalid Complaints		Others			
	C ¹⁾	PR ²⁾	C ¹⁾	PR ²⁾	C ¹⁾	PR ²⁾	C ¹⁾	PR ²⁾	C ¹⁾	PR ²⁾	C ¹⁾	PR ²⁾
2024	0	0	0	0	0	0	0	0	0	0	0	0
2023 ³⁾	1	0	3	0	7	0	0	0	0	0	11	0

Remarks:

- 1) C: Number of complaint cases
- 2) PR: Number of product return cases
- 3) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and only the comparative figures for 2023 relating to the operations of Jilin Province, basing on a scope consistent and comparable with that of 2024, had been included and disclosed to allow a meaningful comparison.

Percentage of customers' complaint cases and product return cases (based on the number of sales orders involved over the total number of sales orders processed) for GBT during the Year was Nil (2023: less than 0.01%) and Nil (2023: Nil) respectively.

3. OPERATING PRACTICES

All complaints from our customers are handled by the production department and the sales and marketing department of each of the Group's production sites. The management of each of the Group's production sites will ensure all complaints are dealt with immediately, including comprehensive assessments of problems and action plans for the proposed solutions. The management will also formulate measures to prevent similar incidents from reoccurring.

During the Year, all complaints were investigated thoroughly and were resolved through communication with our customers.

Tonnage of Products Involved in Relation to Customers' Complaints and Product Return (Metric Tonne)

Operation Location – Jilin Province	Problems in relation to										Total by Locations	
	Product Quality		Packaging		Quantity		Invalid Complaints		Others			
	C ¹⁾	PR ²⁾	C ¹⁾	PR ²⁾	C ¹⁾	PR ²⁾	C ¹⁾	PR ²⁾	C ¹⁾	PR ²⁾	C ¹⁾	PR ²⁾
2024	0	0	0	0	0	0	0	0	0	0	0	0
2023 ³⁾	14	0	1	0	1	0	0	0	0	0	16	0

Remarks:

- 1) C: Tonnage of products involved in complaint cases
- 2) PR: Tonnage of products involved in product return cases
- 3) The Company ceased to be the ultimate controlling shareholder of the GSH Group on 21 December 2023 and the operations in Heilongjiang Province, which had been suspended since 2019, had been derecognised in June 2023. Therefore, no data for Liaoning Province and Shanghai City (which were initially operated by the GSH Group); and Heilongjiang Province are included in the data for 2024 and only the comparative figures for 2023 relating to the operations of Jilin Province, basing on a scope consistent and comparable with that of 2024, had been included and disclosed to allow a meaningful comparison.

Percentage of the concerned volume involved in customers' complaint cases and the concerned volume involved in product return cases over the total sales volume for GBT during the Year was Nil (2023: less than 0.01%) and Nil (2023: Nil) respectively.



3. OPERATING PRACTICES

3.2.4 Compliance with the Relevant Laws and Regulations on Quality Assurance & Product Safety

All subsidiaries under GBT are in strict compliance with the relevant laws and regulations in relation to quality assurance and product safety in the PRC. These laws and regulations include:

- Food Safety Law of the People's Republic of China (《中華人民共和國食品安全法》)
- Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》)
- Food Hygiene Law of the People's Republic of China (《中華人民共和國食品衛生法》)
- Standardisation Law of the People's Republic of China (《中華人民共和國標準化法》)
- Agriculture Law of the People's Republic of China (《中華人民共和國農業法》)
- Law of the People's Republic of China on Quality and Safety of Agricultural Products (《中華人民共和國農產品質量安全法》)
- Law of the People's Republic of China on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法》)
- Special Provisions on Strengthening Food Safety Supervision and Management from the State Council (《國務院關於加強食品等產品安全監督管理的特別規定》)
- Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》)
- Advertising Law of the People's Republic of China (《中華人民共和國廣告法》)

During the Year, the Group was not aware of any material breach of relevant laws and regulations, including among others, those listed above in this section relating to health and safety, advertising, labeling and privacy matters relating to products and services provided by the Group and the Group's methods of redress. The Group adheres strictly to regulatory standards, ensuring that all product labels accurately reflect ingredients, nutritional information, and any warnings required by relevant laws and regulations. Our advertising practices are transparent and truthful, avoiding any misleading claims. Regular audits and staff training programs are conducted to maintain compliance with local and national regulations.

3.2.5 Product Liability Insurance

Apart from monitoring the Group's product quality through the above-mentioned internal control process to minimise the chance of quality issues, the management also reviews and assesses the Group's risk bearing ability from time to time.

During the Year, the Group has not engaged in any product liability insurance contract (2023: Nil).

