



珠光控股
ZHUGUANG HOLDINGS

ZHUGUANG HOLDINGS GROUP
COMPANY LIMITED

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

STOCK CODE : 1176

2025

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT



* For identification purposes only

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

I. PREAMBLE

The rapid urbanisation of the People's Republic of China ("PRC" or "China") over recent decades has reshaped its cities into hubs of economic growth, innovation, and cultural dynamism. As urban populations continue to rise, the property development industry has been instrumental in shaping the urban landscapes, meeting housing needs and accelerating infrastructure development. Nevertheless, this expansion has introduced pressing challenges, including environmental degradation, resource scarcity and the urgent need to respond to climate change. To address these issues, China has focused on sustainability as the core of its national development agenda, encompassing ambitious goals to achieve carbon neutrality by 2060 and promote green and low-carbon urban development.

Under the national initiatives emphasising the application of green building standards, such as the work plan for Acceleration of Energy Conservation and Carbon Reduction in The Construction Sector* (《加速推進建築領域節能降碳工作方案》), the Chinese government further drives sustainable development by promoting energy efficiency and environmentally friendly urban planning. In addition to the national plan to thoroughly implement green building standards to newly constructed buildings, Zhuguang Holdings Group Company Limited (the "Company") and its subsidiaries (collectively, the "Group") are committed to leveraging its expertise to develop green cities for local communities.

As a property development company with an established role as an "urban renewal expert", the Group recognises its responsibility to support these national sustainability objectives. The Group understands that significant sustainability-related impacts can arise across all aspects of its operations, from land development to resource consumption, waste generation and labour practices and may persist over the entire life cycle of its projects. With operational impacts closely linked to the communities it serves, the Group is committed to upholding its environmental sustainability, social inclusion and economic production.

Looking ahead, the Group will continue to demonstrate its spirit of craftsmanship by strengthening product quality and delivering buildings with China's vision of building a "Beautiful China". Meanwhile, the Group will support broader efforts to eradicate poverty and inequality, respect human and labour rights, promote gender equality and apply technological innovation to improve the way it operates.

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ESG MANAGEMENT PRINCIPLES



The Group believes that the real estate sector can serve as a meaningful driver of corporate sustainability. Hence, Environmental, Social and Governance (“ESG”) principles are incorporated into the Group’s business strategies. This stimulates innovation, strengthen long-term resilience and create lasting values for all stakeholders. With a commitment to creating spaces that meet present needs while protecting the well-being of future generations, the Group also supports the achievement of the United Nations Sustainable Development Goals (“SDGs”) under the United Nations Global Compact framework. Guided by its ESG Management Principles, the Group delivers high-quality services that meet diverse needs of stakeholders.

As a socially responsible enterprise, the Group timely identifies and addresses material ESG issues across its property development, project management and property investment and hotel operations in China. This approach reaffirms the Group’s commitment to responsible business conduct and aligns with the Ten Principles of the United Nations Global Compact, which cover human rights, labour, environment and anti-corruption.

Through stakeholder engagement and product innovation, the Group integrates material ESG considerations alongside financial factors in its decision-making and daily operations. The Group recognises that sustainable development and effective ESG management are fundamental to its long-term success. By following leading sustainability standards and benchmarking against outstanding industry peers, the Group remains well-positioned within China’s real estate market and continues to explore new ideas and pioneering practices.

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ESG commitment

With its commitment to integrating ESG practices into its daily management and business development, the Group focuses on following five major areas.



FRIENDLY WORKPLACE

Cultivate a thriving workforce by fostering a supportive and inclusive work environment, valuing employees' rights and opinions and implementing robust occupational health and safety policies to enhance their well-being.



ENVIRONMENTAL PROTECTION

Enhance operational efficiency and contribute to sustainable urban development by adhering to environmental sustainability standards. This includes optimising the use of energy, water and raw materials, as well as implementing effective waste management practices.



DATA MONITORING

Strengthen the Group's ESG reputation by establishing effective performance monitoring systems. These systems clearly define environmental and social criteria, enabling transparent tracking and reporting of progress.



RISK MANAGEMENT

Proactively address climate-related issues and operational risks across the Group's value chain. This includes safeguarding labour and human rights, ensuring compliance with regulatory requirements and adhering to industry standards.



SOURCING PRACTICES

Promote sustainable practices in supply chain management by adopting consistent sustainability measures in the procurement of materials and services. This approach helps mitigate social and environmental risks throughout the supply chain.

II. ABOUT THE REPORT

In compliance with the requirements of Appendix C2 – Environmental, Social and Governance Reporting Code (“ESG Code”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) under the “Comply or Explain” provisions, the Company is pleased to present its ESG Report (“ESG Report”) for the year ended 31 December 2025 (“FY2025”), showcasing the Group’s approach and performance in areas of its ESG management and corporate sustainable development for FY2025.

Boundary Setting

Given the nature of the Group’s business and its development plans, operational control approach is applied in this ESG Report to disclose the ESG performance and management policies of the Group’s operations in FY2025. As such, the reporting boundary of this ESG Report covers the Group’s businesses in the PRC of (i) property development; (ii) project management; and (iii) property investment and hotel operation and its offices in Hong Kong and mainland China. The scope of this ESG Report remains unchanged from that of the ESG report issued by the Group for the previous financial year ended 31 December 2024 (“FY2024”).

Reporting Principles

This ESG Report is prepared in adherence to the reporting principles as stipulated in the ESG Code, which are materiality, quantitative, balance and consistency.

Applications of ESG Reporting Principles

MATERIALITY

In FY2025, the Group conducted its annual materiality assessment with reference to the recommended procedures outlined by the Global Reporting Initiative (“GRI”) Standards. Key stakeholders were invited to share their insights through online surveys, which were integrated with an assessment of ESG impact significance. This process identified and prioritised relevant ESG issues, which will be closely monitored in the Group’s business development.

QUANTITATIVE

The Group is committed to quantifying its environmental and social performance to enable year-on-year and peer comparisons. In FY2025, performance data was collected and analysed using various quantitative Key Performance Indicators (“KPIs”), including emissions, energy and resource consumption and employee demographics. Detailed calculation methods, assumptions and conversion factors are provided in the footnotes of the performance tables in this ESG Report. KPIs are presented through tables, charts and graphics to offer stakeholders a comprehensive understanding of the Group’s performance over time.

The Group provides an unbiased evaluation of its impact on and contribution to sustainable development, transparently disclosing both achievements and areas for improvement. This ESG Report reviews the Group’s performance in FY2025, including its resilience to emergencies such as environmental and climate crises.

BALANCE

The Group emphasises consistency in its reporting to enable meaningful year-on-year comparisons. Data collection, information disclosure and reporting frameworks adhere to a consistent methodology, aligned with previous ESG reports issued by the Company.

CONSISTENCY

A systematic approach is followed for boundary setting in the reporting scope. Any significant changes to the reporting framework, disclosure scope or calculation methods are clearly explained in the relevant sections.

There was no change to the methods or KPIs used in FY2025.

III. SUSTAINABILITY MANAGEMENT

In light of increasing stakeholder concerns about sustainability challenges such as climate change, environmental degradation, resource scarcity and social inequality, the Group acknowledges the urge to continuously enhance its sustainability governance. To this end, the Group is dedicated to establishing a transparent and strategic roadmap for sustainable development underpinned by a robust accountability system.

To achieve its corporate mission, the Group has embedded ESG considerations into its decision-making processes and developed a holistic corporate governance framework. This approach is designed to generate lasting value for stakeholders while promoting long-term sustainable progress. As part of these initiatives, the Group ensures that material sustainability topics, including ESG-related concerns, are regularly incorporated into the Board's agendas.

ESG Oversight – Role of the Board

With a major role in overseeing the Group's ESG management, the Board bears the ultimate responsibility of ESG-related issues throughout the organisation.

Key Responsibilities of the Board

Evaluating Environmental and Social Impacts	Supervising the assessment of the Group's environmental and social impacts, as well as analysing how market fluctuations and broader environmental changes affect the Group's ability to generate long-term values for stakeholders.
Identifying ESG Risks	Identifying and understanding potential risks associated with ESG issues in relation to the Group's operational model and strategic plans.
Engaging Stakeholders	Staying informed about stakeholder expectations and concerns, including those of investors and regulators, through ongoing dialogues.
Promoting Open Communication	Fostering a culture of open communication within the Group to ensure transparency and collaboration.
Validating Materiality Assessments Results	Overseeing the materiality assessment and reporting process to ensure effective actions are taken on key ESG issues.
Cultivating a Sustainability Culture	Promoting a sustainability culture that considers the environmental and social impacts of the Group's daily operations.

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Governance Structure and Communication

Applying a top-down and bottom-up approach, the Group fosters effective communication and the delivery of corporate messages.

Being the highest governance body, the Board oversees the Group's ESG-related issues across the organisation. In addition to initiating sustainability strategies, proposing guidelines and establishing relevant performance indicators, the Board also monitors the Group's ESG performance through annual ESG reports, meetings with ESG teams, participation in shareholders' general meetings and stakeholder feedback surveys.

Meanwhile, the management of the Group is tasked with steering, supervising and monitoring the implementation of the Group's sustainability practices. The management is also responsible for reporting progress on ESG initiatives and material risks and opportunities to the Board. The Company's Legal Affairs Department regularly updates the Board with ESG-related regulations and policies through preparing the latest updates on compliance document.

Each business unit is designated with the responsibility to execute ESG policies at various stages of the Group's operations. Following the bottom-up approach, frontline staff are encouraged to share their practical experiences with the Group's policymakers and executives to ensure the practicality and relevance of the sustainability strategies implemented.

To further enhance its sustainability efforts, dedicated teams have been established to support the effective management of ESG-related issues. The teams comprise representatives from diverse backgrounds:

- *ESG steering group (“ESG Steering Group”):*

The ESG Steering Group includes executive directors, the chief financial officer, the company secretary and the general manager of the financial management centre of the Company, assisting in overseeing the preparation of the Group's ESG reports and facilitating communication with the Board on ESG matters.

- *ESG taskforce (“ESG Taskforce”):*

The ESG Taskforce helps coordinating and monitoring the data collection process of ESG reporting, ensuring the identification of material ESG policies across the Group's subsidiaries and the collection of accurate ESG performance data.

Continuous Improvement

Conducting annual reviews allows the Board to evaluate the effectiveness of the Group's ESG risk management and internal control systems. To further enhance its ESG capabilities, the Group engages external professional advisors who provide expertise, knowledge and technical support on ESG issues affecting its operations over the short-, medium- and long-term.

With open communication channels such as surveys and meetings, the Group interacts with its stakeholders and obtains their valuable inputs on ESG-related issues. The feedback provides insights from diverse perspectives on material ESG matters to the real estate industry and the Group's business. This allows the Group to optimise its operations, including the prioritisation and management of ESG-related issues, in a more timely, efficient and sustainable manner.

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Strategic Initiatives for Sustainability

Under the global economic downturn and market fluctuations, the Group recognises the importance of building resilience for the long-term success of the enterprise. As such, the Group has incorporated a series of initiatives into its management approach to strengthen its sustainability:

Integrating ESG Risks	Embedding ESG-related risks into the Group's Enterprise Risk Management (ERM) framework to prioritise business issues and allocate resources effectively.
Enhancing Monitoring Capacity	Ensuring access to relevant information and resources to monitor progress towards sustainability objectives.
Diversifying Business Portfolio	Expanding opportunities for business development and diversifying the Group's portfolio.
Benchmarking Compliance	Evaluating compliance with legally binding regulations and international standards by benchmarking against global best practices.
Strategic Planning	Developing strategic measures and action plans every three years to enhance the analysis and execution of the Group's corporate strategy.

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IV. BOARD STATEMENT

Playing a major role in the real estate industry in China, the Group remains unwavering in its commitment to sustainable development. In FY2025, the Group continuously pursued the national green economic objectives and long-term development goals across its operations, while also capitalising on opportunities generated by ongoing social and economic progress.

In alignment with the PRC government's "1+1+N" development strategy, the Group has concentrated its efforts on the Guangdong-Hong Kong-Macau Greater Bay Area. Through urban renewal projects, the Group targets to address short-term needs of communities while fostering medium- and long-term sustainable growth. The Group is dedicated to supporting the nation's "Two Centennial (兩個一百年) Goals"*, contributing to economic development, enhancing ecological civilisation and improving social well-being. Drawing on its expertise as an urban renewal specialist, the Group will further lead the industry sustainable development throughout the journey.

Eco-friendly Practices

The Group understands that environmental sustainability and stakeholder expectations are critical in driving responsible business practices. With the aim to minimising environmental impacts, optimising energy management, promoting green transportation and developing eco-friendly properties remain the Group's top environmental priorities. In collaboration with business partners, innovative ideas are incorporated into the Group's property design, construction and management. This ensures that sustainability is integrated into all stages of its operations.

Governance Resilience

A strong corporate governance structure is the foundation for sustainable and responsible business. Therefore, the Group has been enhancing its governance practices while maintaining transparency, ethical business conduct and robust risk management. Through a range of comprehensive internal policies implemented, the Group strives to create long-term values for all stakeholders. To enhance its leadership and governance resilience, the Group adopts internationally recognised frameworks into its ESG management, thereby ensuring industry best practices. In addition to adhering to reporting principles stipulated in the ESG Code, well-defined metrics are applied to monitor and track its sustainability performance for disclosure.

Sustainability Targets and Monitoring Mechanism

In response to China's promotion of green urbanisation and low-carbon development, the Group has established its ESG targets across business operations. Under accountability framework, these targets are regularly reviewed and overseen by the Board to track relevant progress and enhance the Group's ESG performance.

In considerations of its business nature, historical data, ongoing projects and future objectives, the Group has established targets covering major areas of air emissions, greenhouse gas ("GHG") emissions, wastewater, solid waste and resource efficiency. Detailed information on relevant targets can be referred to in the sections "A.1. Emissions" and "A.2. Use of Resources" of this ESG Report.

The Board, the ESG Steering Group and the ESG Taskforce are responsible for monitoring and evaluating the Group's ESG performance against these targets. The ESG Taskforce coordinates data collection and ensures data accuracy, while the ESG Steering Group oversees ESG reporting and provides the Board with timely insights to optimise ESG goals. Leveraging open and efficient communication channels, the Board conducts periodic reviews and guides improvement with corrective measures if targets are not met.

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In FY2025, the Group's environmental performance met all short-term targets set in the previous financial year. However, upon careful review, it became clear that the reductions in emissions and resource consumption were largely driven by changes in business operations resulting from structural reforms in the Chinese economy, factors that could not have been reasonably foreseen when the original baseline was established. At that time, the potential impact of the post-economic recovery on the market and the Group's operations was not anticipated.

Recognising this, the Board decided to adjust the baseline year to better align with current market realities. This decision reflects a conservative yet sincere approach: rather than pursuing aggressive new goals under outdated assumptions, the Group chooses to set prudent, achievable short-term targets focused on maintaining performance while continuing its gradual journey toward sustainability improvement. Accordingly, the Board has designated FY2025 as the new baseline year, with financial year ending 31 December 2026 ("FY2026") as the target year for the next series of environmental targets. In doing so, the Group reaffirms its commitment to steadily enhancing its sustainability performance, step by step, in line with both regulatory and market dynamics. Further details of environmental targets can be found in the aforementioned sections of this ESG Report.

Climate Change

Recognising China's national objectives of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, the Group is committed to aligning its daily operations with the objectives to jointly mitigate climate change, which is regarded as its critical sustainability goal.

