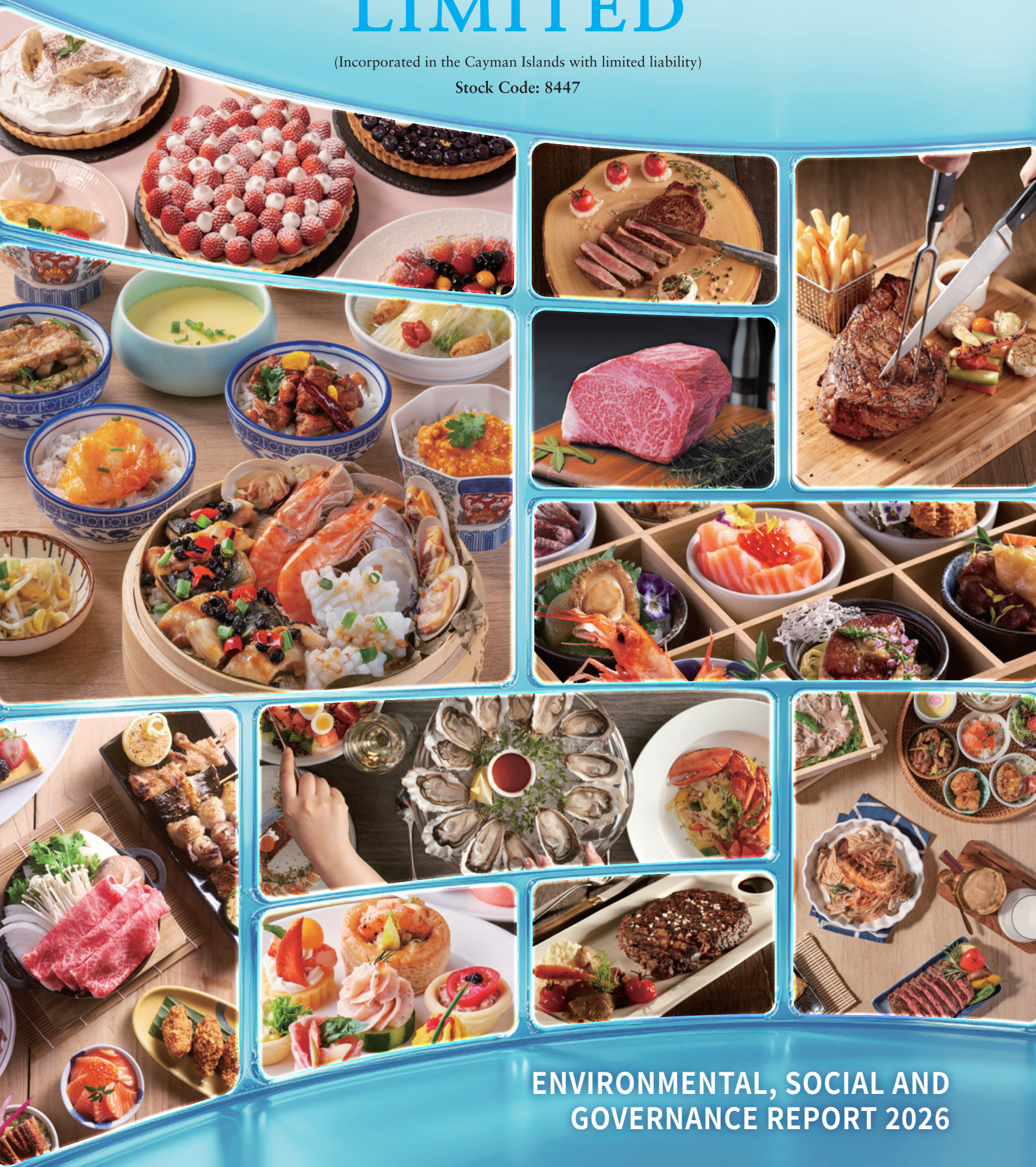
MS CONCEPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8447



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2026

Environmental, Social and Governance Report

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Environmental, Social and Governance Report

OVERVIEW

(I) SCOPE AND REPORTING PERIOD

MS Concept Limited (the "**Company**", together with its subsidiaries collectively referred to as the "**Group**"), herein disclose its fourth Environmental, Social and Governance ("**ESG**") Report which is prepared in accordance with Appendix C2 – Environmental, Social and Governance Reporting Guide (the "**ESG Guide**") of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**HKEx**"), and follows the principles of materiality, quantitative, balance and consistency as recommended by the ESG Guide. Apart from updating the Group's policies and measures regarding material environmental and social areas and aspects, which are considered to have significant impact to the Group's business and stakeholders, we also report our environmental and social obligatory performance, from 1 April 2025 to 31 March 2026 (the "**Reporting Period**"). Except for provisions that the Group considers are inapplicable to its operation, this ESG Report is compliant with all the "comply or explain" provisions set out in the ESG Guide.

The Group's main business is the provision of food catering services in the Hong Kong Special Administrative Region (the "**HKSAR**"). This report covers the Group's head office and 10 restaurants of different cuisines under 9 different brand names as of 31 March 2026, namely:

Name of restaurants	Types of cuisines
Mr. Steak	Western cuisine along with steak
Mr. Steak – Buffet à la minute	International cuisine with buffet
Sky Bar	Western cuisine along with seafood dishes and wines and cocktails
Bistro Bloom	Western specialty food
Hana	Japanese hotpot dishes such as Sukiyaki, Shabu Shabu and Seiromushi
Shokudo Wara	Japanese hotpot dishes such as Sukiyaki, Shabu Shabu and Seiromushi
Taiwan Bussan Hotpot	Taiwanese hotpot
Eat Home	Local Chinese neighborhood restaurant
The Palate	International cuisine with buffet

(II) CORPORATE VISION AND MISSION

The Group continues with its vision to be a leading quality food and catering group and to provide healthy, safe and pleasant working environment to employees; maximize returns to its shareholders, investors, business partners and supporters; and sustainable development to the local community and to protect the local as well as the global environment. It is the Group's mission to deliver an affordable luxury dining experience with high quality food, desirable ambience and thoughtful services at affordable prices.

(III) ESG COMMITMENTS AND MANAGEMENT

The Group continues to follow the ESG Guide on listed areas and aspects and regards them as significant considerations for the short and long-term operations of its business, and is committed to conducting its business in a socially and environmentally responsible manner. The Group also continues to attend and care about the impact of its daily operation on the environment, employees, clients and local communities, and to make efforts to meet and to maximize the interests of all stakeholders, environment, society and corporate governance on a fair and mutual-beneficiary balance.

During the Reporting Period, the Group's ESG management structure and process continued to be the same as the last reporting period. The Board, headed by the chairman, is responsible for formulation and approval of the Group's ESG strategies, policies, guidelines and targets and ultimately for its public reporting. The day-to-day management including the effective implementation of the overall strategies and initiatives adopted by the Board on operations, financial, environmental and social issues and obligations, are delegated to the chief executive officer of the Group ("**CEO**") and his management team composing of several area managers (the "**ESG Management Team**"). On day-to-day operations, the ESG Management Team were responsible for the following duties in relation to ESG issues:

- implementing the approved ESG policies, rules and regulations;
- collecting, compiling and formulating data and statistics on ESG related issues and Key Performance Indicators ("**KPIs**");
- reviewing and monitoring especially on the legal, environmental and social compliance of the ESG related issues on a regular basis; and
- achieving the ESG targets set by the Board.

