CKS

CHU KONG SHIPPING ENTERPRISES (GROUP) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)
Stock Code : 00560

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2024

Boost Development
Confident
Forge Strategic
Blueprint

Contents

About
this Report

1. ABOUT THIS REPORT

This Environmental, Social and Governance ("**ESG**") report (this "**Report**") details the sustainability strategy, progress, and achievement of Chu Kong Shipping Enterprises (Group) Company Limited and its subsidiaries (collectively referred to as the "**Group**" or "**we**") in 2024.

1.1 Reporting Scope

This Report supplements the 2024 Annual Report of the Group and discloses the Group's management approaches, measures and performances in ESG from 1 January 2024 to 31 December 2024 (the "**Reporting Period**") (with some contents dating back to the prior years or looking forward to the date of release of this Report).

The reporting scope of this Report includes the Group's terminal logistics business, passenger transportation business, fuel supply business, and corporate and other businesses, which covers our operation in offices, cargo terminals, and ferry terminals in Mainland China, the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), and the Macao Special Administrative Region of the People's Republic of China ("**Macao**").

- Chu Kong Shipping Enterprises (Group) Company Limited ("**CKSG**" or the "**Company**")
- Chu Kong Agency Company Limited
- Chu Kong Container Transportation Company Limited
- Chu Kong (Guangdong) International Freight Forwarding Co., Ltd. ("**CKIFF**")
- Chu Kong Godown Wharf & Transportation Company Limited
- Chu Kong Transhipment & Logistics Company Limited ("**CKTL**")
- Chu Kong Transportation (H.K.) Limited
- Chu Kong Passenger Transport Company Limited ("**CKPT**")
- Sun Kong Petroleum Company Limited ("**Sun Kong Petroleum**")
- Oriental Pearl Cruise Company Limited ("**Oriental Pearl**")
- Chu Ou Engineering And Technologies Company Limited
- Sun Ferry Services Company Limited ("**Sun Ferry**")
- CKS Container Terminal (Zhuhai Doumen) Co., Ltd. ("**Doumen Port**")
- Chu Kong Shipping (Guangdong) Logistics Co., Ltd.
- Zhaoqing Chu Kong Logistics (Gaoyao) Co., Ltd. ("**Gaoyao Port**")
- Zhongshan City Huangpu Port Cargo and Container Terminal Co., Ltd. ("**Huangpu Port**")
- Zhaoqing New Port Co., Ltd. ("**Zhaoqing New Port**")
- Zhaoqing Chu Kong Logistics (Sihui) Co., Ltd. ("**Sihui Port**")
- Chu Kong International Airfreight Company Limited
- Ever Sky Transportation Limited
- Chu Kong Cargo Terminals (Qingyuan) Co., Ltd. ("**Qingyuan Port**")
- Chu Kong Cargo Terminals (Gaoming) Co., Ltd. ("**Gaoming Port**")
- Chu Kong Cargo Terminals (Kangzhou) Co., Ltd. ("**Zhaoqing Kangzhou Port**")
- Shenzhen Zhu Chuan International Freight Forwarding Co., Ltd. ("**Shenzhen Zhu Chuan**")
- Chu Kong (Guangdong) International Shipping Agency Co., Ltd.
- Civet (Zhuhai Bonded Area) Logistics Company Limited ("**Civet Port**")
- Guangdong Digital Port & Shipping Technology Co., Ltd. ("**Digital Port and Shipping**")

1.2 Basis of Report Preparation

This Report was prepared in accordance with the *Environmental, Social and Governance Reporting Guide* ("**ESG Guide**") set out in Appendix C2 of the Main Board Listing Rules (the "**Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

This Report has complied with the "comply or explain" provisions as well as mandatory disclosure requirements of the *ESG Guide* and was prepared in adherence to the four reporting principles:

Materiality	Quantitative
A materiality assessment was conducted to inform the structure and focus areas of our ESG reporting. For the process to identify and the criteria for the selection of material ESG issues, please refer to the section "3.2 Stakeholder Engagement and Materiality Assessment" of this Report.	We reported our quantitative performance for stakeholders to evaluate the effectiveness of our ESG policies and management systems. Moreover, we disclosed the standards, methodologies, assumptions, and source of conversion factors used for the reporting of key performance indicators where applicable.

Balance	Consistency
This Report is prepared in a transparent manner of which the information disclosed covers both sustainability achievements and challenges of the Group.	We adopted consistent methodologies and reported the changes to the scope and methods to allow for meaningful comparisons of ESG date over time.

For detailed information about the provisions of the *ESG Guide*, please refer to Appendix II of this Report.

1.3 Report Disclaimer

All information disclosed in this Report was sourced from the Group's documents and statistics. The Board of Directors of the Company (the "**Board**") has overall responsibility for the Group's ESG strategy and reporting. This Report was reviewed and approved by the Board on 16 April 2025.

This Report was published in Traditional Chinese and English versions. Should there be any discrepancy between the two versions, the English version shall prevail.

1.4 Contact Us

We welcome your feedback on our ESG performance and this Report. Please contact us with the information below:

Chu Kong Shipping Enterprises (Group) Co., Ltd.
Address: 24/F., Chu Kong Shipping Tower, 143 Connaught Road Central, Hong Kong.
E-mail: info-cksd@cks.com.hk

About
the Group

2. ABOUT THE GROUP

CKSG (Stock Code: 00560) is a listed company incorporated in Hong Kong held by Chu Kong Shipping Enterprises (Holdings) Company Limited and is affiliated to Guangdong Provincial Port & Shipping Group Company Limited. The Group is mainly engaged in provision of management and other related services to high-speed waterway passenger transportation; the operation and management of river trade cargo terminals; cargo transportation, warehousing and storage business; provision of diesel and lubricants for passenger ferries and cargo vessels; provision of operation and management of facilities maintenance services for properties; and provision of ferry services and charter hire of vessels services.

For over half a century, the Group has been rooted in the Guangdong-Hong Kong-Macao Greater Bay Area ("**Greater Bay Area**"), adhering to a strategy of "Steady Progress, Diversified Development, and Continuous Growth". The Group has established a port and shipping business network that ensures smooth operations across the Pearl River Delta, comprehensive coverage of the Greater Bay Area, and connectivity to Southeast Asia. Spanning countries and regions along the "Belt and Road" initiative, the "CKS" corporate brand in port and shipping services has earned a strong presence in both the Greater Bay Area and Southeast Asia.

Terminal Navigation Logistics Business

The Group has a well-developed, vertical, and horizontal terminal logistics business system, and its business network extends to Singapore, Malaysia, Thailand, and other Southeast Asian countries. It holds and invests in more than 10 river terminal companies in the Pearl River Delta, wholly owns the private warehouse terminals and operates a number of berths in public cargo working areas in Hong Kong.

We own several modernised warehousing bases, and those are well developed in cross-border e-commerce logistics, cold chain warehousing logistics, and high-end integrated logistics, and have established an integrated logistics service system in the Greater Bay Area based on port, shipping, and warehousing.

Passenger Transportation Business

As a uniquely positioned cross-border waterway transportation service provider in the Greater Bay Area, the Group not only stands out as a leading ferry service provider in Hong Kong but also has a significant market share in the local public services sector. It acts as an agent for the passenger routes that seamlessly connect multiple core cities within the Greater Bay Area to downtown Hong Kong and the airport, facilitating efficient and convenient travel for passengers.

Fuel Supply Business

The fuel supply business of the Group focuses on the provision of diesel and lubricants for passenger ferries and cargo vessels, and other businesses of the Group cover the operation and management of facilities maintenance services for properties in Macao.

Throughout the year, the Group had actively implemented multiple measures to drive steady development in its logistics sector and optimise its traditional business structure, promoting the transformation and upgrading of shipping and logistics services. In alignment with green shipping principles, the Group has deployed 10 LNG multipurpose vessels, contributing to carbon peak and neutrality goals. Additionally, the Group has revitalised port and terminal resources, diversified cargo sources, and developed specialised terminals for bulk construction materials, further enhancing operational efficiency.

In the passenger transportation segment, the Group has optimised internal route resources and integrated platform management, with cross-border passenger volumes steadily recovering. CKPT capitalised on holiday travel demand to maximise operational efficiency, while Oriental Pearl expanded charter and high-end tourism services, achieving a profitability turning point. Meanwhile, Sun Kong Petroleum maintained its strong performance in marine fuel supply for the Hong Kong SAR Government, receiving high recognition. The Group continues to strengthen route coordination, drive auxiliary business synergies, and establish a brand-new maritime cultural tourism identity.

Awards and Recognitions in 2024

**2024 Hong Kong International Financial Forum and
Hong Kong International ESG Annual Awards Ceremony**

- The Group obtained the "Best ESG Practice Award" in the scheme.

Hong Kong International Airport 2023 Customer Service Excellence Programme

- Over 40 members of the CKPT service team received various distinctions, including "Outstanding Collaboration Team Award" "Enterprise Excellence Award" and "Individual Excellence Award" in 2024.