To maintain transparency, the Group has been preparing its ESG- and climate-related disclosures with reference to internationally recognised frameworks. Since 2020, the Group has identified, evaluated and managed climate-related issues with potential impacts on supply chain, operating costs and capital expenditures by referring to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

In response to the new climate-related reporting requirements introduced under Part D of the ESG Code, which are aligned with the International Financial Reporting Standards S2 Climate-related Disclosures ("IFRS S2") published by the International Sustainability Standards Board ("ISSB"), the Group has further strengthened its climate actions and enhanced internal reviews of carbon reduction initiatives. At the same time, the Group has adopted climate-related mitigation practices and is committed to providing more transparent disclosures. These efforts aim to support stakeholders in making informed decisions, reflecting the Group's proactive adaptation to the evolving regulatory landscape.

Meanwhile, the Group is developing appropriate climate metrics, targets and action plans to accelerate carbon neutrality across its operations. With an emphasis on a sustainable value chain, the Group is building and maintaining stable relationships with business partners to establish a transparent and resilient supply chain with minimised climate-related risks.

Last but not least, the Board would like to express its heartfelt gratitude to the Group's dedicated employees and stakeholders for their consistent support in driving sustainable development. Moving forward, the Group will remain committed to its sustainability goals and strategies to support China's green economy and create a sustainable future for all.

V. STAKEHOLDER ENGAGEMENT

Emphasising the regular communication with its stakeholders, the Group gathers their concerns and expectations regarding its sustainability strategies, ensuring alignment with stakeholder needs and prompt response to their concerns. Through various communication channels and initiatives, the Group actively engages with both its internal and external stakeholders to contribute to sustainable development in a collaborative manner.

Holistic Stakeholder Engagement Approach

As its real estate industry involves a broad range of stakeholders throughout the entire value chain, including tenants, property management teams, regulators, construction material suppliers, architects, surveyors and engineers, the Group adopts a comprehensive approach to stakeholder engagement. During the development of its engagement strategies, the Group carefully evaluates and considers the broader business impacts on its stakeholders.

Through open communication channels, the Group has been able to collect meaningful feedback, concerns and expectations from its stakeholders. This helps the Group gain a deeper understanding of the perspectives of its stakeholders, evaluate its current practices and implement strategic improvements to better prepare for upcoming challenges.

Commitments to Stakeholder Engagement

Assessing Business Impacts	Conducting regular assessments of its business impacts on stakeholders and implementing measures to minimise actual or potential negative effects.
Promoting Awareness	Raising awareness, fostering learning and facilitating discussions among stakeholders on ESG issues.
Facilitating Collaboration	Encouraging collaboration and the exchange of best practices and ideas throughout its corporate sustainability journey.
Mobilising Stakeholders	Engaging occupants, suppliers, employees and community groups to expand existing initiatives and contribute to the sustainable development of the real estate industry.

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Communication with Stakeholders

Stakeholders	Expectations and Concerns	Communication Channels
Government and regulatory authorities	<ul style="list-style-type: none"> - Compliance with laws and regulations - Anti-corruption policies - Occupational health and safety 	<ul style="list-style-type: none"> - Supervision on compliance with local laws and regulations - Routine reports and tax payments
Shareholders	<ul style="list-style-type: none"> - Return on investments - Corporate governance - Compliance with laws and regulations 	<ul style="list-style-type: none"> - Regular reports - Announcements - General meetings - Official website of the Company
Employees	<ul style="list-style-type: none"> - Employees' remuneration and benefits - Career development - Health and safety in the workplace - Sustainable solid waste management and water consumption - Linkage between ESG performance and corporate financial returns - Policy execution and meeting effectiveness 	<ul style="list-style-type: none"> - Performance reviews - Regular meetings and training - Written comments via emails, notice boards and telephone calls - Team building activities with management
Customers	<ul style="list-style-type: none"> - Product quality assurance - Protection of the rights of customers - Customer satisfaction - Implications of market changes on the business prospect 	<ul style="list-style-type: none"> - Customer satisfaction surveys - Face-to-face meetings and on-site visits - Customer service hotline and emails
Suppliers	<ul style="list-style-type: none"> - Fair and open procurement - Win-win cooperation with upstream and downstream business partners - Environmental protection - Protection of intellectual property rights 	<ul style="list-style-type: none"> - Open tenders - Suppliers' satisfaction assessments - Telephone conferences, face-to-face meetings and on-site visits - Industry seminars
General public	<ul style="list-style-type: none"> - Involvement in communities - Compliance with laws and regulations - Environmental protection awareness 	<ul style="list-style-type: none"> - Media conferences and responses to enquiries - Public welfare activities - Face-to-face interviews

Driven by its commitment to creating long-term value for all stakeholders, the Group has undertaken a comprehensive consultation process to map stakeholder concerns to the United Nations' SDGs. Through this process, three prioritised SDGs that align with its business profile have been identified, allowing the Group to focus on contributing to these areas:

- SDG 1: No Poverty
- SDG 3: Good Health and Well-being
- SDG 4: Quality Education

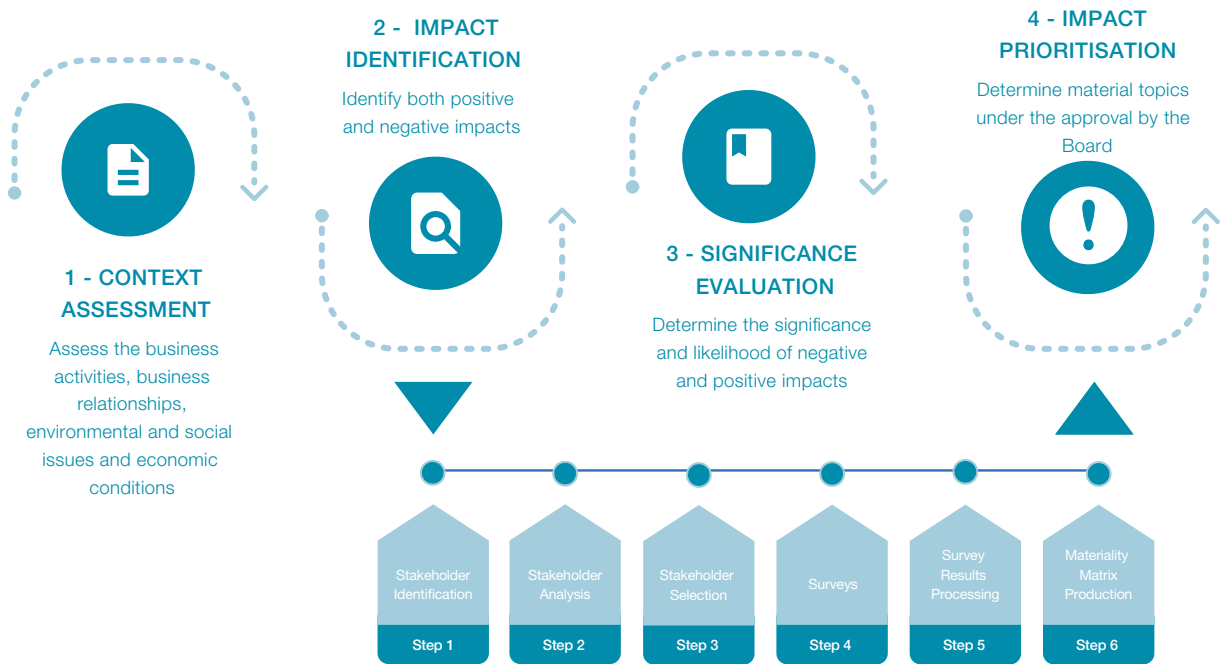
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The Group understands the influence it has as a corporate. Hence, the Group remains committed to meeting its responsibilities across areas of human rights, labour practices, environmental stewardship and anti-corruption. This approach is anchored in the Ten Principles of the United Nations Global Compact, which inform the Group’s daily business decision-making and operations.

In alignment with the SDGs, the Group is currently developing appropriate commitments, targets and metrics to support its sustainability practices. These will offer directional or quantitative guidance to ensure sustainability is integrated into its long-term strategy. Through an impact-based approach, the Group seeks to demonstrate how global sustainability targets are interlinked and to translate these ambitions into concrete actions across the organisation.

Materiality Assessment

MATERIALITY ASSESSMENT PROCESS



Consistent with the requirements and guidance of the GRI standards, the Group takes a structured approach to its ESG reporting and management. This involves considering aspects of the organisation’s context, actual and potential environmental and social impacts, the significance of these impacts and the most critical issues that should be addressed within its ESG strategy.

To ensure the process is rigorous and transparent, a four-step approach has been applied to identify, prioritise and validate the materiality of relevant ESG topics for internal management and external disclosure, as shown in the diagram above.

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Stepwise Approach

The Group engages external consultants to plan and deliver a stakeholder engagement exercise. This includes stakeholder surveys and a materiality assessment designed to capture meaningful feedback and insights from stakeholders. The exercise also aimed to identify the most material ESG topics across the Group's value chain and align them with its sustainability strategies and stakeholder expectations.

Stakeholders participating in the exercise are selected with the guidance of ISO 26000 (Guidance on Social Responsibility). Factors such as the stakeholders' legal obligations, level of influence and significance in the Group's value chain and their willingness to take part in the engagement are considered.

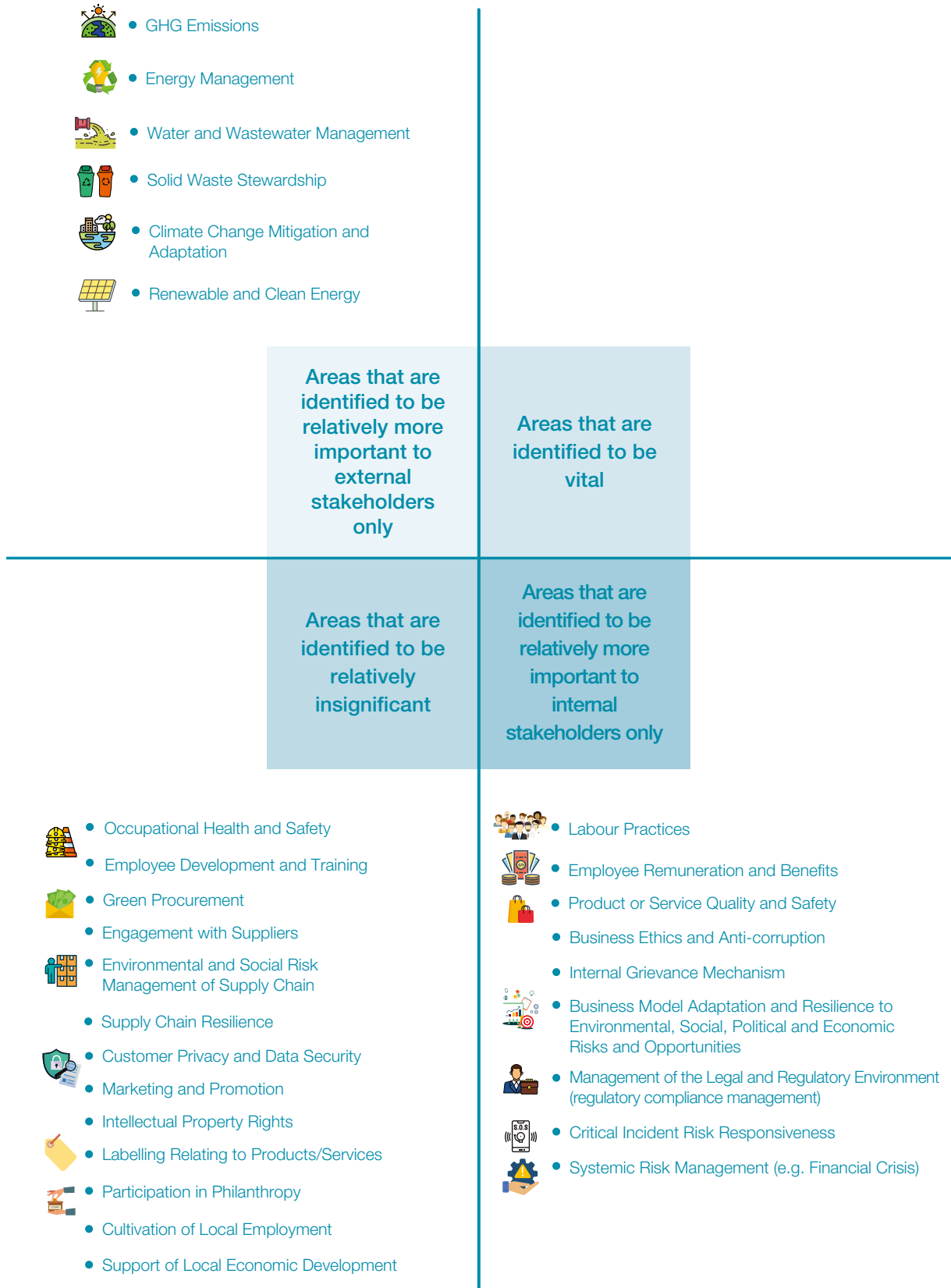
The Group also carries out ongoing stakeholder engagement to periodically review its material ESG topics. In FY2025, stakeholders including the Group's general employees, external suppliers and customers were invited to participate in the survey. Respondents can share their views on 28 ESG issues relating to the Group's environmental and social impacts. These issues were categorised into five major themes:

1. Environmental Impacts
2. Employment and Labour Practices
3. Operating Practices
4. Community Investment
5. Leadership and Governance

Stakeholder feedback offered useful inputs into the Group's sustainability strategies and presented emerging sustainability trends. To strengthen the assessment, the Group followed the same methodology used in the previous financial year. Under the approach, weightings were applied to the stakeholders' ratings of the identified ESG issues, reflecting stakeholder preferences and concerns expressed across the Environmental (E), Social (S) and Governance (G) pillars.

The materiality matrix presented below summarises the relative significance of selected ESG topics in relation to the Group's stakeholders and daily business operations. This matrix serves as a key reference point to guide prioritisation, ensuring that the Group's sustainability initiatives remain aligned with stakeholder expectations.

MATERIALITY ASSESSMENT OUTCOME



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The materiality assessment yielded distinct results that highlight a clear division between current internal operational focus and evolving external expectations. Rather than a traditional cluster of topics, the materiality matrix shows two specific “zones of influence”:

1. The Internal Engine: Governance and Risk

Internally, the Group’s leadership and employees prioritised Governance issues, such as “Management of the Legal and Regulatory Environment (regulatory compliance management)”, “Critical Incident Risk Responsiveness” and “Systemic Risk Management (e.g. Financial Crisis)”. This internal focus reflects the Group’s current phase of maturity. The Group believes that a “Governance-first” approach provides the necessary foundation of trust and compliance required to successfully execute more complex environmental and social initiatives.

2. The External Mandate: Environmental Stewardship

External stakeholders placed Environmental issues at the highest level of significance. This signals a clear market expectation for the Group to take a leadership role in areas such as “Energy Management”, “Water and Wastewater Management” and “Solid Waste Stewardship”. While these issues currently sit outside its primary internal focus, the Group recognises them as the “license to operate” in a changing climate. The Group is committed to narrowing this gap by integrating environmental KPIs into the core business strategy over near future.

The divergence of the results in FY2025 provides the Group with a clear strategic roadmap, aiming to drive convergence between internal operations and external expectations.

Stakeholders Feedback

Striving for excellence, the Group values stakeholder feedback and welcomes all advice from its stakeholders on its corporate ESG approach and performance, particularly on the most significant ESG issues identified. To further foster ESG improvement, readers are also welcomed to share their views on relevant ESG matters with the Group at info@zhuguang.com.hk or www.zhuguang.com.hk.

