



中國萬天控股有限公司

CHINA WANTIAN HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1854

2023
ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT



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ABOUT THIS REPORT

OVERVIEW

China Wantian Holdings Limited (the “**Company**” or “**China Wantian**”) is an investment holding company and its subsidiaries (collectively, the “**Group**” or “**we**”) are principally engaged in three main businesses, namely food supply, catering, and environmental protection and technology. During the period from 1 April 2023 to 31 December 2023¹ (the “**Reporting Period**” or “**2023**”), the Group continued to expand the food supply business to the Guangdong-Hong Kong-Macao Greater Bay Area (the “**Greater Bay Area**”) and was laying out the food industry chain at full speed.

The Group is committed to fulfilling its corporate social responsibilities. As part of our core values, it is our goal to safeguard the environment, provide a harmonious workplace for our employees and contribute to the local community. The Group strongly believes that sustainability is one of the keys to its continued success and strives to become China’s leading service provider for a better life.

REPORTING SCOPE

The environmental, social and governance report (the “**Report**”) describes the performance of environmental, social and governance (“**ESG**”) aspects of the Group during the Reporting Period.

The Report generally covers the Group’s business activities in Hong Kong and the Greater Bay Area, including its office in Kowloon Bay, warehouses in Cheung Sha Wan, Kwai Chung and Sha Tin, food processing facilities in Sha Tin and Kwai Chung, all respectively in Hong Kong, and its functional departments in Shenzhen Bay, Shenzhen and Wangu Plaza, Zhongshan, in the Greater Bay Area, which are consistent with the disclosure in the Company’s annual report for the nine months ended 31 December 2023 (the “**Annual Report**”).

REPORTING STANDARDS AND PRINCIPLES

The Report has been prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**HKEX**”) as well as adhering to the mandatory disclosure and “comply or explain” provisions thereof. Corporate governance is addressed separately in the Corporate Governance Report on pages 42 to 63 of the Annual Report.

While preparing this Report, the Group applied the following reporting principles:

Materiality: The materiality of issues was reviewed and confirmed by the board (the “**Board**”) of directors (the “**Directors**”) of the Company and the ESG working group (the “**ESG Working Group**”). For further details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.

¹ On 6 September 2023, the Company announced the change of financial year end date from 31 March to 31 December. Accordingly, the ESG data for the nine months’ period from 1 April 2023 to 31 December 2023 will be covered in this Report for the purposes in alignment with the Annual Report.

ABOUT THIS REPORT (continued)

Quantitative: The standards, methodologies, sources of conversion factors and applicable assumptions used for the calculation of key performance indicators (“**KPIs**”) data were supplemented by explanatory notes.

Balance: The information is presented without the inappropriate use of selections, omissions or other forms of manipulation that would influence a decision or judgment by the reader.

Consistency: Unless otherwise stated, the preparation approach of this Report is consistent with the previous reports for comparison. If there are any changes in the scope of disclosure or calculation methodologies that may affect the comparison with previous reports, explanations will be provided to the corresponding data.

REPORT ASSURANCE

To ensure the accuracy of the content of the Report, we have engaged an independent assurance agency to perform the assurance work. The external verification statement can be found in the Appendix III – Verification Statement.

CONTACT US

The Group welcomes stakeholders’ feedback on its ESG approach and performance. For any suggestion or opinion, please share your views with us by email at enquiries@cwth.com.hk.

ABOUT CHINA WANTIAN

We are committed to providing high quality, fresh, healthy and safe food to every household and has established business operations in Shenzhen and Zhongshan to become an industry-leading green food and ingredients supplier in the Greater Bay Area. The Group is engaged in three main businesses in this market, including:



Food Supply



Catering



Environmental Protection and Technology

CORPORATE CULTURE

*Serve for a better life
To become China's leading service provider for a better life*

OUR MISSION

Let thousands of households eat well every day

OUR VALUES

God rewards the diligent, being well prepared and raring to go

Take practical action in a down-to-earth manner and aim high to achieve growth

OUR STRATEGY



2023 ESG PERFORMANCE – SDGs

China Wantian’s 2023 ESG Performance

United Nations’ Sustainable Development Goals (“SDGs”)

Sustainable Governance

The Group has established a sound governance structure and managed its potential risks in a structural manner. We maintain a high standard ethical business operation and have established an effective whistle-blowing mechanism.

- Clearly established the duties and responsibility of the ESG Working Group
- Held directors training on anti-corruption
- Identified emerging risk in the business



Green Business Practice

The Group has implemented a variety of policies to proactively reduce the environmental impacts brought by the business.

- Established clear environmental targets and green strategies to reduce the Group’s carbon emission
- Reduced the use of resources by implementing environmental protection practices, such as using a closed-loop approach to reduce food loss and waste in our entire value chain



People-oriented Workplace

We foster an equal and inclusive workplace, and are keen on safeguarding the rights, health and well-being of our employees.

- Ensured the compliance with labour standards and eliminated discrimination
- Assisted our employees with their career and personal development
- Established an Occupational Health and Safety Policy and a Health, Safety and Environmental Committee to take care of the health and well-being of our staff



2023 ESG PERFORMANCE – SDGs (continued)

China Wantian’s 2023 ESG Performance

United Nations’ Sustainable Development Goals (“SDGs”)

Product Responsibility

We ensure our product quality is up to standard and provide quality services to our catering customers by implementing tailored policies and procedure.

- Implemented a strong quality control procedure in all aspects of our business operations and got accredited with relevant certifications
- Performed food safety checks and established guidelines for food storage



Sustainable Supply Chain

We apply strict supplier assessment and promote sustainable practices in our supply chain.

- Followed the procedure for procurement and performed supplier on-site assessment to ensure the safety and quality of the products received
- Encouraged the suppliers to adopt sustainable operation and prioritised the suppliers with green practices in their operation



Contributing to the Community

The Group strives to make a positive impact on the community by integrating its business operation with community services.

- In collaboration with Zhongshan Wangu Skyfarm Limited (“**Wangu Skyfarm**”), thrived to promote “Campus Comprehensive Practice Base” in campuses and encouraged labour education in the youth to increase their knowledge in technical skills



AWARDS AND RECOGNITION



Most Valuable Investment Award



GBA ESG Achievement Award



Outstanding Social Sustainable Award



Outstanding Green Sustainable Award



Outstanding Corporate Governance Award



The Best Greater Bay Area ESG Green Food Enterprise

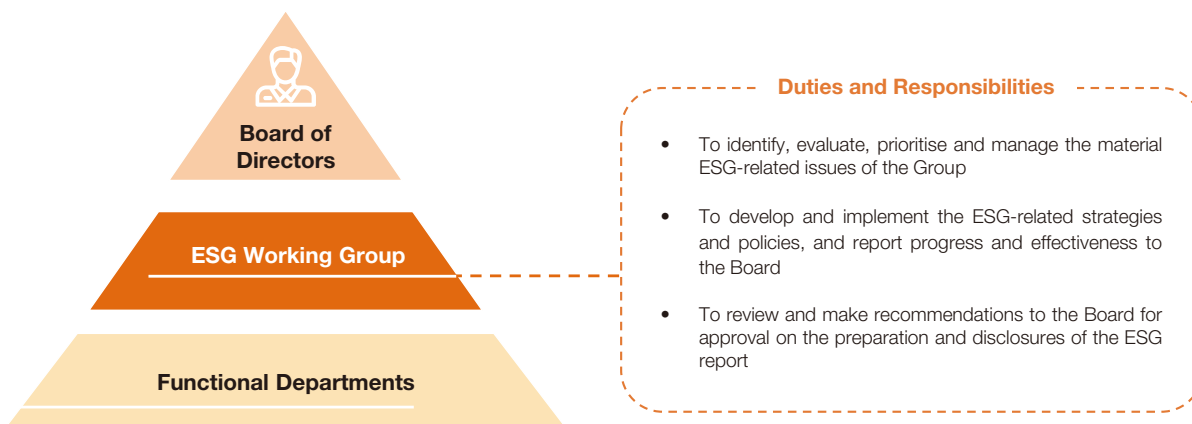
ESTABLISHING A SOUND GOVERNANCE STRUCTURE

The Group strictly adheres to the requirements of relevant national laws and regulations such as the Company Law of the People's Republic of China (“PRC”) and the Listing Rules, and continuously optimises the Company's governance structure in combination with the Company's development situation, in order to improve the level of governance, enhance corporate operations and protect the interests of all shareholders.

ESG GOVERNANCE STRUCTURE

The Group conducts a top-down management approach regarding its ESG issues. The Board oversees and sets out ESG strategies for the Group. The Board is also responsible for ensuring the effectiveness of the Group's risk management and internal controls, evaluating, prioritising and managing material ESG-related issues, as well as setting ESG-related targets.

The Group has set up an ESG Working Group composed of executive Directors and representatives from different departments with a view to achieving systematic management of the Group's ESG issues. The ESG Working Group is responsible for collecting relevant ESG data and compiling the Report. It assists in the identification and assessment of the Group's ESG risks (including climate-related risks) and implements the ESG-related strategies and policies of the Group, and reports to the Board on their progress and effectiveness periodically. It also reviews the Group's ESG performance, including environmental aspects, employment and labour practices and other ESG issues. Further, in order to make appropriate and timely recommendations to the Board on the improvement of ESG strategies and initiatives, the ESG Working Group keeps close track of ESG-related market trends and development, laws and regulations and industry practices.



In response to stakeholders' expectations for the Group in materiality assessment, and to further enhance the Group's performance in ESG aspects, the Group has set environmental targets, including emission reduction, waste management and resource conservation. The Board reviews the progress towards the relevant targets annually and ensures that the ESG Working Group has sufficient resources to achieve these targets. We believe that through the setting of targets and the implementation of the corresponding measures, the Group will continuously enhance the ESG awareness of employees, promote behavioural changes and gradually integrate the concept of sustainability into its operation and development.

ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

Board Diversity

The Group believes that directors from diverse backgrounds help the Board better oversee the Company's management and operations, as well as assess risks and opportunities for the Company's business model from a variety of perspectives. The Group has adopted the Board Diversity Policy, which outlines our approach to maintain an appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board. In determining the Board's composition, board diversity is considered from a number of perspectives, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how. The nomination committee of the Company is responsible for reviewing the structure, size and composition of the Board and making recommendations to the Board on the appointment of new Directors from time to time.

Board Composition

The Group continues to improve its corporate governance structure and emphasises the independence of the Board, ensuring the utmost protection of the interests of the shareholders and equity holders. Our Board consists of 6 Directors, including three executive Directors and three independent non-executive Directors. To ensure board diversity, a female independent non-executive Director has been appointed to provide independent judgment and advise on the issues of strategy, performance, resources and standard of conduct of the Group.

Name	Age	Gender	Position	Tenure (Approx.)	Experience/Skill
Dr. Hooy Kok Wai	65	Male	Executive Director and Chairman	2 years	Industry expert
Mr. Zhong Xueyong	40	Male	Executive Director, Vice-chairman and Chief executive officer	2 years	Industry expert
Mr. Liu Chi Ching	58	Male	Executive Director	7 years	Industry expert
Ms. Lui Choi Yiu Angela	50	Female	Independent non- executive Director	1 year	Financial expert
Mr. Siu Chun Pong Raymond	44	Male	Independent non- executive Director	2 years	Legal expert
Mr. Lam Chi Wing	44	Male	Independent non- executive Director	6 months	Business administration expert

The Board is responsible for a variety of key functions. These include formulating development strategies and investment plans, evaluating our governance, risk management and internal controls, as well as ensuring that the Group complies with all relevant laws and regulations. For further details in relation to corporate governance, please refer to the Corporate Governance Report contained in the Annual Report.

ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

RISK MANAGEMENT

The Group attaches great importance over risk management and has a strict commitment to adhering to laws and regulations related to the business operation. By upholding the belief that an effective risk management is a fundamental element of sound corporate governance, the Group prioritises the establishment of strong frameworks to safeguard our operations and enhance overall decision-making processes. By proactively managing risks, the Group strives to maintain the integrity, stability and resilience of its business operations. The Group has established a robust Risk Management Policy that specifies the risk management framework, strategy and process of the Group's risk management mechanism, ensuring a proactive approach in identifying, assessing, and mitigating risks across the Group.

Risk Governance Structure

The Board, as the ultimate governance body, assumes the responsibility of reviewing and approving the Group's risk management initiatives and strategies, safeguarding stakeholders' and shareholders' interests, and governing the effective risk management mechanism. To ensure the effectiveness of risk management and internal control systems, annual review will be performed by the Board in evaluating the efficiency of the implemented systems in mitigating risks and maintaining appropriate controls.

In supporting the Board's efforts to manage risks, the review on internal control systems, including financial, operational and compliance controls and risk management functions has been carried out by delegated staff in possession of the relevant expertise. The Board, together with the audit committee of the Company (the "**Audit Committee**"), is responsible for reviewing the internal control review report in assessing the effectiveness and adequacy, ensuring that proper risk mitigation strategies are executed to protect the interests of the stakeholders and shareholders.

Risk identification and assessment are performed or updated annually, and the results of risk assessment, evaluation and mitigation of each function or operation are documented in the Risk Register to communicate to the Board and management for reviews.

ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

Risk Management Procedure

The Group has established a robust risk management procedure, encompassing a thorough process for risk identification and response, as well as the effective implementation of risk management practices. We consistently conduct comprehensive risk assessments to identify and prioritise potential risks, develop appropriate response strategies, and diligently monitor the implementation of risk controls.

Our Risk Management Policy outlines a clear procedure consisting of six key steps: risk identification, risk analysis, risk evaluation, review and monitoring, risk prioritisation, and communication and consultation. By diligently implementing our risk management procedure, we strive to minimise potential operational risks, safeguard our operations, protect the interests of our stakeholders, and maintain the long-term sustainability of the Group.



ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

In the Reporting Period, the Group has identified the emerging risk that is having the most significant impact on the business in the future below. Accordingly, the Group has formulated the mitigation strategy in managing this emerging risk.