The Caring Company Scheme 2024/2025

- Sun Ferry was recognised in The Caring Company Scheme 2024/2025 for its contribution regarding "Caring for the Community""Caring for the Employees" and "Caring for the Environment" and has been part of the scheme since 2004.

The Good Organisation Award

- In recognition of the Group's outstanding contributions to assisting the Hong Kong Police Force in promoting crime prevention and reduction initiatives, the Group was honored the "Good Organisation Award".

100% HK Branding Award 2024 – GBA Sustainable Development Enterprise Awards

- Oriental Pearl was awarded the "GBA Sustainable Development Enterprise Awards 2024" in the scheme.

Awards and Recognitions in Recent Years

- 2023 State-owned Listed Companies ESG Pioneer 100 Index

- 2023 GBA Sustainable Development Enterprise Awards

- 2022 Guangdong-Hong Kong-Macao Greater Bay Area Most Investment-Worthy Award

- 2021 Guangdong-Hong Kong-Macao Greater Bay Area Most Valuable Brand Award

Approach
to Sustainability

3. APPROACH TO SUSTAINABILITY

The Group's sustainability strategy is anchored in the systematic integration of environmental and social responsibility across all operational tiers. With our overarching objective to cultivate enduring benefits for every partner and community we engage with, we have established and continuously enhanced our ESG governance framework and policies. Besides, we ensure clarity and responsibility by maintaining open dialogue with stakeholders across various platforms, fostering trust, collaboration, and alignment with our shared vision for sustainable growth.

3.1. ESG Governance Framework

The Group has established a robust governance structure to systematically manage and advance our ESG commitments. This structure operates across three interconnected levels, including decision-making level (the Board), management level (Governance Group for the ESG Report), and execution level (Working Group for the ESG Report).

The Board

⬇

Governance Group for the ESG Report

⬇

Working Group for the ESG Report

The Board

The Board is responsible for the overall ESG management of the Group. It provides oversight of the Group's ESG management and gives final approval for the Group's ESG strategies, policies, targets and approaches. Under the assistance of the Governance Group for the ESG Report and the Working Group for the ESG Report, the Board proactively engages in evaluation, prioritisation and management of ESG-related issues, risks and targets of the Group, ensures that ESG strategies and policies are effectively integrated into the Group's overall business operations and decision-making processes.

Governance Group for the ESG Report

Spearheaded by one of the executive directors of the Company, the Governance Group for the ESG Report is comprised of general managers from different business segments. Under the full authority of the Board, it is responsible for assisting the Board in conducting its ESG supervisory duties and reporting to the Board regularly.

Main Responsibilities

- Assist the Board in providing strategic guidance, formulating sustainability policies and objectives, identifying key ESG factors and monitoring progress, and support the Board in incorporating sustainability considerations into the Group's business strategy and managing the ESG risks arising from its business arrangements.

- Assist the Board in establishing processes for identifying, assessing and managing significant ESG-related issues and risks.

- Establish good relationships with key stakeholders and achieve natural growth and sustainable development of the Group, and create value for key stakeholders by understanding their needs and concerns and improving business strategies to meet their expectations.

- Integrate corporate social responsibility into the Group's operations and implement various sustainable business practices on the basis of strict internal compliance in order to promote the Group's environmental and social sustainability gradually.

- Drive the Group to continuously optimise its operational practices to reduce social risks and bring more benefits to the community.

- Monitor the Group's strict compliance with laws and regulations relating to environmental protection that have a material impact on the Group, and whether the Group's subsidiaries have formulated relevant policies, management systems, practices and methods to manage their environmental impact in accordance with the nature and actual conditions of their business.

Main Responsibilities

- Drive the Group to continue to meet its environmental responsibilities and reduce the environmental impact of its operations, and assist the Group in taking environmental considerations into account in its corporate decision-making process, as well as to conduct operations in accordance with reasonable environmental practices.

- Develop prevention and emergency response mechanisms to ensure that the Group can respond effectively and orderly in the event of major environmental pollution incidents and minimise damage to the environment.

- Exercise its powers, authorisations and discretion in respect of ESG reporting as appointed by the Board to the Governance Group for the ESG Report from time to time by complying with the Hong Kong Companies Ordinance, the Listing Rules and the Articles of Association of the Company.

Working Group for the ESG Report

The Working Group for the ESG Report comprises of ESG representatives from all subsidiaries in the Group. It is responsible for implementing the Group's ESG policies, collecting and compiling the data needed for ESG reporting, and reporting to the Governance Group for the ESG Report.

Main Responsibilities

- Assist the Governance Group for the ESG Report in the implementation of all ESG issues.

- Facilitate the exchange of best practices among the Company's departments and subsidiaries and report relevant recommendations to the Governance Group for the ESG Report for integration into operations and procedures.

- Maintain continuous communication with key stakeholders and regularly collect their views through various channels such as meetings, workshops, surveys and feedback programmes.

- ESG representatives receive the ESG data collection form and distribute it to the relevant departments according to the contents.

- ESG representatives are responsible for the comprehensiveness and accuracy of the ESG data collection form submitted by their units.

Main Responsibilities

- Urge all departments to fill in the ESG data collection form on time and accurately, and return the ESG data collection form to the Capital Operation Department of the Company on time.

- Organise relevant personnel to answer questions from the Governance Group for the ESG Report and the consulting firm on the relevant contents of the ESG data collection form.

- Complete an ESG report under the Listing Rules and submit it to the Governance Group for the ESG Report.

3.2 Adhering to Our ESG Policy

The Group is committed to adhering to the principle of environmental protection and striving to create value for the communities in which it operates. To strengthen the development and implementation of ESG initiatives, the Group has instituted the *Environment, Social and Governance Policy (*"**ESG Policy**"*)*. This policy delineates our sustainability vision, mission, commitments, and responsibilities, ensuring a structured approach to our environmental and social governance endeavors.

Vision

We are devoted to becoming the most competitive navigation company and leading service provider in Guangdong, Hong Kong, and Macao through adopting innovation and sustaining our commitment to environmental protection.

Mission

We strive for excellence in providing safe and reliable services to our customers with dedication, professionalism, and efficiency.

Commitment

We are committed to adopting sustainable practices and operating our business in a transparent and ethical manner. We embed accountability in the workplace and take responsibility for our decisions and actions.

Responsibility

We recognise that our employees make a significant contribution to the Group's success. We therefore place great emphasis on providing a safe and healthy workplace and improving employee engagement.

The *ESG Working Manual* serves as a foundational guide for ESG implementation at the operational level, detailing the ESG governance structure, policies, management of metrics and targets, and annual workflows. This comprehensive manual is designed to strengthen internal communication and foster a thorough understanding of the Group's ESG management framework and processes among all employees, ensuring alignment and consistency in execution.

Furthermore, the Group places significant emphasis on monitoring and addressing emerging climate change trends. Recognising the growing importance of climate resilience and adaptation, we are actively working to enhance our management structure for effectively identifying, assessing, and mitigating climate change-related risks and opportunities. This includes refining governance frameworks, integrating climate considerations into decision-making processes, and aligning our strategies with global sustainability standards and best practices. Please refer to the section "7.3 Climate Change" of this Report for more details.

3.3 Stakeholder Engagement and Materiality Assessment

The Group attaches great importance to stakeholder engagement and regards it to drive our sustainability progress. Engaging actively with our stakeholders helps us refine our sustainability strategy and improve our ESG performance, which also allows us to understand stakeholders' expectations and identify opportunities for positive changes within the Group.

Engaging with Our Stakeholders

The Group has established various communication channels and defined the frequency of communication to ensure ongoing engagement with our stakeholders. Through effective communication, we actively seek and value their perspectives and feedback on our ESG performance, which helps us to identify areas that need improvement and prioritise issues as we develop our business strategies.

Stakeholder Groups	Communication Channels	Communication Frequency
Regulatory Authorities	• On-site inspection • Meeting	• Regularly/as needed • Regularly/as needed
Shareholders and Investors	• Annual general meeting and other shareholder meetings • Annual report • Announcement	• Annually • Annually • As needed
Employees	• Meeting • Group interview • Performance appraisal • Training, seminar, and briefing session • Cultural and sports activity • Newsletter	• Regularly • Regularly • Annually • Regularly • Regularly/as needed • Regularly
Customers	• Website • Email • Customer service hotline • Satisfaction survey	• Daily/as needed • As needed • As needed • Annually

Stakeholder Groups	Communication Channels	Communication Frequency
Suppliers	• Open tendering • Supplier evaluation and appraisal	• As needed • Annually
Potential Investors and Financial Institutions	• Potential investor briefing • Roadshow • Analyst briefing • Visit	• As needed • As needed • As needed • As needed
Communities	• Information disclosure • Website • Email	• Regularly/as needed • As needed • Daily/as needed

2024 Annual General Meeting

On 29 May 2024, CKSG successfully convened its Annual General Meeting, chaired by the chairman of the Board Mr. Liu Guanghui. During the meeting, the Board and executives engaged in robust dialogue with investors, addressing industry trends and outlining strategic roadmaps for future growth.