VI. ENVIRONMENTAL SUSTAINABILITY

In FY2025, the Group is dedicated to aligning with the PRC government’s “14th Five-Year Plan”, which emphasises the promotion of ecological civilisation and the creation of a “Beautiful China”. Building on this direction, the Group remains committed to improving the environmental performance of its properties and operations. Throughout FY2025, the Group strictly complied with environmental laws and regulations applicable in both the PRC and Hong Kong in its daily activities, including but not limited to the following:

- *Environmental Protection Law of the People’s Republic of China** (中華人民共和國環境保護法);
- *Environmental Impact Assessment Law of the People’s Republic of China** (中華人民共和國環境影響評價法);
- *Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes** (中華人民共和國固體廢物污染環境防治法);
- *Law of the People’s Republic of China on Prevention and Control of Pollution from Environmental Noise** (中華人民共和國環境噪聲污染防治法);

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- *Law of the People's Republic of China on Prevention and Control of Water Pollution** (中華人民共和國水污染防治法);
- *Atmospheric Pollution Prevention and Control Law of the People's Republic of China** (中華人民共和國大氣污染防治法);
- *Energy Conservation Law of the People's Republic of China** (中華人民共和國節約能源法); and
- *Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong)*.

This section of the ESG Report mainly focuses on the Group's policies and practices, as well as the related quantitative data, regarding emissions, resource efficiency and minimising environmental impacts in FY2025.

As an environmentally responsible corporate, the Group incorporates environmental factors into all aspects of its business operations. In pursuit of robust international environmental and energy management standards, the Group strongly focuses on emission control and waste management to protect the environment on which it depends. Relevant sections of this ESG Report outline the Group's targets on emissions, water consumption, waste discharge and energy usage for FY2026, with key actions and planned initiatives to meet these targets.

A.1. Emissions

In FY2025, the Group complied with relevant national and local environmental laws and regulations relating to air emissions, discharges into water and land, generation of hazardous and non-hazardous waste and noise that have a significant impact on the Group. During the year under review, the Group's emissions primarily consisted of air and GHG emissions, as well as non-hazardous waste. For details regarding the Group's GHG emissions, please refer to the section "VII. CLIMATE-RELATED DISCLOSURES".

Aligned with the national vision of "innovative, coordinated, green, open and shared development"* (創新、協調、綠色、開放、共享的發展理念), the Group implemented a range of initiatives in FY2025 to lessen its environmental footprints and support the advancement of ecological civilisation.

Air Emissions

In FY2025, the Group primarily emitted air pollutants of sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") and particulate matter ("PM"), which were sourced from its transportation vehicles and the stationary combustion of gaseous fuel in its hotel operations. During the year under review, the Group's air emissions amounted to approximately 2.89 kg of SO_x, 153.02 kg of NO_x and 35.75 kg of PM. The absolute amount of these air emissions dropped by approximately 21% when compared with that in the previous year, mainly due to the decrease in fossil fuel consumption.

In FY2024, the Group, taking FY2024 as the baseline year, targeted that the intensities of its air emissions in FY2025 within the same scope would not be higher than those in FY2024. In FY2025, the Group's air emission intensities within the same scope of SO_x, NO_x and PM achieved the targets set with slight decreases ranging from approximately 2.35 x 10⁻⁴ to 1.20 x 10⁻² kg per HKD million.

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Non-hazardous Waste

In FY2025, approximately 168 tonnes of non-hazardous solid waste, including domestic and commercial waste, was generated and discharged by the Group. Meanwhile, in FY2025, approximately 59,887 m³ of non-hazardous wastewater, comprising domestic and commercial sewage, was discharged. During the year under review, no hazardous waste was generated.

In FY2025, the Group monitored its environmental performance by implementing robust waste management practices and carrying out environmental impact assessments across its subsidiaries. The absolute amount of domestic and commercial solid waste reduced significantly by approximately 94% when compared with that in FY2024. In FY2024, the Group, taking FY2024 as the baseline year, targeted that its solid waste disposal intensity in FY2025 within the same scope would not be higher than that in FY2024. In FY2025, the Group's solid waste intensity within the same scope achieved the target set with a significant reduction of 93%, which equals to a decrease of approximately 1.65 tonnes per HKD million.

Concerning sewage, the absolute amount of wastewater in FY2025 dropped by approximately 32% when compared with that in the previous year. In FY2024, the Group, taking FY2024 as the baseline year, targeted that its wastewater discharge intensity in FY2025 within the same scope would not be higher than that in FY2024. In FY2025, the Group's wastewater discharge intensity with the same scope achieved the target set with a decrease of approximately 12.08 m³ per HKD million.

To further lower its emissions, the Group has implemented a comprehensive waste management system to foster resource reuse and recycling, including water resources.

Table 1 – The Group's Emissions by Category in FY2025 and FY2024^{5, 6}

Emission Category	Key Performance Indicator (KPI)	Unit	Intensity ¹ (Unit/ HKD million)		Intensity ² (Unit/ HKD million)	
			Amount in FY2025	in FY2025	Amount in FY2024 ²	in FY2024
Air Emissions	SO _x	Kg	2.89	2.08 x 10 ⁻³	3.67	2.31 x 10 ⁻³
	NO _x	Kg	153.02	1.10 x 10 ⁻¹	193.54	1.22 x 10 ⁻¹
	PM	Kg	35.75	2.57 x 10 ⁻²	45.03	2.84 x 10 ⁻²
Non-hazardous Waste	Solid Wastes ³	Tonnes	168	0.12	2,811	1.77
	Wastewater ⁴	m ³	59,887	43.06	87,439	55.14

- Intensity for FY2025 was calculated by dividing the amount of air and other emissions respectively by the Group's revenue of approximately HK\$1,390.71 million in FY2025;
- The amount and intensity in FY2024 were extracted from the data in the Company's ESG report for FY2024. The data include estimation due to technical challenges in direct data collection;
- The solid wastes included domestic and commercial wastes;
- The total amount of wastewater generated by the Group was primarily based on the appropriate estimations assuming 100% of the fresh water consumed by the Group will enter the sewage system in areas where an accurate recording of the amount of wastewater was hard to obtain;
- Individual figures may not add up to the totals due to rounding; and

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

6. Due to the technical challenges encountered during the year, direct data collection from some of the Group's operations in the PRC was unsuccessful by the date of this report's publication. Aiming for comprehensive representation, consequently, corresponding data was estimated using the ratio of revenue of the corresponding subsidiaries from FY2024 compared to FY2025, applying the formula: $\frac{\text{amount in FY2024}}{\text{revenue in FY2024}} \times \text{revenue in FY2025}$.

Air & GHG Emissions Control Measures

In FY2025, the Group's air and GHG emissions mainly arose from the use of gasoline, natural gas, liquefied petroleum gas ("LPG") and electricity for operational and transportation purposes. With FY2025 as the baseline, the Group aims to maintain the same level of air emissions intensity within the same scope in FY2026.

To support this target and ensure a smooth transition towards a low-carbon economy, the Group has enforced internal policies, including the "Anti-pollution and Anti-noise Construction Scheme"* (防污染防噪音施工方案). These policies set forth sustainability measures and standardise management practices across construction projects and other operational activities.

Key Measures to Reduce Emissions

Construction Site Management	All sites adhere to strict operating guidelines, such as daily ground rinsing and water sprinkling, to prevent dirt accumulation and sludge buildup. Construction machinery is proactively maintained to ensure optimal performance.
Dust Control	Bag-house dust collectors, closed hoods and pressurised dust reduction spray devices are installed along the main roads of construction sites. Vehicles leaving the sites must undergo wheel cleaning to minimise their impacts on ambient air quality.
Energy Conservation	Recognising that electricity and energy consumption significantly contribute to emissions, the Group has implemented policies to regulate energy use. Further details can be found in the subsections "Electricity" and "Other Energy Resources" of this report.

Wastewater Control Measures

Promoting sustainable water management, the Group is dedicated to reducing water wastage and enhance onsite water reuse. In FY2025, wastewater generated mainly sourced from the Group's property development and hotel businesses, including industrial sewage from construction processes and domestic/commercial sewage from hotel guests, tenants and employees.

With FY2025 as the baseline, the Group aims to maintain the same level of wastewater discharge intensity within the same scope in FY2026. To meet the target, the Group initiates water-saving practices in the workplace and circulates educational resources among employees.

* English name is translated for identification purpose only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

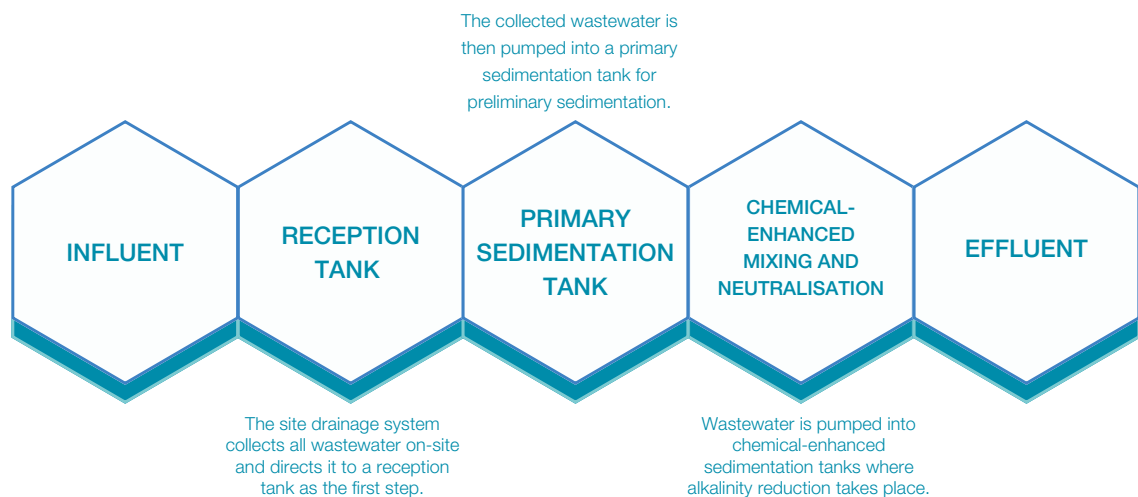
Wastewater Treatment and Disposal

Domestic & Commercial Wastewater	Discharged into municipal drainage systems after treatment.
Construction Wastewater	Treated on-site using sedimentation basins before being discharged into the municipal sewage network.
Floating Mud	Collected and transported to certified environmental organisations for proper disposal.

To protect surrounding water bodies, the Group ensures that treated wastewater meets the first-grade standards of the Integrated Wastewater Discharge Standard (GB 8978-1996)* (污水綜合排放標準一級標準) of the PRC. The Group then reuses treated effluent for non-potable purposes, including pipeline water testing, wheel-washing and dust suppression at construction sites.

ONSITE CONSTRUCTION WASTEWATER TREATMENT

TYPICAL PROCEDURES



Internal departments and local governmental agencies routinely inspect sewage treatment facilities at construction sites to ensure adherence to relevant regulations. Domestic wastewater is treated using three-level septic tanks, while construction wastewater undergoes preliminary treatment in on-site sedimentation basins.

Solid Waste Control Measures

Acknowledging that the generation and disposal of solid waste are unavoidable aspects of its operations, the Group has established a robust waste management approach in partnership with a qualified external waste management organisation, aligning with industry best practices.

* English name is translated for identification purpose only

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With FY2025 as the baseline, the Group aims to maintain the same level of solid waste disposal intensity within the same scope in FY2026. To manage construction waste effectively, the Group applies a five-tier waste management strategy focusing on collection, sorting, reuse and recycling. Waste is segregated into multiple categories, including inert, non-inert, soft, hard, recyclable and non-recyclable materials.

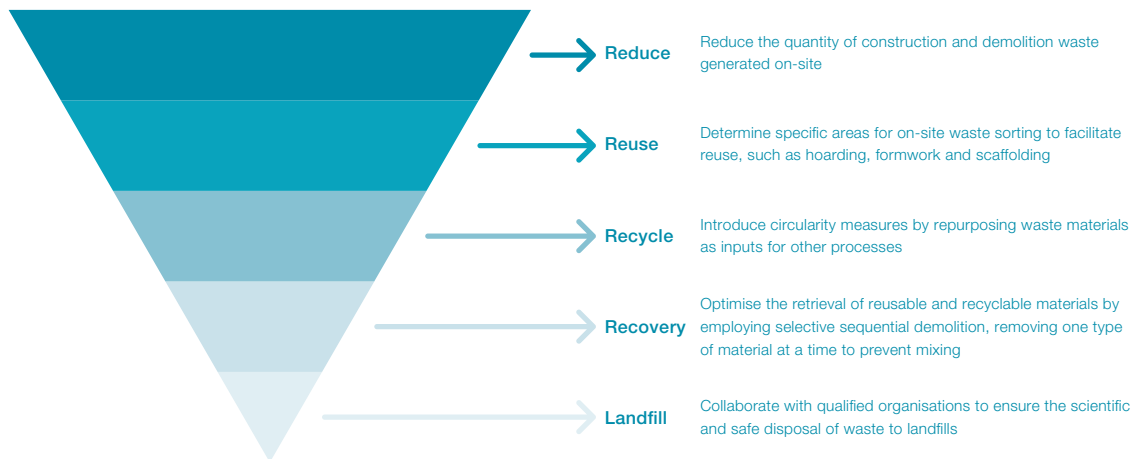
Key Waste Management Practices

Reuse and Recycling	Rubble is collected, crushed and reused in new construction and road projects. Steel residues and wooden square bars are transported to designated landfill sites using specialised trucks.
Domestic Waste	Collected daily by local government departments.
Hazardous Waste	Subcontractors are required to monitor and report on waste generation and disposal methods, with particular attention to the storage and treatment of hazardous substances to prevent improper discharge.

Waste Reduction and Circular Economy

Through efficient resource consumption, the Group fosters responsible consumption and supports circular economy. For instance, recycled aggregates are utilised in construction activities to lower waste generation and mitigate environmental impacts. Service providers are encouraged to adopt waste minimisation measures by standardising material usage during the design and construction phases.

ONSITE WASTE MANAGEMENT HIERARCHY



In adherence to national and local waste management requirements in the PRC, the Group conducts comprehensive waste reduction and management plans prior to commencing site operations. A standardised waste management plan outlines the setting of scientific waste reduction targets, implementation of relevant programmes and assignment of personnel responsible for supervising onsite waste sorting and disposal. Additionally, the Group further engages professional external organisations to carry out regular monitoring and audits.

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Noise Control Measures

In FY2025, the Group's noise emissions mainly generated by on-site construction machinery and equipment. To meet national and local regulatory requirements, including the Emission Standards for Industrial Enterprises Noise at Boundary (GB12348-2008), the Group has implemented a range of measures to minimise noise disturbances during construction activities.

Key Noise Mitigation Practices

Noise-Reducing Equipment	Materials and equipment such as shock pads, noise barriers, silencers, enclosures and real-time sound monitoring devices are used at construction sites.
Time Restrictions	Noisy operations and the use of loud equipment, such as hand-held breakers or electric drills, are limited during sensitive hours of the day.
Work Hour Adjustments	Specific work hours and construction methods are implemented to avoid noisy activities during rest times or periods affecting vulnerable groups, such as students.
High-Quality Machinery	The Group utilises high-quality powered machinery and equipment with registered labels, such as QPME (Quality Powered Mechanical Equipment) Labels.

To further ensure compliance with statutory requirements and internal guidelines, relevant staff were designated to review the implementation of noise control measures and report findings to the management on a regular basis.

Noise Control



SOURCE CONTROL

Focusing on the control and mitigation of the actual noise from the use of excavator mounted breakers, equipment with internal combustion engines, piling process, stone saw and other machinery.

SOUND AND TRANSMISSION PATH CONTROL

Installing appropriate noise enclosures and noise barriers.

ADMINISTRATIVE SITE CONTROL

- Minimising the cumulative noise sources from various activities.
- Communicating with affected neighbours and taking immediate responsive actions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

A.2. Use of Resources

In FY2025, the Group's primary resource consumption comprised electricity, gasoline, natural gas, LPG, water and paper. Due to its business nature, the Group did not consume any packaging materials during the year under review. The Group's total amount of resource consumption in FY2025 is summarised as below.