Emerging Risk	Business Impact	Mitigation Actions
Food quality and safety	Food quality and safety issues, such as food contamination, expiration and spoilage, improper food handling, supply chain vulnerabilities, may arise throughout the food supply chain, from sourcing ingredients to preparation and service. These potential health and safety risks may impact on customer trust and satisfaction, legal and regulatory implications, financial consequences and reputational damage.	<p>The Group's mitigation actions include:</p> <ul style="list-style-type: none"> <li data-bbox="948 653 1418 901"> Strengthening Quality Control Maintain a strict supply chain management, including supplier evaluation, regular supplier inspections and sample testing, to ensure compliance with food safety standards <li data-bbox="948 955 1418 1274"> Staff Training and Education Standard guidelines that include proper handling, storage, and preparation techniques will be documented and distributed to staff, while regular trainings will be organised to enrich the knowledge of the employees on food safety practices

ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a key success factor in the formulation of our ESG strategies. It helps us define our key objectives and establish relevant policies, as well as identify and assess areas of materiality. Our key stakeholders include but not limited to customers, employees, suppliers, shareholders and the community. To fully understand, respond and address the core concerns of various stakeholders, we have been maintaining close communication with key stakeholders through the use of surveys and discussions, which enables us to provide effective responses to better suit their needs and expectations, balance the interests of all parties and foster sustainable development. Stakeholder inputs are consolidated and prioritised accordingly for us to continuously improve our ESG performance and provide better values to our stakeholders.

Stakeholders	Expectations and concerns	Communication Channels
Customers	<ul style="list-style-type: none"> Quality products and services Integrity operation Privacy protection 	<ul style="list-style-type: none"> After-sales services Feedback channels
Employees	<ul style="list-style-type: none"> Rights and interests protection Staff salary and benefits Healthy and safe working environment Career development 	<ul style="list-style-type: none"> Training Performance review and interviews Internal announcements and publications Suggestion box
Suppliers	<ul style="list-style-type: none"> Timely payment Fair procurement 	<ul style="list-style-type: none"> Site visits Business meetings Performance selection and assessment
Shareholders	<ul style="list-style-type: none"> Compliance operation Return on investment Transparent financial information 	<ul style="list-style-type: none"> General meetings Financial reports Press releases and announcements Company's website
Community	<ul style="list-style-type: none"> Community involvement Environmental protection awareness 	<ul style="list-style-type: none"> Community activities Subsidies and charitable donations

ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

MATERIALITY ASSESSMENT

The Group acknowledges and values stakeholders' concerns and expectations over the Group's ESG issues. In the Reporting Period, the Group engaged a professional independent third-party consultant to perform a comprehensive materiality assessment, aiming to prioritise and identify key material issues of the Group. The materiality assessment is facilitated by the ESG Working Group and the result is being reviewed and approved by the Board to serve as a solid foundation for the development of the Report.

A total of 109 internal and external stakeholders are invited to participate in the stakeholder engagement survey and assess the importance of potential material ESG issues based on their significance to stakeholders and business operations. We are committed to aligning our responses and disclosures with the critical concerns raised by our stakeholders. Additionally, the assessment serves as an invaluable reference point for the Group to review and formulate a robust sustainability strategy that meets and exceeds stakeholders' expectations.

The procedures taken to perform the materiality assessment are outlined below:



Identifying material ESG Issues

The list of material issues is determined based on the Group's strategic priorities, industry characteristics, business operations, relevant sustainability frameworks including HKEX ESG Reporting Guide and Global Reporting Initiatives Standards, and ESG rating agency focusses. A total of 33 ESG issues from different aspects were identified for the assessment of importance.



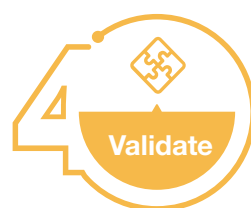
Assessing the significance

The actual and potential impacts from the identified ESG issues are determined through an online questionnaire, covering internal and external stakeholders as subjects, to gather their insights into the significance of ESG issues and their associated impacts. The feedback collected is used for an assessment to prioritise material ESG issues.



Prioritising material issues

By considering the specific interests and priorities of each stakeholder, an assessment is performed to determine the importance of ESG issues based on two key dimensions: "Significance to Stakeholder" and "Significance to Business Operation". A materiality matrix is developed to provide a comprehensive overview of the prioritisation of material issues.

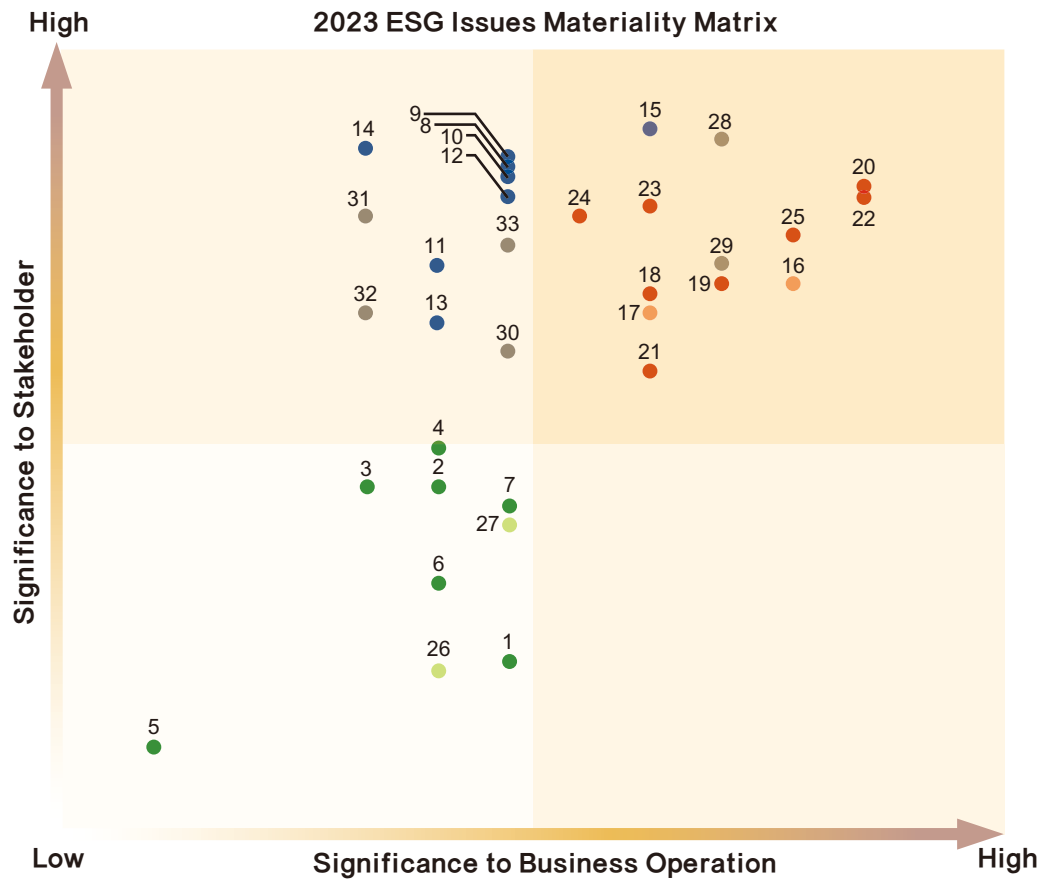


Validating the result

The result of the materiality assessment is then reviewed and approved by the Board, which serve as a crucial reference for the disclosures in the Report and long-term sustainability strategy development.

ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

The results of the assessment are consolidated in the form of the materiality matrix as shown below:



Priority	ESG Issue no.	ESG Issues
High	15	Human Rights Protection
	16	Supply Chain Management
	17	Green Procurement
	18	Raw Materials Management
	19	Product Quality Management
	20	Product Health and Safety
	21	R&D and Technology Innovation
	22	Customer Satisfaction
	23	Data Security and Customer Privacy Protection
	24	Intellectual Property Rights Protection
	25	Product Advertising and Labelling
	28	Anti-corruption
	29	Whistle-blowing Mechanism

ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

Priority	ESG Issue no.	ESG Issues
Medium	8	Talent Management
	9	Employee Remuneration and Benefits
	10	Equal Opportunity, Diversity and Anti-discrimination
	11	Employee Communication
	12	Occupational Health and Safety
	13	Training and Development
	14	Child Labour and Forced Labour Management
	30	Generation of Economic Value
	31	Group Profitability
	32	Social and Economic Compliance
	33	Corporate Governance and Risk Management
Low	1	Greenhouse Gas Emissions
	2	Energy Management
	3	Water and Sewage Management
	4	Waste Management
	5	Climate Change
	6	Environmental and Natural Resources
	7	Environmental Compliance
	26	Community Investment
	27	Contribution to Industry Development

During the Reporting Period, the Group had identified a total of 13 material ESG issues, scattered on the upper right corner. To better govern the material ESG issues, we have established appropriate and effective management policies and internal control systems and ensured that the disclosed content complies with the requirements of the ESG Reporting Guide.

ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

INTELLECTUAL PROPERTY MANAGEMENT

The Group places equal importance on its intangible assets as it does on its tangible assets and upholds the intellectual property rights of others. To ensure compliance, the Group has incorporated a Copyright Policy within its Code of Conduct and Ethical Guidelines, which prohibits employees from infringing on any third-party copyrights. Violation of this policy will result in disciplinary measures. Additionally, the Group has diligently registered intellectual property rights for its operations, products and designs.

Furthermore, the Group's information technology team has acquired all the requisite licences for software and information procurement in line with its business operations. This demonstrates the Group's commitment to lawful and responsible use of technology resources. During the Reporting Period, there was no confirmed case of non-compliance in relation to the infringement of intellectual property rights.

BUSINESS ETHICS AND ANTI-CORRUPTION

The Group is dedicated to promoting professional ethics and integrity building, integrating integrity practices into the entire process of corporate governance. We strictly adhere to all relevant laws and regulations governing our business operations and ethics, and maintain a zero-tolerance stance towards any form of unethical business practices. We have established a comprehensive internal Code of Conduct and Ethical Guidelines, regulating practices encompassing conflicts of interest, insider trading, gifts and entertainment with internal standards more stringent than applicable laws and regulations. We strictly prohibit misconduct such as discrimination, harassment, extortion, commercial fraud, corruption, bribery, and money laundering, follow the principle of fair competition, and advocate a healthy business environment that drives sound development of the industry.

Anti-corruption Management

The Company attaches great importance to compliance in business operations and strengthens anti-bribery compliance management in the process of business operations. We firmly uphold the belief that a culture of integrity is a cornerstone of our long-term business success. Hence, we strictly prohibit any corruption activities and have complied with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong), the Criminal Law of PRC, the Anti-Unfair Competition Law of the PRC, the Anti-Money Laundering Law of the PRC and other relevant laws and regulations. During the Reporting Period, the Group did not identify any non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering nor any concluded legal cases regarding corrupt practices.

ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

The Group has taken a strong stance against fraudulent acts that damage its economic interests or result in improper economic benefits. We have implemented the Code of Conduct and Ethical Guidelines, and the Anti-Fraud and Corruption Policy, and clearly defined various types of fraudulent acts, prohibiting employees from receiving any benefits offered by customers, suppliers, colleagues or other parties while they are performing employee duties as well as prohibiting any activities involving conflicts of interest, bribery, extortion, fraud and money laundering.

Key measures to prevent fraudulent acts



Risk Assessment

As part of our risk management practices, we conduct regular risk assessments to identify and evaluate potential corruption risks that may impact on our operations. Internal control systems are designed and established to maintain effective monitoring and elimination of corruption risks.



Reporting Mechanism

All employees are responsible for resisting fraud and are encouraged to report immediately any suspected cases of fraud and related misconduct. The Group strives to ensure that an effective whistle-blowing system is in place to enable concerns can be raised without fear.



Training and Education

Trainings are provided to directors and employees in order to raise their awareness over misconduct and anti-corruption. Training on the Code of Conduct and Ethical Guidelines will be conducted prior to the start of each employee's employment, ensuring that new employees are in compliance with the Code of Conduct and Ethical Guidelines.

Training was provided to Directors, including independent non-executive Directors, and employees during the Reporting Period. The training sessions spanned approximately 1 hour and focussed on reinforcing their understanding of and updating them on relevant regulations pertaining to anti-money laundering. Through offering relevant training to our employees, we aim to enhance their professional skills and knowledge in relation to their individual roles and responsibilities concerning anti-corruption and business ethics, ensuring their compliance with applicable regulations in advocating a strong business culture of integrity.

ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

Case

Training on Anti-corruption

In November 2023, the Group has invited the Hong Kong Institute of Directors to provide training regarding the updates on the Listing Rules and Corporate Governance Code and Anti-corruption Requirements, ensuring our directors and relevant staff members are stayed abreast of regulatory changes, adopt best practices, and uphold high standards of governance and integrity within the Group. The training provides valuable insights over anti-money laundering and anti-corruption practices, with relevant case studies shared to highlight the importance of integrity.



Whistle-blowing Mechanism

The Group is committed to maintaining a high standard of integrity, good corporate governance, openness, probity and accountability. The Group has formulated the Whistle-blowing Policy to encourage employees, customers, suppliers or other parties to report incidents relating to any conflicts of interest, bribery, extortion, fraud and money laundering through confidential channels. Upon receiving reports, we will conduct inspections promptly and take necessary measures while protecting the identity of the whistle-blower to prevent any conflict of interest or behaviour that will bring harm to the Group and the stakeholders. The Audit Committee is required to report to the Board, disclosing information pertaining to misconduct reports and the respective investigation findings, if any.



Reporting Email

whistleblower@cwth.com.hk



Mailing Address

Suite 2106, 21/F., Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong

The Whistle-blowing Policy of the Group has set forth a clear guidance and procedures on reporting possible improprieties in matters relating to the Group. The Company is fully dedicated to safeguarding the legitimate rights and interests of whistle-blowers and maintains a strict information confidentiality system throughout the entire reporting and investigation process. To ensure the whistle-blowers' protection against unfair dismissal, victimisation or reprisal, their identity will be kept confidential and undisclosed.