Visit of China Logistics Group

In December 2024, the senior management team from China Logistics Group visited the headquarters of CKSG in Hong Kong to discuss further strengthening cooperation in their core businesses. During the meeting, both parties engaged in in-depth discussions on collaborative efforts, including enhancing north-south interconnectivity in logistics and transportation, bulk commodity transportation, e-commerce logistics services, and new energy green transportation. As well as exchanging on jointly reinforcing the warehousing and logistics network in the Greater Bay Area and along the "Belt and Road" Initiative routes.
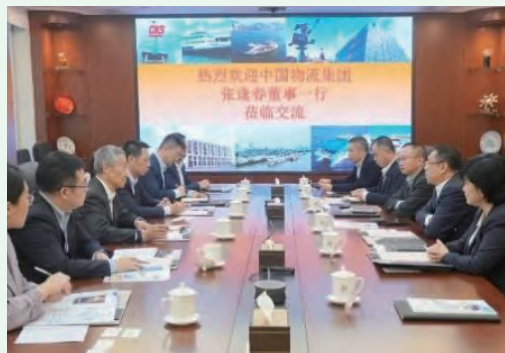
CKPT Signs Code-Sharing Cooperation Agreement with Greater Bay Airlines

CKPT and Greater Bay Airlines Co., Ltd. have officially signed a code-sharing air-sea cooperation agreement. With this, CKPT has completed code-sharing air-sea cooperation agreements with all Hong Kong-based airlines, including Cathay Pacific, Hong Kong Airlines, and Hong Kong Express.

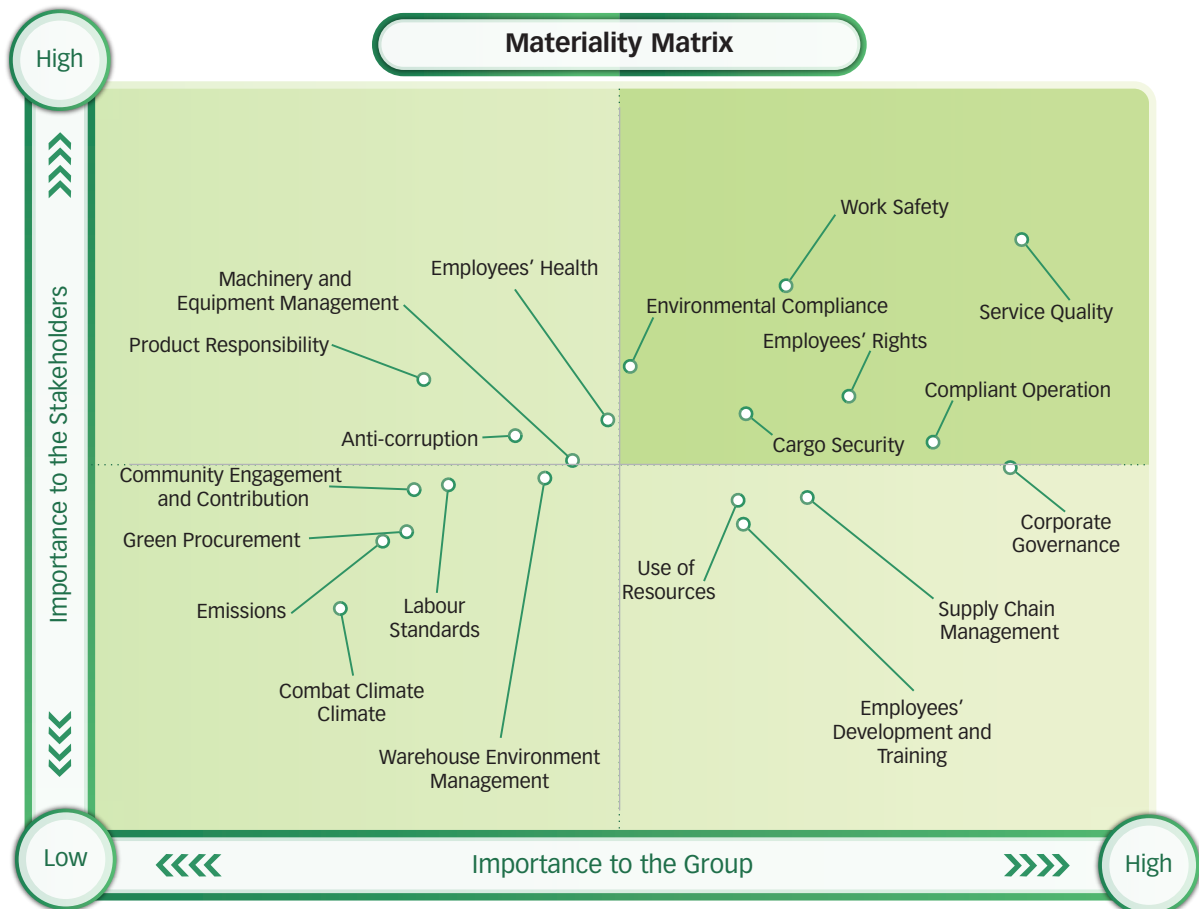## Materiality Assessment

To systematically identify the material ESG priorities, the Group regularly undertakes materiality assessment, the result of which informs our ESG reporting framework and guides the Group's sustainable development strategy. In the previous reporting period, we engaged with the Board, senior management, and five other key stakeholder groups (employees, major shareholders and investors, customers, suppliers, and the public) via a materiality survey, gathering valuable insights. As in this Reporting period, the Group revisited the findings of 2023 materiality assessment through a comprehensive analysis of ESG development trends, regulatory changes and industry best practices. Based on the outcome, this review confirms that the high-materiality issues identified in 2023 remain relevant and applicable to the current Reporting Period.

Recap of 2023 Materiality Assessment

1. Identify

To investigate the ESG issues that are relevant to our business, the Group took reference from the local and international sustainability guidelines and standards, industry best practices, and the results of our communication with stakeholders during the reporting period of 2023. A total of 20 ESG issues relevant to the Group were identified.

2. Engage

The Group recognised our major stakeholders as groups or individuals who exert influence on or are affected by the Group and invited them to participate in an online survey as part of the materiality assessment process. They were asked to prioritise each ESG issue based on the level of importance.

3. Analyse

To analyse the relative materiality of each ESG issue, the Group consolidated stakeholders' opinions and mapped the ESG issues on a matrix based on two aspects: "Importance to the Stakeholders" and "Importance to the Group". The Governance Group for the ESG Report decided that the issues deemed highly important by both stakeholders and the Group (mapped on the upper right corner of the matrix) are considered the high-materiality issues of the Group.

4. Validate

The Governance Group for the ESG Report validated 6 high-materiality issues of the Group in 2023, confirming the focus of this Report.

Materiality Matrix

Materiality Matrix

High

Importance to the Stakeholders

- Work Safety
- Machinery and Equipment Management
- Employees' Health
- Environmental Compliance
- Service Quality
- Product Responsibility
- Employees' Rights
- Compliant Operation
- Anti-corruption
- Cargo Security
- Community Engagement and Contribution
- Corporate Governance
- Green Procurement
- Use of Resources
- Supply Chain Management
- Emissions
- Labour Standards
- Combat Climate Climate
- Employees' Development and Training
- Warehouse Environment Management

Low — Importance to the Group — High

High-materiality Issues	Description	Corresponding Chapter
Service Quality	Ensuring reliable, punctual, and efficient passenger ferry and port services across the Greater Bay Area. Focus on customer satisfaction, vessel maintenance, and service reliability.	5.1. Service Optimisation
Compliant Operation	Adhering to regulations, safety standards, and operational guidelines set by relevant authorities in Hong Kong, Mainland China, Macao, and international laws.	4. Compliant Operation
Employees' Rights	Protecting workforce rights including fair compensation, reasonable working hours for crew and staff, professional development opportunities, and maintaining proper labour relations in accordance with local employment laws.	6.2. Employee Development
Work Safety	Implementing comprehensive safety protocols for operations and workplace safety measures. Including regular safety training, emergency preparedness, and accident prevention.	6.3. Safety and Health
Cargo Security	Ensuring secure handling, storage, and transportation of cargo. Implementing proper tracking systems, maintaining cargo integrity, and preventing loss or damage during transit and storage.	5.1. Service Optimisation
Environmental Compliance	Meeting environmental regulations regarding vessel emissions, water pollution prevention, waste management, and adopting green technologies to reduce environmental impact of operations.	7.2 Green Operation

Compliant
Operation

4. COMPLIANT OPERATION

The Group is fully aware that adhering to the highest standard of integrity underpinned by robust internal control systems is the foundation of operational excellence and resilient business ecosystem. To achieve this, our management approach dedicates to fostering governance that integrates risk management and stringent compliance. Besides, the Group also commits to establishing a culture of accountability and transparency, ensuring compliance effectiveness at all-levels of the Group.