Whenever regular or ad hoc special updates and reports on ESG activities and related issues were received, the ESG Management Team headed by the CEO evaluated the overall positions, drafted the appropriate action plans, prepared and submitted reports and recommendations to the Board for approval and thereafter for implementation.

The Group fully understands that changes in business operations, structures, technologies, laws and regulations, and the environment may affect its ESG policies, practices and performances. The Group therefore continues ensuring adequate resources available to monitor ESG issues, policies, practices and performance on an ongoing basis.

In managing the ESG priorities, the Group insists on its corporate and all the restaurants' operations to fulfil and comply with their environmental and social responsibilities and obligations as required by the ESG Guide, the related laws, rules and regulations of the HKSAR and relevant statutory requirements, operating practices and standards of the catering industry, and guarantee food safety and quality services.

(IV) STAKEHOLDERS COMMUNICATION AND MATERIALITY

In managing the priorities, the Group will ensure its operations are in compliance with its environmental and social responsibilities and obligations. The Group will take into account of the opinions and views, and strive to address their concerns with the various stakeholders through the stated communication channels as listed below:

Stakeholders	Communication Channels
Shareholders/Investors	• Direct emails or phone enquiries • Dispatched documents
Employees	• Direct meetings with the management executives • Emails • Annual and regular appraisal • Organized functions and activities for the employees
Customers	• Day-to-day communication through front line staff • Emails • Official websites
Suppliers/service providers/ professional advisors	• Day-to-day communication through front line staff • Regular review of the signed arrangements by the management
NGO partners	• Volunteer activities • Sponsors and donations
Industry associations	• Participation in annual and regular meetings and events

After collecting the views and opinions, the CEO and/or Senior Management will carry out materiality assessments internally with the related managers and externally with related stakeholders through various means of communication, such as liaison groups, panel discussions, workshops, on-site visits, company websites, emails and direct enquiry phones, etc. For 2026, the Group and the stakeholders have identified the following material areas and aspects:

Subject Areas	Aspects	Materiality
Environmental	A1. Emissions	✔
	A2. Use of Resources	✔
	A3. Environment and Natural Resources	✔
	A4. Climate Change	✔
Social	B1. Employment	✔
	B2. Health and Safety	✔
	B3. Development and Training	✔
	B4. Labour Standards	✔
Operating Practices	B5. Supply Chain Management	✔
	B6. Product Responsibility	✔
	B7. Anti-corruption	✔
Community	B8. Community Investment	✔

Reporting principles	Interpretation	Application of reporting principles
Materiality	The Group should focus on reporting the ESG issues that have an important impact on the Group and its stakeholders.	The Group determines the impact of various ESG issues on the Group's operations through the materiality assessment. Based on the results of the assessment, the Group identifies material ESG issues and makes key disclosures in this ESG Report.
Quantitative	The KPIs must be measurable and clearly state the calculation criteria and methods.	This ESG Report is prepared in accordance with the ESG Reporting Guide and discloses KPIs in a quantitative manner. The KPIs are supplemented by explanatory notes to establish benchmarks where feasible.
Balance	The Group should objectively and truthfully report on its ESG performance during the Reporting Period.	This ESG Report is based on an objective and impartial manner to ensure that the information disclosed faithfully reflects the overall performance of the Group in ESG aspects.
Consistency	The Group should use consistent disclosure and statistical methods to help stakeholders analyze and evaluate the organization's past and current performance. The Group should also explain any changes to the method.	Unless otherwise stated, the Group's disclosure and statistical methods are consistent with the past such as the year ended 31 March 2025 for meaningful comparison. If there are any changes that may affect comparison with previous reports, explanations will be provided in this ESG Report.

Environmental, Social and Governance Report

Through the Group's established management structure, process, policies and guidelines as aforementioned and described, the above ESG material areas and aspects have been strictly managed and monitored and herein are summarized below:

ESG MATERIAL AREAS AND ASPECTS, AND OBLIGATIONS PERFORMANCE

A. ENVIRONMENTAL AREAS AND ASPECTS

1.1 Environmental Areas and Aspects Overview

Given the nature of food and catering activities, the Group mainly uses energy and resources of electricity, gas, water, disposal paper and packaging materials. The Group's operations and activities generate air emissions, food and packaging wastes and used water discharge. As an environmentally responsible corporation, the Group continues to abide by and comply with all the local environmental laws and regulations, commitments to environmentally sustainable development with ongoing operations and activities to protect the environment, to prevent and minimize pollution, and to conserve energy, water and resources.

During the Reporting Period, the Group, same as the previous reporting periods, did not receive any violation notices and fines or complaints in relation to its emissions, wastes and discharges or other environmental obligations.

1.2 Environmental Aspects

Aspect A1: Emissions, Wastes and Discharges

For the Reporting Period, same as the previous reporting periods, during the course of the Group's food catering operation and activities in the 10 restaurants (2025: 12) and the head office, the types of emissions, wastes and discharge, were mainly air pollutants which included direct and indirect greenhouse gas ("**GHG**"), namely carbon dioxide ("**CO_2**") emissions from gas and electricity consumption and its equivalent (together, "**CO_2e**"), including methane and nitrous oxide, from gas consumption, non-hazardous food and packaging waste, and used water discharge. All these emissions, wastes and discharges continued to be subjected to the surveillance of law enforcers and there had been no complaints or breaches recorded by the Hong Kong Food and Environmental Hygiene Department, Environmental Protection Department, and other law enforcing agencies.

Type of Emissions, Wastes and Discharges

(a) Air Emissions – Non-Hazardous GHG and Hazardous Air Pollutant Emissions

Same as the previous reporting periods, our main emissions from the head office and the operating restaurants in the HKSAR were mainly CO2 and trace amount of hazardous air pollutants such as nitrogen oxides ("**NO_x**") and sulphur oxides ("**SO_x**"). Pursuant to Appendix 2 of the ESG Guide: Reporting Guidance on Environmental KPIs, and based on the uses of electricity and gas, the Group's direct and indirect emissions for the Reporting Period were estimated below:

Energy Consumption Sources	Energy Consumption (in kWh) during the Reporting Period		
	2026	2025	+/–
CO_2e	1,478.77 tonnes	1,875.08 tonnes	–21.14%
SO_x	0.13 kg	0.15 kg	–13.97%
NO_x	25.21 kg	29.30 kg	–13.97%

For the Reporting Period, CO_2e, SO_x and NO_x intensity was approximately 6.27 tonnes per million revenue[1], 0.0005 kg per million revenue and 0.11 kg per million revenue.

CO_2e, SO_x and NO_x were generated by gas and electricity which changed of approximately –13.97% and –21.50% respectively over the last reporting period. The Group's gas and electricity consumption changed is in line with the estimation of the Group in the last reporting period due to the downsize of operating scale and the Group aims for a decrease in emissions of approximately 1-3% in the next reporting period.