ESTABLISHING A SOUND GOVERNANCE STRUCTURE (continued)

Procedures of the investigation:



Assessing the Report

The Audit Committee will assess each report received to determine the need for a full investigation. If it is deemed necessary, the Audit Committee will examine the matter and make informed decisions regarding the appropriate course of action for the investigation.



Collecting Evidence

Through out the investigation process, the Audit Committee will collect and authenticate the documents and information pertaining to the suspected case.



Investigation Report

The investigation report will provide a clear and comprehensive account of the investigation procedures, findings and the subsequent action taken. Cases of suspected corruption or other criminal offences will be reported to the relevant regulators or authorities.



Record Retention

All pertinent information of the case will be preserved for record-keeping purposes, including comprehensive documentation of any corrective actions implemented and investigation results.

PROMOTING GREEN BUSINESS PRACTICE

ENVIRONMENTAL MANAGEMENT SYSTEM

The Group recognises the importance of protecting the natural environment for the benefit of the earth. Therefore, we are committed to integrating the philosophy of sustainable development into our business activities to limit any negative impacts on the environment and to fulfil the social responsibilities of the Group. The Group has formulated the Environmental Policy, which outlines its commitment to environmental protection by introducing a series of environmental measures and practices in its operations. We strive to implement relevant monitoring measures to minimise our impacts on the environment, raise employees' environmental awareness and comply with relevant laws and regulations.

The Group strictly complies with all applicable laws and regulations regarding environmental protection in Hong Kong and the PRC, including but not limited to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), the Product Eco-responsibility Ordinance (Chapter 603 of the Laws of Hong Kong), the Environmental Protection Law of the PRC, the Energy Conservation Law of the PRC, the Law of the PRC on Prevention and Control of Water Pollution and the Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste.

During the Reporting Period, there was no incident of non-compliance with the relevant environmental laws and regulations in Hong Kong and the PRC relating to air emissions and Greenhouse Gas (“**GHG**”) emissions, discharges into water and land, and generation of hazardous or non-hazardous wastes that have a significant impact on the Group.

Our ESG Targets²:

- Reduction of energy consumption intensity (kWh/'000 revenue) by 2% gradually compared with the Reporting Period (“**2023 Baseline**”) by 2026;
- Reduction of GHG emission intensity (tCO₂e/'000 revenue) by 2% gradually compared with the 2023 Baseline by 2026;
- Reduction of non-hazardous waste intensity (tonnes/'000 revenue) by 1% gradually compared with the 2023 Baseline by 2026;
- Reduction of paper consumption intensity (tonnes/'000 revenue) by 2% gradually compared with the 2023 Baseline by 2026; and
- Reduction of total water consumption intensity (m³'000 revenue) by 2% gradually compared with the 2023 Baseline by 2026;

² In view of the expansion of the Group's business operations, the baseline year for our ESG targets is revised to the Reporting Period. This adjustment takes into account our increased scope and activities, providing a more accurate baseline for measuring our progress and achievements in ESG-related activities.

PROMOTING GREEN BUSINESS PRACTICE (continued)

EMISSIONS MANAGEMENT

The Group is not engaged in a business that enormously pollutes the ecological environment and is dedicated to minimising its environmental footprint by conducting operations in an environmentally responsible manner. The Group has implemented standardised emissions management processes, established stringent standards and continuously innovated its green production procedures.

In line with the commitment to pollution prevention and control, the Group actively monitors its air emissions, greenhouse gas emissions, discharges into water and land, as well as the generation of hazardous and non-hazardous wastes. We strive to ensure that all emissions are appropriately disposed of in an environmentally sound manner, mitigating its impact on the environment and contributing to sustainable development.

GHG Emissions Management

The Group is deeply committed to actively engaging in global initiatives to combat climate change and strives to create long-term, stable corporate value while promoting the harmonious development of the environment and society. To achieve this, the Group has adopted a systematic management approach to address GHG emissions across its diverse business operations, which include food processing, catering services, and office operations, ensuring that concerted efforts are made to establish green business practices and foster a culture of sustainability throughout the Group. By prioritising sustainability, the Group is actively working towards building a greener future.

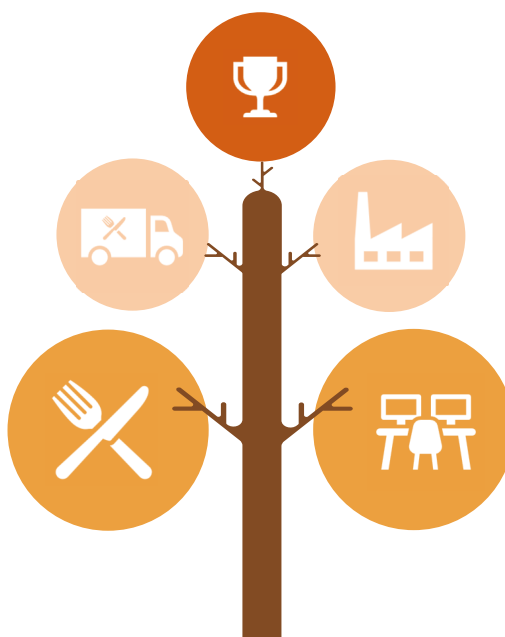
The Group's green strategy encompasses four key aspects: green logistics, green processing, green catering and green office. Each aspect is essential in promoting sustainability and reducing the environmental impact of the Group's operations.

Green Logistics

Selecting eco-friendly transportation modes, optimising delivery routes for efficiency and minimising emissions from vehicles used for product delivery

Green Catering

Sourcing local ingredients, adopting energy-efficient cooking and food storage practices and promoting recycling and food waste management



Green Processing

Continuously reviewing and improving processing procedures, prioritising energy-efficient equipment and utilising environmentally friendly products

Green Office

Utilising energy-efficient lighting, implementing digital documentation and communication and promoting sustainable commuting

PROMOTING GREEN BUSINESS PRACTICE (continued)

Green Logistics

In view of the Group's business nature, green transportation plays a critical role in the Group's overall green strategy, particularly due to the significant emissions generated by vehicles involved in product delivery. The Group has implemented a green logistics management approach that focusses on selecting the most viable eco-friendly transportation mode for both incoming materials from suppliers and outgoing products to customers.

The Group has taken the following measures to minimise GHG emissions:

- Employing environmentally friendly equipment and cleaner fuels
- Optimising transportation routes to reduce the overall travel distance
- Ensuring trucks used for long-distance transportation are filled to optimal capacity
- Maintaining vehicles properly, including maintaining proper tyre inflation pressure, checking tyre wear and replacing fuel filters at the proper intervals
- Cleaning the filters at regular intervals to avoid blocking air vents and ducts, thereby ensuring good airflow and efficient fuel combustion

As an integral part of the green transportation management strategy, the Group has developed a comprehensive long-term plan for the refrigeration system, which is a significant contributor to GHG emissions. The Group assessed various refrigerants based on their environmental impact, energy efficiency, safety and cost-effectiveness to select the optimal refrigerants. To further enhance energy efficiency and reduce the load on the refrigeration system, employees are required to refrigerate items only when necessary and maintain the highest possible temperature setting. Additionally, the Group regularly inspects its refrigeration systems, paying specific attention to identifying and addressing potential gas leaks. Investments have been made in high-quality pipe insulation to prevent cooling capacity loss and maintain optimal compressor efficiency, resulting in lower emissions and improved performance of the refrigeration system.

Green Processing

The processing department should continuously review and improve the food-processing processes, prioritising the deployment of energy-efficient equipment and machinery. The Group strives to minimise GHG emissions from food processing through the selection and use of environmental equipment, such as the biomass boiler and low NOx burners, and adopt environmentally safe products for cleaning products whenever possible. We also ensure that all equipment used in the processing factory is designed with automation features, reducing unnecessary power usage and optimising energy efficiency.

PROMOTING GREEN BUSINESS PRACTICE (continued)

Green Catering

The Group has set forth a clear guideline in managing GHG emissions throughout the restaurant operations, including assigning a delegated person for controlling air-conditioning systems, adopting water-saving measures, and switching off appliances when not in use. Also, the Group may implement food rescue programmes and partnerships with waste management companies to minimise the amount of food waste sent to landfills.

Green Office

The Group has fully promoted the concept of a low-carbon office and established the philosophy of environmental protection and conservation. We develop a simple and moderate, green and low-carbon lifestyle and office habits for employees. The Group focusses on optimising energy usage by implementing energy-efficient lighting systems, utilising power-saving settings on electronic devices, and encouraging employees to turn off lights and equipment when not in use. The operating performances of office air conditioning systems are regularly inspected for leaks and operations efficiency.

Moreover, the Group recognises that the disposal of paper waste can indirectly contribute to its GHG emissions. The Group actively promotes the use of digital documentation and communication to reduce paper consumption and minimise the indirect emissions associated with paper waste disposal in landfills. To further minimise paper usage, employees are encouraged to carefully preview and review documents before printing to avoid unnecessary or incorrect printing. Additionally, the practice of double-sided or duplex printing is in place whenever feasible, which helps reduce paper waste and conserve resources.

Below highlights some measures taken by the Group in the office area to reduce GHG emissions:

- Installing energy-efficient lighting
- Making use of standby mode for all electrical appliances, including computers, photocopiers and printers
- Placing recycling boxes next to photocopiers for the collection of paper for recycling
- Encouraging employees to use electronic means such as emails and data storage devices to reduce paper consumption

The Group's dedication to green operation further emphasises the importance of sustainable commuting practices. Employees are actively encouraged to prioritise the use of public transportation for their daily commuting and are discouraged from excessive idling of automobiles. Furthermore, we recognise the environmental impacts of indirect GHG emissions associated with business travel by employees, and encourage employees to utilise teleconference instead of overseas meetings and to adopt rail travel where feasible so as to reduce the carbon footprint from aviation.

During the Reporting Period, the total GHG emissions were 1,114 tCO₂e while the total GHG emissions intensity was 0.0057 tCO₂e/revenue (HK\$'000).

Waste and Wastewater Discharge Management

The Group strictly abides by the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), the Law of the PRC on the Prevention and Control of Water Pollution, and other relevant laws and regulations applicable in Hong Kong and the PRC. Our internal Environment Policy has set forth a clear guidance in facilitating employees to handle generated waste in a proper and environmentally friendly manner.

Hazardous Waste

The Group strictly regulates the temporary storage, processing and disposal of hazardous waste, ensuring that all products or parts do not contain any chemicals banned by law and fully comply with environmental laws, directives, standards and customer requirements. Due to the nature of the Group's businesses, no significant quantity of hazardous waste was generated during the Reporting Period. In the event that any hazardous waste is produced, the Group will engage authorised chemical waste collectors to handle and separate such waste and make a record for collection in order to comply with relevant environmental laws and regulations.

Below highlights some measures taken by the Group to regulate the disposal of hazardous waste:

- Retirement of fluorescent lamps and electronic equipment such as computers, printers and fax machines, which may contain traces of hazardous materials, will be handled by recyclers registered under the Environmental Protection Department.
- The administration department shall diligently prolong the lifespan of the equipment through preventive maintenance scheduling, purchasing and reworking used equipment etc.
- The Group participates in official recycling programmes for the safe disposal of hazardous waste, including the Computer Recycling Programme, Waste Electrical and Electronic Equipment (WEEE) Recycling Programme, Fluorescent Lamp Recycling Programme and Rechargeable Battery Recycling Programme.

In addition, the Group also encourages suppliers to systematically manage their environmental protection efforts and control the use of restricted substances, aligning with sustainable and responsible business practices. The Group strictly prohibits any acts that significantly damage the environment. In the event that suppliers are found to violate environmental laws and regulations, the Group will terminate the collaboration.

PROMOTING GREEN BUSINESS PRACTICE (continued)

Non-hazardous Waste

Non-hazardous waste produced from operation includes food waste, domestic waste, waste paper and packaging waste from the processing factory, logistics centre, warehouses, offices and restaurants. The Group upholds the practice of collecting and disposing of non-hazardous waste generated in accordance with environmental regulations.

The Group actively promotes waste reduction practices, which encompass waste reduction at the source, reuse, clean recycling, and minimising disposal at landfills. Additionally, various waste reduction campaigns are implemented within the offices to minimise waste generation during day-to-day operations and enhance employees' awareness and dedication to environmental protection.

Paper Waste

Recycling bins are placed in designated areas to collect recyclables which are then collected by recyclers for proper recycling. Employees are encouraged to use electronic means such as emails to reduce paper consumption.

Packaging Materials

Packaging waste, including plastic and paper waste, is separated for collection and then recycling. Also, the Group adopts biodegradable packaging materials to minimise the environmental impact.

Food Waste

Food waste is mainly generated from our catering services and food processing operations. We collaborate with third-party food rescue organisations to donate unused food. Unused food will also be utilised for preparing in-house meals for our employees, minimising the food waste discarded.

Office Supplies

The Group purchases supplies or equipment with an option to be upgraded and with longer lifespans to limit the number of replacements. In addition, stationery items such as paper clips, folders and binders are reused as much as possible to reduce wastage.

During the Reporting Period, the total non-hazardous waste generated was 64 tonnes and the total non-hazardous waste intensity was 0.00033 tonnes/revenue (HK\$'000).

PROMOTING GREEN BUSINESS PRACTICE (continued)

Sewage Discharge

As the sewage created by the Group is discharged directly into the municipal sewage pipe network to the regional water purification plant, the water consumed in the offices and warehouses is considered to be sewage discharged, while the sewage discharged from the restaurants accounts for 60% of the water consumed due to the water used in the catering operation.