4.1. Risk Management

The comprehensive risk management framework of the Group emphasises on integrating risk management with business operations to support overall corporate objectives. The Board is accountable for conducting a comprehensive evaluation and identification of the Group's main ESG risks and ensuring the establishment and maintenance of suitable and efficient risk management measures. The Risk Management and Internal Control Committee of the Group assumes a proactive leadership role in preventing and controlling risks, monitoring, and managing major risk events, as well as following up on the overall risk management performance report.

Risk management work in the Group involves four continuous, cyclical operational workflows: initial information gathering, risk identification and assessment, major risk response and risk management monitoring and improvement. To ensure the prudent implementation of risk management strategy, the Group's three lines risk defense mechanism serves as the foundational guide for delineating risk ownership across operational, oversight, and assurance functions.

Three lines risk defense mechanism

The 1ˢᵗ Defense Line	Functional business departments Subsidiaries Joint ventures and associates in which the Group has majority control	Responsible for risk management in related business activities. During the company's business processes and operations, the three parties shall identify, analyse, and proactively manage risks while reporting significant risks.
The 2ⁿᵈ Defense Line	Risk management and internal control committee All entities in the Group with specialised risk management role	Support the first line of defense with professional risk management expertise, assist in improving the risk management system and related measures, and enhance overall risk identification and control capabilities. They strengthen risk prevention awareness and ensure the effectiveness of risk management and control.
The 3ʳᵈ Defence Line	Internal audit department	Primarily supervises and evaluates significant risks and the implementation of risk management measures during business activities, ensuring effective oversight.

Compliant Operation

During the Reporting Period, the Group revisited major ESG risks through comprehensive scoring, based on the two dimensions of "risk occurrence probability" and "risk impact degree", and the corresponding measures are as follows:

Significant ESG Risks	Potential Impacts	Response Approaches
Demand Fluctuation and Market Risk	The global navigation market faces ongoing challenges due to the fluctuating global economy. With continued uncertainty, escalating geopolitical tensions, energy crisis, imposition of carbon taxes from the European Union and extreme climate events, market demand is expected to remain subdued, keeping the market under pressure and volatility. The challenges are likely to increase costs, disrupt supply chains, and reduce shipping volumes for the cargo transportation business	• The Group has vigorously promoted the development of high-end storage business, focusing on establishing strategic storage logistics hubs centred around Hong Kong and Zhuhai, and deploying a number of comprehensive or specialised logistics parks and logistics centres as carrier platforms • The Group has extended the logistics service supply chain, fostered new core businesses, and robustly promoted modern logistics services, including air freight logistics, supply chain logistics, cold chain distribution, and duty-free product storage • During the Reporting Period, the Group has finalised its environmental targets, including reduction of greenhouse gases and air pollutants emission, with an aim to align in long term carbon reduction trend

Significant ESG Risks	Potential Impacts	Response Approaches
Competitive Risk	The Group faces intensified competition at terminal operation business, particularly at the Greater Bay Area. For instance, competitors adopting aggressive pricing strategies may exert pressure on the Group's profitability and market share. Additionally, operational inefficiencies of tractors and barges at some ports may have weakened the competitiveness of the Group's terminal business in the region	• The Group will restructure core terminal operations by integrating multimodal transport, offering freight logistics information, and comprehensive solutions to transform terminals into advanced logistics hubs • The Group will optimise the freight and barge route network, with a focus on improving economic efficiency at terminals which are not directly operated by the Group • The Group will focus on enhancing modern logistics by targeting project logistics and oversized cargo transport, aiming to improve service capabilities, expand offerings, strengthen customer retention, and increase market share in the logistics market
Human Resource Risk	The Group's business has been impacted by the broader economic and market environment, leading to challenges in recruitment and retention due to industry-wide salary constraints and a shortage of skilled personnel, such as ship crews, equipment handlers, and senior management. This has contributed to staffing difficulties, posing risks to the sustainable development of human resource	• The Group is committed to enhancing the standard of human resources management, which includes strengthening regional human resources management, improving internal work communication between employees, and enhancing job skills • The Group will continuously optimise remuneration management system, which includes improving the remuneration system, insisting to conduct performance appraisal management, and continuing to broaden the promotion path for employees • The Group will take steps to strengthen staff training, to pay attention to pre-service training for new employees, and to enhance quality and practical training for skilled personnel

4.2 Ensuring Compliance with Operations

The Group's subsidiaries operate across various regions in Mainland China, Hong Kong, and Macao. To consistently comply with the applicable laws and regulations in the regions where we operate, the Group has established the *Compliance Management Measure* to enforce a series of discipline inspection, compliance management and internal audit system that involves all functional departments.

- The Legal Department provides legal advisory services in supporting the decision-making process of the Group, manages the Group's legal and regulatory risk and enables the Group to conduct business legally.

- The Company Secretary is responsible for ensuring compliance with the Listing Rules and serves as the principal channel of communication with the Hong Kong Stock Exchange on behalf of the Group.

- The Audit Department conducts an annual audit to evaluate the sufficiency and effectiveness of our risk management and internal control systems of the Group and to examine whether our operation is in full compliance with all relevant laws and regulations. Moreover, the Audit Department provides regular updates to the Audit Committee.

- Other functional departments of the Group closely review the laws and regulations that have a significant impact on the Group, and formulate and refine various policies, standards, management measures and systems to govern the Group's operation.

The Group actively monitors and stays current with all regulatory changes affecting our operations. For details, please see "Appendix I: Applicable Laws and Regulations" of this Report.

4.3 Operating with Integrity

The Group always upholds high standards of ethics and integrity, striving to create a fair and equitable environment. The Group has a zero-tolerance policy in place and strictly complies with laws and regulations regarding bribery, extortion, fraud, money laundering, and other unethical business practices in the regions where we operate. During the Reporting Period, the Group has neither encountered any violations of laws and regulations that have a significant impact on the Group regarding bribery, extortion, fraud, and money laundering, nor have we received any lawsuits involving internal employees in bribery, extortion, and money laundering cases.

Preventing Illegal Acts

The Group has formulated the *Chu Kong Shipping Anti-corruption Policy that* prohibits engaging in bribery or giving improper benefits to agents and public officials when conducting business with them. To identify and evaluate corruption risks, the Group conducts regular risk assessments. We have established an internal monitoring system to ensure effective monitoring and mitigation of corruption risks.

In addition, the Group has the *CKS Internal Audit System* in place to evaluate and improve the effectiveness of the Group's risk management and internal control. The Audit Committee will report to the Board on the internal control structure of the Group. The internal audit function will help the Group to strengthen its internal control and risk management system, ensure that the established procedures and guidelines are strictly followed, identify and address management loopholes in a timely manner, and ensure the Group's operational safety and risk prevention and resolution. Therefore, the Group's assets and resources can be better managed and utilised.

All employees are required to comply with the *Code of Conduct for Employee* stated in the Group's *Employee Handbook*. This Code outlines employees' responsibilities in preventing corruption and illegal activities such as bribery and misappropriation of funds. Moreover, employees are prohibited from accepting gratuities or gifts that exceed a certain amount. To avoid conflict of interest, all employees must sign the *Undertaking Letter of Integrity for Employee* and are prohibited from pursuing any outside employment that may cause a conflict of interest.

The Group also collaborates with its business partners to ensure its business is conducted in an ethical and professional manner. We have formulated an *Integrity Agreement for Business Partners* to regulate our business activities and cooperation with our business partners, to protect the legitimate rights and interests of the Group and our business partners.

Encouraging Whistleblowing

To support the identification and report of any unethical business conduct or misbehaviour, the Group encourages employees and supply chain partners to report any suspected practices or violations based on the *Whistleblowing Policy*.

The Audit Committee, the Audit Department, or persons authorised by Audit Committee will notify the sender in writing within fifteen working days

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The Audit Committee, the Audit Department, or authorised persons will contact the whistleblower and/or handle the reported case, conduct actions/investigations, and prepare a written report to be submitted to the Board

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If the Board believes that the reported case may constitute a criminal offense, it will decide, after consulting legal counsel, whether to refer the matter to the relevant government authorities for further action

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Base on the investigation result, the Board will issue a final report, provide recommendations for rectification if applicable, and make any necessary decisions

All pertinent information will be treated with the utmost confidentiality to safeguard the whistleblowers, ensuring that their personal details remain undisclosed. Each complaint and report will be subjected to a comprehensive and impartial investigation.

Cultivate Ethical Corporate Culture

The Group arranges anti-corruption training to the Board and employees on a regular basis to reinforce their awareness of anti-corruption practices. These training sessions emphasise the risks associated with corruption and the significance of ethical business behaviour.