As the cornerstone operations principle and policy, the Group has committed to environmental protection through conserving energy and resources, and controlling pollution emissions and has implemented the following measures:

- complying with the relevant environmental laws and statutory regulations;
- employees at various levels being frequently educated and reminded of their respective roles and responsibilities in protecting the environment, conserving energy and natural resources through effective implementation of strict rules and regulations;
- designing and installing all of the Group's kitchens and dining halls with cooking, lighting and ventilation equipment to be energy efficient and generate minimal pollution; and
- adequate and proper maintenance of the related equipment are pertinent to emissions and discharge quality.

(b) Non-Hazardous and Hazardous Wastes Discharge

The Group's restaurant and office operations do not generate and discharge hazardous wastes which are of significance and material to the environment. The main wastes from our restaurant's operations are:

- residual food and unused raw food materials exceeding their perishable conditions, which are organic by nature; and
- paper and packaging materials from purchases, napkins and dining utensils used by customers.

[1] For the year ended 31 March 2026, the Group recorded a total revenue of approximately HK$236,000,000. This data will also be used for calculating other intensity data in the ESG Report.

The Group, being a responsible catering business operator, is aware of its obligation and role in resource conservation and waste reduction and following measures have been taken:

- careful estimations of the purchase of ingredients to avoid surplus and residuals; and
- increase public awareness of food waste.

While in the Group's head office, the wastes generated are papers and packaging materials, which are mostly non-hazardous. The amount of waste generated is insignificant and is collected daily by the office cleaners. The office sometimes will also generate hazardous wastes such as battery and printing toner boxes, which are quite insignificant in amount.

During the Reporting Period, same as the previous reporting periods, no adverse comments or irregularities were reported from the internal control mechanism or external law enforcers on its solid wastes discharges. The Group aims to continue such results for the following reporting period.

(c) Noise and Light Emissions

The designs of all of the restaurants have complied with the relevant governmental standards and ensured no disturbing noises or light pollution affecting the surrounding neighbors.

During the Reporting Period, same as the previous reporting period, no noise or light complaints were filed against the Group's restaurants. The Group aims to continue such results for the following reporting period.

Core Measures to Mitigate Emissions and Hazardous and Non-Hazardous Wastes

As listed in the above sections, energy saving and conservation of natural resources are material ESG issues concerned by the Group's stakeholders. It is also the cornerstone principles during formulation of environmental strategies and policies. The Group has adopted and implemented the 5-R Principle (Reuse, Renew, Resume, Recycle and Reduce) with the purpose to achieve its environmental protection targets. All levels of the Group are reminded of its importance and exercised due care on its successful implementation.

Aspect A2: Use of resources

The Group's core business – food catering – remained unchanged in the few years, and its operations and activities will continue to use the resources of electricity, gas, water, printing and packaging materials for its restaurants and office, which will have impact on the natural resources and environment in the course of its business operations.

The Group continued with its objectives and policies to promote resources saving measures and has implemented various energy, water and packaging materials saving measures in order to improve the resources saving performance and achieve operational optimization while complying with the relevant national laws and regulations. The Group has implemented the 5-R Principle on the efficient use of resources and to avoid unnecessary wastage for the restaurants and office.

The Group also recognises that installing advanced and modern equipment in compliance with the relevant rules and regulations will improve efficiency and possibly save costs. This principle has been fully examined and explored when new equipment is launched or when new restaurants are planned.

Finally, the Group continues to pay attention to education programs, in which employees are constantly reminded to treasure natural resources and energy.

Type of Resources Used

During the Reporting Period, the resources usage – electricity, gas, water and paper which had impacts to the environment were recorded below:

(i) Electricity

During the Reporting Period, approximately 1,973,299 kWh, with the intensity of 8,361.44 kWh per million revenue, were consumed, represented a decrease of approximately 21.50% over 2,513,710 kWh of the last reporting period; and.

(ii) Gas

During the Reporting Period, approximately 131,292 units, with the intensity of 556.32 units per million revenue, were consumed, represented a decrease of approximately 13.97% over 152,607 units of the last reporting period.

During the Reporting Period, the Group's electricity and gas consumption decreased because of reduction in the scale of operations, which meets the Group's expectation.

On energy consumption, the Group has benefitted from its proactive approach in planning and designing its restaurants. Up-to-date technology and devices are installed and introduced in its new setups. Energy saving lights such as LED lights and water-saving systems, where applicable are installed in the kitchens and dining areas. Energy efficiency has always been one of the Group's considerations in our purchases of new equipment.

On the day-to-day operations, the Group believes that smart and responsible use of energy by its employees are other key contributing factors to save energy. The Group has operating guidelines and instructions on the efficient use and conservation of resources. In parallel, education and promotional programs are in place to remind staff of efficient use of energy. Staff at all levels are made responsible for and are conscientious of the importance of energy saving and resource conservation.

In short, with the installation of modern energy saving equipment and measures to reduce energy consumption, the Group's electricity and gas consumption for the Reporting Period continued to perform and achieve reductions. The Group targets a further 3% energy consumption saving under similar working conditions in the coming year.

(iii) Water

During the Reporting Period, approximately 86,048 m^3, with the intensity of 364.61 m^3 per million revenue were consumed, represented an increase of approximately 16.33% over 73,968 m^3 of the last reporting period.

The Group's water consumption during the Reporting Period recorded an increase of 16.33%, which was due to a newly opened buffet restaurant, which has led to an increase in the frequency of food rinsing and washing. The significant increase in water consumption exceeded the Group's expectation and the Group targets a 3% water consumption saving under similar working conditions in the coming year.

Same as other food and beverage operators in the HKSAR, the kitchens of the Group's restaurant operations enjoy constant and reliable water supply as well as electricity supply from the city supply. There are no issues in sourcing water that is fit for purpose. The incoming quality meets with our production quality requirements. Alternative sources like drilling wells or using well water are considered not practicable in the HKSAR.

During the Reporting Period, the Group did not find unreasonable usage and wastage of water as well as discharge of waste water in its restaurants, nor receive any warning notice on its inappropriate consumption of water from any government agency. The Group will continue to apply the stringent measures and targets to reduce a 3% under similar operation conditions for the coming year.

The Group is also aware that customers' behaviour is an important driver in conserving resources and efficient use of water, as well as energy and paper. All its provisions are paved to guide its customers towards this path. Deterring the use of non-recyclable take-away containers, is an illustration of its commitment in this aspect.

(iv) Paper and paper-packaging materials

During the Reporting Period, the usage amount was about 685,274 sheets of paper, represented a decrease of approximately 21.31% over 870,862 sheets of the last reporting period.

This decrease occurred in line with downsize of operating scale. The Group still prioritizes food hygiene and customer safety through certified, fit-for-purpose packaging materials that balance cost-effectiveness and environmental responsibility.

In the restaurants, paper is used for napkins and packaging materials are mostly in the form of bags and containers used for taking away food. In the office, paper is used for document printing and filing purposes. On the former, the Group has tried to deter the use of packaging materials by imposing fees. On the latter, the Group has encouraged staff to reduce paper consumption through use of electronic tools such as emails, messages and Universal Serial Bus storage to replace paper files, sketches and letters; to print paper on both sides, and to use only recycled paper. All staffs are constantly reminded to reduce paper consumption.