The Group employs cost-effective measures by utilising reclaimed water to fulfil water requirements, such as the operation of cooling towers and other non-potable purposes. We also prioritise the promotion of clean production technologies and implement various initiatives to minimise water consumption. For example, we implement initiatives to recycle cooling water for non-processing uses, such as cleaning applications. Additionally, the Group has embraced eco-friendly technology to manage the disinfection process of our products. We have adopted electrolysed water, which ensures that the disinfectants used in sanitisation return to their original form of water before disposal. This approach minimises the environmental impact of the disinfection process and promotes sustainable practices.

USE OF RESOURCES

The Group recognises the importance of efficient resource utilisation, including energy, water and other raw materials, in preserving the environment. Consequently, we are committed to closely monitoring resource consumption across multiple aspects of our operations, including processing, storage, packaging and catering, aiming to minimise waste and reduce our environmental impact.

Energy Consumption

In line with our commitment to environmental stewardship, the Group has implemented the Environmental Policy, which encompasses a range of measures aimed at promoting the use of clean energy, maximising energy efficiency and reducing overall energy consumption during our operations. For instance, the Group performs regular assessments of energy efficiency and closely monitors energy consumption, identifying areas of improvement and implementing energy-saving initiatives.

PROMOTING GREEN BUSINESS PRACTICE (continued)

Below highlights some key measures taken by the Group regarding energy-saving:

- Procurement of electrical appliances with high energy efficiency ratings, such as China Energy Label Grade 1, will be prioritised over those with lower energy efficiency performance. The majority of the lighting systems in the processing factory are installed with LED lights.
- Employees are encouraged to minimise the utilisation of lighting and electric equipment as much as possible, and turn off the power supply when electrical appliances are not in use.
- The use of devices capable of performing multiple functions is promoted. For example, one device handling all of the printing, scanning, photocopying and faxing can be used to reduce the quantity of electrical equipment and associated energy consumption at our facilities.

During the Reporting Period, the total energy consumption was 2,388,188 kWh while the total energy consumption intensity was 12.30 kWh/revenue (HK\$'000).

Use of Packaging Materials

The Group recognises the increasing environmental challenge posed by the disposal of products and packaging materials at the end of their consumption phase. The Group endeavours to adopt a lifecycle assessment approach to evaluate and minimise the environmental impact of our products and packaging materials throughout their entire lifecycle, encompassing material selection, acquisition, processing, consumption, disposal and recycling.

To optimise resource usage during our operations, we have embraced a “design for manufacturing” approach, focussing on designing products and projects in a way that minimises the resources required throughout their lifecycle. In line with our commitment, all packaging materials used by the Group are biodegradable, minimising the environmental impact associated with the disposal of packaging materials. Furthermore, we actively encourage employees to use recycled or renewable packaging materials and aim to design the packaging to be returnable, reusable and renewable where possible.

The Group will continuously improve its packaging strategies both in the short term and long term so as to deliver the products in a manner that minimises packaging materials consumption. The total packaging materials consumption in the Reporting Period is 12 tonnes.

PROMOTING GREEN BUSINESS PRACTICE (continued)

Water Management

Water consumption has a direct effect on the Group's environmental footprint as well as operational costs. To achieve efficient use of water, relevant policies are in place to control the usage of water to limit wastage. The Group widely adopts water-efficient devices at all facilities, including water taps with automatic open or close devices or automatic closing mechanisms, dual flush cisterns for toilets, and high efficiency plumbing fixtures and appliances.

During the planning stage of the Group's warehouses, a water availability assessment was performed to assess water supply sustainability, including the likelihood of water scarcity in the future. It is also of priority to ensure that necessary engagements are arranged with stakeholders of local water resources. Therefore, the Group does not have any issues in sourcing water that is fit for purpose. Moreover, we have assigned particular personnel to monitor the water consumption in the food processing procedures. Employees have also taken measures to minimise daily water usage and improve the efficiency of water sources, and they are encouraged to turn off water taps after use, check faucets and pipes for any potential leakage and adopt the use of water saving appliances.

During the Reporting Period, the total water consumption was 17,783 m³ while the total water consumption intensity was 0.09 m³/revenue (HK\$'000).

Food Loss and Waste

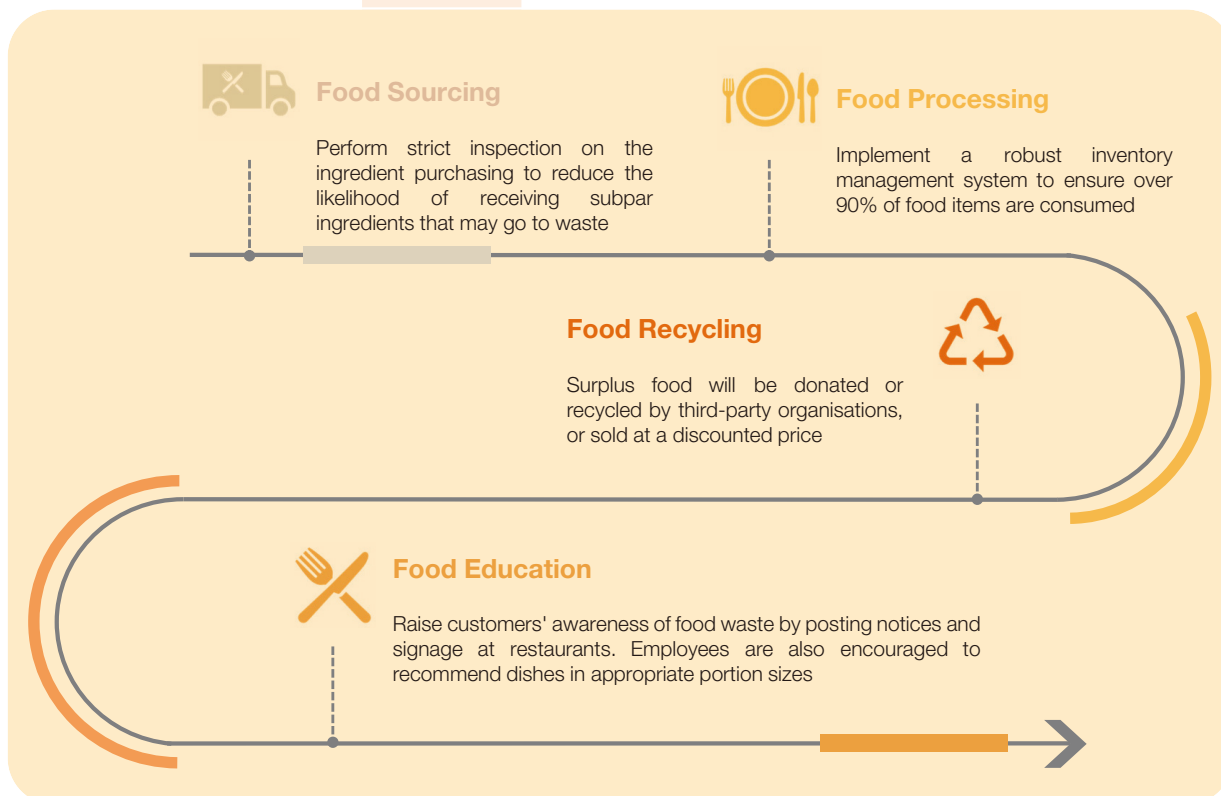
The Group is fully committed to reducing food loss and waste throughout our daily operations. We have implemented a comprehensive closed-loop approach that encompasses our entire value chain, from food purchasing and processing to recycling and education.

The Group has implemented a stringent food purchasing and inspection system to ensure the quality of ingredients before procurement, minimising the risk of receiving subpar items that could lead to waste. Additionally, we have established a robust inventory management system that tracks food items and their expiration dates, following a "first in, first out" approach. This approach guarantees that over 90% of our food items are utilised efficiently, reducing the chances of food expiry and waste. Our excess food ingredients are repurposed for in-house meals, minimising food waste and ensuring optimal resource utilisation.

Furthermore, the Group actively engages in food donation initiatives. Surplus food is donated to local food rescue organisations or individuals in need, contributing to the reduction of food waste and supporting communities.

PROMOTING GREEN BUSINESS PRACTICE (continued)

Promoting the concept of food waste reduction is of great importance to the Group. We prominently display notices and signage in our restaurants, emphasising the significance of reducing food waste. Our frontline employees are required to recommend dishes to customers in appropriate portion sizes, which would be a part of the performance assessment. We actively engage employees and customers in the pursuit of sustainable practices, ensuring that we contribute to a more responsible and environmentally conscious food industry.



THE ENVIRONMENT AND NATURAL RESOURCES

As a responsible business, the Group recognises its role to optimise resource utilisation across the operations and advocates the importance of environmental protection within its sphere of influence. We strive to incorporate environmental considerations into the operations and engage with employees, customers, business partners and the wider community to achieve environmental stewardship. Due to its business nature, the Group's activities pose immaterial impacts on the environment and natural resources, other than raw materials, the electricity and water used for food processing, storage and catering, the fuel used for transportation, packaging materials, and air emissions and GHG emissions induced by the Group's operations, as described in the sections headed "Emissions Management" and "Use of Resources". To effectively manage and minimise the impacts on the environment, the Group has formulated the aforementioned Environmental Policy and management guidelines for offices and the food processing factory, which describe the Group's approaches to environmental impact assessment and raising employees' awareness as well as sustainable practices in daily operations.

PROMOTING GREEN BUSINESS PRACTICE (continued)

Environmental Impact Assessment

The Group proactively minimises direct environmental impacts of operations with the aim to meet or exceed all applicable and relevant environmental legislation. We identify key environmental impacts with the help of government officials, conservation organisations and local communities. We consult for feedback on environmental issues on a regular basis to produce a final assessment plan and work closely with regulators and relevant stakeholders to develop appropriate mitigation measures in a timely manner, thereby alleviating environmental burden.

Raising Employees' Awareness

The Group provides resources to support environmental initiatives and promote environmental awareness among our employees. In addition to requiring employees to follow the guidance and implement environmental measures formulated by the Group, we organise various environmental protection campaigns for all employees, including site visits, material reuse and recycling. We also encourage employees to put forward ideas about new ways to protect the environment and contribute to the improvement of the environmental performance of the Group, thereby fulfilling the commitment to the environment.

TACKLING CLIMATE CHANGE

The management of the Group understands that climate change may adversely impact our business and the global economy as a whole. Therefore, other than reducing the environmental footprint caused by our business, the Group strives to identify potential physical and transition risks that may have adverse impacts on our business, and has formulated the Climate Change Policy so as to adapt to and/or mitigate major impacts associated with identified risks.

Physical Risks

Extreme weather events are occurring more frequently with increasing severity. Disasters, including floods, rainstorms and typhoons, can greatly influence the Group's supply chain and assets. Events such as typhoons pose risks to the Group's operations as they may affect the power supply and damage the operation sites. Employees of the Group are also at risk of work disruption, injuries and casualties. Damage to the Group's assets and interruption to its supply chain and the suppliers' production are detrimental to the Group's business due to increasing repair costs and interrupted business operations.

To deal with these physical risks, the Group will regularly review the risks of business interruption relating to extreme weather and, where appropriate, develop countermeasures to mitigate negative impacts. At the same time, the Group will issue early warnings to employees and has specified special work arrangements under potential environmental disasters, typhoons and rainstorms in accordance with relevant laws and regulations to avoid any chaotic situations and guarantee employees' safety.

PROMOTING GREEN BUSINESS PRACTICE (continued)

Transition Risks

Governments around the world are tightening environmental regulations and enacting climate-related legislation under the global movement for decarbonisation. China, as one of the world's largest GHG emitters, has aimed to peak carbon emissions by 2030 and achieve carbon neutrality by 2060. To support the national goals, the government of Hong Kong has also announced the "Hong Kong's Climate Action Plan 2050" with the participation of the whole community to achieve carbon neutrality before 2050. It is expected that the government authorities will implement more stringent policies and regulations to reduce GHG emissions and waste in order to promote the awareness of the public on climate change.

Other than tightening emission regulations, businesses are also required to comply with increasingly stringent disclosure and compliance rules for ESG reporting. Investors are also becoming more aware of the sustainability of different businesses and their commitment to conducting green businesses. Thus, the Group recognises the potential compliance risks such as lawsuits and claims, as well as reputational risks if non-compliance occurs. The Group will closely monitor the changes in the business environment and policy, and capitalise on the opportunities whenever possible to fulfil our role as a global citizen. In addition, the Group may also adjust its business strategies, where appropriate, in line with the government's efforts to support the global vision of decarbonisation.

To prevent and mitigate climate change risks and opportunities, we have incorporated climate change risks into the enterprise risk management processes and business continuity plans, and taken climate change issues into consideration when commencing new acquisitions. Adequate information and resources will be allocated to the monitoring and regular review of the impacts of climate change on employees and operations, demonstrating our commitment to fighting against climate change.

CULTIVATING A PEOPLE-ORIENTED WORKPLACE

EMPLOYMENT

Adhering to the development strategy of “people-oriented”, the Group is committed to cultivating an equal and inclusive workplace environment, protecting the rights and interests of employees, strengthening the compensation and benefits system, establishing a talent development mechanism, providing a healthy and comfortable working environment, and enhancing employees’ well-being. The Group recognises that human resources are the Group’s most valuable asset and the core of its competitive advantage, as well as the foundation for sustainable corporate development.

Compliance Employment

The Group is fully committed to adhering to all relevant employment laws and regulations, including the Employment Ordinance in Hong Kong (Chapter 57 of the Laws of Hong Kong), the Labor Law of the PRC, the Labor Contract Law of the PRC, and other applicable legislation. The Group strives to improve the employment system and establish a harmonious relationship with the employees so as to attract, cultivate and retain talents. To ensure clear guidelines and expectations, the Group has developed a comprehensive set of manuals and guidelines, including Human Resources Management Policy, Code of Conduct and Ethical Guidelines and Employee Handbook, covering compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination as well as other benefits and welfare. During the Reporting Period, the Group had no incident of non-compliance with laws and regulations relating to employment that would have a significant impact on the Group.