Number of Participants in Anti-corruption Training During the Reporting Period:

Directors (Group and Subsidiaries)	Employees	Total
44	783	827

Anti-Corruption Training

As part of our efforts to reinforce compliance standards and improve staff anti-corruption capabilities, during the Reporting Period, we invited the Senior Corruption Prevention Education Officer from Hong Kong's Independent Commission Against Corruption (ICAC) to conduct training sessions on anti-corruption laws and common corruption risks.

5. PROVIDING EXCELLENT SERVICE

The Group is dedicated to delivering exceptional services throughout its operations. We place a strong focus on operational safety, security and efficiency, continuously striving to enhance service quality and boost customer satisfaction. Additionally, we work closely with suppliers to manage supply chain risks and advance sustainable development initiatives.

5.1. Service Optimisation

The Group is dedicated to optimising service quality across all business segments through ongoing improvement and innovation, demonstrating our ability to consistently deliver exceptional services while adhering to stringent quality control measures. Meanwhile, the Group ensures responsible advertisement and marketing in accordance with *Brand Building Management Measures* and *Brand Crisis Public Relations Management Manual*. During the Reporting Period, the Group had no litigations regarding product and service, health and safety, and advertising.

Container and Cargo Handling

The Group has formulated comprehensive work manuals covering all operational processes at cargo terminals, including loading and unloading containers, unpacking containers, weighing containers and cargoes, warehouse operations, and other processes. Additionally, the Group has established a set of container inspection protocols and hired highly trained inspectors to conduct thorough inspections of the containers. Notably, the Group had passed and obtained certification on ISO 9001:2015 Quality Management System.

Digital Transformation and Smart Port Operations

During the Reporting Period, Digital Port and Shipping successfully passed the High-Tech Enterprise Certification approved by the Guangdong Provincial Certification Authority. The adoption of advanced technologies has delivered multiple benefits, including enhanced operational efficiency, improved safety protocols, reduced manual processes, and superior customer service.

Enhance Customer Communication

Gaoyao Port has implemented comprehensive digital integration through Electronic Data Interchange (EDI) connectivity with customers and the WeChat-based "Port E-Reach" platform. This system enables customs brokers, customers, and fleet operators to track cargo and container movements in real-time, significantly improving information transparency and operational visibility.

Paperless Operations

The fleet has adopted a paperless dispatch platform, enabling seamless, paperless communication of handover documents between the fleet and drivers. This innovation has improved the efficiency of container pick-up and return operations while accelerating vehicle throughput at the gates.

Smart gate management system

CKTL have undergone digital transformation through the implementation of intelligent gate systems, enabling paperless weighing processes complemented by smart yard management systems to optimise operational efficiency.

Meanwhile, the integration of facial recognition technology for personnel access control has strengthened security protocols while streamlining entry-exit procedures, resulting in enhanced operational efficiency and elevated security monitoring standards.

CKTL – Smart vehicle management system

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Kingdee EAS system

The Kingdee EAS system has been fully implemented across all operational processes, including vessel operations, container repositioning, Container Freight Station (CFS) operations, gate processing, and warehouse logistics. Mechanical equipment has been upgraded with tablet terminals, enabling operators to perform tasks with real-time data synchronisation, substantially enhancing operational efficiency. The implementation of unmanned weighbridge systems for domestic cargo and self-service weighbridge facilities for international cargo has optimised throughput while minimising manual operations.
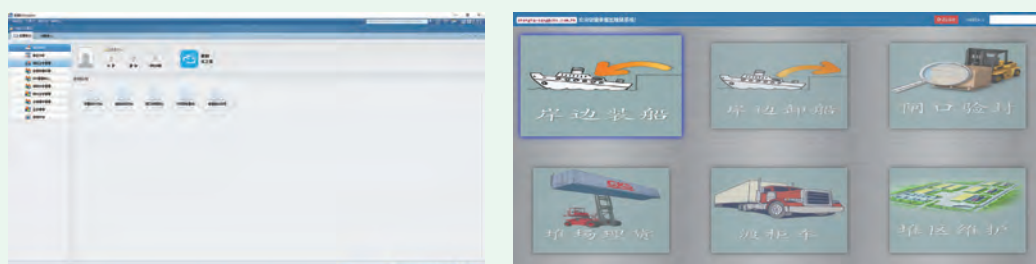
EAS system and smart shipyard management platform

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Improving Terminal Security

The Group attaches great importance to terminal security. To minimise security risks and ensure the safety of containers and cargoes, we have implemented robust security infrastructures and deployed dedicated security teams at cargo terminals. The terminals are equipped with site perimeter fencing, security gates, security lighting, and surveillance cameras. Additionally, strict monitoring procedures are in place for personnel and vehicles, and the site is regularly patrolled.

To prevent and minimise the occurrence of illegal and security-related incidents, the Group has formulated the *Internal Security and Anti-Smuggling Management Measures,* regulating the following practices:

- Implement the internal security and hygiene work system, enforce security measures, and strengthen effective protection of key areas and critical departments
- Conduct security awareness education to clarify and guide internal staff on company regulations, eliminating potential instability factors
- Inspect identification documents, belongings, and vehicles of individuals entering the company based on actual conditions and maintain proper registration
- Conduct routine security patrols and inspections within the company, establish patrol records, and document inspections and security risk rectifications

Parallelly, the *Emergency Response Plan for Handling Terrorist Incidents* addresses terrorist incidents within the Group's services area. This mechanism creates a structured framework for managing terrorist incidents, with clear roles and responsibilities at the task force, office, and local levels. It emphasises coordination, communication, and preparedness to minimise risks, ensure public safety, and maintain operational integrity.

Passenger Transportation

In passenger transportation, our key priority is to enhance the overall travel experience by improving journey punctuality and comfort. The Group's three major operators/agencies, Sun Ferry, CKPT and Oriental Pearl, are dedicated to delivering high-quality services as well as collaborating with ferry terminal operators and ferry companies to ensure a smooth and efficient embarkation and disembarkation process for all passengers.

We concern to improve better transportation capacity and efficiency. Sun Ferry has consistently increasing the number of sailings for outlying island routes during peak hours and making better allocation ferries, strengthening ferry services and enhancing passenger capacity. Additionally, Sun Ferry has upgraded the passenger analytics system, enabling detailed analysis and accurate scheduling of ferry deployment.

Inclusive Service Initiatives

Sun Ferry is committed to implementing breastfeeding friendly practices and has launched the first-ever onboard breastfeeding room in Hong Kong. To date, breastfeeding rooms are available on all 5 of Sun Ferry's three-storey ordinary ferries.

Besides, Sun Ferry has strived to enhance its barrier-free facilities over the years.
For instance, Sun Ferry facilitates disabled passengers with designated wheelchair spaces on different types of ferries and installs accessible washrooms on its ferries to cater to the special needs of the disabled passengers. To support the International Day of Disabled Persons 2024, Sun Ferry organised the "Free Ferry Rides for Persons with Disabilities Day", offering free ferry services to persons with disabilities.

Passenger Safety

To uphold the safety of passengers, all ferries within the Group's fleet are equipped with adequate life jackets on par with the Marine Department's standards. In addition, the first aid kit is installed on the ferries that mainly contains basic first aid supplies. In the event of passengers sustaining injuries on board, they can seek assistance from our crewmembers and utilise the first aid supplies. Sun Ferry has also installed the Automated External Defibrillator (AED) at Central Pier 5, Cheung Chau Pier, and Mui Wo Pier, and employees are arranged to take relevant training courses.

Ensuring Fuel Quality

We ensure open and transparent communication with customers, providing clear details on the types and quantities of oil and lubricants delivered. To enhance customer confidence and product understanding, we also supply Material Safety Data Sheets (MSDS). Additionally, we work closely with customers to perform pre-inspections and oil sampling, reinforcing our commitment to delivering reliable and high-quality products.

5.2. Customer Satisfaction

The Group is committed to exceeding customer expectations and building long-term relationships. We have established a variety of communication channels to ensure effective interaction with our customers. By valuing their opinions and needs, we continuously strive to incorporate their feedback into our service enhancements, aiming to improve customer satisfaction and protect their rights. During the Reporting Period, satisfaction rates for both the terminal navigation logistics business and the fuel supply business exceeded 98%.

Listening and Responding Attentively

The Group has implemented the *Management Procedures for Customer Relationships* and other relevant policies and procedures to regulate customer interactions and strengthen our relationship with them. The roles of various departments and individuals in relation to customer involvement have been identified and outlined.

Fostering Communication with Customer

During the Reporting Period, Sun Ferry hosted the Passenger Liaison Group meeting for the Central-Cheung Chau and Central-Mui Wo routes. These meetings provided an opportunity for Sun Ferry's management to meet with passengers and exchange opinions, contributing to the continuous improvement of Sun Ferry's service quality.

In general, customers can also provide feedback through various channels, including the customer service hotlines, the dedicated email address, the Sun Ferry mobile app, or by scanning the QR codes on feedback forms displayed at ferry terminals and onboard ferries.