3. OPERATING PRACTICES

3.2.6 Confidentiality

There are written guidelines in all significant subsidiaries of GBT for all staff to ensure customers' information is protected. Unless required by laws in special circumstances, all employees of the Group are required to keep customers' information confidential. They are also educated from time to time to be following the guidelines and the national laws and regulations. In certain circumstances or as requested by customers, the Group will also enter into confidentiality agreements to protect the right of customers as well as the Group.

3.2.7 Intellectual Property Rights

The Group respects and recognises the importance of protecting intellectual property rights. The Group has implemented a set of policy on protecting and properly using copyright works from all relevant parties. The Group has been following the intellectual property rights under the relevant legislation where the Group operated. The Group will closely monitor the updates on the laws and regulations in relation to intellectual property rights to ensure the strict compliance with the relevant laws. The management of the Group keeps and manages a file of all the patents the Group registered or purchased to ensure our intellectual property rights are protected.

3.3 Anti-Corruption

Corporate social responsibility, integrity and fairness laid a solid foundation for the Group's corporate value. GBT operates and continuously improves its internal control system to ensure the business activities are conducted properly and in compliance with relevant laws and regulations and the code of conduct of the Group (the "**Code of Conduct**").

As a publicly listed company, GBT applies the principles and complies with the code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and adopts a code of conduct in relation to the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules. The corporate governance committee of the Company (the "**Corporate Governance Committee**") has been set up to ensure the effectiveness of corporate governance and system of internal non-financial controls of the Group. The Corporate Governance Committee shall introduce and propose relevant principles concerning corporate governance and review and determine the corporate governance policy, so as to enhance and ensure a high standard of corporate governance practices in the Group.

To motivate employees to maintain fair internal environment of the Group, GBT provides employees with whistleblowing channels and guidance to assist individuals to reveal inappropriate behaviours to the Group and the senior management. The Group adopts a confidential and prudent approach when dealing with all the disclosed information; without consent from the employee, the Group would not disclose the identity of the whistleblower.

The Code of Conduct outlines the ethical principles and behavioral framework of the Group, and provides guidance for all the members of GBT on their behaviours, responsibilities, rights and obligations. All members are expected to strictly comply with the Code of Conduct to ensure the Group operates in a lawful and orderly manner.



3. OPERATING PRACTICES

As anti-corruption is an important part of good governance, guidance in relation to anti-corruption is also outlined in the Code of Conduct. Relevant guidance is formulated based on “A Corruption Prevention Guide for Listed Companies” (published by Hong Kong Independent Commission Against Corruption) with reference to the actual situation that is appropriate for the Group, which contains the anti-corruption policy of the Group, definition of advantages and entertainment, allowance and supervision regarding acceptance of advantages or entertainment, and reimbursement policy for business related entertainment expenses. The Group also has a whistleblowing policy and procedures to encourage and enable the Group members to raise concerns about any act of bribery, extortion, fraud and/or money laundering. The Group has set up multiple reporting channels for its employees, including submitting written reports to department heads, general managers of its subsidiaries, the chairman of the audit committee of the Company (the “**Audit Committee**”), or the internal control department. Upon receiving a report, the Audit Committee will evaluate its content and decide whether to initiate an internal investigation. The investigation will be conducted by designated personnel, and upon completion, the investigation report will be submitted to the Audit Committee and the Board. If the report involves criminal offenses, the Group will seek legal advice and notify the relevant regulatory authorities. The Group is committed to handling all reports fairly and impartially, strictly prohibits any form of retaliation and ensures that whistleblowers are not treated unfairly as a result of their reporting.

The Group adopts a zero tolerance policy to corruption. Under no circumstances shall a Group member offer or take bribes for personal earnings from business dealings (may it be in the form of commission, loan, gifts, services or offering/accepting a position in an organisation). For business related entertainment expenses, employees are required to follow the company policies strictly and submit the relevant applications and declarations where applicable, to suppress any bribery, fraudulent and corrupt practice which would adversely affect the reputation and operations of the Group.

The Group’s Directors and staff were given training on anti-bribery and corruption regularly to raise their awareness on the subject matter.