Talent Attraction and Dismissal

The Group adheres to the principles of fair competition and selecting the best candidates when recruiting employees, and firmly opposes any improper behaviours such as favouritism, protectionism and discrimination. Employee recruitment must comply with legal requirements, and the Group respects regulations concerning gender equality, prohibition of child labour and protection of female employees’ rights. We strive to ensure that all candidates are treated equally and without discrimination based on factors such as religion, race, ethnicity, and gender. During the recruitment and hiring process, the personal information of applicants and employees is protected. Regardless of the conditions or the environment, appropriate measures must be taken to safeguard the personal privacy of employees.

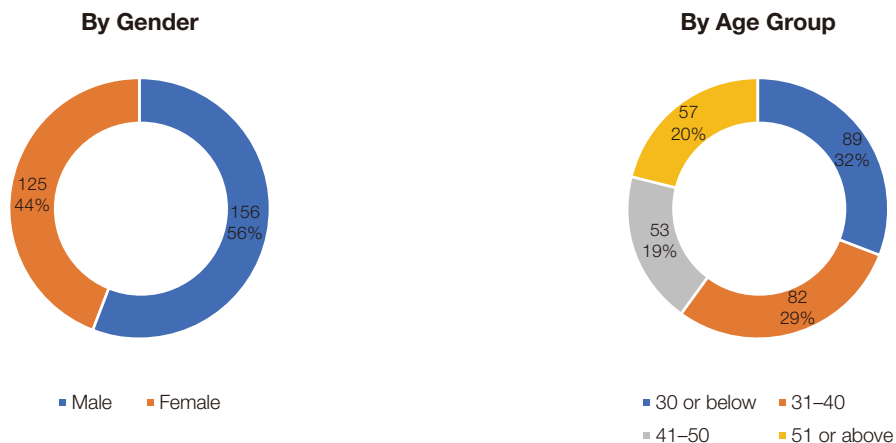
CULTIVATING A PEOPLE-ORIENTED WORKPLACE (continued)

The Group has established a comprehensive recruitment strategy, which is designed to attract a diverse pool of talented individuals. Various sources of recruiting channels are applied such as internal referrals and targeted job advertisements, ensuring that the Group has a robust talent pipeline to meet its business needs and enhance its overall competitiveness.

Throughout the recruitment process, the Group follows rigorous evaluation and selection procedures to assess candidates objectively and fairly. This may involve interviews, assessments, and reference checks to ensure that the best candidates are chosen based on their qualifications, abilities and potentials to contribute to the Group's success. During the Reporting Period, the Group had enhanced the recruitment process by standardising the interview procedures, aiming to stand out in the competitive talent market and secure the Group's long-term business success.

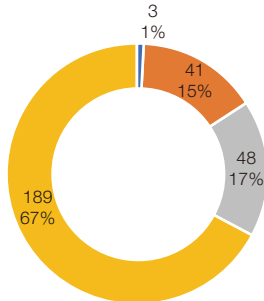
In terms of employee dismissal, the Group follows the procedures and provides reasonable compensation to the dismissed employees in compliance with employment laws and regulations. Dismissal based purely on employees' gender, marital status, pregnancy, disability, age or family status is strictly prohibited. For its retrenched employees in Hong Kong, we provide counselling and assistance to help them locate alternative job opportunities and/or introduce them to public employment services provided by the Employment Services Division of the Labour Department.

As at 31 December 2023, the Group had employed 281 employees with the total turnover rate of approximately 10%. Demographic data of our staff, with breakdown by gender, age group, employee category, employment type and geographical region, are presented below:



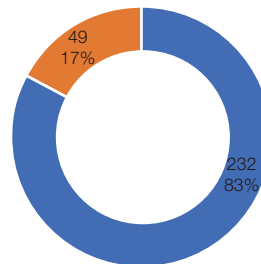
CULTIVATING A PEOPLE-ORIENTED WORKPLACE (continued)

By Employee Category



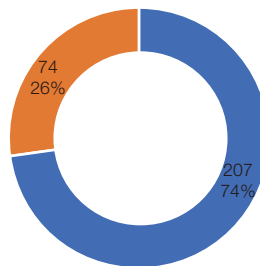
■ Directors ■ Senior management
 ■ Middle management ■ General staff

By Employment Type



■ Full-time ■ Part-time

By Geographical Region



■ Mainland China ■ Hong Kong

Talent Retention and Promotion

The Group places a strong emphasis on retaining talented staff members and recognises the importance of a competitive remuneration and benefits system. The Group continuously improves its remuneration and benefits system, taking into consideration relevant laws and regulations on minimum wage and statutory social benefits. The Group conducts annual employee appraisals and determines employees' salaries and discretionary bonuses based on their work performance, ability, experience, responsibility and efficiency, combined with the Group's financial status, life index and market trends, etc. Remuneration packages are reviewed periodically and benchmarked against industry norms and the Group's annual profitability to ensure consistency against the employment market.

CULTIVATING A PEOPLE-ORIENTED WORKPLACE (continued)

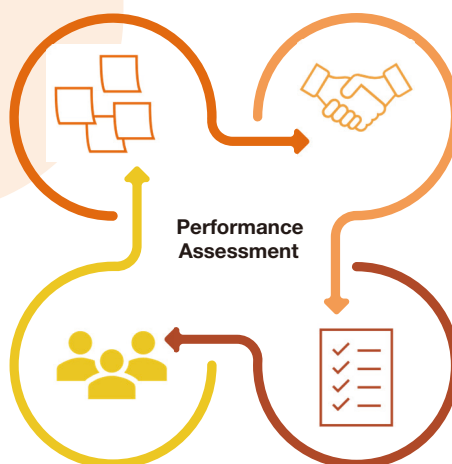
The Group is keen on offering internal competitive selection and promotion opportunities and upholds a reward and penalty mechanism so as to improve the positivity and mobility of the employees. The Group is committed to continuously improving its performance management system to foster a work environment where employees feel appreciated, motivated and recognised for their contribution. In the Reporting Period, the Group has implemented the Employee Performance Management System with the goal of achieving organisational objectives and establishing incentive plans to acknowledge and reward exceptional performers. The performance assessment will be conducted at least annually, which serves as a key reference for staff promotion decisions.

01. Preparing the Assessment

Review and assess employees' achievements, performance, strengths, and weaknesses; draft the performance evaluation report and provide constructive feedback

04. Follow-up Actions

If the evaluated employee's performance is below expectation, an improvement plan should be developed. A summary report is required to submit to the Human Resources and Administration Department



02. Conducting the Meeting

Based on the performance evaluation report to develop training and development plans for the upcoming year, and establish expectations, standards and individual goals

03. Completing the Report

Finalise the electronic report and obtain signatures from relevant personnel on all completed reports; maintain confidentiality and return the reports to the Human Resources and Administration Department

Talent Care and Benefits

The Group recognises the crucial role of its employees as the core force driving the company's development. We place significant importance on the interests and happiness of our employees and their families, striving to create a strong corporate culture that cares about our employees and provides humane support. To enhance the employee experience, the Group is committed to providing a diverse and fulfilling journey throughout their employment.

The Group places a strong emphasis on the physical and mental well-being of its employees, promoting a healthy work-life balance. Efforts are made to improve the coordination of work and production plans to enhance work efficiency and minimise the need for overtime work. By supporting employees in pursuing activities outside of work, the Group recognises the importance of holistic well-being and the positive impact it can have on employee satisfaction and overall productivity.

CULTIVATING A PEOPLE-ORIENTED WORKPLACE (continued)

The Group's commitment to enhancing employee well-being and fostering a strong sense of belonging extends to organising various employee activities. Activities are designed to promote camaraderie, happiness and corporate cohesion among employees in addition to building a warm and responsible employer brand image. For example, during the Reporting Period, the Group had participated in the 519 Hiking Festival, a charitable event that aimed to promote a healthy lifestyle, encourage outdoor activities and support social welfare. By actively encouraging employees to participate in the event, the Group demonstrated its emphasis on the importance of health and the promotion of physical and mental well-being.

Meanwhile, the Group is dedicated to providing comprehensive benefits to its employees that go beyond basic compensation and cover a range of additional provisions, including but not limited to paid leaves, insurance and allowances.

 <h3>Employee Benefits</h3> <p>The Group provides "Five insurances and One Fund" under the Social Insurance Law of the PRC and participates in the Mandatory Provident Fund Scheme of Hong Kong for all of the qualified employees.</p>	 <h3>Employee Leaves</h3> <p>Apart from statutory leaves, our employees are entitled to paid annual leave and sick leave.</p>	 <h3>Employee Relief</h3> <p>Provides optional medical examinations and commercial insurance packages for employees and their families to ensure that every employee can work in good health and with a peace of mind.</p>
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Equal Opportunities, Diversity and Anti-discrimination

The Group makes every effort to provide a fair workplace for the employees and adheres to the principles of equality and non-discrimination. The Group also complies with all applicable laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare in Hong Kong and the PRC, including but not limited to, the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), the Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), the Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong), the Labor Law of the PRC and the PRC Law on the Protection of Women's Rights and Interests.

CULTIVATING A PEOPLE-ORIENTED WORKPLACE (continued)

The Group upholds a zero-tolerance attitude towards any form of discrimination and sexual harassment. Clear guidelines and regulations are outlined in the Code of Conduct and Ethical Guidelines to provide a clear framework for employees to understand the expectations and standards of behaviour. The Group's emphasis on objective assessment in recruitment, remuneration, promotion and benefits further reinforces the commitment to equal opportunities. We believe that our staff should be provided with equal opportunity, regardless of gender, race, age, colour, nationality, religion, disability, sexual orientation, pregnancy, marital or family status, and other areas that are protected by the laws in Hong Kong and the PRC.

During the Reporting Period, there was no confirmed case in relation to discrimination and sexual harassment in the Group.

Employee Communication

The Group attaches great importance to employees' communication. Therefore, we have established various communication channels such as holding regular meetings and arranging informal gatherings to enhance and maintain close relationships between management and employees. We respect employees' views and are devoted to growing along with our employees. Therefore, we also encourage them to provide feedback on business operations, workplace practice and sustainability performance.

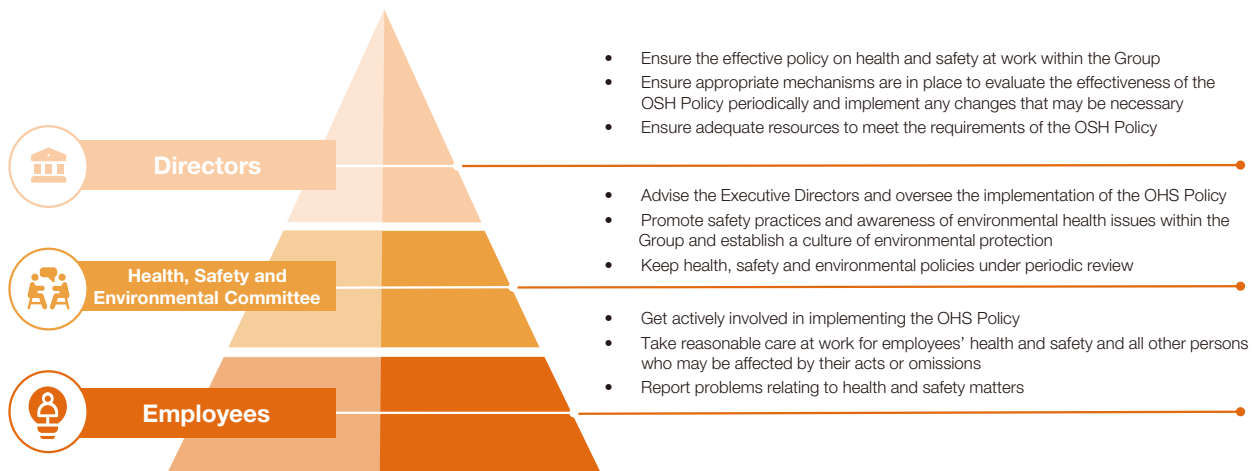
HEALTH AND SAFETY

The Group places the utmost importance on the health and safety of our employees. Strict compliance has been maintained with all applicable laws and regulations pertaining to occupational safety and health in the PRC and Hong Kong, including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), the Work Safety Law of the PRC and the Law of the PRC on the Prevention and Control of Occupational Diseases. The Group actively promotes a culture of safety, implements effective safety measures and protocols, provides necessary training and resources, and continually evaluates and improves occupational safety and health practices.

CULTIVATING A PEOPLE-ORIENTED WORKPLACE (continued)

Occupational Health and Safety Structure

To ensure the effective management of occupational health and safety, the Group has established an Occupational Health and Safety Policy (the “**OHS Policy**”), which outlines the responsibilities and duties of each party, identifies potential hazards and corresponding measures, and sets targets for the safety of employees. We have established a dedicated Health, Safety and Environmental Committee, responsible for formulating, implementing and auditing the OHS Policy and related initiatives.