Table 2 – Total Resource Consumption of the Group in FY2025 and FY2024⁴

Use of Resources	Key Performance Indicator (KPI)	Unit	Intensity ¹		Intensity ²	
			Amount in FY2025	(Unit/ HKD million) in FY2025	Amount in FY2024 ²	(Unit/ HKD million) in FY2024
Energy	Electricity	kWh'000	5,380	3.87	7,025	4.43
	Gasoline	L	5,876	4.22	9,962	6.28
	Natural Gas	m ³	291,853	209.86	366,838	231.34
	LPG	kg	29	0.02	49	0.03
	Total Energy Consumption³	kWh'000	8,600	6.18	11,097	7.00
Water	Water	m ³	115,531	83.07	504,380	318.08
Paper	Paper	kg	837	0.60	1,613	1.02

- Intensity for FY2025 was calculated by dividing the amount of resources the Group consumed in FY2025 by the Group's revenue of approximately HK\$1,390.71 million in FY2025;
- The amount and intensity in FY2024 were extracted from the data in the Company's ESG report for FY2024. The data include estimation due to technical challenges in direct data collection;
- The methodology adopted for energy conversion and calculation set out above was based on "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange; and
- Due to the technical challenges encountered during the year, direct data collection from some of the Group's operations in the PRC was unsuccessful by the date of this report's publication. Aiming for comprehensive representation, consequently, corresponding data was estimated using the ratio of revenue of the corresponding subsidiaries from FY2024 compared to FY2025, applying the formula: $\frac{\text{amount in FY2024}}{\text{revenue in FY2024}} \times \text{revenue in FY2025}$.

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Electricity

The Group sources electricity from local public utility providers to supply its offices, hotels and construction sites. To align with the PRC government's national goal of progressing towards new energy systems, the Group strives to improve energy efficiency and support the transition to more sustainable energy solutions.

In FY2025, the Group's absolute electricity consumption was approximately 23% lower when compared with that in FY2024. To further reduce its electricity usage, the Group continues to implement and monitor its fundamental policy on energy conservation and environmental protection. In FY2024, the Group, taking FY2024 as the baseline year, targeted that its electricity consumption intensity in FY2025 within the same scope would not be higher than that in FY2024. In FY2025, the Group's electricity intensity within the same scope achieved the target set with a slight decrease of approximately 0.56 000' kWh per HKD million when compared with that in the previous year.

With FY2025 as the baseline, the Group aims to maintain the same level of electricity consumption intensity within the same scope in FY2026. To meet this target, the Group actively encourages the adoption of energy-saving technologies and equipment while identifying opportunities to optimise energy consumption. Designated personnel serve as internal representatives to coordinate energy-saving initiatives across and beyond the Group.

Key Energy Efficiency Practices

No Idling	Turning of all idling lightings, air conditioning and other electrical appliances.
Energy-Efficient Lighting	Replacing energy-intensive lighting with energy-efficient LED bulbs.
Zoned Lighting	Using multiple light switches to enable partial lighting in unoccupied areas.
Automated Lighting	Installing motion sensors for automated lighting control in public areas and corridors.
Temperature Control	Adjusting office air conditioner settings based on weather conditions.
Ventilation Systems	Adopting natural or mechanical ventilation to reduce reliance on air conditioning.
High-Efficiency Appliances	Utilising electrical appliances with energy labels and high energy efficiency ratings.
Renewable Energy	Expanding the use of renewable energy through solar panel installations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Other energy resources

In FY2025, the Group consumed gasoline for transportation purposes and utilised natural gas as boiler fuel, along with minimal amounts of LPG in its hotels. Given that environmental impacts link to fossil fuel consumption, the Group has introduced systematic vehicle management practices to lower fuel consumption and associated emissions. This supports global efforts to address climate change.

In FY2025, the absolute amount of gasoline consumption decreased by approximately 41% when compared with that in the previous year. In FY2024, the Group, taking FY2024 as the baseline year, targeted that its gasoline consumption intensity in FY2025 within the same scope would not be higher than that in FY2024. In FY2025, the Group's gasoline intensity within the same scope achieved the target set with a decrease of approximately 2.06 L per HKD million. Striving to reduce its reliance on fossil fuels, the Group has continuously phased out diesel-fuelled vehicles from its operations and will explore cleaner fuels as alternative vehicle source.

With FY2025 as the baseline, the Group aims to maintain the same level of gasoline consumption intensity within the same scope in FY2026. To meet this target, the Group encourages its employees to adopt low-carbon transportation options, such as the use of mass transit, electric vehicles and carpooling.

To further promote energy efficiency, various measures has been implemented, with a particular focus on reducing fossil fuel consumption during the year under review.

Key Energy Consumption Control

Policy Setting	The Group continuously develops and refines internal policies to establish clear work procedures and implement KPIs. These standardise fuel management practices, ensuring consistency and accountability.
Sourcing Practices	The Group prioritises energy-efficient vehicles and equipment in its operations, recognising their environmental and cost-saving benefits. This aligns with its commitment to sustainability.
Operational Control	Drivers are trained in fuel-efficient practices, including real-time routing, optimised scheduling and regulating driving habits (e.g. avoiding harsh acceleration, braking and unnecessary idling). Boiler operators are trained to adopt energy-efficient practices and maintain optimal equipment conditions to minimise gas consumption.
Maintenance	Regular inspections of vehicle and boiler performance are mandated. Maintenance tasks include checking gas valves, spark plugs, lubrication systems and topping up or replacing engine and gearbox fluids.
Knowledge Sharing	The Group fosters environmental awareness through lectures, meetings and training programmes. These promote sustainable practices (e.g. green travel) and introduce leading techniques to enhance operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

The Group strives to support a greener environment through a “low carbon and low consumption” approach in its daily operations. Going forward, the Group will continue to strengthen energy efficiency by exploring the application of cleaner energy resources and energy-efficient measures.

Water

Water resources are of a paramount importance to the Group’s property construction and hotel operations. In FY2025, the Group did not face any issue in sourcing water that was fit for its purpose.

In FY2025, the Group’s water consumption dropped significantly by approximately 77% under robust water management. In FY2024, the Group, taking FY2024 as the baseline year, targeted that its water consumption intensity in FY2025 within the same scope would not be higher than that in FY2024. In FY2025, the Group’s water intensity within the same scope achieved the target set with a significant reduction of 74%, which equals to a decrease of approximately 235.00 m³ per HKD million. To further promote water conservation during its daily operations, the Group remains dedicated to continuously implementing sustainable water management and effective policies, specifications and recommendations.

With FY2025 as the baseline, the Group aims to maintain the same level of water consumption intensity within the same scope in FY2026. To meet this target, the Group proactively fosters water-saving and reuse practices through an integrated water management approach.

Key Water-Saving Initiatives

Awareness Campaigns	Displaying water conservation banners in prominent areas such as washrooms and pantries.
Water-Saving Facilities	Installing flow controllers, dual-flush toilets and automatic faucets to reduce water usage.
Rainwater Harvesting	Utilising a rainwater harvesting system to recycle water resources for landscaping, outdoor cleaning and other non-potable purposes.
Consumption Targets	Establishing quotas and targets to restrict water consumption and encourage efficient usage.
Regular Inspections	Conducting routine checks to promptly address water supply system issues and adjusting water supply based on seasonal demand and rest periods.

Paper

The Group strives to lower its paper consumption and promote a paperless working environment with the use of technology. By prioritising digital document access, storage and security, the Group seeks to minimise or eliminate the need for printing.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

In FY2025, the Group's paper consumption declined by approximately 48% when compared with that in the previous year, to 837 kg and 1 kg of paper was recycled during the year under review. In FY2024, the Group, taking FY2024 as the baseline year, targeted that its paper consumption intensity in FY2025 within the same scope would not be higher than that in FY2024. In FY2025, the Group's paper consumption intensity within the same scope achieved the target set with a slight decrease of approximately 0.42 kg per HKD million when compared with the previous year.

With FY2025 as the baseline, the Group aims to maintain the same level of paper consumption intensity within the same scope in FY2026. To further reduce paper consumption, the following measures have been implemented.

Key Paper Reduction Practices

Reuse and Recycling	Reusing office folders and recycling single-sided printed papers as drafts, as well as using reusable transit envelopes for internal document dispatch when covers are necessary.
Efficient Printing	Setting duplex printing as the default mode for network printers and placing recycling boxes near photocopiers.
Eco-Friendly Paper	Prioritising the use of eco-friendly paper over virgin paper and selecting paper suppliers that source materials sustainably.
Digital Solutions	Promoting office automation and electronic dissemination of documents via emails or e-bulletin boards.

Raw Materials

Raw materials are consumed for the Group's property development projects. In alignment with global green building standards such as Leadership in Energy and Environmental Design ("LEED") and Building Research Establishment Environmental Assessment Method ("BREEAM") certifications, the Group embeds sustainability into its material selection process. This approach covers sustainable procurement, conservation of natural resources, improved indoor air quality and effective waste management.

Key Practices for Sustainable Material Use

Eco-Friendly Sourcing	<ul style="list-style-type: none">• Prioritising non-hazardous materials free from volatile organic compounds (VOCs), urea-formaldehyde and other harmful chemicals.• Prioritising locally available resources to minimise energy, waste, carbon and water impacts.
Lifecycle Approach	<ul style="list-style-type: none">• Adopting a "cradle-to-cradle" approach to consider the entire lifecycle of materials.• Procuring recycled and reclaimed raw materials whenever possible.
Innovative Materials	<ul style="list-style-type: none">• Using aerated blocks for lighter walls, polymer waterproofing membranes for water resistance and hollow glass tiles for insulation.

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During construction operations, the Group enforces the following practices:

- **Modular Construction:** Integrating modular construction concepts, such as the Prefabricated Prefinished Volumetric Construction (PPVC) method, into project planning and execution.
- **Waste Management:** Implementing comprehensive waste management strategies, which covers phases of planning, design, construction, demolition, waste disposal, haulage and final disposal.
- **Material Efficiency:** Optimising construction procedures during planning and design to enhance material efficiency.

Control Measures of Emission and Use of Resources by Hong Kong Office

With its commitment to conserving resources and minimising environmental impacts throughout its operations, the Group has introduced a series of environmental campaigns in its Hong Kong office, with an emphasis placed on enhancing energy efficiency and sustainable waste management practices.

To further align with Hong Kong's Climate Action Plan 2030+, which targets a 65–70% reduction in carbon intensity by 2030 compared with 2005, the Group has implemented energy-saving measures designed to optimise resource consumption. Key initiatives include:

Energy Efficiency Measures

Energy-Saving Equipment Upgrade	<ul style="list-style-type: none">• Prioritising equipment with automatic low-power modes or energy-saving features.• Replacing traditional lighting fixtures with LEDs and fluorescent lamps with higher efficiency to enhance energy efficiency and improve indoor lighting quality.
Energy Audits	<ul style="list-style-type: none">• Conducting regular energy audits to monitor equipment performance and identify areas for improvement.
Policy and Awareness	<ul style="list-style-type: none">• Establishing energy-saving policies and guidelines with clear improvement targets and awareness-building measures.
Behavioural Changes	<ul style="list-style-type: none">• Encouraging employees to turn off air-conditioners in meeting rooms after use, unplug chargers and adapters when not in use and displaying “Save Energy” posters as reminders.

PARTICIPATION IN ENVIRONMENTAL CAMPAIGNS OF
TWO IFC, HONG KONG
in 2025



After the celebration of the Chinese New Year, the Group supported the “Peach Blossom Tree Recycling Program” organised by the Hong Kong Environmental Protection Department. All collected peach blossom trees were collected and transported to the Central Collection Point “Y-PARK”, in which the trees were processed into various useful materials. This helps lower the disposal of yard waste at landfills.

Instead of simply throwing away red packets after receiving good wishes, the Group participated in the “Chinese New Year Red Packet Recycle Program” organised by the Two IFC. Brand new or used red packets were collected among employees at the Group’s Hong Kong office and delivered to the management staff of the Two IFC for recycling, reducing waste.



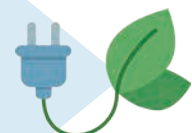
Alongside the Two IFC’s support of the Earth Hour 2025, employees at the Group’s Hong Kong office joined this world’s largest campaign for the planet by switching off non-essential lights in the office. Together, the Group aimed to help save energy and reduce associated GHG emissions, thereby mitigating climate change and inspiring employees to make small changes to the way they live for the creation of a greener future.

The Two IFC was awarded the Wastewi\$e Certification – Excellent Level in 2025 by the Hong Kong Green Organisation Certification. This accolade acknowledges the Two IFC’s commitment to minimising waste generation through the implementation of effective measures. The building actively promoted the “3R Principle – Reduce, Reuse, and Recycle” in waste management and extensively engaged with its tenants, including the Group, to foster green operations.



The Two IFC has achieved Platinum Certification under Leadership in Energy and Environmental Design (LEED) v4.1 Operations and Maintenance: Existing Buildings rating system through recertification presented by the U.S. Green Building Council. This accredits the Two IFC to be energy efficient and remain committed to sustainable environmental stewardship.

To maintain a green environment and combat climate change in joint forces, in 2025, the Group actively participated in the “Energy Saving Charter 2025” organised by Electrical and Mechanical Service Department, supporting the Two IFC to reduce energy consumption by maintaining indoor temperature between 24 to 26 degree Celsius during June to September 2025.



PARTICIPATION IN ENVIRONMENTAL CAMPAIGNS OF
ICC, HONG KONG
in 2025



There were a series of recycling programme carried out in the ICC. In August 2025, the Group joined the “Book Recycling Campaign” to donate books to those in need. Collaborated with the Salvation Army, all collected books were distributed to the beneficiaries. This turns the Group’s surplus items to precious resources for others, assisting them to gain knowledge and broaden horizons through book-reading opportunities.

In addition to enjoying Mid-Autumn Festival with delicious mooncakes, the Group supported the recycling event organised by the ICC. Paper- and metal-made mooncake boxes were collected to Green Actions for recycling, while surplus mooncake were collected to the Food Angel food donation machine for distributing to families in need. This helps conserve resources and reduce food waste, minimising environmental impacts.



To foster a more sustainable future, the Group participated in the ICC’s Christmas tree recycling collection organised by the Hong Kong Environmental Protection Department. Undecorated Christmas trees from the Group’s Hong Kong office were collected for recycling. Natural Christmas trees were then processed into mulch or fertilisers, minimising waste generation and disposal.



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Control Measures of Emission and Use of Resources by Property Development Business

In FY2025, the Group's property development business generated GHG emissions, wastewater and noise emissions. To support environmental sustainability, environmental principles have been incorporated into the Group's entire property development lifecycle, covering planning and design to construction and operations.

Key Practices

Sustainability Standards	Adhering to stringent sustainability standards to harmonise development with environmental protection.
Monitoring System	Maintaining a robust monitoring system to assess and mitigate potential environmental impacts at all operational stages.

Beyond compliance with environmental regulations, the Group continuously explores areas for improvement, thereby demonstrating its commitment to responsible business practices.

Control Measures of Emission and Use of Resources by Property Investment and Hotel Operation Business and Project Management Business

In FY2025, the Group's property investment and hotel business, as well as project management segment mainly generated air and GHG emissions, domestic and commercial solid waste and sewage. To contribute to waste reduction, the Group prioritises waste management and resource efficiency, while following the "3R – Reduce, Reuse and Recycle" principles.