The Group is in compliance with the relevant national or local laws, regulations and guidance in relation to anti-corruption, including but not limited to rules and regulations in relation to bribery, extortion, fraud and money laundering, which are, among others, listed as follows:

- Company Law of the People’s Republic of China (《中華人民共和國公司法》)
- Criminal Law of the People’s Republic of China (《中華人民共和國刑法》)
- Law of the People’s Republic of China Against Unfair Competition (《中華人民共和國反不正當競爭法》)
- Tendering and Bidding Law of the People’s Republic of China (《中華人民共和國招標投標法》)
- Law of the People’s Republic of China on Ombudsmen (《中華人民共和國監察官法》)
- Prevention of Bribery Ordinance (Hong Kong) (《防止賄賂條例》(香港))
- Theft Ordinance (Hong Kong) (《盜竊罪條例》(香港))
- A Corruption Prevention Guide for Listed Companies (Hong Kong) (《上市公司防貪指引》(香港))

There were no cases in relation to bribery, blackmail, extortion, fraud or money laundering reported in any of the subsidiaries under the Group during the Year (2023: Nil).

4. COMMUNITY INVOLVEMENT

As a part of sustainable development, GBT is dedicated to community investment as it is the source of our people and resources. Apart from the Group's continuous efforts on employee's career development and environmental protection, GBT is committed to communicate with the communities where the Group operates in order to understand their needs and concerns. To achieve this, the Group is open to communications with our stakeholders, employees, the local governments, the community and other industry players. We encourage interactive consultation with the community during the planning and development of projects as well as proactive community involvement.

The Changchun Enterprise Confederation and the Changchun Entrepreneurs Association decided to launch an initiative to award the honorary title of "Outstanding Contribution Entrepreneur of Changchun City 2024" for the Year and Mr. Wang Guicheng, the Director and chief executive officer of the Group, has been honored as one of the "Top 100 Outstanding Contribution Entrepreneurs of Changchun 2024".

As a manufacturing firm, GBT has strong awareness in our environmental footprints. The Group is dedicated to operate with minimum impact on the environment. Apart from the stringent control on the emission level and wastewater treatment, GBT continuously explores ways to lower energy consumption during the production process and raise overall efficiency.

GBT is also dedicated to contribute to the corn-refinery and corn sweeteners industries. We actively take part in relevant associations to promote the industry, food safety and production safety. GBT believes that a well-developed industry standard would form a solid foundation for the growth of the industry. The Group has participated in various organisations including the China Food Additives & Ingredients Association, the China Fermentation Industry Association, the China Association of Bakery & Confectionery Industry and Provincial Quality and Technology Supervision Association.

Corn is the Group's major raw material which we source mostly from local farmers. It is the Group's mission to promote the better use of corn and contribute to the value adding process. It would create mutual benefit for both farmers and corporate. The Group aims to promote agricultural projects, applications of agricultural products and commercialisation of these projects with the target to enhance the life of farmers and better utilisation of resources.

Our commitment to the community also involves the care given to our people. It is the Group's practice to organise various extracurricular and social activities for our employees regularly and encourage our employees to participate in community investment activities. During the Year, the Group spent over 30 hours organising employees to participate in various community and team-building activities such as the "Welcoming New Year" marathon running event, the Mid-Autumn garden party and historical sites visiting events to cultivate the sense of belonging and initiative of our people.



APPENDIX

Code Content Index

Appendix 1: HKEX ESG Reporting Code Content Index

Disclosure requirements		Page number	Corresponding chapter or explanation
Mandatory disclosure requirements			
Governance structure		P. 2	About This Report
Reporting principles		P. 3	About This Report
Reporting boundary		P. 3	About This Report
“Comply or explain” clauses			
A1: Emissions			
General Disclosure		P. 18	2.1 Emission
A1.1	Types of emissions and respective emissions data.	P. 19	2.1.1 Types of Emissions and Respective Emission Data
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, Intensity (e.g. per unit of production volume, per facility).	P. 20-21	2.1.2 Direct and Energy Indirect Greenhouse Gas Emissions
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P. 22-23	2.1.3 Total Hazardous and Non-Hazardous Waste Produced
A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P. 22-23	2.1.3 Total Hazardous and Non-Hazardous Waste Produced
A1.5	Description of the emissions targets set and the steps taken to achieve them.	Not applicable	Since some production facilities in Changchun Dahe will be renovated in 2025, the emission targets still need to be further adjusted, it is thus unrealistic to set emission target for 2025.
A1.6	Description of how hazardous and non- hazardous wastes are handled, the waste reduction targets set and the steps taken to achieve them.	Not applicable	Since some production facilities in Changchun Dahe will be renovated in 2025, the emission targets still need to be further adjusted, it is thus unrealistic to set waste reduction targets for 2025.