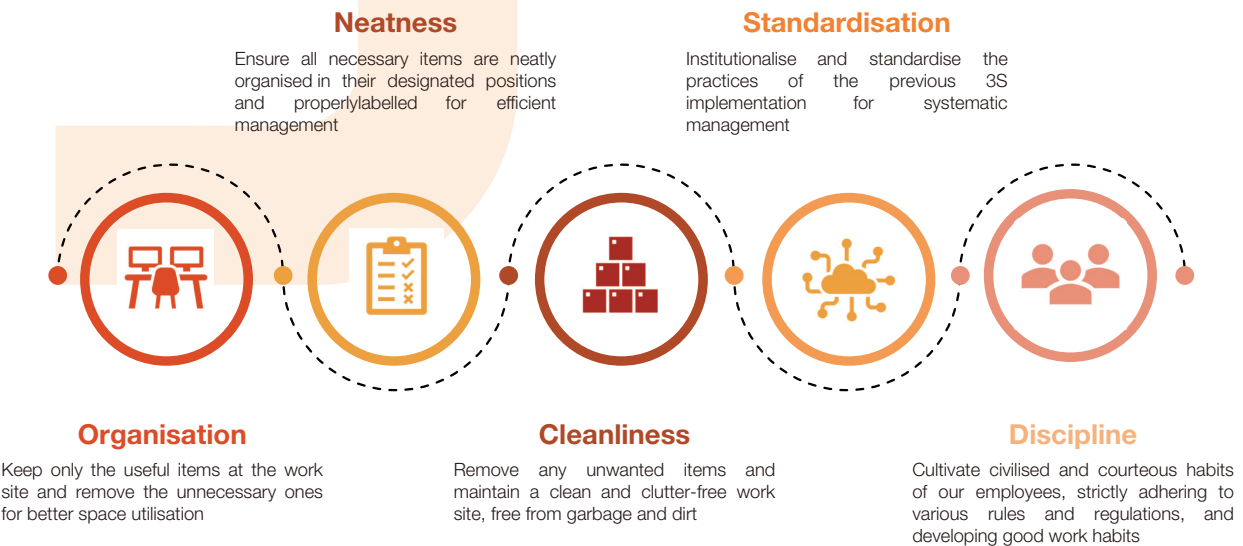
The Group's commitment to occupational health and safety extends beyond its own operations, recognising the importance of ensuring the health and safety of our suppliers and service providers. All appointed suppliers and service providers are required to comply with all legal requirements, as well as the health, safety and environmental policies and related requirements of the Group, in addition to maintaining their own exemplary health and safety standards in their operations. As part of the requirements, suppliers and service providers are also expected to provide the Group with the necessary information regarding the hazards associated with the items supplied, such as plants, equipment, tools, materials and substances, enabling the Group to assess potential risks and implement appropriate safety precautions.

Occupational Health and Safety Management

To ensure the safety and compliance of our workplaces, we prioritise the implementation of measures to mitigate potential hazards and maintain a safe and hygienic environment. This includes regular monitoring of the physical conditions in our processing factory, logistics centre, warehouses, offices and restaurants. We pay close attention to cleanliness, pest control, security, availability of first aid supplies, and also adherence to applicable fire safety regulations.

CULTIVATING A PEOPLE-ORIENTED WORKPLACE (continued)

In our offices, we have introduced the “5S” practice as an effective tool for promoting good housekeeping. The “5S” practice emphasises Organisation, Neatness, Cleanliness, Standardisation and Discipline. Employees are required to keep their working areas neat, clean and well-organised to prevent hazards, for example, falling objects that may result from poor storage of files. By adhering to the principles of the “5S” practice and conducting regular inspections, we create a safe and hygienic work environment, which also enhances the efficiency and productivity.



While our Group possesses the key responsibility of maintaining a safe workplace for the employees, we believe the provision of safety awareness education is an effective method of reducing the occurrence of accidents. One of our strategies for protecting employees from occupational hazards is to train them to protect themselves from psychological and physical hazards. The Group requires such training to be delivered to its employees, especially those who operate equipment and tools.

CULTIVATING A PEOPLE-ORIENTED WORKPLACE (continued)

During the Reporting Period, the Group was not aware of any non-compliance with the relevant health and safety laws and regulations. There was no significant incident of safety and work-related fatalities within three years (including the Reporting Period), and there were zero reported cases of work-related injuries during the Reporting Period.

	For the nine months ended 31 December 2023	For the year ended 31 March	
		2023	2022
Work-related fatalities	0	0	0
Work-related accidents	0	3	4
Lost days of work-related injury	0	420	745

During the Reporting Period, the Group was not in any non-compliance with health and safety laws and regulations that would have a significant impact on the Group relating to the provision of a safe working environment and the protection of employees from occupational hazards.

DEVELOPMENT AND TRAINING

The Group is committed to continuous professional development, recognising the importance of equipping employees with the necessary knowledge and skills to excel in their roles. The establishment of a training management system and the inclusion of relevant practices in the Human Resources Management Policy demonstrate the Group's dedication to providing adequate training opportunities.

To cater to the diverse needs of employees, the Group encourages participation in various training programmes, such as formal training courses, staff coaching and guidance, meetings, on-the-job training and job rotation. Both internal and external training options are provided to ensure a comprehensive and well-rounded learning experience. We also arrange work-related subscriptions or educational materials so that employees can refer to the news, articles and other materials that help them to complete their work more effectively.

During the Reporting Period, the Group had introduced the New Employee Orientation Procedure to provide timely and effective new employee training services to new hires, adhering to the Group's philosophy of "comprehensive care". This system is designed to standardise the onboarding training process for new employees and provide a solid platform for them to quickly adapt to the work environment.

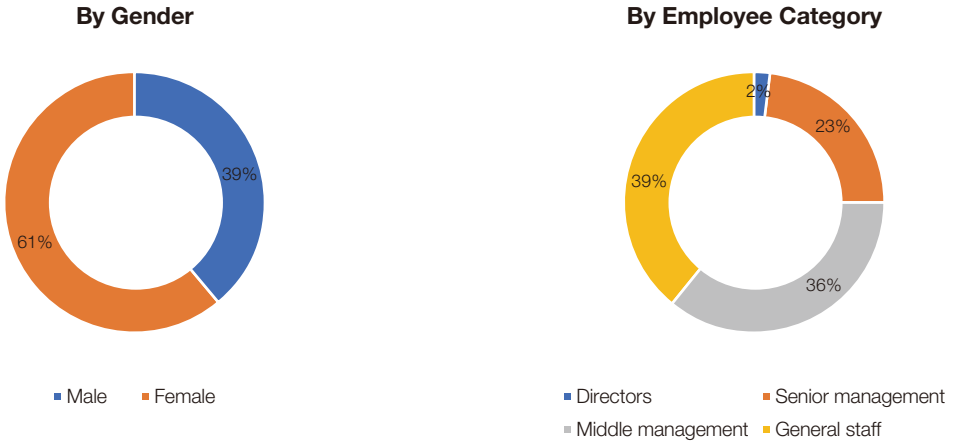
CULTIVATING A PEOPLE-ORIENTED WORKPLACE (continued)

The Group has tailored different training and development courses for employees at different levels to ensure they are equipped with the necessary skill sets and knowledge in relation to their jobs and duties, which would help enhance their job performance and effectiveness.



To further enhance employees' knowledge and skills for their job positions, all qualified employees who have worked for more than three months are eligible to participate in the external training programme. The Group will subsidise the costs fully or partially within an annual training budget for each employee. The Group will also engage third-party experts occasionally to offer training to our employees, bearing all training costs. Examples of such training and development include food safety training, and accounting and reporting training.

During the Reporting Period, approximately 82% of the Group's employees had received a total of approximately 2,177 hours (31 March 2023: 1,383.5 hours) of training. A breakdown of the Group's training statistics by gender and by employee category is presented in the charts below:



LABOUR STANDARDS

Child Labour and Forced Labour Management

The Group has established policies and procedures related to child labour and forced labour in its Code of Conduct and Ethical Guidelines and Human Resources Management Policy. The Group has strictly complied with all applicable laws and regulations in Hong Kong and the PRC, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Labor Law of the PRC and the Labor Contract Law of the PRC. During the Reporting Period, the Group was not in any non-compliance with child labour- and forced labour- related laws and regulations that would have a significant impact on the Group.

The Group tolerates neither the use of child labour nor the exploitation of children in any of its operations and facilities. The Human Resources and Administration Department and the user departments work together to identify and prevent the use of child labour in the workforce. We require all new employees to provide us with true and accurate personal identification information. All personal information, including identity cards and bank accounts, will be strictly scrutinised by the Human Resources and Administration Department. The Group has established a refined recruitment process for checking candidates' backgrounds and formal reporting procedures to handle any exceptional cases.

Human Rights Protection

We prohibit forced labour to protect human rights and endeavour to create a workplace with respect, fairness and free will for our employees. Working hours and relevant policies have been clearly outlined in the Employee Handbook and our employment contracts. The Group's employees work overtime only on a voluntary basis to avoid any violation of the labour standards. The Group also prohibits any punitive measures, management practices and behaviours involving verbal abuse, physical punishment, oppression, sexual harassment (including inappropriate language, postures and physical contact), etc. against its employees for any reason. If any violation of child labour or forced labour is discovered, it will be handled strictly according to the Group's internal policies.

UPHOLDING STRONG PRODUCT RESPONSIBILITY

PRODUCT QUALITY MANAGEMENT

The Group places paramount importance on quality control and maintains stringent procedures across all its food processing operations. In order to guarantee the delivery of exceptional products and services to our valued customers, the Group has implemented the Product Responsibility Policy to meticulously monitor and inspect operational practices at various management levels. By adhering to this policy, we ensure that our commitment to quality remains unwavering throughout the Group.

The Group strictly abides by the Consumer Goods Safety Ordinance (Chapter 456 of the Laws of Hong Kong), Food Safety Ordinance (Chapter 612 of the Laws of Hong Kong), the Food Safety Law of the PRC, the Product Quality Law of the PRC and other applicable laws and regulations in Hong Kong and the PRC. By diligently following the legal framework, we ensure that our operations consistently meet the highest standards of safety and quality in accordance with applicable requirements.

Quality Control Across Value Chain

The Group places a strong emphasis on effectively monitoring and safeguarding the food quality throughout our value chain. Multiple layers of precautionary measures are specifically undertaken to guarantee the safety and quality of food ingredients throughout the supply chain from the selection, sourcing, storage and delivery processes.



UPHOLDING STRONG PRODUCT RESPONSIBILITY (continued)

Food Sourcing and Selection

Starting from the food sourcing and selection processes, the Group has implemented stringent criteria and standards to carefully choose reputable suppliers who adhere to strict quality control measures. We conduct thorough assessments and audits of potential suppliers to ensure their compliance with food safety regulations and industry best practices. Whenever possible, we also conduct on-site inspections and sampling checks to verify the quality and safety of the ingredients. Furthermore, the Group maintains the traceability in our food sourcing practices. We make sure that all sourced food ingredients can be traced back to their origins, promoting the transparency and accountability throughout the supply chain to ensure that we have full control over the quality and safety of the ingredients used in our products.

Logistics and Delivery

During the delivery process, we maintain close collaboration with our logistics partners to ensure that the food is properly handled, which includes maintaining appropriate temperature controls and employing hygienic practices to preserve the quality and freshness of the ingredients during transit. In the event of food spoilage or contamination during the transportation, we may isolate affected items and prevent them from being used, document the incident, and report the case to the relevant parties for further investigation and resolution.

Restaurants

In our catering operations, we have developed Standard Operating Procedures (“**SOP**”) to establish standardised working procedures and effectively manage product quality. These SOPs are documented in our SOP Manual, which covers various aspects of our operations from new employee training, service processes and appearance, ensuring consistency and maintaining a high standard of quality across different stores. A structured training programme comprising “Explanation”, “Training”, “Practical Operation” and “Assessment” will be provided to our new employees, equipping them with the necessary skills and knowledge required for each role. Furthermore, the SOP Manual includes detailed instructions on food preparation and quality control, which cover the full process from ingredient preparation to cooking techniques and portion control. By developing a strict guideline, we maintain a consistent level of quality in the dishes we serve.

UPHOLDING STRONG PRODUCT RESPONSIBILITY (continued)

Service Quality

The Group is dedicated to maintaining the best-in-class service quality in our catering operations, and we prioritise the delivery of exceptional dining experiences to our customers. In addition to providing structured and comprehensive training for new employees, we conduct regular performance assessments to evaluate and improve the service quality. The assessment is designed to be tailored to different job roles and duties, encompassing aspects such as service quality management, food safety, hygienic standards, daily administration, professional skills and problem-solving skills etc. For employees who may be underperforming, we provide ongoing performance coaching and support, ensuring that all our employees are competent in delivering high-quality service. Furthermore, the Group will actively provide training courses to our frontline employees in uplifting their professional skills to enhance the service quality.

Case

Employee Training on Service Quality

To elevate the service standards of the Group, we have engaged a reputable third-party consultant to deliver training to our frontline employees in catering services. The training programme covers a range of essential topics, including understanding customer needs, enhancement of practical skills in serving clients, and improvements in restaurant settings. By focussing on these areas, we aim to equip our employees with the necessary knowledge and skills to deliver outstanding service. We strive to ensure that our customers can enjoy a delightful dining experience that exceeds their expectations.



Product Innovation

The Group is committed to fostering independent innovation and contributing to innovative and high-quality development in the catering industry. We actively explore innovative approaches to cater to the preferences of young consumers. One of our notable initiatives is the creation of the first food-themed intellectual property called “Super Seafood Wharf”, which focusses on fresh seafood and combines specialties from all over the world, aiming to create a restaurant environment with regional cultural characteristics, as well as to provide citizens with an immersive dining experience.

UPHOLDING STRONG PRODUCT RESPONSIBILITY (continued)

The Group encourages continuous innovation through regular new dish development competitions. These competitions serve as platforms for our staff to showcase their creativity and contribute to strengthening our dish offering categories and overall innovative capability. By fostering a culture of innovation, we aim to consistently offer new and exciting culinary options to our customers.

PRODUCT HEALTH AND SAFETY

The Group is fully responsible for the products sold to its consumers, with considerations of health and safety relating to the products. We pay close attention to aspects such as product design and the selection of food ingredients with health and safety considerations. Also, we employ strict quality control in the course of food processing, perform sampling checks for each batch of our finished products, and provide proper delivery and after-sales services. The food processing factory and Wangu Skyfarm, our supplier in environmental protection and technology, are accredited with HACCP certification. In addition, the food processing factory is also accredited with ISO 22000 Food Safety Management System certification.

Besides, the Group has formed a food safety team to monitor the execution of food safety procedures and ensure that they are being followed. Responsibilities of the food safety team include:

- Determining the business operations and safety assurance procedures and protocols;
- Formulating and reviewing HACCP plan;
- Monitoring the implementation of HACCP plan;
- Approving documents relating to ISO 22000, which addresses food safety management;
- Developing employees' training programmes;
- Verifying the operation of ISO 22000;
- Assessing the appropriateness and effectiveness of ISO 22000 regularly; and
- Reporting to the top management on the effectiveness of ISO 22000.