Complaint Management

The Group promptly responds to complaints and takes immediate action to rectify the issue. Sun Ferry has created the *Customer Complaint Handling Procedure* and *Customer Complaint Registration Form* to manage customer complaints effectively. In addition, Gaoyao Port has also formulated its customer complaint handling procedures in its *Business Department Working Manual*. During the Reporting Period, the Group received a total of 336 complaints. All complaints received were handled properly.

5.3. Data and Privacy Protection and Intellectual Property Rights Protection

The Group takes great care in handling and processing customers' information to protect personal data and privacy. Sun Ferry has implemented a *Privacy Policy* in accordance with the *Personal Data (Privacy) Ordinance* to safeguard the collection and storage of personal data within its database. The Group strictly prohibits employees from disclosing any confidential information to external parties without the explicit consent of the Group. To further ensure the confidentiality of sensitive information, we hire professional third parties to handle the collection and destruction of confidential documents.

Valuing Customer Privacy and Persistence in Information Accuracy

The Group places significant emphasis on safeguarding customer information, and ensuring privacy and confidentiality. We strictly adhere to the *Management Measures for Brand Building* to regulate the dissemination of information within the Group. Notably, our Hong Kong businesses have obtained ISO/IEC 27001:2013 Information Security Management System certification. Moreover, Digital Port and Shipping has the *Information Management Measures* in place to further enhance the management of information system. By establishing an information security management system, we ensure the secure handling of customer information. To ensure accuracy and authenticity, we strictly follow internal designated departments for the approval and dissemination of the Group's information.

Protecting intellectual property rights

To safeguard intellectual property rights, the Group has developed the *Computer User Handbook*, which ensures the use of legitimate software. We also request the advertising company to comply with the practices to ensure our advertisements do not violate intellectual property rights.

Intellectual Properties and Copyrights

Digital Port and Shipping obtained 4 computer software copyright during the Reporting Period

- B2C Ticketing Platform V1.0
- Online Mall System V1.0
- Waterway Transportation Platform V1.0.0
- Smart Towing Dispatch Platform V1.0

During the Reporting Period, the Group did not encounter any cases of infringement of laws and regulations related to data privacy and security as well as intellectual property rights.
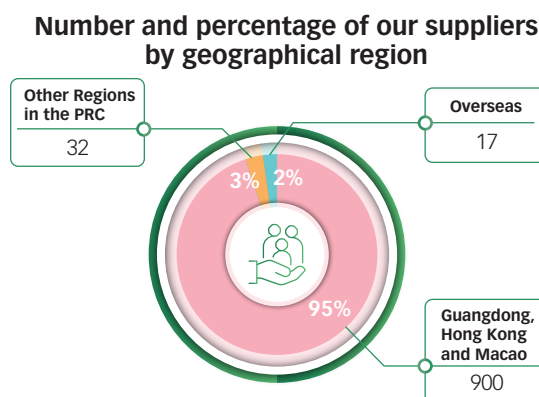
5.4. Procurement Practices

The Group upholds robust procurement and supply chain management principles rooted in transparency, fairness and ethical business practices. By adopting standardised, streamlined and traceable processes, we ensure complete oversight of purchasing activities while enhancing operational efficiency, product quality and risk management across all supplier engagements.

Supply Chain Management System

The Group's *Procurement Management Measure* serves to set up clear definitions and standard procedures for all procurement affairs. At the same time, the *Management Measures for Tendering and Bidding* is established to specify the rules and processes for tendering and bidding activities within the Group.

To ensure that our suppliers consistently meet our specified requirements, we conduct annual performance assessments and site visits on our current suppliers in accordance with the criteria and procedures outlined in the *Regulations Governing Integrated Supplier Evaluation*. In cases where suppliers do not meet our specifications, they are requested to develop rectification plans and take appropriate corrective actions, to maintain the quality and to drive continuous improvement within our supply chain. During the Reporting Period, all major suppliers in the Group had undergone the assessment.

During the Reporting Period, the number and percentage of our suppliers[1] by geographical region are as follows:

Number and percentage of our suppliers by geographical region

Other Regions in the PRC: 32

Overseas: 17

3% 2%

95%

Guangdong, Hong Kong and Macao: 900

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[1] Types of suppliers mainly include shipowners, manufacturers and distributors of machinery and mechanical parts, tire suppliers, fuel suppliers, and service providers.

Supplier Selection Processes

In accordance with the *Procurement Management Measure* and *Management Measures for Tendering and Bidding*, procurement methods and requirements are designated based on the nature of each project and are strictly executed by the responsible personnel. Below is an example of the supplier selection process utilising tendering and bidding as the chosen method.

Tender Initiation & Planning	The functional department that initiates the tender (the "Tendering Department") prepares the Tender Work Plan, specifying the tender method, establishing the Tender Working Group, Supervisory Group and Evaluation Committee, and defining standard operating procedures.
Tender Plan Review & Approval	The Tendering Department's management reviews and approves the tender plan, tender documents, and evaluation methodology, while determining either the budget ceiling or reserve price. Subsequently, it publishes the tender notice or issues tender invitations to pre-qualified suppliers.
Tender Evaluation	The Evaluation Committee first conducts pre-qualification screening of received bids, then performs comprehensive tender evaluation. Finally, it submits the formal Evaluation Report to the Tendering Department for further action.

Supplier ESG Management

The Group continually advances sustainable development throughout our supply chain by integrating ESG into our management. In our green procurement initiatives, we prioritise products and services that align with environmentally friendly standards, such as vehicles and equipment emission standards of China V/Euro V or above, and office appliances with energy label grade 1 or the Energy Star.

To align our expectations, we inform suppliers of our ESG requirements and guidelines, encouraging them to adopt sustainable practices in their operations. For instance, Sun Ferry set up the *Supplier Code of Conduct,* which outlines requirements in different ESG aspects such as compliance laws and regulations, moral integrity, forced labour and child labour, workplace health and safety and environmental protection. Meanwhile, Sun Ferry also requires suppliers to fill in the self-evaluation questionnaire on sustainability performance during the supplier selection phase, to better understand their commitment and encourage continuous improvement.

On the other hand, the Group places great emphasis on the safety management of its contractors. Based on the *Implementation Measures for Safety Management of Leasing and Outsourcing Operations*, we ensure a unified and coordinated approach to safety production by signing safety production agreements with suppliers. Finally, the Group conducts regular and ad hoc inspections of contractors focusing on production safety and fire safety. Any identified issues are promptly addressed, with corrective actions required within a specified timeframe, followed by verification of the rectification.

Adhering to
People-oriented

6. ADHERING TO PEOPLE-ORIENTED

The Group consistently adheres to a people-oriented approach and sees human capital as the cornerstone of our business success. Within our operation, we strive to foster an inclusive, supportive and empowering work environment that values diversity, equity and continuous development. Meanwhile, our focus extends to attracting, retaining and nurturing top talent by offering competitive opportunities, comprehensive training programmes, and clear career progression pathways.

6.1. Employment Profile

Percentage of Employee by Gender

Female 21.56%
Male 78.44%
21.56%
78.44%

Percentage of Employee by Geographical Region

Hong Kong 37.63%
Macao 0.19%
37.63%
0.19%
62.18%
Mainland China 62.18%

Percentage of Employee by Employment Type

Full Time 98.28%
Part Time 1.72%
98.28%
1.72%

Percentage of Employee by Employee Category

Directors and senior management 3.35%
Middle management 15.98%
3.35%
15.98%
General Employee 80.67%
80.67%

Percentage of Employee by Age

51 and above 34.42%
Under 30 13.65%
34.42%
13.65%
41-50 27.29%
31-40 24.64%
27.29%
24.64%

6.2. Employee Development

The Group's human resource policies aim to safeguard the rights of employees, maintain effective communication with them, and remain fully compliant. During the Reporting Period, the Group has not violated any laws and regulations that have a significant impact on the Group regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination other benefits and welfare, and preventing child and forced labour.