During the Reporting Period, the Group, recorded a significant decrease of approximately 21.31% on paper and paper-packaging materials used over the last reporting period. The decrease is attributed to the reduction of operating scale and the group achieves a balance between cost-effectiveness and environmental responsibility by using certified and suitable packaging materials, prioritizing resource conservation and reducing consumption. Nevertheless, in the coming year, the Group will continue with and increase its effort on saving paper and targets a 3% drop on the usage of paper and paper-packaging materials.

Aspect A3: Environment and natural resources

Same as before, the Group's food and catering services operations have used a substantial amount of natural resources especially on energy (including electricity and gas), water, paper and packaging materials, which in turn have generated gas emissions and waste discharges, and could have a direct impact on the environment, if they are not properly managed. The Group has already taken a responsible approach to implement policies and measures to invest in energy and resources saving equipment and technology, to properly handle, and to reduce the emissions and discharges. The Group in fact achieved a reduction on its GHG and other air pollutants during the Reporting Period. The Group, same as the last reporting period, had no warnings, fines nor violation notices, and was in compliance with applicable environmental protection laws and regulations in all materials respects, during the Reporting Period.

As a continuous guiding principle and policy, for not only cost saving purposes but environmental preservation as well, the Group continues to constantly review ways and means to accomplish further means of saving resources. To reduce the consumption of fresh water, energy and papers, the Group continues to advocate and support all measures to refuse, reduce, reuse, repurpose and recycle as much as possible. The Group has also constantly been looking for ways and means including investment opportunities on new energy and resources-saving technology and equipment to accomplish its reduction, reuse and recycling goals. Reduction, reuse and recycling measures, where appropriate and practicable, remain to be the main approaches which the Group would consider pursuing. Finally, the Group constantly updates and upgrades its operation procedures and processes with the aim to achieve a higher standard in the work of energy saving and emission reduction, and the use of water, energy and paper; and alert, educate, and encourage employees on the importance of environmental protection and to act in an eco-friendly manner during work and in daily life.

Aspect A4: Climate Change

Climate change is mainly caused by the release of CO_2e into the atmosphere, which is directly and indirectly the result of the use of fossil fuels (including coal, crude oil and gases) for energy and electricity generation. As the world now moves toward a lower-carbon sustainable economy to remediate the global warming problem, the Group should consider areas and aspects which may contribute to tackle the problem.

As specified in the section "Stakeholders' Communication and Materiality", stakeholders expect the Group to manage and mitigate climate change risks. In light of the current global environmental conditions and the Group's operations and activities, the Board identifies that reduction on electricity, water and wood based tools including printing papers, napkins, chopsticks, packaging bags consumption will be the immediate areas that may impact the Group and the environment. These three areas will not only affect the operation costs of the Group, they will also contribute directly or indirectly on the global environmental conditions, and the Group should tackle them for the purposes to combat climate change and reduce the operation costs in the future.

Governance

The Group has overall responsibility for overseeing and managing climate-related risks and opportunities relevant to the Group's business. Climate-related matters have been integrated into the Group's ESG governance framework. The Group regularly reviews the process of identifying and assessing climate risks and monitors the progress and effectiveness of relevant management measures. The Group uses targeted metrics to assess climate-related risks and opportunities and confirms that greenhouse gas ("**GHG**") emissions and energy consumption are core indicators that are material and operationally critical to climate risk governance.

Strategy

Climate change may have a significant impact on the Group's operations, financial performance and supply chain stability. To ensure long-term stable operations, the Group has established a climate-related risk and opportunity identification mechanism covering both physical and transition risks:

Physical risks

The frequency and intensity of extreme weather events – including droughts, floods, storms, typhoons and global warming. For the Group, the associated risks are concentrated in three areas: (i) road congestion and damage to infrastructure may disrupt the transportation of raw materials and food supplies, affecting normal restaurant operations; (ii) strong winds and flooding may damage the Group's restaurant equipment and properties, incurring additional repair and replacement costs; and (iii) changing weather patterns (e.g. temperature rises and irregular rainfall) may affect crop yields and quality, thereby affecting product quality and the stability of ingredient supply. An increase in food costs as a result of reduced ingredient supply is expected, which may put pressure on the Group's revenue. Delivery disruptions of seasonal ingredients also pose practical challenges to the Group's promotion of seasonal menus.

Transition risks

The Group pays attention to the possible introduction of carbon pricing mechanisms – if a carbon price is implemented in the regions where the Group operates, it would lead to additional compliance costs. In addition, increasingly stringent environmental regulations and emissions standards for the food and beverage industry may require capital investment to upgrade equipment, such as installing advanced air filtration systems. Failure to comply with relevant regulations on time would expose the Group to fines and reputational damage. On the other hand, changing consumer preferences are reshaping the dining market – consumers in the future may prefer restaurants that offer environmentally friendly and sustainable choices. If the Group fails to adjust its menu mix and operational strategy accordingly, its market share and competitiveness may be affected.

Climate resilience

To address the above risks, the Group has formulated multi-dimensional mitigation and response measures to enhance climate resilience. With respect to contingency planning, the Group has established an extreme weather monitoring mechanism to optimise inventory management based on early warning information. A business continuity plan has been developed, including rapid recovery procedures for temporary store closures and emergency supply chain plans. In terms of supply chain management, sustainability performance has been incorporated into the Group's supplier selection criteria. At the operational level, the Group regularly inspects and maintains restaurant facilities and equipment, thereby reducing the impact of climate-related emergencies through improved operational stability.

Risk Management

The Group adopts a systematic process to identify, assess, prioritise and monitor climate-related risks and opportunities. During the Reporting Period, the Group has monitored and disclosed data on two core indicators: GHG emissions and energy consumption. At the same time, the Group is exploring the possible application of scenario analysis to more systematically estimate the potential impact of climate change. The risk identification scope covers the restaurant operations, central kitchen and suppliers along the value chain, ensuring that risk management extends across the full operational chain.

Metrics and Targets

The Group has set environmental targets, covering carbon emission and energy consumption. The process and outcome will be continuously monitored.

(i) Indirect and direct GHG – CO_2 Emissions

As explained above, during the Reporting Period, the Group indirectly and directly emitted CO_2e through electricity and gas consumption for its operations. The Group has already implemented policies and measures to reduce the use of electricity and gas in its restaurants and office. With a reduction in electricity and gas consumption, less energy will be required, as such, less CO_2e will be generated accordingly. The Group will also continue to invest in more energy efficient processes and equipment in the near future.

(ii) Water

As explained above, during the Reporting Period, the Group has already taken measures to supervise and encourage employees to more efficiently use water in order to reduce its consumption, which will possibly bring back a balance to the global hydrosphere condition.

(iii) Paper packaging Materials

As explained above, during the Reporting Period, the Group has already implemented policies and measures to reduce papers and to use recycled papers as far as possible, which will directly reduce the cutting of trees. The Group at the same time has supported low-carbon activities and to re-grow the forest, which is the main tool to reduce carbon directly to curb global warming.