APPENDIX

Disclosure requirements		Page number	Corresponding chapter or explanation
A2: Usage of Resources			
General Disclosure		P. 25	2.2 Use Of Resources
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).	P. 25-29	2.2.1 Summary of Consumption of Water, Electricity, Steam and Coal 2.2.3 Consumption of Fuel
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P. 25-28	2.2.1 Summary of Consumption of Water, Electricity, Steam and Coal
A2.3	Description of the energy efficiency goals set and the steps taken to achieve them.	Not applicable	Owing to the suspension of operations of the Group's other production facilities except for Dehui, targets set for energy efficiency will not be available until our operation resumes to normal level.
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency goals set and the steps taken to achieve them.	Not applicable	Owing to the suspension of operations of the Group's other production facilities except for Dehui, targets set for water efficiency will not be available until our operation resumes to normal level.
A2.5	Total packaging material used for finished products (in tons) and, where appropriate, with reference to per unit produced.	P. 29-30	2.2.4 Consumption of Packaging Materials
A3: Environment and Natural Resources			
General Disclosure		P. 30	2.3 Effects On The Environment And Natural Habitats
A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them.	P. 30-32	2.3 Effects On The Environment And Natural Habitats
A4: Climate Change			
General Disclosure		P. 18	2. Environmental Protection
A4.1	Description of material climate-related issues that have and may have an impact on the issuer, and corresponding actions.	P. 18	2. Environmental Protection

APPENDIX

Disclosure requirements		Page number	Corresponding chapter or explanation
B1: Employment			
General Disclosure		P. 6	1. Workplace Quality
B1.1	Total workforce by gender, employment type (full-time or part-time), age group and geographical region.	P. 7-8	1.1.1 Employment Structure
B1.2	Employee turnover rate by gender, age group and geographical region.	P. 8-9	1.1.2 Turnover Rate
B2: Health and Safety			
General Disclosure		P. 11	1.2 Occupational Health And Safety
B2.1	Number and rate of work-related fatalities in the past 3 years (including the reporting year).	P. 11	1.2.1 Work-Related Accidents
B2.2	Lost days due to work injury.	P. 11	1.2.1 Work-Related Accidents
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P. 12	1.2.2 Implementation and Monitor of Occupational Health and Safety Measures
B3: Development and Training			
General Disclosure		P. 12	1.3 Occupational Development And Training
B3.1	Percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P. 13-15	1.3.1 Training Programmes for Employees in China 1.3.2 Training Programmes for Employees at the Headquarter in Hong Kong
B3.2	Average training hours completed per employee by gender and employee category.	P. 13-15	1.3.1 Training Programmes for Employees in China 1.3.2 Training Programmes for Employees at the Headquarter in Hong Kong
B4: Labor Standards			
General Disclosure		P. 16	1.4 Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labor.	P. 16	1.4.1 Recruitment Procedures and Standards
B4.2	Description of steps taken to eliminate such practices when discovered.	P. 17	1.4.2 Remedial Measures in Case of Non-compliance

APPENDIX

Disclosure requirements		Page number	Corresponding chapter or explanation
B5: Supply Chain Management			
General Disclosure		P. 33	3.1 Supply Chain Management
B5.1	Number of suppliers by geographical region.	P. 36-38	3.1.2 Numbers of Suppliers (for procurements other than corn)
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P. 33-35	3.1.1.1 Corn Procurement Procedures 3.1.1.2 Maintenance of Suppliers Database (for procurements other than corn)
B5.3	Description of the practices for identifying environmental and social risks at each stage of the supply chain, how they are implemented and monitored.	P. 33-38	3.1 Supply Chain Management
B5.4	Description of the practices that promote the use of environmentally friendly products and services when selecting suppliers, how they are implemented and monitored.	P. 33-38	3.1 Supply Chain Management
B6: Product Responsibility			
General Disclosure		P. 38	3.2 Product Safety
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P. 42-43	3.2.3 Statistics of Customer's Complaint and Product Return Cases for the Group's Core Business
B6.2	Number of products and service related complaints received and how they are dealt with.	P. 42-43	3.2.3 Statistics of Customer's Complaint and Product Return Cases for the Group's Core Business
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P. 45	3.2.7 Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	P. 38-42	3.2.1 Standards and Procedures of Quality Assurance Processes 3.2.2 Standards and Procedures for Recall of Products
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P. 45	3.2.6 Confidentiality

APPENDIX

Disclosure requirements		Page number	Corresponding chapter or explanation	
B7: Anti-corruption				
General Disclosure		P. 45	3.3	Anti-Corruption
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.	P. 46	3.3	Anti-Corruption
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P. 46	3.3	Anti-Corruption
B7.3	Description of anti-corruption training provided to directors and employees.	P. 46	3.3	Anti-Corruption
B8: Community Investment				
General Disclosure		P. 47	4.	Community Involvement
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	P. 47	4.	Community Involvement
B8.2	Resources contributed (e.g. money or time) to the focus areas.	P. 47	4.	Community Involvement