Adopting Reasonable Employment Practice

The Human Resources System at the Group sets the solid foundation for managing employee relations, encompassing aspects such as employee recruitment and dismissal, labour contract management, employee development and prohibition of forced and child labour. On the other side, the *Employee Handbook* is also set up to introduce the Company's basic code of conduct requirements, fundamental rights as well as the responsibilities and obligations of employees. Prior to finalising any policy changes, we gather employee perspectives through our digital platforms and communication channels. Employees can provide feedback through written documents or electronic submissions.

| **Fair and Reasonable Recruitment and Dismissal** | – *Open Recruitment Management Measures*

– *Labour Contract Management Measures*

– *Implementation Rules for Bottom-Ranking Adjustments and Incompetence Exit Management*

– *Background Check Management Measures for Recruited Personnel* | The Group seeks and hires the right employees, regardless of gender, nationality, race, sexual orientation, marital status, and any other protected status under applicable laws and regulations. All candidates are treated fairly by adopting a rigorous recruitment process focusing on candidates' qualifications capacity and work experience

The Group strictly prohibits unfair or unreasonable dismissal, the termination of labour contracts and the dismissal of employees are carried out in strict compliance with the relevant laws and regulations to protect the rights and obligations of both employees and the Group. Relevant dismissal conditions and rules are clearly stipulated in the *Employee Handbook* and the dismissal management system |

Merit-based Remuneration and Promotion	– *Implementation Rules for Talent Development and Management* – *Implementation Measures for the Assessment of Leadership Teams of Directly Affiliated Companies*	The Group offers a comprehensive remuneration package to employees with reasonable terms. The Group conducts performance reviews and promotes employees based on their work performance. The review also enables management to assess what employees have accomplished and provides recommendations on how to achieve career goals. Besides, the Group has formulated the system to govern the promotion criteria and procedures and to encourage employees to enhance their capabilities
Working Hours Management	– *Implementation Measures for Leave Management of Dispatched Personnel* – *Implementation Measures for Leave and Vacation Management*	Based on the Group's business nature, flexible working hours systems are adopted to suit the operational needs. To ensure appropriate work and rest schedules are arranged for employees, the Group has stipulated the working days, normal working hours, and rest periods of employees in the standards, which includes the appropriate arrangement of providing monetary compensation or granting time off to compensate for overtime work. The Group guarantees that all employees enjoy statutory holidays and non-statutory holidays such as marriage leave, maternity leave, funeral leave, and paid annual leave

| Prevent Forced Labour and Child Labour | – *Open Recruitment Management Measures*

– *Labour Contract Management Measures* | The Group strictly follows labour laws and regulations in areas where it operates and prohibits any form of child labour or forced labour. To prevent forced labour, the Group properly regulates employees' working hours and rest periods. We would never force employees to work against their wills with violence or intimidation, or by restricting their freedom. To avoid child labour, the Group requires candidates to provide proof of identity and candidates without valid identity proof would not be considered. If child labour and forced labour are discovered, the Group will immediately take actions to stop such from happening |

Focusing on Employee Engagement

The Group is dedicated to fostering employee loyalty and commitment by creating a supportive and balanced workplace where employees feel respected and valued. At the same time, we prioritise maintaining positive relationships and open communication with employees throughout their journey with the Group.

Beyond fulfilling statutory obligations, the Group provides a comprehensive range of supplementary benefits to enhance employee well-being. These benefits include holiday and festival subsidies, meal and transportation provisions, residential allowances, and other benefits. Besides, we maintain regular communication with our employees through diverse channels, including WeChat groups, team meetings, performance appraisals and suggestion boxes, to maintain an open and collaborative dialogue.

Adhering to

People-oriented

During the Reporting Period, the Group had arranged diversified activities for our employees:

Zhaoqing New Port – Dragon Boat Activity

Sun Ferry – Employee Birthday Party

Gaoming Port – International Women Day

Digital Port and Shipping – Employee Meeting

CKIFF – Employee Sports Day

Shenzhen Zhu Chuan – Greenway Hiking Team Building

Investing in Employee Development

We continuously optimise our system for the development and training of professional talent, to provide diverse learning opportunities that align with employees' aspirations. Particularly, we support new employees through a comprehensive mentoring system. Each new employee would be assigned to the integrated mentor and job-specific mentor upon joining: The integrated mentor focuses on developing overall capabilities and providing career planning guidance, while the job-specific mentor delivers targeted training on role-specific responsibilities.

During the Reporting Period, the Group offered a diverse range of business and function-specific training programmes to equip employees with the necessary skills for their roles, fostering their growth and enhancing their performance.

Employees from Shenzhen Zhu Chuan participated in a visit to Nansha bonded trade area to explore warehousing and logistics business in the Greater Bay Area

Doumen Port and the Doumen Border Inspection Station carried out a joint learning and co-construction activity, organising members to visit and engage in learning the Zhuhai Founder Technology PCB Industrial Park

Civet Port provided legal awareness training for employees at the administration department

Sun Ferry organised customer service training for new employees

6.3. Safety and Health

The Group places paramount importance on employee health and safety, maintaining an unwavering commitment to fostering a secure and conducive work environment. We have established a comprehensive management system to ensure the safety of our daily operations.

Safety in the first place

In terms of management, the Group has formulated 18 safety management regulations, covering various aspects such as the *Safety Production Responsibility System*, the *Implementation Measures for Safety Risk Assessment* and the *Safety Production Meeting System*, along with specific management measures that address occupational risks in particular operations.

Management Systems	The Group has implemented several safety management systems to maintain a high safety level. We have the *Safety Operation Liability System* in place, which clearly defines the roles and responsibilities of each party, to guarantee that the safety management and procedures are followed meticulously at different levels of every business segment
Performance Indicators	Setting performance indicators is crucial for evaluating operational safety performance. The Group requires subsidiaries to set performance indicators, such as the number and rate of work-related fatalities, number and rate of severe work injuries, number of accident cases, and other performance indicators to better measure, monitor and manage safety performance
Training	The Group continues to arrange training in the safety management systems. All new employees must complete safety induction training, while ongoing job-specific trainings are offered to employees to equip them with comprehensive knowledge of safe operation and develop safety skills for their roles
Inspections and Supervision	To enhance the Group's safety standards, regular safety inspections are carried out to identify and monitor potential safety hazards. We pay attention to safety inspection plans for machinery, equipment, and working environment. Comprehensive inspections are conducted routinely, including daily, monthly, seasonal, and annual inspections

During the Reporting Period, the Group did not violate any laws and regulations that significantly impacted the Group about providing a safe working environment and protecting employees from occupational hazards.

Safety Performance	Unit	2024	2023	2022
Number of work-related fatalities	No.	0	0	1
Work-related fatalities rate	%	0%	0%	0.04%
Lost days due to work injury	Days	740	433	605

Cargo Terminal Safety

Machinery and fire safety are the two primary safety concerns at cargo terminals. To enhance terminal safety, the Group focuses on strengthening the management of machinery operations and fire hazard prevention. For example, the Group has conducted regular fire inspections, maintenance of fire service installations and equipment, and fire drills to prepare for emergencies. Additionally, we maintain good warehouse housekeeping all the time to ensure and enhance safety. As for machinery safety, regular machinery maintenance is conducted to ensure optimal performance and extend the lifespan of equipment.

During the Reporting Period, CKTL had completed safety inspections and identification of safety risks, and applied rectification measures to 5 identified areas

The Group ensures that employees are equipped with suitable personal protective equipment tailored to their specific job requirements, including cotton gloves and oil-proof PVC gloves. Recognising the impact of fatigue on employee health, safety and job performance, the Group proactively prevents fatigue-related accidents by implementing reasonable work schedules that avoid excessively long shifts. Furthermore, the Group offers designated common rooms and adequate break times for employees to rest and rejuvenate.

Vessel Safety

To enhance fleet safety, all drivers must undergo mandatory safety training to reinforce their understanding of operational safety policies. Monitoring and supervision are integral components of our safety measures, including daily mandatory alcohol tests for drivers before their shifts, real-time tracking of vehicle speed and location, and regular fleet inspections and maintenance. Furthermore, emergency plans are in place, along with regular accident analyses, to proactively address and mitigate potential risks.

Sun Kong Petroleum maintains rigorous safety standards through completing monthly safety self-assessment checklists. Based on local regulations and the Sun Kong Petroleum's vessel safety management system, the company also engages independent third-party inspectors for comprehensive vessel examinations. Additionally, the responsible safety management personnel have successfully obtained professional certifications in safety production knowledge and management from the Guangdong Safety Production Association, ensuring competency in safety oversight.

Crew Safety

The Group assumes a strong responsibility for ensuring the safety of employees on ferries and ships. We have implemented the *Safety Management Manual for Ships* and other standards and guidelines to guide employees on daily maintenance and inspections, ensuring the proper functioning and safe operation of our ferries and ships. Additionally, we provide instructions to subsidiaries in the passenger transportation business on managing and responding to scenarios such as severe weather conditions and fires. During the Reporting Period, Sun Ferry had deployed the *Digital Crew Certification Management System*, which efficiently tracks crew licenses and certifications to ensure compliance with license requirements. These measures enhance the monitoring of the crew safety qualification and ensure safe operation of our ferries, ships and cruise ships.

Occupational Health Management

Safety Training

The Group has implemented stringent safety measures and protocols in all operational sites to ensure the safety of our employees and customers. To foster a strong safety culture in the workplace, we arranged various safety trainings to keep our employees abreast of the latest safety regulations and practices. Additionally, we regularly conduct drills and simulation exercises to prepare for emergency situations.