Key Initiatives

Plastic Reduction	Phasing out single-use plastics and disposable utensils in offices, in line with national policies banning single-use plastic straws and non-degradable shopping bags in major cities.
Employee Engagement	Encouraging employees to bring their own lunch boxes to reduce packaging waste.
Waste Management	Implementing measures to minimise waste generation and enhance recycling efforts, as detailed in the section "A.2. Use of Resources" of this ESG Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Hotel Operations

Since its commencement in December 2021, the Group's hotel operation business has been focusing on mitigating environmental impacts through optimised daily practices and instilling a "green awareness" among staff. In particular:

- **Energy Saving Competition:** The Luhu Hotel initiated an "Energy Saving Competition" to incentivise employees to conserve energy, with awards for the highest energy savers.
- **Training and Awareness:** The Vlamhoo Hotel conducted training sessions and awareness campaigns on energy conservation and waste sorting to cultivate a "go-green" mindset among staff.

Environmental Sustainability Goals

The Group's environmental goals are grounded in its commitment to continuously minimising its environmental footprints through ongoing business development and the integration of ESG management principles. The Group remains dedicated to establishing goals that are science-based, informed by benchmarking against international best practices and supported by well-defined criteria.

Key Commitments

Systematic Evaluation	The Group systematically assesses its ecological footprints across its lifecycle and evaluates its exposure to environmental risks. This ensures a comprehensive understanding of its environmental impacts and informs targeted mitigation strategies.
Compliance	The Group is committed to consistently complying with relevant environmental laws and regulations in regions where it operates. This ensures adherence to legal standards and promotes responsible business practices.
Integration of Climate-Related Considerations	The Group will gradually incorporate climate-related considerations into its long-term business development and operations. This will be achieved through scenario analysis, following the IFRS S2 standards, to enhance resilience and adaptability in a changing climate.
Reduction of Reliance	The Group is committed to reducing its reliance on conventional energy resources and enhancing energy efficiency across its operations. This includes adopting renewable energy solutions and optimising energy use whenever possible.
Circular Economy	The Group will actively promote a shift from silo-thinking to a holistic, whole-life-cycle approach among sector participants, clients, and suppliers. Through education and initiatives led by the Group, it aims to foster a circular economy mindset that prioritises sustainability and resource efficiency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

A.3. The Environment and Natural Resources

With a strong dedication to fostering the national goal of building an ecological civilisation and a “Beautiful China”, the Group continuously enhances its sustainability performance and meets its environmental targets at the Group level. To act as a role model in the real estate sector, the Group keeps itself updated about the latest international environmental standards and frameworks, while complying with applicable laws and regulations in the PRC. Meanwhile, the Group incorporates green building features into new property development projects and applies industry best practices to further strengthen environmental performance across its operations.

Given its business nature, the Group understands that resource consumption is unavoidable for its operations. To reduce its environmental impacts due to resource consumption and its associated GHG emissions, the Group kept track of and analysed its sustainability performance in FY2025 to identify key environmental areas for priority attention, including waste generation and disposal, energy and resource consumption and associated GHG emissions.

Recognising its roles and responsibilities, the Group consistently implements sustainable practices throughout the full lifecycle of its property development operations. This covers land use planning, project preparation, building design, vehicle management, noise mitigation and the procurement of low-impact building materials. To address environmental impacts associated with its hotel operations, the Group places additional emphasis on refining environmental control measures in the daily operations of this business segment. In particular, the Group focuses on the following areas to promote sustainable practices:

Energy Efficiency

The Group has implemented internal policies, such as the Notice on Strengthening Office Energy Saving and Consumption Reduction* (關於加強辦公室節能降耗工作的通知) and the Notice on Implementing Office Energy-Saving Inspection System* (關於實施辦公室節能降耗巡查制度的通知), to regulate the daily practice of all employees. These policies ensure consistent energy-saving measures across the organisation.

In addition, the Group has adopted and promoted the use of a Smart Energy Management System in its operations. This innovative system is designed to enhance energy efficiency, reduce resource consumption and lower emissions, further supporting the Group’s commitment to sustainability.

* English name is translated for identification purpose only

Resources Conservation

Acknowledging the adverse environmental impacts of excessive fossil fuel consumption, the Group is committed to reducing its reliance on gasoline and natural gas while actively exploring environmentally friendly alternatives.

Additionally, the Group has implemented strict guidelines for the use of tissues and paper. Through notices and training programmes, it fosters a culture of conservation among its employees, encouraging mindful resource usage across all operations.

Sustainable Waste Management

The Group has prioritised an effective on-site waste management approach in its property development business, adhering to a preferred hierarchy of actions: **avoidance, minimisation, recycling, treatment and disposal**. A comprehensive waste management plan has been established, identifying key waste types and outlining strategies for waste reduction.

To ensure proper implementation, the Group has designated on-site sorting areas, established clear practices and assigned responsible personnel to oversee waste management before operations commence. Additionally, the Group places significant emphasis on training employees in sustainable waste management practices and the proper handling of chemical waste.

In office operations, the Group actively supports China's nationwide solid waste sorting policy by promoting the principles of "**3R – Reduce, Reuse and Recycle**". This initiative underscores the Group's commitment to fostering a culture of sustainability across all aspects of its operations.

Driven by the increasing risks of environmental degradation and the climate crisis, the Group has intensified its efforts to incorporate environmental considerations across all aspects of its business operations. Under the Board's direction, the management team and all staff members strive to enhance the Group's environmental performance and continuously exploring innovative ways to support sustainable business practices.

VII. CLIMATE-RELATED DISCLOSURES

Recognising climate change has been a growing global issue, the Group, a corporate with property development, project management, property investment and hotel operations, is committed to effectively identifying, managing and addressing climate-related risks and opportunities. This chapter discloses the Group's climate-related issues and management in accordance with climate-related disclosure requirements under the ESG Code issued by the Stock Exchange, which aligned with the IFRS S2 standards, presented in four major pillars of governance, strategy, risk management and metrics and targets.

Governance

The Group's management framework on climate-related risks and opportunities aligns with its sustainability governance structure, which outlined in the chapter "III. SUSTAINABILITY MANAGEMENT". The Board upholds the ultimate responsibility for overseeing the Group's climate-related risks and opportunities. To ensure appropriate skills and competencies are available to oversee strategies designated to respond to climate-related risks and opportunities, the Board engages with external consultants to receive updates on relevant standards. In addition to participating in training sessions provided by professional organisations to enhance its governance capacity, the Board also attends relevant industry meetings, seminars or workshops.

Through interaction with external advisors and quarterly meetings with relevant professionals within the Board, the Board receives information and updates on climate-related risks and opportunities. To take into account climate-related risks and opportunities when overseeing the Group's strategy, its decisions on major transactions and its risk management processes and related policies, the Board regularly holds meetings to discuss about relevant issues. Contingency meetings will be convened to discuss about further handling procedures in the event of climate-related incidents.

The Group has set climate-related targets to minimise its carbon footprints, mitigating climate change. Through the review of progress from summaries and calculations in ESG reports, the Group oversees the setting of and monitors progress towards, targets related climate-related risks and opportunities. Relevant details can be referred to the section "Sustainability Targets and Monitoring Mechanism".

To assist the Board in overseeing climate-related issues, the ESG Taskforce evaluates and manages relevant risks and opportunities by monitoring the implementation of climate-related policies at the operational level. Alongside the identification of climate-related issues at the operational level and reporting to the ESG Steering Group, the ESG Taskforce also communicates and coordinates between departments.

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Strategy

The Group has carefully identified and assessed the climate-related risks and opportunities associated with its business operations, evaluating their potential impacts across the short term (1–3 years), medium term (3–5 years) and long term (5–10 years and beyond). During FY2025, the Group determined that the following climate risks are the most material to its operations. No climate-related opportunities were identified during the year under review.

Physical Risks

Risks	Potential Impacts on Business Model and Value Chain	Planned Response Actions
<p><i>Acute Physical Risks</i> (Short to Medium Term)</p> <p>Increased severity of extreme weather events (e.g. flooding and typhoons)</p>	<p>Property development: Increased severity of extreme weather events may lead to construction delays and cost overruns due to site closures, unsafe working conditions and damage to temporary infrastructure. Supply chain disruptions, including delayed material deliveries and logistics interruptions, could further prolong project timelines. The Group also faces elevated safety risks for workers, which may result in potential liability claims. Additionally, additional costs will be incurred for site protection measures, drainage systems and weather-resilient project planning.</p> <p>Property management and hotel operations: Extreme weather events such as flooding and typhoons may cause physical damage to building exteriors, common areas, electrical systems and landscaping. Disruption of essential services, including water, power and elevators, could adversely affect residents and tenants. For hotel operations, temporary closures or reduced occupancy during and after extreme weather events are likely, leading to revenue loss from cancelled bookings, particularly during peak seasons. Furthermore, the Group may face increased insurance premiums and potential claims for property damage and business interruption.</p>	<p>Property development: The Group plans to develop site-specific extreme weather response plans, including early warning systems, evacuation protocols and equipment securing procedures. Where feasible, critical construction activities are scheduled outside peak typhoon and flood seasons to minimise weather-related disruptions.</p> <p>Property management and hotel operations: Regular inspections and preventive maintenance are conducted on drainage systems, roofs, windows and external facades to enhance structural resilience against extreme weather events. Clear emergency response protocols, including evacuation routes and shelter areas, have been developed and communicated to residents and tenants to ensure their safety during emergencies.</p>

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Physical Risks

Risks	Potential Impacts on Business Model and Value Chain	Planned Response Actions
<p><i>Chronic Physical Risks</i> (Medium to Long Term)</p> <p>Changes in precipitation patterns and extreme variability in weather patterns</p>	<p>Property development: Changes in precipitation patterns and extreme weather variability increase the likelihood of flooding, which may lead to construction site inundation, project delays and damage to groundwork and foundations. These conditions also result in higher drainage and site protection costs, as well as potential impairment of land or partially completed projects if flooding becomes recurrent. Given that the Group's key property development projects are primarily located in regions such as Guangzhou, which are prone to such risks, these factors are of particular concern.</p> <p>Property management and hotel operations: For property management and hotel operations, altered precipitation patterns raise the risk of flooding that can damage building basements, electrical systems and landscaping. Higher maintenance costs are expected due to more frequent repairs of water-related damage. In addition, prolonged or recurrent flooding may lead to asset impairment, reduced property valuations and potential business interruption, particularly for hotels facing temporary closures or reduced guest access during heavy rainfall events.</p>	<p>Property development: To address the risks associated with changing precipitation patterns, the Group integrates climate resilience considerations into project planning and design. This includes conducting flood risk assessments prior to site selection, elevating critical groundwork where necessary and incorporating enhanced drainage systems into project blueprints.</p> <p>Property management and hotel operations: The Group implements regular inspections and preventive maintenance of drainage systems and sump pumps to ensure functionality during heavy rainfall events.</p>

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Transition Risks

Risks	Potential Impacts on Business Model and Value Chain	Planned Response Actions
<p><i>Policy and Legal Risk</i> (Short to Medium Term)</p> <p>Enhanced emissions reporting obligations</p>	<p>Property development: The PRC's ambitious carbon neutrality target by 2060 and the introduction of the Guangzhou Green Building and Building Energy Saving Management Regulations* (《廣州市綠色建築和建築節能管理規定》) signals a clear trajectory toward stricter emissions-related mandates. Enhanced emissions reporting obligations will require more rigorous tracking of carbon emissions across construction processes, including embodied carbon from building materials, on-site energy consumption and logistics, which increases compliance costs, administrative workload and the need for specialized expertise.</p> <p>Property management and hotel operations: Enhanced emissions reporting obligations demand accurate and verifiable disclosure of operational carbon emissions, particularly from energy-intensive systems such as heating, ventilation, air conditioning, lighting and hot water supply. Hotels, given their 24/7 operations, face heightened scrutiny. Non-compliance could result in penalties, reputational damage or restrictions on operating licenses.</p>	<p>Property development: To address the risk, the Group integrates climate-resilient and low-carbon features into its developments, including adopting cleaner operational solutions on construction sites.</p> <p>Property management and hotel operations: The Group adopts cleaner operational solutions including energy-efficient HVAC systems, LED lighting and other smart controls where feasible. Regular energy competitions are conducted to identify improvement opportunities and staff training is enhanced to ensure compliance.</p>

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Transition Risks

Risks	Potential Impacts on Business Model and Value Chain	Planned Response Actions
<p><i>Market Risk</i> <i>(Medium to Long Term)</i></p> <ul style="list-style-type: none"> • Increased cost of raw materials • Changing customer behaviour 	<p>Property development: The increased cost of raw materials, such as steel, cement and other construction inputs, directly impacts the Group’s property development segment by raising project budgets and potentially reducing profit margins. Supply chain volatility may also lead to procurement delays and contract renegotiations with suppliers. While changing customer behaviour means homebuyers and commercial tenants are increasingly favouring green-certified buildings with lower energy consumption, developers who fail to meet these expectations may face longer sales cycles, pricing pressure or reduced market share.</p> <p>Property management and hotel operations: Increased costs of raw materials translate into higher expenses for maintenance supplies, replacement parts and landscaping materials, which may necessitate adjustments to service fees or reduced service frequency. Changing customer behaviour is equally important. As guests increasingly choose accommodations with credible environmental credentials, hotels may face similar pressures, that failure to adapt to these shifting preferences could result in tenant turnover, lower occupancy rates and reduced revenue.</p>	<p>Property development: To address the risk, the Group adopts proactive procurement strategies, including exploring alternative low-carbon construction materials. The Group also integrates green building features into its developments, such as energy-efficient design to meet growing market demand for environmentally responsible properties.</p> <p>Property management and hotel operations: The Group implements visible sustainability initiatives, including waste sorting stations and energy-saving lighting to appeal to environmentally conscious occupants.</p>

Before making significant decisions such as initiating development projects, the Group carefully assesses factors of cost analysis, certification requirements and additional workflows in the construction process. Meanwhile, ESG principles have been embedded into the Group’s development blueprints, following guidelines such as the “Implementation Opinions of the Guangzhou Municipal Committee of the Guangzhou Municipal People’s Government of the Communist Party of China regarding the Deepening of Urban Renewal for Promotion of High-Quality Development”* (“中共廣州市人民政府廣州市委關於深化城市更新工作推進高質量發展的實施意見”).

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Currently, the Group has not developed any climate-related transition plan. The Group will plan to implement the above climate-related response actions to lessen the impacts brought by identified climate-related risks on its daily operations. Regarding resource allocation, the Group will consider focusing on actions in addressing climate-related issues when more resources are available. To lower its carbon footprints, the Group has participated in carbon offset schemes by planting trees. Relevant details on the Group's carbon removal can be found in the section "Metrics and Targets". In the future, the Group will progressively formulate strategies aligning with the transition to a low-carbon economy.

Financial Effect Analysis

For current financial effect, in FY2025, the Group did not experience any material financial losses arising from climate-related risks. During the year under review, the identified climate-related risks did not cause any significant impacts in terms of financial position, financial performance and cash flows nor risk of a material adjustment to the carrying amounts of assets and liabilities in the upcoming year.

The Group has also assessed the anticipated effects of the identified climate-related risks on its financial position, financial performance and cash flows over the short-term and beyond. Based on current investment and resource allocation plans, most climate-related physical and transition risks are expected to have a low negative financial impact across time horizons. However, market-related risks, particularly increased cost of raw materials and changing customer behaviour, are anticipated to have a medium negative financial impact over the medium term, primarily affecting operating costs and revenue streams.

The Group has elected to apply the Reasonable Information Relief and Capabilities Relief as provided under the HKEX New Climate Requirements. Accordingly, the above assessment is presented on a qualitative basis and the Group has not provided quantitative disclosure regarding the anticipated financial effects. The Group intends to develop quantitative assessment capabilities over time as data availability, methodologies and internal systems mature, with a view to providing more granular financial disclosures in future reporting periods.