During the Reporting Period, the Group's business operations and activities did not lead to any events or issues that might impact the climate or result in the change of the climate significantly. The Group has already taken measures to lower indirect and direct CO_2e emissions, and to reduce water and paper and paper-related packaging materials usage with a wish to curb global warming. The Group will continue with such policies and measures for the coming year.

Opportunities

Climate change also brings certain business opportunities to the Group. First, the Group can develop sustainable and low-carbon menu options in response to changing consumer preferences. For example, by increasing plant-based protein and vegetable-focused main courses. This not only enhances brand image and attracts environmentally conscious customers, but also helps to build a differentiated market advantage. Second, improving energy efficiency is an important path for the Group to reduce long-term operating costs – while exploring energy-saving equipment to reduce carbon emissions, the Group can simultaneously lower electricity expenses, thereby buffering the financial pressure of energy price volatility. In addition, prioritising local and sustainable sourcing not only reduces carbon emissions from supply chain transportation, but also helps to ensure timely and stable delivery of ingredients, effectively mitigating supply chain disruption risks caused by extreme weather events.

B. SOCIAL AREAS AND ASPECTS

2.1 Social Areas and Aspects Overview

The Group is committed to conducting business in a responsible and ethical way and strives to build mutually beneficial relationships with its stakeholders, including its employees, customers, suppliers, communities, as well as the public and governing authorities. On formulation of ESG strategies and policies, the Group has already taken into account of its short and long term corporate development goals, the benefits to the stakeholders and sustainable development of the society and the environment.

In accordance with the ESG Guide, social areas and aspects including "Employment and Labour Practices" and "Operation Practices and Community Investment", and the Group's policies, strategies and performance in these areas are reported below:

2.2 *Employment and Labour Practices Areas and Aspects*

The Group firmly believes that its development, success and growth depend highly on the skills, passion and commitment of its employees. It has treasured its employees and their intrinsic talents as its most important resources and assets. It has therefore committed to strictly complying at all times with all the relevant laws, rules and regulations on employment – the Employment Ordinance ("**Employment Ordinance**") (Chapter 57 of the Laws of Hong Kong) of the HKSAR, and providing a safe and healthy working environment, offering equal opportunities to all employees on recruitment, promotion, compensation and benefits. It has strengthened its human resources management with employees-oriented policies to encourage motivation and innovation, and to protect the interests and legal rights of the employees, and ultimately to achieve a positive, constructive and harmonious relationship with its employees. The Human Resources ("**HR**") department of the Group has been delegated with the responsibilities to implement the employment and related policies, rules and regulations, which are summarised and laid out in its employee handbook and employment contracts.

Aspect B1: Employment

Since the Group's establishment, it has continued an employee-oriented employment policies and practices throughout, which include the following main features:

- The HR department continues to report directly to the Group's CEO and has been assigned with the responsibility to implement the Group's human resources strategies and policies and has been charged with the responsibility and duty to ensure all the statutory obligations of the Group have been fulfilled and complied with in a legitimate manner.

- The manager of each restaurant will be the human resources head and will be responsible for implementing the human resources policies, rules and regulations promulgated by the head office in his managed restaurant.

- The Group adopts humanistic and equitable human resources policies with equal opportunities for all without discrimination on hiring, promotion, remuneration, benefits, training, dismissal and other aspects of employment.

- All employees are required to sign employment contracts with the Group and/or its subsidiaries, and will receive an employee handbook, listed out all the employment terms and conditions, benefits and obligations including but not limited to, appointment, termination, working hours, rest days, statutory holidays, remunerations, various compensations, dismissals, health, general safety and welfares etc.

- In accordance with the requirements of the Employment Ordinance and the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), and Employees' Compensation Ordinance ("**Employees' Compensation Ordinance**") (Chapter 282 of the Laws of Hong Kong) of the HKSAR, the Group provides and maintains statutory benefits to all qualified employees, including but not limited to mandatory provident fund, medical insurance, work injury insurance and compensation and statutory holidays.

- On recruitment, the Group has adopted a mixed policy of external recruitment and internal promotion for vacancies. All vacancies are open to all with equal opportunities, no discrimination on sex, religion, gender, age and disability, and to be selected on qualifications skill and competency basis.

- Employment of child labour and forced labour is strictly forbidden.

- Employees' remunerations are determined with reference to the prevailing market level in line with their competency, qualifications, experience and job position. Discretionary bonuses of such amounts and at such intervals for employees will be rewarded at the discretion of the top management with consideration on performance.

- Provide a safe and pleasant working environment to its employees.

Although recruitment in the food catering industry is highly competitive, the Group has been able to hire suitable candidates in the market by offering attractive remuneration packages, including competitive wages, incentives and discretionary bonus, transportation allowance, staff meals and promotion prospects to its employees. Furthermore, the Group has constantly reviewed its policies, codes and guidelines on labour welfare and protection emphasizing on legal compliance of laws and legislative standards.

During the Reporting Period, same as the previous reporting periods, the Group honored all obligations to its employees including the payment of salaries and wages, holidays and leaves, compensations, insurances and health benefits, and did not have any employment related disputes or litigations recorded. In the coming year, the Group is again confident to maintain the amicable employer and employee relationship.

As at 31 March 2026, the Group employed a total of 176 full-time employees (2025: 206) and no part-time employee (2025: 0), lower the total number of employees by 30 or 14.56%. Further analysis of the Group's employment breakdown for the current and the previous reporting periods are summarized in below:

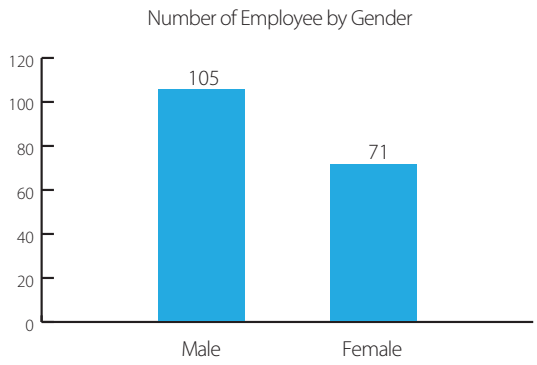

Figure 1: Number of Employee by Gender

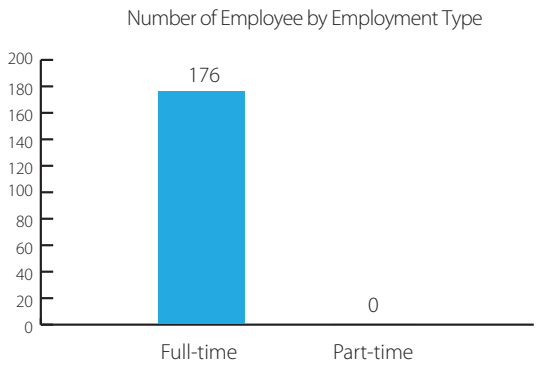

Figure 2: Number of Employee by Employment Type

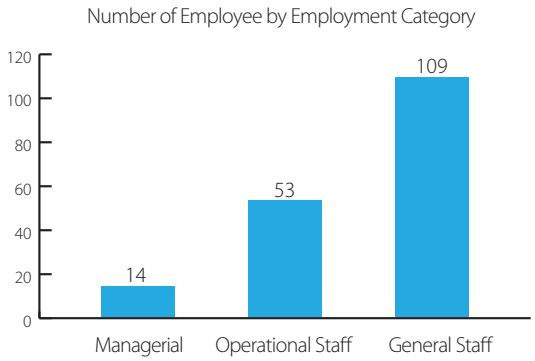

Figure 3: Number of Employee by Employment Category

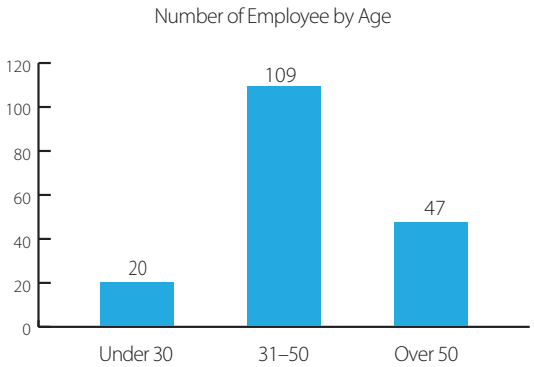

Figure 4: Number of Employee by Age

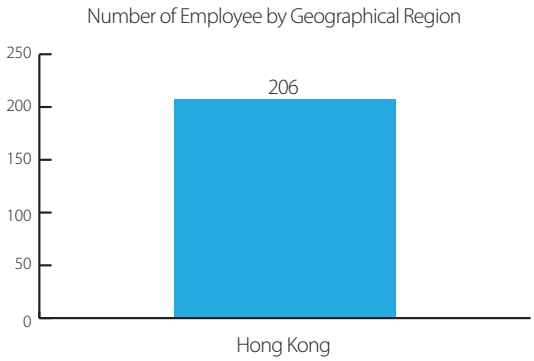

Figure 5: Number of Employee by Geographical Region

During the 2026 Reporting Period, the Group did not have any incidents of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. We are confident that the Group will achieve the same result for the coming year.

Employment Turnover of the Group:

As for the employee turnover rate, an analysis of the Group's employee turnover rate breakdown for the Reporting Period is summarized in below:

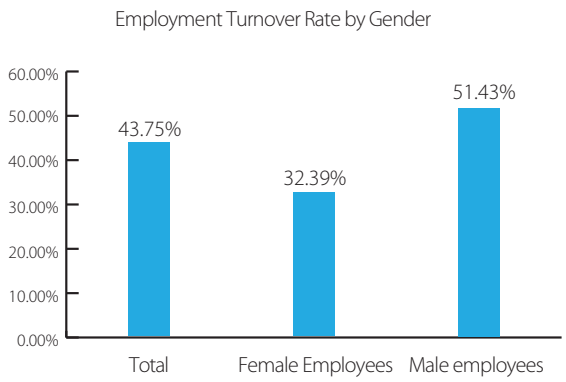

Figure 6: Employment Turnover Rate by Gender

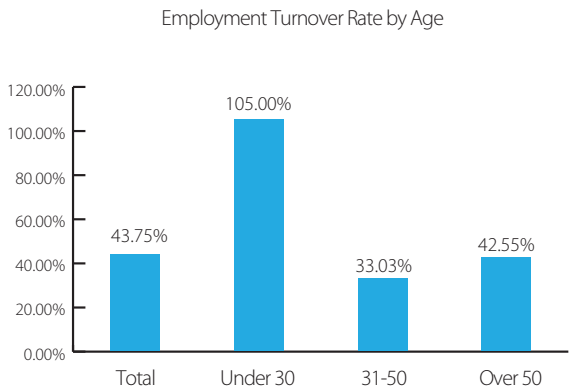

Figure 7: Employment Turnover Rate by Age

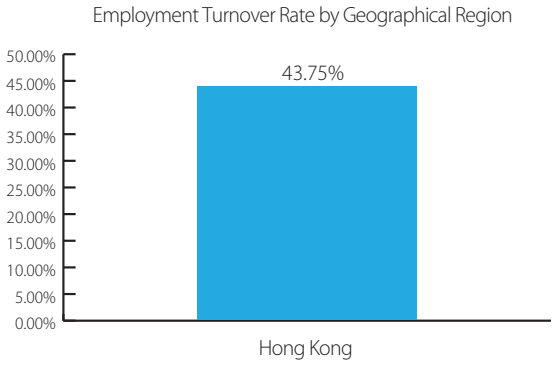

Figure 8: Employment Turnover Rate by Geographical Region

Aspect B2: Health and safety

Given the nature of food catering business, the Group has continued to act as a responsible employer and implemented its 'employee-oriented' human resources policies and is committed to providing a healthy and safe working environment for employees to prevent them from injuries and accidents, and to minimizing the risk of any occupational hazards, as well as to the visiting customers, In particular, personal hygiene of the employees is critical and instrumental in food safety. All employees are required to strictly observe the health and safety policies, instructions and guidance and to follow the same workplace safety as their priority during operations. Restaurant managers and supervisors are charged with the responsibility of ensuring that safety policies, rules and practices are implemented in the workplaces. The Group has taken the following health and safety measures to protect its employees:

- Ensuring all the safety, medical and hygiene equipment are adequately in place and are operating efficiently, passing inspections and complying with all the safety and hygiene rules and regulations.

- Requiring all employees to strictly comply with the health and safety policies, rules and regulations, including the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and Employees' Compensation Ordinance of the HKSAR, and has constantly reminded the employees to perform their tasks under safety conditions.

- Taking occupational health and safety as one of the Group's prime responsibilities, and constantly improves the occupational safety and health management system in order to reduce risks and create a safe working environment.

- In-house rules stipulating that whenever injuries or accidents occur, regardless of minor or serious incident, the employees must notify the superiors immediately who will then take appropriate actions to ensure safety is not compromised, and in all circumstance to be promptly and properly dealt with and reported in accordance with the local laws and regulations as appropriate.

- When necessary, remedial or compensatory action arising from safety and health issues or work injuries. HR department will assign a staff to ensure that the case will be done properly and in a timely manner.

- The Group has assigned safety officers to regularly inspect and to educate employees to take precautionary measures to ensure that the workplace is safe. Regular health and safety trainings will be provided to employees to assist them to perform their jobs safely.

- Ensuring all kitchen and restaurant hall works with medical insurance in accordance with the statutory requirements.

The Group continues to treat health and safety as the upmost priority in its business goals and operations without any compromise. The Group has honoured all obligations without disputes towards its employees, and in compliance with all the statutory requirements.

The Group has equipped its restaurant kitchens with the required safety equipment and facilities. For the Reporting Period, the Group received approvals and no adverse comments from the Fire Department, Food and Environment Department, and Labour Department during their inspections.

The Group has paid medical insurance to provide coverage on sickness, injuries and accidents for its employees, and paid Retirement Provident Funds for employees in accordance with the relevant statutory requirements.