In our catering sector, we are firmly committed to the philosophy of responsible catering, which encompasses prioritising natural food ingredients that are free from chemicals and additives. We will perform regularly on-site inspections on our upstream suppliers, verifying that food ingredients we source are cultivated using environmentally friendly methods and also adhere to strict food safety standards. To ensure the freshness and safety of our food ingredients, we have also established clear guidelines on food storage periods that clearly outline the recommended storage durations for different types of perishable ingredients so as to avoid food expiry and spoilage.

UPHOLDING STRONG PRODUCT RESPONSIBILITY (continued)

During the Reporting Period, the Group had maintained compliance with laws and regulations related to health and safety concerning the products and services provided. There were no incidents of non-compliance that would have had a significant impact on the Group.

CUSTOMER RIGHTS PROTECTION

Responsible Marketing

The Group holds great respect for the rights of our customers and is dedicated to providing them with accurate marketing information to facilitate informed purchase and consumption decisions. To safeguard our customers' interests, the Group enforces a stringent information disclosure responsibility system across all subsidiaries. We carefully review advertising materials to ensure their compliance with relevant regulations and to protect the interests of our customers. Our Sales and Marketing Department diligently ensures that all label statements required by regulations are prominently and conspicuously displayed on the label or packaging, making them readily noticed and understood by consumers during customary purchasing conditions.

In addition, the Group ensures that all the trademarks have been registered properly and insists that the labelling of our products should be accurate, timely, legitimate, clear and not misleading. This is to affirm that the information about our products does not violate any relevant laws and regulations and is accurately understood by the customers for safe consumption.

During the Reporting Period, there were no incidents of non-compliance relating to marketing and advertising that would have had a significant impact on the Group.

Customer Satisfaction

The Group believes that its customers are the core of its business and that enhancing customer confidence and satisfaction in food and services will help to strengthen the Group's value proposition, brand and reputation. Therefore, the Group has formulated the Commercial Activities Management Policy to standardise customer management procedures from customer classification and quotation to after-sales services, with an aim to ensure high-quality services. We also strive to understand the needs of our customers and handle customer complaints appropriately by means of the Product Responsibility Policy.

Product Recall

While ensuring the quality of our products, the Group places equal emphasis on addressing any issues related to quality, safety or health. To effectively manage customer complaints and product recalls, the Group has implemented the Complaint and Recall Policy as part of our Product Responsibility Policy, outlining clear procedures and responsibilities for handling customer complaints and managing product recalls. Our Sales and Marketing Department plays a crucial role in systematically logging and managing customer feedback. When necessary, internal investigations are conducted to address the concerns raised.

UPHOLDING STRONG PRODUCT RESPONSIBILITY (continued)

To handle urgent product-related incidents, the Group has established a crisis management team comprising senior management from relevant functions. A comprehensive recall plan has also been established, encompassing specific procedures covering complaint receipt, processing and evaluation of complaints, identification of affected products, notification of relevant parties and the removal of affected products from circulation. The Group strives to ensure that any product-related incidents are managed efficiently and in compliance with the established protocols.

During the Reporting Period, no products sold had been subject to recalls due to significant safety and health reasons and no major complaints were received regarding the products and services we provided.

DATA SECURITY AND PRIVACY PROTECTION

The Group is committed to protecting customers' data and privacy information and maintaining the confidentiality of business information. The Group has strictly adhered to the Data Protection Principles of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), the Personal Information Protection Law of the PRC and the Cybersecurity Law of the PRC and other relevant laws and regulations in Hong Kong and the PRC.

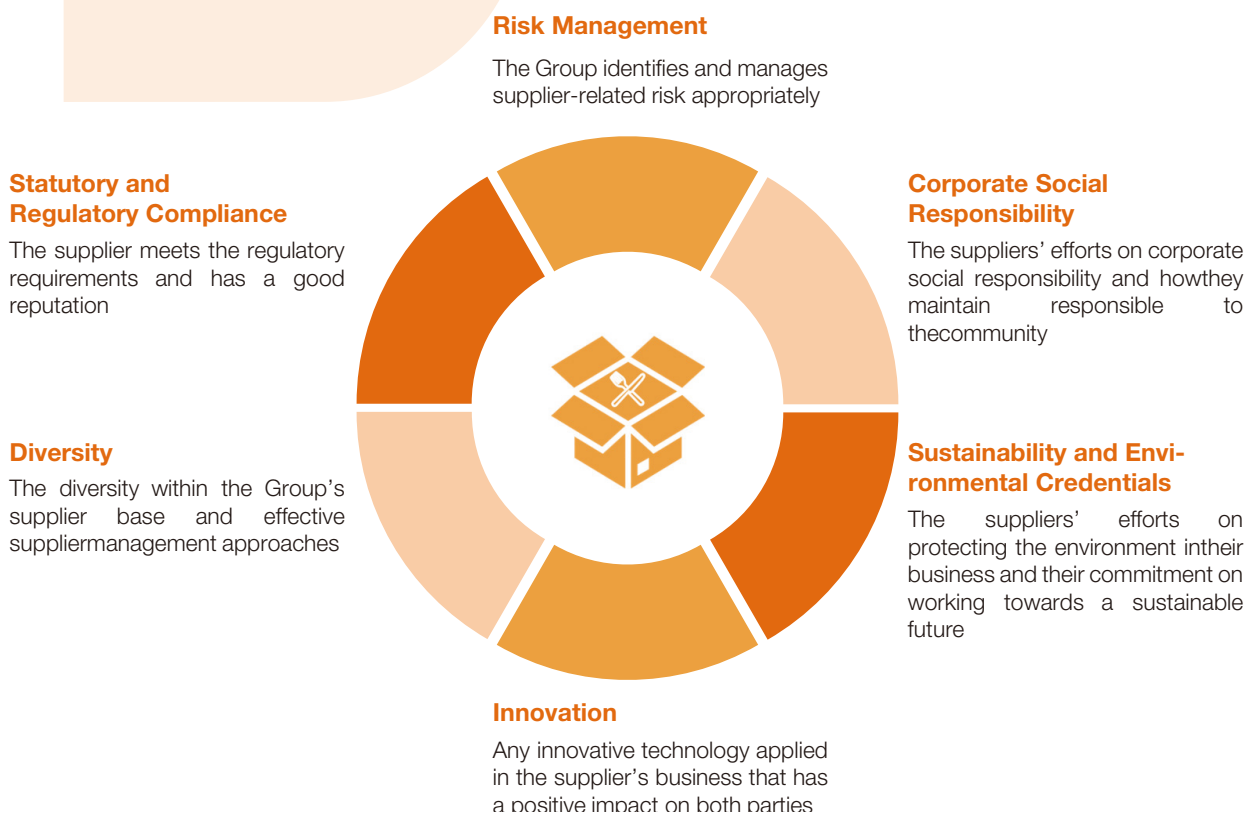
Our employees are required to sign the company confidentiality and non-compete agreement and observe the confidentiality obligations. They are also provided with on-the-job training in this regard for control and monitoring of consumers' data and business information, including but not limited to financial records, employees' information, business strategies and marketing plans. Proper information system security has also been put in place to prevent unauthorised data access processing, erasure, loss or use (including transfer). The Group is allowed to use customers' data in direct marketing only if consent is made. If any data leak occurs, the Group will take immediate remedial actions to lessen any difficulties or damage that may be caused to the data subjects, investigate the insufficiency or inadequacy of the information system security and devise a clear strategy to prevent future reoccurrence.

PROMOTING SUSTAINABLE SUPPLY CHAIN

SUPPLY CHAIN MANAGEMENT

Supply chain management is a crucial aspect of the Group's operations and we place a significant emphasis on effectively addressing environmental and social risks within the supply chain. By implementing the Procurement Management Policy and Supplier Code of Conduct, we ensure that our suppliers provide products and services that meet quality, health and safety standards, in addition to ensuring compliance with relevant laws and regulations.

We consider more than service delivery and cost when we are evaluating potential suppliers. There are six main factors we value the most in our selection process:

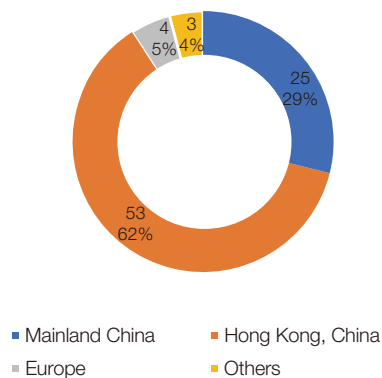


The Group understands that it procures items from many suppliers and the supplier management is important for our business. Therefore, we regularly review the supplier-related policies and practices to ensure their effectiveness. We hope to share our value and enable sustainability and long-term positive impacts on the global community by working with the suppliers that are committed to meet the Group's expectations. We have a zero-tolerance approach to improper business conduct and any kind of financial crime. All suppliers must go through the review process of negotiation, inspection and bidding or quotation. In addition, our suppliers shall be reviewed at least once a year with approvals from the procurement manager/director.

PROMOTING SUSTAINABLE SUPPLY CHAIN (continued)

In order to make sure our supply chain is sustainable, we evaluate and select our suppliers based on these specifications and we expect the suppliers to have and uphold similar standards and abide by national management laws in the countries where they operate. The Group's management evaluates and monitors the performance of the suppliers regularly to ensure the quality of the goods supplied by the suppliers. We have formulated a suppliers' on-site assessment procedure for food factories which sets out the assessment items during the on-site visit. Our staff are required to check the environment, the facility and equipment, the products and the documentations of the food factory as well as the relevant documentation proofs such as Professional Certifications and Test Reports so as to ensure that the Group's suppliers have an up-to-standard food factory and are able to provide safe and quality food to us.

During the Reporting Period, the Group had a total of 85 suppliers (31 March 2023: 117 suppliers) and all passed the relevant practices of engaging suppliers. Below is the distribution of suppliers by geographical region:



GREEN PROCUREMENT

As set out in our Procurement Management Policy and Supplier Code of Conduct, Sustainability and Environmental Credentials is one of the most concerned factors that we expect our suppliers possess. We make sure that the suppliers' environmental and social practices in their business are taken into account and hope to engage them with responsible acts to society in the view of green procurement.

We have established environmental policies and provide environmental training to our suppliers' staff. Upon selecting suppliers, we prioritise those who are certified with ISO 14001. We also encourage our suppliers to conduct regular reviews and audits of their environmental performance and develop action plans to address any negative environmental impacts. We have also set our expectation of the environmental responsibility of the suppliers. We expect the suppliers to take a proactive approach in reducing the environmental impact.

The Group places a strong emphasis on promoting green procurement practices. Before making procurement decisions, we carefully assess our needs and stock availability to minimise waste. Additionally, we strive to purchase items in bulk to reduce packaging materials and lower carbon emissions during transportation. Moreover, we actively seek out eco-friendly products and services, including those with energy-efficient labels and those made from recycled or renewable materials, for our day-to-day operations.

CONTRIBUTING TO COMMON PROSPERITY

The Group understands the importance of actively contributing to the community and engaging in meaningful community initiatives. We believe that our success as a company goes hand in hand with the well-being and prosperity of the communities we serve. As part of our commitment to ESG principles, we strive to make a positive impact by supporting local organisations, promoting sustainable practices and fostering community engagement.

During the Reporting Period, recognising our ability to help the ones in need, we had offered discounts and/or free meals to the elderly in our restaurants. Through this heartwarming initiative, we aimed to alleviate their struggles and bring a sense of warmth and comfort to their life.

We also encourage our staff to actively participate in charitable activities for the underprivileged in our community.

Case

Participate in Charity Event: 519 Charity Walk

Our staff have joined the “519 Charity Walk” to make a positive impact on our community. The charity walk aimed to address a pressing issue faced by our community. By becoming actively involved as participants and garnering public attention, we were able to amplify the message and create a ripple of awareness. Beyond the immediate fund raising aspect, the charity walk has fostered a sense of unity, resilience and shared purpose among our staff.



Our environmental protection and technology division is dedicated to advocating the principles of environmental consciousness and green practices, and promoting a low-carbon economy. We aim to inspire other companies and parties to embrace sustainable development as their own responsibility. We integrate environmental considerations and management throughout our entire business operations, with the goal of realising our corporate vision to contribute to a more sustainable society. Combining our initiatives with the relevant policies on low-carbon environmental protection, labour education and quality education, our promotion on use of land could be able to contribute to great social benefits and sustainable development in the Greater Bay Area.

Case

Transformation to a Green Community

To create a greener and better society together, we initiate the “Sky Farm” project to assist different parties to achieve sustainable goals. In collaboration with Wangu Skyfarm, we have introduced innovative agricultural practices and innovative business models, using ecotechnology to support the transformation of idle spaces such as urban rooftops and large plots of land into green projects. In particular, we have collaborated with more than 200 campuses to create the business of “Campus Comprehensive Practice Base”, incorporating labour education into the whole process of talent training.



During the Reporting Period, the Group had actively donated food and materials to the underprivileged population in the community. We donated about 3.1 tonnes of fruits, vegetables and other foodstuff (equivalent to an amount of approximately HK\$118,000) to local food aid organisations. Additionally, we donated HK\$184,000 to a charitable organisation. Therefore, a total of approximately HK\$302,000 had been donated to support the elderly and low-income families, which is in line with the Group’s community investment focus. In the future, we will continue to seek opportunities to cooperate with other external organisations so as to increase our community outreach and contributions.