Climate Scenario Analysis

The Group is committed to building its climate resilience together with the industry and hence actively monitors emerging trends and evolving best practices related to mitigation and adaptation efforts. To further enhance its climate resilience, the Group conducted a qualitative climate-related scenario analysis in FY2025 to better understand its circumstances under climate change. As the Group is in the preliminary phase of its analysis and currently lacks the requisite data granularity and quantitative modelling capabilities, the Group has elected to apply the Capabilities Relief that permits the Group to provide qualitative disclosures. The Group intends to develop quantitative assessment capabilities over time as data availability, methodologies and internal systems mature.

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Scenario Selection

Scenario	Pathway	Key Assumptions	Time Horizons
High-Emission Scenario	SSP5–8.5/NGFS “Current Policies”	<ul style="list-style-type: none"> Global mitigation efforts slow down or are delayed Temperature rise exceeds 3°C by 2100 Limited policy intervention Physical risks intensify significantly 	Short-term: 1–3 years Medium-term: 3–5 years Long-term: 5–10+ years
Low-Emission Scenario	SSP1–1.9/NGFS “Net Zero 2050”	<ul style="list-style-type: none"> Global temperature rise limited to 1.5°C by 2100 Stringent climate policies implemented globally Rapid decarbonisation across all sectors Transition risks accelerate 	Short-term: 1–3 years Medium-term: 3–5 years Long-term: 5–10+ years

Key Assumptions and Uncertainties

The Group acknowledges the following key assumptions and inherent uncertainties in its scenario analysis:

- geographic focus on Guangzhou and surrounding regions;
- policy trajectory assumes existing national and local climate policies will be implemented as announced;
- technological development assumes low-carbon construction solutions will become increasingly available; and
- data limitations mean that actual outcomes may differ materially from scenario assumptions.

Resilience Under Different Scenarios

Under a high-emission scenario where global mitigation efforts slow down, physical risks, such as increased frequency of extreme weather events (typhoons, flooding) and water scarcity, become more prevalent. For the Group’s operations concentrated in flood-prone regions like Guangzhou, construction activities and hotel operations may face disruptions. Appropriate operational adjustments (e.g. construction process modifications and enhanced hospitality contingency planning) would be required over the short term to maintain project delivery and business continuity. While this may increase operational costs, the Group expects such cost increases will not lead to material financial effects based on its qualitative assessment.

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Under a low-emission scenario where regulatory requirements and market standards gradually tighten, transition risks become more pronounced. Policy and legal risks may result in higher compliance costs due to additional resource allocation to low-carbon technologies, while market risks may increase costs of raw materials and sustainable building development. However, this scenario also presents an opportunity: the Group may transform growing demand for sustainable buildings into a competitive advantage, enhancing profit potential. The Group expects any cost increases over the medium to long term will not lead to material financial effects, based on its qualitative assessment.

Going forward, the Group will continuously review its climate scenario analysis framework with relevant assumptions and results. When the Group possess more resources, the Group will conduct a more detailed climate-related scenario analysis to understand potential impacts of identified risks more comprehensively.

Risk Management

The Group has established processes to identify, assess, prioritise and monitor climate-related risks as part of its overall risk management framework. During the year under review, the Group conducted a qualitative climate-related scenario analysis to inform the identification and assessment of climate-related risks.

- *Identification:*

The Group conducted qualitative climate-related scenario analysis to identify physical and transition risks that could reasonably affect the Group's operations and financial performance.

- *Assessment:*

The Group evaluated the nature, likelihood and potential magnitude of identified climate-related risks on a qualitative basis. Risk assessment considers the specific geographic context of the Group's operations, particularly in Guangzhou.

- *Prioritisation:*

The Group prioritises climate-related risks relative to other types of risks when a risk exceeds its risk appetite. During FY2025, five material climate-related risks were identified and assessed as the most significant.

- *Monitoring:*

The Group monitors climate-related risks through regular review of identified risks and the climate scenario analysis framework. The Group also tracks evolving regulatory requirements.

- *Integration:*

The Group has incorporated identified climate-related risks into its broader enterprise risk management framework. Climate-related risks are considered alongside financial, operational and compliance risks in the Group's regular risk review processes. The Group's risk management and internal control systems are reviewed at least annually, with the scope of review covering material ESG risks as required under the Corporate Governance Code.

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For climate-related opportunities to be identified in the future, the Group plans to apply the same process to identify, assess, prioritise and monitor relevant opportunities.

Metrics and Targets

Acknowledging the impacts of GHG emissions on intensifying climate change, the Group has placed a great emphasis on its GHG emissions, which serve as the Group's primary metrics for ongoing monitoring, among its performance on emissions and resource consumption.

Climate-related Metrics – GHG Emissions

In FY2025, the Group's GHG emissions mainly consisted of Scope 1, Scope 2 (location-based) and Scope 3 GHG emissions. The primary sources of Scope 1 and 2 GHG emissions were the combustion of fossil fuels for transportation and operations, and consumption of purchased electricity respectively. Scope 3 GHG emissions attributed to the extraction, production and transportation of fuels and energy purchased, the disposal of solid waste and processing of fresh water and wastewater, as well as business air travel. In the future, the Group plans to continuously expand the scope for accounting its Scope 3 GHG emissions when data readiness enhances.

Under operational control approach, the Group's accounting of GHG emissions aligns with the reporting boundary of this ESG Report, in accordance with the "GHG Protocol: A Corporate Accounting and Reporting Standard" (2004). The Group also accounts its Scope 3 GHG emissions, including Category 3 (fuel and energy-related activities), Category 5 (waste generated in operations) and Category 6 (business travel) emissions, with reference to "GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard" (2011) to ensure alignment with internationally recognised standards.

Table 3 – The Group's GHG Emissions in FY2025 and FY2024^{6, 7, 8}

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2025	Intensity ¹	Amount in FY2024 ²	Intensity ²
				(Unit/ HKD million) in FY2025		(Unit/ HKD million) in FY2024
GHG Emissions	Scope 1 (Direct Emissions) ³	Tonnes of CO ₂ e	556	0.40	708	0.45
	Scope 2 (Energy Indirect Emissions) ⁴	Tonnes of CO ₂ e	3,108	2.23	4,287	2.70
	Scope 3 (Other Indirect Emissions) ⁵	Tonnes of CO ₂ e	521	0.37	103	0.07
	Total (Scope 1, 2 & 3)	Tonnes of CO ₂ e	4,185	3.01	5,099 ⁹	3.22 ⁹

1. Intensity for FY2025 was calculated by dividing the amount of GHG emissions by the Group's revenue of approximately HK\$1,390.71 million in FY2025;
2. The amount and intensity in FY2024 were extracted from the data in the Company's ESG report for FY2024, unless specified otherwise. The data include estimation due to technical challenges in direct data collection;
3. The Group's Scope 1 (Direct Emissions) included only the emission which arose from the consumption of gasoline in motor vehicles, natural gas and LPG in hotel operations and 11 tonnes of CO₂e carbon removal from planted trees;

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4. The Group's Scope 2 (Energy Indirect Emissions) included only the emission which arose from consumption of purchased electricity;
5. The Group's Scope 3 (Other Indirect Emissions) included other emissions which arose from the extraction, production and transportation of fuels and energy purchased, the disposal of solid waste at landfills and processing of fresh water and sewage, as well as business air travel. The Scope 3 accounting scope of FY2025 has been expanded, thus data should be read with caution and should not be used for direct comparison against the FY2024 data;
6. The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "GHG Protocol: A Corporate Accounting and Reporting Standard" (2004), the "2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories" and "GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard" (2011);
7. Individual figures may not add up to the totals due to rounding;
8. Due to the technical challenges encountered during the year, direct data collection from some of the Group's operations in the PRC was unsuccessful by the date of this report's publication. Aiming for comprehensive representation, consequently, corresponding data was estimated using the ratio of revenue of the corresponding subsidiaries from FY2024 compared to FY2025, applying the formula: $\frac{\text{amount in FY2024}}{\text{revenue in FY2024}} \times \text{revenue in FY2025}$; and
9. The amount and intensity of total GHG emissions in FY2024 were restated in alignment with the consolidation method for consistency.

Table 4 – The Group's Scope 3 GHG Emissions by Categories in FY2025^{5, 6, 7}

Scope 3 Category	Unit	Amount in FY2025	Intensity' (Unit/ HKD million) in FY2025
Category 3: Fuel and energy-related activities ²	Tonnes of CO ₂ e	370	0.27
Category 5: Waste generated in operations ³	Tonnes of CO ₂ e	138	0.10
Category 6: Business travel ⁴	Tonnes of CO ₂ e	13	0.01
Total Scope 3 GHG Emissions	Tonnes of CO ₂ e	521	0.37

1. Intensity for FY2025 was calculated by dividing the amount of each or all categories of Scope 3 GHG emissions by the Group's revenue of approximately HK\$1,390.71 million in FY2025;
2. The Group's category 3 included only the Scope 3 GHG emissions which arose from the extraction, production and transportation of fuels and energy purchased during its operations;
3. The Group's category 5 included only the Scope 3 GHG emissions which arose from the disposal of solid waste at landfills and processing of fresh water and sewage generated by its operations;
4. The Group's category 6 included only the Scope 3 GHG emissions which arose from the business air travel undertaken by its employees;.

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5. The methodology adopted for reporting on GHG emissions set out above was based on “How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, the “GHG Protocol: A Corporate Accounting and Reporting Standard” (2004) and “GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard” (2011);
6. Individual figures may not add up to the totals due to rounding; and
7. Due to the technical challenges encountered during the year, direct data collection from some of the Group’s operations in the PRC was unsuccessful by the date of this report’s publication. Aiming for comprehensive representation, consequently, corresponding data was estimated using the ratio of revenue of the corresponding subsidiaries from FY2024 compared to FY2025, applying the formula: $\frac{\text{amount in FY2024}}{\text{revenue in FY2024}} \times \text{revenue in FY2025}$.

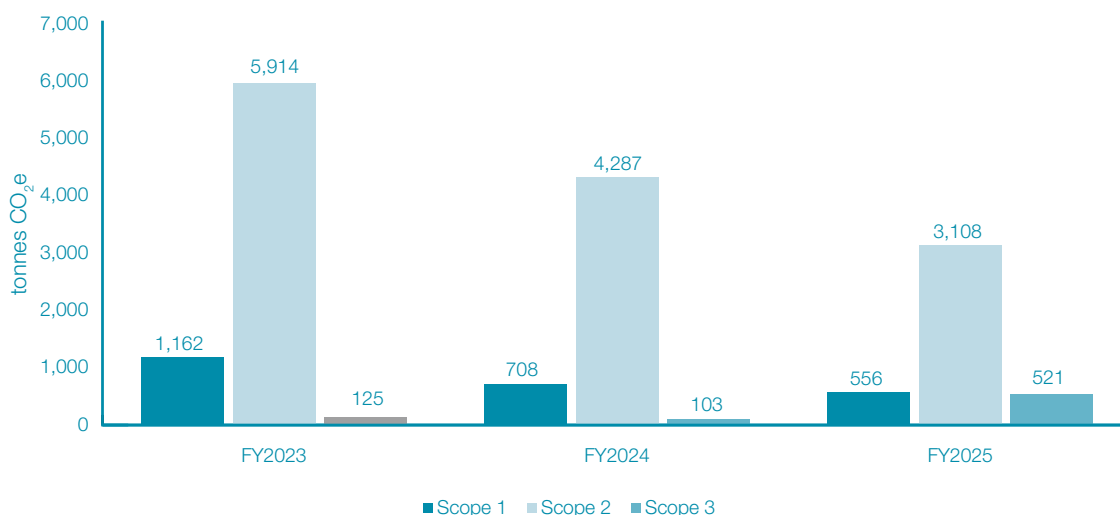
Scope 3 reporting boundary

Scope 3 category	Source of emission factor	Basis for selection
Category 3 – Fuel- and energy-related activities	Greenhouse gas reporting: conversion factors 2025 issued by the Department for Energy Security and Net Zero of the UK	Extraction, production and transportation of fuels and energy purchased not accounted for in Scope 1 and 2
Category 5 – Waste generated in operations	US EPA: Emission Factors for Greenhouse Gas Inventories	Waste generated through construction and daily operation of sites
Category 6 – Business travel	The ICAO Carbon Emissions Calculator	Emissions associated with the Group’s employee business air travel

In FY2025, the Group’s absolute amount of total GHG emissions was approximately 4,185 tonnes of CO₂e, which significantly increased when compared with that in FY2024 due to the expansion of Scope 3 accounting scope. During the year under review, the Group placed a greater emphasis on accounting its GHG emissions by refining the scope. Meanwhile, the Group planted over 400 trees over the years, resulting in approximately 11 tonnes of CO₂e carbon removal during the year under review.

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Graph showing the Group's GHG emissions from the financial year ended 31 December 2023 ("FY2023") to FY2025



Striving to keep track of and minimise its GHG emissions, the Group has established and implemented a series of control measures on lowering its emissions and increasing the efficiency of its resource consumption. Detailed management initiatives can be found in the sections “A.1. Emissions” and “A.2. Use of Resources”. Currently, the Group has neither incorporated internal carbon pricing into its climate management approach nor taken climate-related considerations into remuneration policy. As the Group is in the preliminary phase of its climate-related reporting journey, the Group adopts the Reasonable Information Relief and has not yet established or disclosed on the cross-industry metrics. In the future, the Group will consider these factors and apply cross-industry metrics, such as the amount and percentage of assets or business activities vulnerable to climate-related risks and capital deployment for climate-related opportunities, in climate disclosure when the Group’s climate management system gets more mature.

Climate-related Targets

In FY2024, the Group, taking FY2024 as the baseline year, targeted that the intensities of its total GHG emissions in FY2025 within the same scope would not be higher than those in FY2024. In FY2025, the Group’s total GHG emission intensity within the same scope achieved the target set with a slight reduction of approximately 0.52 tonnes of CO₂e per HKD million when compared with that for the previous year. It is worth noting that, when evaluating the GHG emissions target set in FY2024, the Group considered only Scope 1 and Scope 2 GHG emissions for both FY2024 and FY2025. This approach was adopted to exclude the uncertainty associated with Scope 3 GHG emissions, whose accounting scope was expanded in FY2025 and is subject to greater assumption-based uncertainties.

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In FY2025, the Group revised and strived to achieve its GHG emissions reduction target, as shown below.

Target Setting	With FY2025 as the baseline, the Group aims to lower the level of GHG emissions intensity within the same scope in FY2026
Target Type	Intensity reduction target
Scope	Scope 1 and 2 GHG emissions of the Group’s main operations, aligned with the reporting boundary of this ESG Report

Regarding other climate-related targets, please refer to the sections “A.1. Emissions” and “A.2. Use of Resources”. At the current stage, the Group did not use and has not planned to apply carbon credits to offset its GHG emissions. Moving forward, the Group will continue monitor its performance progress on emissions and resource consumption for improvement.

VIII. SOCIAL SUSTAINABILITY

EMPLOYMENT AND LABOUR PRACTICES

B.1. Employment

Valuing its employees as its most important asset, the Group is dedicated to creating a working environment that is harmonious, inclusive and people-centric. With the emphasis on diversity, well-being and career development, the Group devotes substantial efforts to talent attraction, retention and employee support. As of the end of FY2025, the Group has a total of 535 employees. Detailed demographic information can be found in Table 5 and Table 6 below.