Apart from investments on the required safety equipment and facilities, the Group has also emphasized on safety at work sites. The Group has sponsored supervisors to attend safety work practices with an aim to help reduce the numbers of work-related injuries. During the Reporting Period, the Group recorded no injuries cases such as knife cuts, slip from wet floors, etc. (2025: 7). There was total 0 lost days due to work injury.

Aspect B3: Development and training

As the Group considers its employees as one of its most valuable assets, it has always supported means to enhance their value by regularly providing them with development and trainings programs in terms of skills and job knowledge, plant operation and production know-how at various levels, so that they are able to perform their required job duties in a competent and capable manner without risk to their health and safety or damage to plants.

Broadly speaking, the Group has continuously and regularly provided two types of trainings:

(i) Orientation program and on-the-job training

Orientation program is provided to new recruits to enhance their understanding of the Group's history, organization structure, work environment, regulations, responsibilities and duties, working skills, safety operation, and career development plan etc. While on-the-job training is provided to permanent employees with an aim to improve their career development and skills for performing their required job duties in a more competent and capable manner and without risking their health and safety.

(ii) External specific skills and knowledge training

It is provided to potential and talented employees aiming at enhancing their technical, management and professional skills and ability. For example: The Group continued to sponsor and paid for all the costs for potential young chefs and managers to attend courses on Certificate in Food and Beverage Supervision, Advanced Certificate of Food and Beverage Management, Food Hygiene and Safety Code, etc.

Below is the breakdown of the percentage of employees trained during the 2026 Reporting Period by gender and employment role:

	Internal	External
Total employee trained		
2026	–	3.98%
2025	–	7.28%
% of employees trained by gender		
Male		
2026	–	71.43%
2025	–	66.67%
Female		
2026	–	28.57%
2025	–	33.33%
% of employees trained by operation role		
Managerial		
2026	–	28.57%
2025	–	26.67%
Operational		
2026	–	42.86%
2025	–	40.00%
General		
2026	–	28.57%
2025	–	33.33%

Below is the breakdown of the hours of training undergone by the Group's employees during the 2026 Reporting Period by gender and employment role:

Training (Hours)	Internal	External
Average hours trained per employee		
2026	–	0.12
2025	–	0.22
Hours trained by gender		
Male		
2026	–	15.00
2025	–	30.00
Female		
2026	–	6.00
2025	–	15.00
Hours trained by operational role		
Managerial		
2026	–	6.00
2025	–	12.00
Operational		
2026	–	9.00
2025	–	18.00
General		
2026	–	6.00
2025	–	15.00

To maintain the quality, knowledge and skill levels of the workforce, the Group provides regular and specialized trainings tailored to the needs of employees in different departments, including regular training sessions conducted by management or third party consultants covering various aspects of the business operations of the Group, for employees to stay up to date with both catering segment developments and service skills.

Aspect B4: Labor standards

During the Reporting Period, the Group continued with its cornerstone policy of strict compliance with the Employment Ordinance and adopting their respective standards as the minimum standards on employment and labour protection and welfare. The Group adhered to the legal requirements in Hong Kong as well as the local market practices on recruitment, dismissal, promotion, leave, holidays, benefits as well as equal employment opportunities to all sexes, genders, ages, races and religions. The Group acted strongly against and banned all child, illegal and forced labour.

The HR department is charged with the responsibility of overseeing labor compliance. Managers of the restaurants are responsible for ensuring that all labor protection and welfare obligations of their operations are complied with and any breaches of statutory compliance have to be reported immediately to the HR Department in the head office.

All job applicants are required to submit their credentials such as academic qualifications, professional skill certificates, references and identity card for verification and record purpose during recruitment. As a legal obligation and for better management, the Group has kept the private file of the employees on confidential basis and in safe custody for record, future reference and government inspection.

The Group honoured all of its obligations towards the employees and has built a safe, healthy and pleasant working environment in all its restaurants. The Group did not violate any provisions under the Employment Ordinance and Employees' Compensation Ordinance, and no labour dispute charges were lodged against us; no child labour, illegal labour or forced labour employment was reported during the Reporting Period, same as the previous reporting periods.

2.3 Operation Practices Areas and Aspects

Aspect B5: Supply chain management

Supply chain management in the ESG Guide mainly refers to management of sourcing and procurement. The Group's main purchases for the office and the restaurants remain the same as the previous reporting periods, which include routine stationery supplies and utensils for the office, and fresh and perishable food, food ingredients and beverages and packaging boxes, cooking utensils etc. for restaurants. The Group has not yet established a centralized kitchen to source and to buy raw food materials and to prepare in advance the standardized food meals as its 11 restaurants provided different styles and classes of food. The Group has therefore allowed the sourcing and procurement to be done and decided by the head chef of each restaurant.

To ensure a quality assured and cost-efficient supply chain, the Group has continued to implement a clear and standardized procurement management rules and guidelines and procedures with respect to procurement including quality control, warehousing, payment and documentation approval process, and methods of payment.

The Group selects suppliers based on a set of criteria, which includes (i) ability to meet specification and standards; (ii) quality of products and services; (iii) pricing of the products and services; (iv) reliability of delivery; and (v) track records and reputation of the suppliers. The Group maintains a list of approved suppliers and will invite two to three suppliers to tender for purchases for a reasonable order size in order to obtain the optimal offer and to eliminate any chance of malpractice. All purchase transactions must be properly documented and executed and are subject to the scrutiny of internal hierarchy supervisions at different levels depending on the purchase sum and significance.

To minimise the risks, the Group has not entered into any long-term contract with suppliers except with associated and related companies and does not rely on any single supplier for its raw food materials. For general purpose and petty purchases, the Group is usually sourced from the local suppliers or suppliers from close proximity for the purposes to encourage and support local economy, to ensure fast deliveries and reduce carbon footprints.

During the Reporting Period, the Group maintained and purchased from 100 (2025: 120) approved suppliers of food, ingredients and beverages. Given the nature of the Group's business, all of its purchases were from local suppliers owing to the freshness requirement, and the Group's purpose to support the local community and the Group did not experience any interruption of supplies or failure to secure sufficient quantities of supplies on time that had any material adverse impact on its business or operations.

Aspect B6: Product Responsibilities

The ESG Guide lists out four major sub-aspects on product responsibilities: product quality and safety, customer services and complaints handling, intellectual property rights and privacy, which our internal control process, operation manuals and employee handbook and employment contracts have clear guidelines and rules to deal with. To ensure quality, hygiene and safety of the food produced, the restaurants have to meet and satisfy all the strict requirements including, but not limited to, environmental, safety and hygienic set up, processes and regular inspections before valid operation licenses and approvals are granted. The Group has not identified any material non-compliance with relevant laws and regulations in HKSAR relating to advertising and labelling matters relating to products and services provided and method of redress that would have a significant impact on the Group during the Reporting Period.

Environmental, Social and Governance Report

In order to survive and to prosper in the highly competitive food catering market in the HKSAR, the Group needs to work extra hard from the quality of services rendered to the customers including customer servicing, comfortable environment, food delicacy and quality, and to ensure all of its restaurants are operating at customers satisfaction. The Group continues with its operation philosophy that only with consistency on top quality and delicacy food as well as tailor-made, friendly and attentive services, its restaurants can attract and retain customers.