APPENDIX I – SUSTAINABILITY PERFORMANCE OVERVIEW

Environmental Indicators	Unit	For the nine months ended 31 December	For the year ended 31 March	
		2023	2023	2022
Air Emissions¹				
NOx	kg	296.3	338.4	306.4
SOx ²	kg	0.6	0.7	0.7
PM	kg	14.8	15.9	16.7
GHG Emissions³				
Scope 1 – Direct Emissions	tCO₂e	185	201	170
Fuel consumption ²	tCO ₂ e	148	123	116
Refrigerant consumption	tCO ₂ e	37	78	54
Scope 2 – Energy Indirect Emissions	tCO₂e	895	528	325
Electricity consumption	tCO ₂ e	895	528	325
Scope 3 – Other Indirect Emissions	tCO₂e	34	30	27
Paper waste disposed of at landfills	tCO ₂ e	27	24	24
Fresh water processing	tCO ₂ e	5	5	2
Sewage processing	tCO ₂ e	2	1	1
Total GHG Emissions	tCO₂e	1,114	760	522
Total GHG Emissions Intensity⁴	tCO₂e/employee number	3.96	5.20	7.57
	tCO₂e/revenue (HK\$'000)	0.0057	0.0038	0.0041
Non-hazardous Waste				
Total Non-hazardous Waste	tonnes	64	51	63
Total Non-hazardous Waste Intensity	tonnes/employee number	0.23	0.35	0.91
	tonnes/revenue (HK\$'000)	0.00033	0.00025	0.00049

APPENDIX I – SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Environmental Indicators	Unit	For the nine months ended 31 December 2023	For the year ended 31 March	
			2023	2022
Energy Consumption⁵				
Direct Energy Consumption				
Petrol ²	kWh	165,851	92,861	86,954
Diesel ²	kWh	198,952	333,459	358,273
Liquefied petroleum gas ⁶	kWh	223,243	7,120	–
Indirect Energy Consumption				
Electricity consumption	kWh	1,800,142	1,180,012	832,483
Total Energy Consumption	kWh	2,388,188	1,613,452	1,277,710
Total Energy Consumption Intensity	kWh/employee number	8,498.89	11,051.04	18,517.54
	kWh/revenue (HK\$'000)	12.30	7.98	10.01
Water Consumption				
Total Water Consumption	m³	17,783	11,098	3,835
Total Water Consumption Intensity	m³/employee number	63.28	76.01	55.58
	m³/revenue (HK\$'000)	0.09	0.05	0.03
Packaging Materials Consumption				
Total Packaging Materials Consumption	tonnes	12	17	19
Total Packaging Materials Consumption Intensity	tonnes/employee number	0.042	0.12	0.28
	tonnes/revenue (HK\$'000)	0.00006	0.00008	0.00015

APPENDIX I – SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Social Indicators	Unit	For the nine months ended 31 December 2023	For the year ended 31 March	
			2023	2022
Employment				
Total number of employees	person	281	146	69
By gender				
Male	person	156	75	31
Female	person	125	71	38
By age group				
30 or below	person	89	27	4
31–40	person	82	44	14
41–50	person	53	35	18
51 or above	person	57	40	33
By employment type				
Full-time	person	232	118	59
Part-time	person	49	28	10
By employee category				
Directors	person	3	5	3
Senior management	person	41	17	4
Middle management	person	48	23	7
General staff	person	189	101	55
By geographical region				
Hong Kong	person	74	74	69
Mainland China	person	207	72	–

APPENDIX I – SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Social Indicators	Unit	For the nine months ended 31 December 2023	For the year ended 31 March	
			2023	2022
Employee Turnover Rate⁷				
By gender				
Male	%	11	84	45
Female	%	9	62	58
By age group				
30 or below	%	8	115	125
31–40	%	17	66	36
41–50	%	2	46	28
51 or above	%	10	78	64
By geographical region				
Hong Kong	%	20	86	52
Mainland China	%	6	60	–
Health and Safety				
Number of work-related fatalities	person	–	–	–
	%	–	–	–
Lost days due to work injury	lost day	–	420	745

APPENDIX I – SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Social Indicators	Unit	For the nine months ended 31 December 2023	For the year ended 31 March	
			2023	2022
Training and Development				
Breakdown of employees trained⁸				
By gender				
Male	%	39	43	59
Female	%	61	57	41
By employee category				
Directors	%	2	3	18
Senior management	%	23	3	12
Middle management	%	36	13	24
General staff	%	39	81	46
The average training hours completed per employee⁹				
By gender				
Male	hours	8.2	8.7	7.0
Female	hours	7.2	10.3	5.7
By employee category				
Directors	hours	1.0	0.6	1.5
Senior management	hours	6.0	5.6	13.3
Middle management	hours	9.8	8.9	4.5
General staff	hours	7.7	10.7	7.6

APPENDIX I – SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Social Indicators	Unit	For the nine months ended 31 December 2023	For the year ended 31 March	
			2023	2022
Supplier Chain Management				
Hong Kong, China	number	53	35	39
Mainland China	number	25	76	7
Other regions in Asia	number	1	1	2
Europe	number	4	4	2
Africa	number	1	–	1
Australia and New Zealand	number	1	1	1
Product Responsibility				
Percentage of total products sold subject to recall	%	–	–	–
Number of products and service-related complaints	number	–	–	–
Anti-corruption				
Number of concluded legal cases regarding corrupt practices		–	–	–
Community Investment				
Resources contributed				
Food surpluses, fruits and vegetables	tonnes	3.1	8.5	9.8
Donations	HK\$	184,000	500,000	–

APPENDIX I – SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Notes:

1. The calculation method for air emissions and the related emission factors were based on, including but not limited to, “How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEX.
2. The fuel consumption-related data for the year ended 31 March 2023 was restated to align with the calculation methodology used in the Reporting Period for consistency and meaningful comparison purposes.
3. GHG emissions are presented in terms of carbon dioxide equivalent and are based on, including but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEX, the Guidelines for Accounting and Reporting Enterprise Greenhouse Gas Emissions Power Infrastructure (2022 Revision) issued by the Ministry of Ecology and Environment of the PRC and the 2022 Sustainability Report published by CLP Power Hong Kong Limited.
4. The employee number and revenue are used to calculate all intensity data. During the Reporting Period, the total employee number of the Group was 281 (31 March 2023: 146) and the Group recorded a revenue of approximately HK\$194,109,000 (31 March 2023: HK\$202,136,000).
5. The calculation of unit conversion refers to the “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEX.
6. The significant increase in liquefied petroleum gas consumption was due to the expansion in the catering business.
7. Employee turnover rate by category = Total number of employees leaving employment during the Reporting Period by category/Total number of employees as at 31 December 2023 by category*100%.
8. Breakdown of employees trained = Total employees trained during the Reporting Period by category/Total employees trained during the Reporting Period*100%.
9. The average training hours completed per employee = Total training hours completed during the Reporting Period by category/Total number of employees as of 31 December 2023 by category.

APPENDIX II – HKEX ESG REPORTING GUIDE INDEX

ESG Reporting Guide	Section
Mandatory Disclosure Requirements	
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.
Reporting Principles	<p>About this Report – Reporting Standards and Principles</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>
Reporting Boundary	<p>About this Report – Reporting Scope</p> <p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>

APPENDIX II – HKEX ESG REPORTING GUIDE INDEX (continued)

ESG Reporting Guide		Section
A. Environmental		
Aspect A1: Emissions		
A1	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Environmental Management System
KPI A1.1	The types of emissions and respective emission data.	Emissions Management
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Management – GHG Emissions Management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Management – Waste and Wastewater Discharge Management (Not applicable as explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Management – Waste and Wastewater Discharge Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Management System – Our ESG Targets Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Management System – Our ESG Targets Emissions Management – Waste and Wastewater Discharge Management

APPENDIX II – HKEX ESG REPORTING GUIDE INDEX (continued)

ESG Reporting Guide		Section
Aspect A2: Use of Resources		
A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Energy Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Management System – Our ESG Targets Use of Resources – Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Management System – Our ESG Targets Use of Resources – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Materials
Aspect A3: The Environment and Natural Resources		
A3	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect A4: Climate Change		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Tackling Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Tackling Climate Change

APPENDIX II – HKEX ESG REPORTING GUIDE INDEX (continued)

ESG Reporting Guide		Section
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
B1	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment – Talent Attraction and Dismissal
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I – Sustainability Performance Overview
Aspect B2: Health and Safety		
B2	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety – Occupational Health and Safety Management
KPI B2.2	Lost days due to work injury.	Health and Safety – Occupational Health and Safety Management
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety – Occupational Health and Safety Management

APPENDIX II – HKEX ESG REPORTING GUIDE INDEX (continued)

ESG Reporting Guide		Section
Aspect B3: Development and Training		
B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix I – Sustainability Performance Overview
Aspect B4: Labour Standards		
B4	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards – Child Labour and Forced Labour Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Child Labour and Forced Labour Management
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Child Labour and Forced Labour Management
Operating Practices		
Aspect B5: Supply Chain Management		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management

APPENDIX II – HKEX ESG REPORTING GUIDE INDEX (continued)

ESG Reporting Guide		Section
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Green Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Green Procurement
Aspect B6: Product Responsibility		
B6	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Product Quality Management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Customer Rights Protection – Product Recall
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Rights Protection – Product Recall
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Management
KPI B6.4	Description of quality assurance process and recall procedures.	Customer Rights Protection – Product Recall
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Security and Privacy Protection

APPENDIX II – HKEX ESG REPORTING GUIDE INDEX (continued)

ESG Reporting Guide		Section
Aspect B7: Anti-corruption		
B7	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	Business Ethics and Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics and Anti-corruption – Anti-corruption Management
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics and Anti-corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics and Anti-corruption – Anti-corruption Management
Community		
Aspect B8: Community Investment		
B8	<p>General Disclosure</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>	Contributing to Common Prosperity
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Contributing to Common Prosperity
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Contributing to Common Prosperity

APPENDIX III – VERIFICATION STATEMENT

To the Board of Directors of China Wantian Holdings Limited:

1. Objective of Verification

Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLL**”) has been engaged by China Wantian Holdings Limited (the “**Company**” or “**China Wantian**”) to undertake verification of its 2023 Environmental, Social and Governance Report (the ESG Report).

JLL assessed the ESG Report’s adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness and Impact) set out in the AA1000 Assurance Standard v3 (“**AA1000AS v3**”). In addition, JLL provided assurance on the reliability and quality of specific performance information disclosed in the ESG Report that have been selected in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide (“**Appendix C2**”) of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“**SEHK**”).

The ESG Report stated the environmental and social performance of China Wantian in the period of 1 April 2023 to 31 December 2023. This verification statement is for the use by the stakeholders and management personnel of China Wantian. Should there be any discrepancies between English version and Chinese version of this verification statement, the English version shall prevail.

2. Scope of Assurance

This verification statement aims at providing a Type 2 moderate level of assurance in accordance with AA 1000 Assurance Standard for the following scopes of assurance:

- Direct (Scope 1) GHG emissions
- Indirect (Scope 2) GHG emissions
- Other indirect (Scope 3) GHG emissions
- Total electricity consumption
- Total energy consumption
- Total water consumption
- Total waste generation
- Breakdown of employment details

APPENDIX III – VERIFICATION STATEMENT (continued)

3. Level of Assurance

The process applied in this verification was based on Type 2 Moderate Level of Assurance in accordance with the AA 1000 Assurance Standard v3 (“**AA1000AS v3**”) issued by the AccountAbility. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion.

4. Methodology

JLL’s assurance works included the following:

- Review of ESG Report compilation process including stakeholder engagement and materiality assessment processes.
- Process for collecting, collating and reporting sustainability performance data were verified.
- Interview with managers responsible for sustainability performance and data collection.
- Verification of the selected representative sample of data and information, including an audit of conversion factors and calculations. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.
- Assessment of the extent to which China Wantian’s sustainability activities adhere to the AA1000AS v3 Principles of inclusivity, materiality, responsiveness and impact.
- Performing other procedures JLL deemed necessary.

5. Independence

JLL was not involved in collecting and calculating data, or in the development of the ESG report. JLL’s verification works are independent from China Wantian.

6. Competency

JLL is composed of experienced professionals in the industry. JLL’s expertise and experience in non-financial information, sustainability management and social and environmental issues are well-equipped to conduct the assurance. Relevant members have received professional training on sustainability-related standards such as AA1000AS v3, HKEX’s ESG Reporting Guide, TCFD, ISO 14064, ISO14065, ISO17029 and other standards.

7. Limitation

Financial data extracted from independently audited financial data has not been checked as it is not part of JLL’s assurance process.

APPENDIX III – VERIFICATION STATEMENT (continued)

8. Conclusion

In accordance with the principles of Inclusivity, Materiality, Responsiveness and Impact in the AA1000AS v3, our findings and conclusions are detailed as follows:

- **Inclusivity:** China Wantian has identified key stakeholders and established channels for its stakeholders to understand their concerns and expectations.
- **Materiality:** China Wantian has identified its material issues through appropriate methods based on the expectations and concerns of the key stakeholders, its own industry characteristics, legal and regulatory requirements, and outward economic and social impacts. China Wantian has disclosed the methodology, process and results of materiality assessment in the ESG Report.
- **Responsiveness:** China Wantian has established channels for its stakeholders to understand their concerns and expectations. Meanwhile, through the ESG Report, China Wantian has disclosed corporate sustainability strategies, management systems, management key points, key stakeholder participation activities as well as major sustainability development related issues to respond to key stakeholders.
- **Impact:** China Wantian has evaluated its impacts and realised its impacts on stakeholders, for making a more effective decision-making and result-based management within the organisation.
- **Specified Performance Information:** Based on the procedures that JLL has performed and the evidence obtained, no specific issue has come to our attention that causes us to believe that the disclosed Specified Performance Information in the ESG Report is not accurate or not been prepared in all material respects in accordance with the basis of reporting.
- **The ESG Report** has complied with all mandatory disclosure requirements and “comply or explain” provisions set out in the Appendix C2. The ESG Report illustrates China Wantian’s sustainability performance covering all material and relevant aspects and/or topics in a balanced, clear, consistent, and timely manner.

Yours sincerely,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