Table 5 – Total Workforce of the Group by Gender, Age Group, Position Type, Employment Type and Geographical Location in FY2025¹

Gender	Age group				Total
	Aged 30 or below	Aged between 31 and 40	Aged between 41 and 50	Aged 51 or above	
Male	20	95	99	54	268
Female	20	101	114	32	267
Total	40	196	213	86	535

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Gender	Position type			Total
	General staff	Middle managerial level	Senior managerial level	
Male	203	41	24	268
Female	225	30	12	267
Total	428	71	36	535

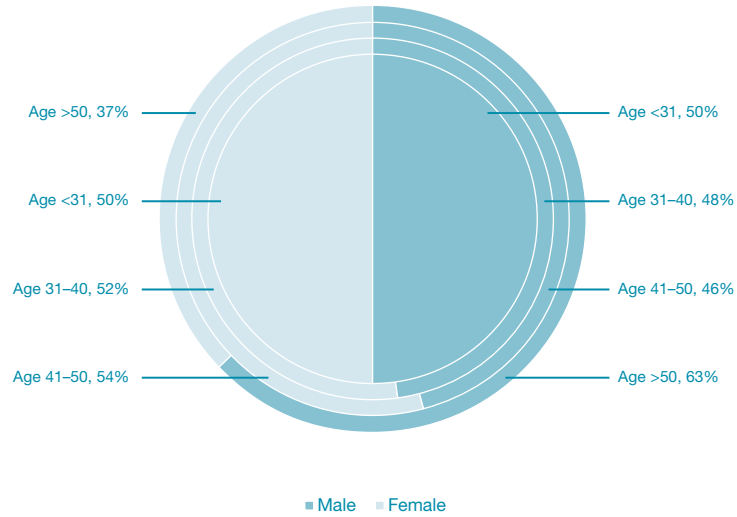
	Employment type		Total
	Full time	Part time	
	529	6	535

Geographical location	
Mainland China	Hong Kong
529	6

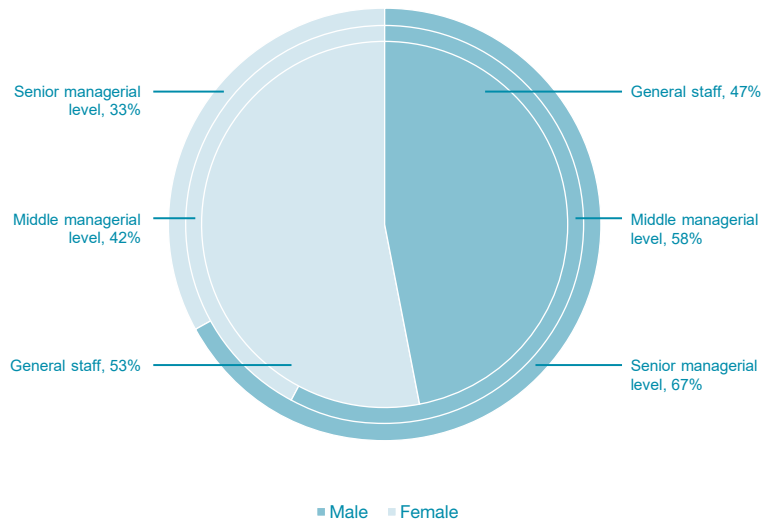
- The employment data in headcount was obtained from the Group's Human Resources ("HR") Department based on the employment contracts entered into between the Group and its employees. The data covers employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

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The Group's Total Workforce by Gender and Age Group in FY2025



The Group's Total Workforce by Gender and Position Type in FY2025



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Table 6 – Employee Turnover by Gender, Age Group and Geographical Location in FY2025¹

Unit: Number of employees					
Gender	Age group				Total
	Aged 30 or below	Aged between 31 and 40	Aged between 41 and 50	Aged 51 or above	
Male	27	30	23	14	94
Employee turnover rate (%)	135%	32%	23%	26%	35%
Female	29	41	37	6	113
Employee turnover rate (%)	145%	41%	32%	19%	42%
Total	56	71	60	20	207
Employee turnover rate (%)	140%	36%	28%	23%	39%
Geographical location					
	Employee turnover		Employee turnover rate (%)		
Mainland China	205		39%		
Hong Kong	2		33%		

- The turnover data in headcount was obtained from the Group's HR Department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employees of the Group who left in FY2025 by the number of employees of the Group as of 31 December 2025. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Law and Compliance

To ensure compliance with relevant laws and regulations in all operating regions, the Group regularly reviews its employment policies to align with social dynamics. In FY2025, the Group adhered to applicable laws and regulations, including but not limited to:

- *Employment Ordinance (Cap. 57 of the Laws of Hong Kong);*
- *Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);*
- *Labour Law of the People's Republic of China* (中華人民共和國勞動法);*
- *Employment Promotion Law of the People's Republic of China* (中華人民共和國就業促進法);*
- *Labour Contract Law of the People's Republic of China* (中華人民共和國勞動合同法);* and
- *Insurance Law of the People's Republic of China* (中華人民共和國社會保險法).*

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For employees in the PRC, the Group provides remuneration that meets minimum wage requirements and contributes to the “five insurances and housing provident fund” (五險一金). In Hong Kong, the Group provides employees with Mandatory Provident Fund Scheme (MPF) and medical insurance to ensure employee well-being across the organisation.

Recruitment and promotion

Acknowledging that high-calibre talent is critical to achieve its strategic goals and maintain market competitiveness, the Group strives to attract and retain talents. To promote a transparent and effective recruitment process, explicit internal policies have been established, including the “Human Resources Management Procedures”* (人力資源管理辦法) and “Recruitment Management Regulations”* (招聘管理規定).

The Group provides fair and competitive compensation packages, considering factors of educational background, personal attributes, work experience and career aspirations. In addition to organising job fairs and campus recruitment activities, the Group’s long-running “Chasing Light” programme plays a key role in guiding and cultivating local young talents. Through this initiative, graduates are given a platform and opportunities to develop the skills and build up confidence needed to pursue their career goals while aligning with the Group’s entrepreneurial culture.

By conducting regular appraisals and offering career progression opportunities, the Group expresses appreciation to outstanding employee. Following the “Human Resources Management Policy of Zhuguang Group”* (珠控集團人力資源管理辦法) and “Staff Handbook”* (員工手冊), equal opportunities for promotion and development are offered to high-performing employees with potential with clear and legitimate procedures.

Compensation and dismissal

The Group provides competitive remuneration packages, which are reviewed on a regular basis to help attract and retain top talents. Probationary and ongoing evaluations are carried out to recognise and reward employees based on their efforts, performance and contributions.

To protect employee rights, the Group adopts strict policies prohibiting unfair or illegitimate dismissal. Employment terminations are managed in accordance with established procedures to ensure compliance with applicable laws and regulations. In the event of policy breaches, the Group applies a progressive disciplinary framework:

1. Initial verbal warnings are issued for minor infractions
2. Written warnings are provided for repeated or more serious violations
3. If an employee continues to breach policies despite prior warnings, their employment contract may be terminated

All decisions regarding compensation adjustments and employment terminations are made on reasonable and lawful grounds, in adherence to internal policies such as the “Staff Handbook”* (員工手冊) and the “Implementation Rules for Staff Turnover and Movement on Positions”* (員工異動管理實施細則).

* English name is translated for identification purpose only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Working hours and rest periods

The Group formulates internal policies on working hours and rest periods, as stipulated in the “Implementation Rules for Attendance”* (考勤管理實施細則), in compliance with local employment laws, including:

- *Labour Law of the People’s Republic of China** (中華人民共和國勞動法);
- *Legal Protection of the Rights and Benefits of the Peasant Workers** (勞動保障監察條例); and
- *Provisions of the State Council on Employees’ Working Hours** (國務院關於職工工作時間的規定).

With the application of a clock-in system and an attendance management system, including a field work registration form (外勤登記表), the Group monitors employee working hours. To receive compensation on overtime work or leave according to applicable laws and regulations, employees must complete relevant form in detail and obtain approval from their department managers.

In addition to statutory holidays and annual leave, the Group provides additional leave benefits, such as maternity leave, paternity leave and bereavement leave, to ensure employee well-being.

Equal opportunity, diversity and anti-discrimination

The Group remains committed to building a diverse and inclusive working environment in which employees from all backgrounds can grow and succeed. As an equal opportunity employer, the Group has incorporated respect and inclusivity into the core principles of its development strategy. Relevant policies promote equal opportunity, anti-discrimination and inclusive excellence, ensuring a workplace free from bias and discrimination.

The Group complies with relevant anti-discrimination laws and regulations in Hong Kong and PRC, including but not limited to:

- *Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong);*
- *Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong); and*
- *Employment Promotion Law of the People’s Republic of China**(中華人民共和國就業促進法).

All decisions related to hiring, training, promotion, dismissal and retirement are merit-based and made with consideration of job-related criteria, regardless of factors such as age, sex, marital status, family status, pregnancy, disability, race, colour, descent, national or ethnic origin, nationality or religion.

The Group employs a zero-tolerance policy against workplace discrimination, harassment and vilification. Employees are encouraged to report any suspected incidents to the HR Department, which is responsible for investigating, addressing and taking appropriate disciplinary actions in substantiated cases.

With the Office Automation (OA) system and Company Portal, the Group fosters open communications between management and employees, ensuring smooth cooperation and collaborations. These platforms allow employees to raise concerns, share ideas and establish a culture of transparency and collaboration.

* English name is translated for identification purpose only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Other benefits and welfare

The Group highlights the importance of employee well-being and hence is dedicated to boosting the overall satisfaction of its employees. To cultivate a culture of work-life balance, the Group regularly organises recreational and relaxing activities, such as movie screenings, yoga lessons and festive celebrations. Moreover, the Group holds quarterly birthday parties for employees to enhance the cohesiveness between employees and build up a sense of belongingness.

In addition to social activities, the Group provides employees with regular medical examinations to safeguard their health. Although the Group's welfare programme has been part of its key emphasis, there were no activities held in FY2025 to boost employee well-being, attributed to a strategic focus on resource allocation and business stability. In the future, the Group will maintain its emphasis on employee well-being and will continuously explore opportunities to launch relevant activities whenever feasible.

In FY2025, the Group complied with the relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare that have a significant impact on the Group.

B.2. Health and Safety

The Group prioritises its employee health, safety and well-being and thus aims to protect its employees by strictly adhering to relevant laws and regulations in the jurisdictions where it operates, including but not limited to:

- *Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong);*
- *Construction Law of the People's Republic of China* (中華人民共和國建築法);*
- *Administrative Provisions on the Work Safety License of Construction Enterprises* (建築施工企業安全生產許可證管理規定);*
- *Administrative Regulations on the Work Safety of Construction Projects* (建設工程安全生產管理條例);*
- *Production Safety Law of the People's Republic of China* (中華人民共和國安全生產法);*
- *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* (中華人民共和國職業病防治法);*
- *Regulation on Work-Related Injury Insurance* (工傷保險條例);* and
- *Warning Signs for Occupational Hazards in the Workplace* (工作場所職業病危害警示標識).*

The Group's commitment to safeguarding its employees is demonstrated from the implementation of comprehensive measures designed to minimise occupational risks and create a safe working environment.

* English name is translated for identification purpose only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Proactive Health and Safety Measures

Various standardised practices have been developed to ensure employee well-being, including:

- Purchasing commercial and employee safety insurance
- Providing regular safety training and implementing an occupational health system
- Organising routine workplace physical examinations to identify and mitigate health risks

To further strengthen workplace safety, these robust measures are established in alignment with international standards, including the Quality Management Systems (ISO 9001:2015) and Occupational Health and Safety Management Systems (ISO 45001:2018).

Ensuring Safety Across Operating Sites

Accident prevention measures have been established across all operating sites of the Group. Major safety measures include:

- Securely fencing dangerous areas and regularly inspecting fire safety facilities
- Providing proper training and protective equipment to employees engaged in manual handling work
- Conducting regular physical examinations for employees and collaborating with property management to ensure on-site security personnel are available

The Group's Engineering Management Department* (工程管理部门) is responsible for overseeing construction activities against the "Safe Production and Civil Construction Management"* (安全生產和土建施工管理) policy of the Group. Following the principle of "Safety First, Precaution Matters"* (安全第一、預防為主), the Group:

- Clearly defines safety responsibilities for different business units on construction sites
- Arranges regular training sessions to enhance employee awareness of safe production practices

For property development business, the Group's Administration Department is tasked with the arrangement of emergency drills and health and safety work meetings to enhance workplace safety awareness. Meanwhile, the HR Department oversees the implementation of health and safety policies to ensure compliance and identify areas for improvement.

For hotel operations, the Group's Security Department arranges regular physical examinations and conducts production safety knowledge training for all staff in compliance with national regulations. In the meantime, the Quality Control ("QC") Department monitors the implementation of relevant measures and reports the status to the General Affairs Office.

Furthermore, the Group maintains a safe, comfortable and environmentally friendly working environment for office-based employees. Primary features include:

- Adequate lighting and ventilation
- Designated employees managing first aid tools and kits
- Unlocked first aid stations and unobstructed emergency exits during working hours

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Work-related injury and fatality

In FY2025, the Group had zero work-related fatalities, including the past three years, while one work-related injury and 245 lost days due to work injury were recorded. During the year under review, the Group strictly complied with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have a significant impact on the Group.

Table 7 – Number and Rate of Work-related Fatalities of the Group in Past Three Years¹

Year	FY2023	FY2024	FY2025
Number of work-related fatalities	0	0	0
Rate of fatalities as a result of work-related injury (per hundred workers)	0	0	0

1. The fatality information was obtained from the Group's HR Department. The methodology adopted for reporting the number and rate of work-related fatalities set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

B.3. Development and Training

The Group strives to provide diverse training opportunities for specialised positions to ignite employee potential. This allows employees to continuously develop their skills, contribute to the Group's collective growth and achieve their personal and professional goals.

With its internal policies of "Implementation Rules on Training"* (培訓管理實施細則) and "Implementation Rules on Employee's Personal Development Management"* (員工個人進修管理實施細則), the Group ensures employees receive appropriate training programmes tailored to their roles and career goals.

For new employees, comprehensive induction training, covering essential topics such as corporate culture, organisational structure and occupational health and safety policies, is provided to allow new hires to familiarise themselves with the Group's values and expectations. Meanwhile, experienced employees receive job-specific training that aims to enhance their professional skills and meet both corporate and individual development needs. In FY2025, the Group offered a total of 3,460 training hours to 328 employees (see Table 8 and Table 9 for details).

Acknowledging the value of digitalisation and flexible learning, the Group leverages multimedia and online platforms such as QingXueTang* (輕學堂) and DeDao* (得到). These systems provide employees with around-the-clock access to a broad range of learning materials, allowing them to study at their own pace and based on individual needs. The Group's modern training approach strengthens engagement through interactive and gamified elements, as well as streamlined tracking of learning progress. This not only makes training more engaging but also ensures accurate record-keeping and personalised development paths for each employee.

* English name is translated for identification purpose only

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To support its long-term development goals, the Group encourages employees to take professional qualification examinations and participate in external training programmes. These opportunities allow employees to strengthen their professional skills, competitiveness and knowledge, while broadening their horizons. The Group provides sponsorships for employees who successfully complete professional qualification examinations and obtain relevant vocational certifications, reinforcing its commitment to a culture of continuous learning and professional excellence. In addition, the Group partners with external organisations and industry experts to deliver seminars and training sessions, further enriching the overall learning experience.

Table 8 – Number and Percentage of Employees Trained in the Group by Gender and Position Type in FY2025^{1, 2}

Total number of employees trained in FY2025	328
Number of employees as at 31 December 2025	535
Percentage of employees trained in the Group	61%

Unit: Number of employees	Position Type			Total
	General staff	Middle managerial level	Senior managerial level	
Male	106	27	8	141
Percentage of employees trained	32%	8%	2%	43%
Female	161	23	3	187
Percentage of employees trained	49%	7%	1%	57%
Total	267	50	11	
Percentage of employees trained	81%	15%	3%	

- The training information was obtained from the Group's HR Department. Training refers to the vocational training that the Group's employees attended in FY2025. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange; and
- Figures may not add up due to rounding.