(1) Food and Services Quality

For any food catering business, clean hygienic, safe and quality of food and services are the lifelines for survival and reasons for prosperity. The Group fully understands their importance and continues to implement a strict internal quality control standard in its operation processes to ensure continuous highest quality, clean hygiene and food safety serving to its customers. The managers and the head chef are charged with the responsibility for ensuring that the right procedures are implemented in their restaurants.

The Group closely monitor the freshness and safety of its incoming raw ingredients, which are normally sourced from reputable and reliable suppliers. The preparation and processing procedures such as selection, washing, cutting, seasoning, cooking and serving are carried out by the kitchen staff under the supervision of the head chefs who will ensure the quality of the food on site. The kitchen workers are taught how to clean and keep raw ingredients fresh and to use different sets of cutting boards and knives for raw food and cooked food. Raw and cooked food are strictly controlled and monitored on their storage to avoid cross-contamination. All food-processing equipment must be cleaned thoroughly before use for processing another dish. The cooking process is an art and a skill, the chefs have been taught and trained professionally on the job and even by external classes to ensure high quality and delicacy food are prepared and cooked for the customers. After the customers consume the food, the used utensils are collected, washed and dried immediately. The managers are responsible for overseeing the quality of services in the restaurants who have the experiences to provide top quality customer services including reception, seating, ordering and food servicing, billing and to handle emergency incidents and complaints. All the restaurants have to be cleaned to the highest level with designer decorations and settings to ensure quality and safety to the customers at an affordable price. A good traceability system enables us to perform effective product recall systematically if a complaint about a product involves safety or compliance issues. This can avoid endangering customers or putting the Group at risk of legal action. We will provide relevant information to the supplier to conduct detailed investigation, as well as to formulate corrective and preventive measures. The recall case will be reported to the Management Board as well for attention. During the Reporting Period, there were no cases of product recalls for safety and health reasons.

In addition, the Group maintains close relationship with its business peers to keep abreast of the latest food sources, customer tastes and product development and knowledge.

During the Reporting Period, same as the past reporting periods, the Group did not receive serious complaints on the quality and safety of its food and services which were subject to recalls or would be detrimental to its brands, business and operation. The Group is confident that given its existing quality assurance process and management on food and services offered, it can achieve similar result in the coming years.

(2) Handling of Complaints

Apart from providing the highest quality of food and services, the Group has in place policies and procedures to ensure all customer complaints or concerns are addressed at the appropriate levels and in a timely manner, and guarantees its customers full satisfaction on its food quality and services. Restaurant managers have been trained to handle complaints with smiles, politeness and patience, any rejected food, due to below quality expectation, are promptly replaced or substituted by other choices of the customers. The Group keeps a customer hotline as a means to develop better communication with the customers and also for the customers to voice their complaints.

During the Reporting Period, same as the previous reporting periods, the established complaints handling routes and channels have functioned well and the Group did not experience serious complaints on the quality of food and services which led to disruption of its business operation. The Group is again confident to maintain similar good results for the coming year.

(3) Intellectual Property Right ("**IPR**")

The Group has registered seven trademarks in the HKSAR. The Group is fully aware that IPR is material and important to its business. The Group respects IPR and have instructed its management not to copy or introduced any patented recipes, designs and to install original software onto our computers and operation systems to avoid vulnerabilities and legal disputes arising from software copyright.

During the Reporting Period and the previous reporting periods, the Group did not receive any IPR infringement complaints against the Group, and the Group is not aware of any third-party infringement on its trademarks as well.

(4) Privacy

The Group's main business and operations have generated a substantial volume of private, confidential and sensitive information of customers, suppliers, business partners including the operation status and financial positions, commercial terms of contracts, general background information, etc. These types of information are sensitive and important, and by law, must be cautiously safeguarded and protected.

The Group fully understands its obligations and has taken measures to ensure the data and information are safeguarded, protected, and complied with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) of the HKSAR. The Group has also taken measures to ensure strictest protection of the information against unauthorised access, use and disclosure through a variety of security technologies and procedures. The employees, who are authorized and allowed to access to the confidential information, have been trained to handle sensitive information during the course of the operations with due care. The Group has also incorporated the confidential clause into the employee handbook and employment contract, under which all employees are obligated to follow. Legal action will be taken against any violation.

During the Reporting Period, same as the previous reporting periods, the Group did not receive any complaint on any breach of privacy or leakage of information.

Aspect B7: Anti-corruption

As stated in the section headed "Stakeholders Communication and Materiality" above, anti-corruption is a material aspect to all the stakeholders. The Group fully understands the importance of honesty, integrity and fairness in its business operations and has therefore put in place an anti-corruption policy which involves comprehensive internal control system comprising corruption reporting and investigation procedures and adopts a zero-tolerance approach to those corruptive and fraud crimes. An independent non-executive director under the 'Internal Audit Committee" will be charged with the responsibility to initiate investigation upon receiving any corruption reports. Moreover, employees at all levels are provided with anti-corruption training. For instance, they are constantly reminded in meetings and documents, such as the employee handbook, on anti-corruption, conflict of interest and giving and taking of interests. In daily operations, the directors, management and staff must comply with related government laws and regulations on prevention of bribery, extortion, fraud and money laundering. The Group is proud to reconfirm that with the implementation of clear policies and well-structured processes on purchases, sales, operation and finance, and the adoption of a high code of standard, the Group again reported no bribery or corruption cases during the Reporting Period, same as the previous reporting periods.

The Group committees committed to achieving and maintaining the highest standards of openness, probity, and accountability. As such, the Group set out Whistle-blowing policy to encourage employees reporting suspicious cases of misconducts, to prevent harms to the Group or third parties.

This policy is intended to cover serious concerns that could have an impact on the Group, including but not limited to the breach of rules of conduct, polices or internal controls of the Group: breach of legal or regulatory requirements; malpractice, fraud and corruption, and miscarriage of justice.

Identity of whistle blowers will be kept confidential. Reports and complaints received will be handled in a prompt and fair manner. The Group will conduct investigation for reported cases, which will be diverted to relevant regulators or authorises if needed. Such policy also aims at protecting whistle-blowers from unfair dismissal, victimization, and unwarranted disciplinary actions.

Aspect B8: Community investment

During the Reporting Period, the management continued to commit the Group to be an environmentally and socially responsible corporation supporting its employees and environment and contributing back to the local community and society whenever possible.

- Apart from on the job trainings, the Group continued to support and sponsor its potential employees at its own costs to attend external special skills program to enhance their future value.
- The Group contributed the effort to up-keep the HKSAR's image of quality services and environment to tourists, and was accredited under Quality Tourism Services Scheme for over ten consecutive years.
- The Group supported the local communities by prioritizing most of its purchases with the local suppliers.
- The Group continued to sponsor the employees to participate in the volunteering and charity events, and donated HK$36,000 to Children Welfare Association for twelve years.
- The Group has implemented measures with an objective to reduce hazardous and non-hazardous air emissions and polluted water and wastes discharges and continues to find ways and to implement measures to reduce air emissions, and wastes discharge.

Honorary name	Awarding unit
The Quality Tourism Services (QTS) Scheme	Quality Tourism Services Association