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Table 9 – Training Hours Completed in the Group by Gender and Position Type in FY2025^{1,2}

Unit: Training Hours	Position Type			Total
	General staff	Middle managerial level	Senior managerial level	
Male	1,132	305	152	1,589
Average training hours	5.58	7.44	6.33	5.93
Female	1,431	375	65	1,871
Average training hours	6.36	12.50	5.42	7.01
Total	2,563	680	217	3,460
Average training hours	5.99	9.58	6.03	6.47

1. The training information was obtained from the Group's HR Department. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange; and
2. Figures may not add up due to rounding.

B.4. Labour Standards

In FY2025, the Group adhered to applicable laws and regulations in its operating regions regarding the prohibition of child and forced labour, including but not limited to:

- *Employment Ordinance (Cap. 57 of the Laws of Hong Kong);*
- *Labour Law of the People's Republic of China* (中華人民共和國勞動法);* and
- *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).*

To ensure compliance and prevent illegal employment of child and forced labour, the Group's HR Department strictly follows verification procedures. The Group requests job applicants to provide valid identity documents as proof of lawful employability prior to any employment confirmation. Additionally, the Group's HR Department is responsible for monitoring the corporate policies and relevant laws and regulations to ensure compliance.

In case of identified violation of labour laws, regulations, or standards, employment contract of relevant employees will be immediately terminated and disciplinary actions will be taken against involving staff. To prevent recurrence of such violations, a notice of criticism will be issued throughout the organisation.

In FY2025, the Group complied with relevant laws and regulations relating to preventing child and forced labour that have a significant impact on the Group.

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OPERATING PRACTICES

B.5. Supply Chain Management

With the aim to build a sustainable supply chain, the Group has established stable and mutually beneficial partnerships with its suppliers and sub-contractors. Through rigorous supplier engagement, robust risk management and adherence to stringent internal procurement and management processes, the Group strives to achieve its aim on maintaining a responsible supply chain.

Supplier Engagement and Risk Management

The Group engages its suppliers and sub-contractors primarily for intermediary services, IT products, office supplies and engineering services in construction projects. To ensure adherence to PRC laws, industry standards and internal requirements, the Group follows the “Implementation Rules for Cooperative Management”* (合作商管理實施細則) that standardises supplier engagement procedures.

Supplier Selection

The Group evaluates potential suppliers with a comprehensive set of business and ESG criteria, including company size, credibility and environmental and social compliance. During due diligence, key factors considered include:

- Reputation, service quality and product reliability
- Environmental management qualifications and practices to prevent potential environmental hazards
- Production capacity, technical expertise and cost-effectiveness
- Business track record over the past three years
- History of economic disputes and regulatory compliance

With the review of the Group’s Purchasing Department, approved suppliers are included in the “List of Qualified Suppliers”* (合格供應商名單). To ensure supply chain stability and avoid monopolies, the Group engages with at least two qualified suppliers for each type of raw materials. This process is managed by the Group’s Purchasing Department and monitored by the Cost and Tendering Centre.

Risk Mitigation and Compliance

Through a dedicated supplier risk management system, environmental and social risks within the supply chain are identified and assessed for proper handling. The Group’s Internal Compliance Department reviews relevant contracts with suppliers and sub-contractors to eliminate any potential business, sustainability or legal risks. To demonstrate alignment with sustainability and safety standards, suppliers are required to provide the Group with international certifications, such as ISO 14001 (Environmental Management System) or ISO 45001 (Occupational Health and Safety Management System).

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Performance Evaluation and Continuous Improvement

At the end of each year or project, suppliers are invited to complete the “Customer Evaluation Form”* (需方評估表) to assess collaboration quality across areas of tender inspection, on-site management, payment processes and personnel integrity. Feedback from suppliers facilitates the Group’s Cost and Tendering Centre to conduct performance evaluation on the Group’s Functional Management Department and identify areas for improvement. Meanwhile, the Group’s supply chain management team receives training on ethics, compliance and corporate social responsibility.

Ongoing Monitoring and Evaluation

For ongoing construction projects, the Group conducts regular on-site inspections and performance reviews according to the “Implementation Rules for Procurement Management”* (招標管理實施細則) and “Implementation Rules for Evaluation on Construction Unit”* (施工單位評價管理細則). The Project Establishment Department (立項部門), the Engineering Centre (工程中心) and the Design Centre (設計中心) of the Project Management Centre (工程管理中心) are designated to carry out annual performance reviews and project evaluations following the “Cooperative Management Measures”* (合作商管理辦法).

Green Procurement

To establish a green supply chain, environmental considerations are embedded into the Group’s procurement decisions. In particular, suppliers with recognised environmental certifications, such as ISO 14001, are prioritised. Environmental protection requirements are explicitly stipulated in commercial agreements and suppliers violating environmental laws are blacklisted.

The Group places a great emphasis on sourcing from local suppliers to support local economy. This helps lower transportation-related carbon emissions and minimise environmental impacts of the Group’s supply chain. The Group’s Cost and Tendering Centre is tasked with overseeing the implementation of the Group’s green procurement strategies.

Through rigorous supplier screening, effective risk management and reliable partnerships, the Group has maintained a stable supply chain. In FY2025, the Group consistently engaged with 20 suppliers, with all located in the PRC and 100% covered by the aforementioned supplier engagement and management policies.

* English name is translated for identification purpose only

B.6. Product Responsibility

In FY2025, the Group complied with relevant laws and regulations in Hong Kong and the PRC relating to health and safety, advertising, labelling and privacy matters relating to its products and services and methods of redress that have a significant impact on the Group. Applicable regulations include but not limited to:

- *Construction Law of the People's Republic of China** (中華人民共和國建築法);
- *Fire Protection Law of the People's Republic of China** (中華人民共和國消防法);
- *Administrative Regulations on the Work Safety of Construction Projects** (建設工程安全生產管理條例);
- *Regulations on Quality Management of Construction Projects** (建設工程質量管理條例);
- *Work Safety Law of the People's Republic of China** (中華人民共和國安全生產法);
- *Product Quality Law of the People's Republic of China** (中華人民共和國產品質量法);
- *Price Law of the People's Republic of China** (中華人民共和國價格法);
- *Law on Protection of Consumer Rights and Interests of the People's Republic of China** (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);
- *Regulation on the Administration of Advertisements** (廣告管理條例);
- *Contract Law of the People's Republic of China** (中華人民共和國合同法);
- *Opinions on Strengthening the Protection of Intellectual Property Rights* (關於強化知識產權保護的意見);
- *Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)*; and
- *Consumer Council Ordinance (Cap. 216 of the Laws of Hong Kong)*.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Product Quality and Safety

Delivering exceptional properties and services, the Group strives to meet and exceed customer expectations. To maintain the highest standards in construction projects, robust internal measures and oversight mechanisms have been formulated.

Oversight and Compliance

The Group's Project Management Centre (工程管理中心) and the Construction Project Supervision Department (項目工程監理部) are responsible for overseeing each stage of construction projects, covering inception to completion. The Group strictly adheres to national standards such as GB/T 19001-2016 (質量管理體系要求) and GB/T 24001-2015 (環境管理體系要求及使用指南), as well as internal policies such as the "Engineering Construction Supervision Manual"* (工程建設監理工作手冊), "Rules on Engineering Quality Management"* (工程質量管理細則) and "Rules on Project Schedule Management"* (工程進度管理細則). Furthermore, the Group incorporates health and safety considerations into all stages, including design, material selection and property delivery, aiming to deliver reliable and high-quality properties to customers.

Quality Control and Material Safety

The Group's QC Department rigorously inspects all operations, properties and services. Safe and non-hazardous construction materials are carefully selected in accordance with the "Operating Standard of Product Inspection"* (產品檢測作業標準) and sampling techniques are applied to detect potential hazardous substances. Under the "Control Procedure of Non-conforming Products"* (不合格產品控制程序), non-compliant products will be properly addressed and rectification measures will be taken. Given its business nature, the Group considers the establishment of recall procedures as not applicable to its business and hence no recall procedures are disclosed or discussed in this ESG Report. In FY2025, no product recalls were necessary for safety and health reasons.

Marketing & Advertising

The Group ensures all marketing activities comply with local laws and regulations, including the Advertising Law of the People's Republic of China* (中華人民共和國廣告法) and Advertising Management Regulations* (廣告管理條例). Marketing materials, such as signage, advertisements and promotional items, are reviewed comprehensively to avoid misrepresentation or exaggerated claims. To further ensure consistency and compliance, a "VI system" is established to manage processes of material design and publicity for the Group's hotel operations. Any deviations from internal procedures are promptly corrected.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Customer Privacy

Under the global trend of digitalisation, the Group leverages technologies while safeguarding customer privacy through robust cybersecurity measures.

Policy and Compliance

In compliance with relevant laws such as the Personal Data (Privacy) Ordinance, the Group also adheres to stringent internal policies, such as the “Confidentiality Management and Regulations”* (保密管理規定). To ensure compliance with applicable regulations, regular policy reviews are conducted. The Group stringently ensures that all collected information is solely used for its intended purpose. Striving to maintain transparency, the Group ensures its customers are informed about how their personal data is collected, handled and utilised. Moreover, sensitive customer information is consistently archived and securely stored.

Training and Technology

Recognising that education is the strongest defence, the Group provides authorised employees, who have access to sensitive information, with various training on data privacy, cybersecurity and customer data management. To protect personal information and data of customers, relevant employees are required to sign confidentiality agreements to ensure their commitment to customer privacy.

To prevent unauthorised access, export, copying and data leakage, the Group’s IT Department has strengthened computer firewalls across the organisation. The Group’s Marketing Service Centre is tasked with overseeing the implementation and monitoring of the Group’s customer data protection and privacy policies. This includes the tracking of key indicators, such as the frequency of breaches and the number of related complaints.

In FY2025, there was no reportable incidents of customer privacy breaches and the Group did not receive any substantiated complaints concerning breaches of customer privacy or loss of customer data.

Complaints and After-sales Service

While it strives to enhance customer satisfaction, the Group aims to effectively address customer complaints according to structured policies and guidelines. The Group’s Marketing Service Centre collects complaints from diverse channels, including telephone hotlines and fax. Once a complaint is received, the Group’s QC Department conducts comprehensive reviews and provides timely responses to address substantiated complaints. Relevant departments then promptly implement corrective measures and share the issue to internal parties to prevent recurrence. In addition to resolving the nature of complaints, pacification is prioritised and emotional support is provided to complainants. In FY2025, no substantiated complaint was received.

* English name is translated for identification purpose only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Intellectual Property Rights

By timely registration of trademarks, labels and product designs, the Group is committed to safeguarding its intellectual property. For instance, a design patent for the mascot of the Group's hotel operations has been registered. To protect rights and ensure compliance, internal legal experts and external advisors provide guidance on intellectual property protection and infringement matters. Additionally, employees are required to maintain the confidentiality of trade secrets and proprietary information owned by the Group.

Given its business nature and the principle of materiality, the Group regards labelling-related issues as not applicable to its business and therefore not disclosed or discussed in this ESG Report.

B.7. Anti-corruption

Commitment to Ethical Business Practices

To eradicate corruption and bribery, the Group emphasises the highest standards of business ethics. By promoting a workplace culture of fairness, integrity and efficiency, the Group rigorously complies with the applicable local laws and regulations related to anti-corruption and bribery, including but not limited to:

- *Anti-Corruption Law of the People's Republic of China** (中華人民共和國反腐敗法);
- *Law of the People's Republic of China on Anti-money Laundering** (中華人民共和國反洗錢法);
- *Anti-Unfair Competition Law of the People's Republic of China** (中華人民共和國不正當競爭法);
- *Article 274th of the Criminal Law of the People's Republic of China (on extortion and fraud)** (中華人民共和國刑法第二百四十四條(關於敲詐勒索));
- *Article 387th of the Criminal Law of the People's Republic of China (on illegal acceptance of other's property)** (中華人民共和國刑法第三百八十七條(關於非法收受他人財物));
- *Interim Provisions on Banning Commercial Bribery** (關於禁止商業賄賂行為的暫行規定);
- *Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong);* and
- *Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).*

The Group's commitment to business ethics and integrity facilitates its transparent and responsible business operations across all its operations.

Robust Internal Policies and Protocols

To eliminate corruption, bribery, money laundering, extortion, fraud, anti-competitive behaviour and other forms of misconduct, a set of internal policies and protocols have been formulated and implemented, which include the "Sunshine Service Convention"* (陽光服務公約), Integrity Agreement* (廉潔協議) and "Implementation Rules on Sales Management"* (銷售管理實施細則). These documents provide employees, sales personnel in particular, with clear guidelines on preventing illegitimate practices such as corruption, extortion, fraud and money laundering during business transactions. To further strengthen accountability across all levels, all employees are required to follow relevant policies.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Whistleblowing Mechanism: Encouraging Transparency and Accountability

With its whistleblowing mechanism being a critical tool for reporting concerns related to misconduct, unethical behaviour or unfair practices, the Group proactively promotes the mechanism among different parties. Internal and external stakeholders are encouraged to raise concerns verbally or in written forms through the mechanism and the Company's audit committee further handles the issue. To protect whistleblowers against any forms of retaliation or unjust treatment, the Group applies the mechanism in full confidentiality. When a report is received, the audit committee thoroughly investigates suspicious illegal incidents and takes immediate actions to address any illegal conduct. In the event of suspected corruption or other criminal offenses, the Group's management promptly reports the issue to relevant regulators or law enforcement authorities when deemed necessary.

The Group's Risk Management and Internal Audit Centre is designated to oversee and monitor the implementation of anti-bribery, anti-extortion, anti-fraud and anti-money laundering measures. This includes the tracking of key performance indicators such as the number of whistleblowing incidents reported and resolved. Regular progress tracking allows continuous improvement in the Group's ethical governance framework.

Training and Awareness: Building a Culture of Integrity

To promote the highest standards of ethical business practices and strengthen employee awareness on integrity, the Group timely provides training courses on anti-corruption and ethical standards. For instance, in FY2023, the Group organised quarterly physical training sessions of the "Training on Anti-Corruption and Ethical Business"* (關於反貪污及廉潔辦公的培訓) for its employees. The training focused on instilling theoretical knowledge about anti-corruption and ethical business practices, allowing employees to identify and prevent unethical conduct in their daily work. The Group considered the anti-corruption training in FY2023 aimed to strengthen its employee awareness on integrity was sufficient and hence the Group did not provide further relevant training session to its employees in FY2025.

In FY2025, there was zero concluded legal case regarding corrupt practices brought against the Group or its employees. The Group complied with relevant laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Group during the year under review.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

COMMUNITY

B.8. Community Investment

Over the years, the Group has been devoting its efforts to promoting sustainable development of urban cities to meet the evolving needs of the communities it serves. Leveraging its business expertise, the Group embeds targeted SDGs into its operations and corporate ethos, ensuring that its business strategies are aligned with global sustainability priorities. In addition to understanding issues such as social inequities and environmental crises, the Group establishes consistent connections to the communities it operates in to identify opportunities to address their most urgent challenges.

The well-being of diverse community groups has been the Group's emphasis throughout the years, particularly the provision of support to vulnerable populations. The Group's dedication is demonstrated from a series of initiatives, including advancing sustainable urban development, fostering educational opportunities, alleviating poverty and enhancing community care through volunteerism and financial contributions. Moreover, the Group has provided immediate support during emergencies, thereby fostering public health, social stability and environmental resilience.

In FY2025, the Group concentrated on advancing its key strategic priorities in line with its long-term business objectives. Despite no charitable donation during the year under review, the Group's commitment to corporate social responsibility remains unwavering. Looking ahead, the Group continues to embody its motto, 'Unity is Strength,' by channelling efforts into joint community contributions.