Shenzhen Zhu Chuan conducted a comprehensive Fire Evacuation Drill and provided detailed guidance on the use of fire safety equipment

CKIFF provided training of gas safety for 14 of its offices

The Group hosted the Special Training Programme for Port Tractor Drivers and Safety Management Personnel

Qingyuan Port hosted the Special Equipment Emergency Drill Training

Adhering to

People-oriented

Gaoming Port organised the promotion week for occupational diseases prevention

The Group conducted the Special Training on Emergency Management and Fire Safety during the safety production month in 2024

Health and Wellness

The Group is committed to safeguarding the health and well-being of our employees. We strive to create a comfortable work environment for our employees and implement initiatives to help them manage stress and maintain a healthy body. These measures reflect our care for employees and aim to inspire their motivation at work and improve productivity.

During the Reporting Period, we encouraged employees to actively participate in various sports activities organised by the Group. For example, our employees competed in corporate table tennis and badminton tournaments, fostering stronger team bonds and promoting a healthier lifestyle.

7. GREEN DEVELOPMENT

The Group is steadfast in its commitment to minimising environmental footprints across all operations. We enforce strict compliance with environmental legislation in every jurisdiction, integrating eco-conscious practices such as emissions tracking, waste reduction initiatives, and water conservation measures into daily workflows. During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group in relation to air and Greenhouse gases (GHG) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

7.1. Environmental Targets

Setting environmental targets reflects our strategic commitment to sustainable development. During the Reporting Period, the Group had finalised the environmental targets on air pollutant emission, GHG emissions, waste management, energy consumption, water efficiency and enhancing environmental awareness. Subsequently, our subsidiary companies have developed and submitted their respective short to medium-term environmental objectives, aligned with the Group's overarching key target indicators. In the future, the Board shall maintain active oversight of target implementation, thereby advancing toward the goal of green ports.

The progress of the environmental targets in 2024 are as follows:

Indicators	Action Plan	Taken Actions during the Reporting Period	Target Progress
Reduce Air Pollutant Emissions			
Reduce Emissions from Port Operations and Vessels (Achieve a 15% reduction in sulphur oxide (SO_x) emission intensity by 2030, using 2024 as the baseline year)	• Increase clean marine fuel adoption: Promote the use of low-sulphur fuel for ships, cranes, and machinery • Provide shore power services for docked vessels and increase shore power facilities • Construct or lease eco-friendly ships (e.g., LNG-powered vessels)	• Subsidiaries operating cargo terminal (e.g., Gaoyao Port, Zhaoqing New Port, Zhaoqing Kangzhou Port) have already implemented shore power systems,adopted electric equipment, including electric cranes, and gradually replaced staff dormitories, canteens, and other facilities with electric-powered equipment • Introduce hybrid, electric, and LNG-powered ships	In Progress

Indicators	Action Plan	Taken Actions during the Reporting Period	Target Progress
		• Implement emission control measures: Switch to low-sulphur diesel and charter vessels equipped with exhaust treatment systems	
Reduce Vehicle Emissions	• Conduct regular maintenance and inspections to vehicles • Promote new energy applications, gradually replace official vehicles to low/zero emission vehicles, and increase the use of new energy vehicles	• Enhance fleet management practices: Encourage carpooling among employees • Gradually replace official fleet vehicles with low-emission and new energy vehicles to improve emission reduction benefits	In Progress
Reduce Emissions from Machinery and Handling Equipment	• Using low-sulphur fuel or electric-powered lifting equipment	• Subsidiaries operating cargo terminals actively promote electrification of loading and unloading equipment, including electrically-powered gantry cranes, shore cranes, bridge cranes and other handling equipment • Equipped with electric forklifts to reduce the frequency of diesel equipment usage; optimise operational modes to lower energy consumption and achieve green port operations	In Progress

Indicators	Action Plan	Taken Actions during the Reporting Period	Target Progress
Reduce GHG Emissions			
Reduce GHG Emissions	• Minimise non-essential business travel and restrict travel with premium-class	• Prioritising virtual meetings for daily communication and work-related discussions to reduce air travel • Implementing standardised policies requiring eco-friendly transportation (e.g., trains, hybrid/electric vehicles) for unavoidable business trips, with restrictions on unnecessary first-class or business-class flights	In Progress
Enhance GHG Emissions Management System (Achieve a 10% reduction in carbon intensity by 2030, using 2024 as the baseline year)	• Establish a comprehensive data collection framework	• Gradual implementation of complete data collection framework • Cross-departmental coordination for daily management and data collection	In Progress

Indicators	Action Plan	Taken Actions during the Reporting Period	Target Progress
Waste Management Efficiency			
Reduce Waste Generation	• Reduce single-use items, tableware and promote green dining • Reduce generation of food waste	• Replace disposable utensils with stainless steel alternatives in company canteens and encourage employees to bring their own reusable utensils • Implement a meal reservation system to optimise ingredient procurement and reduce surplus • Educate employees on food conservation practices to cultivate waste reduction awareness	In Progress
Increase the recycling rate of all types of waste	• Identify recyclable materials and arrange for refurbishment or repurposing • Partner with recycling vendors for various waste types	• Prioritise refurbishing and reusing old mechanical parts, tires, locks, and other components • Reusable items are collected for recycling and reuse. Professional recycling companies have been contracted to handle recyclable waste materials such as used steel wire ropes, steel materials, and waste paper	In Progress

Indicators	Action Plan	Taken Actions during the Reporting Period	Target Progress
Sort and recycle waste	• Set up separate bins for non-recyclable and recyclable waste	• Companies generally implement waste sorting bins to ensure effective separation and proper handling of different types of waste • Hazardous waste such as ship waste oil and oil drums are handled by qualified recycling companies	In Progress
Reduce Paper Consumption	• Promote paperless office and advocate electronic documents instead of paper; use double-sided printing to reduce paper waste whenever possible	• Apply OA system to handle daily approvals, document transmissions and stamping, using online shared documents and electronic files, electronic forms (such as payslips and leave application forms) • Promote good paper usage habits, including double-sided printing, paper reuse and other conservation measures	In Progress

Indicators	Action Plan	Taken Actions during the Reporting Period	Target Progress
Energy Consumption Efficiency			
Reduce Energy Consumption in Office Buildings and Workspaces	• Use or purchase energy-saving equipment (e.g., LED lights, energy-efficient refrigerators) • Encourage turning off unused lights, computers, and other electrical devices, ensuring that computer screens are turned off when not in use • Replace office cooling units (central air conditioning systems)	• Use LED energy-saving lights to replace traditional lighting, and some subsidiary companies have also installed motion-sensor lights • Prioritise purchasing first-class energy-efficient models for air conditioners, refrigerators, and other electrical appliances, and retrofit old equipment to improve energy efficiency • Establish comprehensive energy-saving policies, including rules such as "turn off lights when leaving", automatic screen-off settings for computers, and maintaining air conditioning at 26°c • Strengthen employee awareness of energy conservation through measures such as posting reminder signs and assigning area-specific energy-use supervisors to ensure effective implementation of energy-saving measures	In Progress

Indicators	Action Plan	Taken Actions during the Reporting Period	Target Progress
Reduce Energy Consumption of Vessels	• Reduce shore power usage by vessels • Optimise vessel navigation routes • Control ferries speeds	• Ports are equipped with shore power facilities for use by docked small vessels • Sun Ferry has improved oil log recording systems, allowing for data evaluation based on operational needs to analyse optimal speeds for energy saving and fuel efficiency	In Progress
Reduce Vehicle Fuel Consumption	• Regularly record vehicle fuel consumption and optimise vehicle transport routes	• Regularly compile and record data on vehicle mileage and fuel consumption, and submit monthly reports to management • Implement multiple measures to improve fuel efficiency, such as introducing fuel-saving reward programmes and implementing driver energy-saving incentives and penalty systems. Additionally, reduce unnecessary fuel consumption by combining trips in the same direction and optimising vehicle dispatching	Completed
Improve Vehicle Fuel Efficiency	• Conduct regular vehicle energy efficiency tests and schedule routine maintenance and inspections to enhance fuel efficiency	• Regularly inspect and maintain official vehicles to ensure their optimal condition • Promptly replace worn components to optimise vehicle performance and ensure vehicles operate in their best state	In Progress

Indicators	Action Plan	Taken Actions during the Reporting Period	Target Progress
Implement Energy Management	• Establish a corporate energy management system	• Strengthen departmental collaboration, with the Safety Supervision Department leading and coordinating efforts with the Administration, Operations and Technical Departments to advance energy management initiatives • Set clear annual energy consumption targets, establish a monthly energy usage data tracking and reporting system, and conduct real-time monitoring and comparative analysis of fuel and electricity consumption	In Progress
Promote Port Electrification	• Increase the use of electric equipment at ports	• Develop a long-term plan to gradually expand the deployment of electric equipment. Currently, Doumen Port is equipped with three electric forklifts, and Huangpu Port has an electric reach stacker	In Progress
Build Smart, Automated, and Digitalised Ports	• Implement intelligent lighting systems at ports	• Promote the use of energy-saving LED lights, such as in port and yard areas and replace outmoded lighting fixtures promptly • Adopt intelligent control solutions, such as installing sound-activated energy-saving lights in corridors and smart lighting systems	In Progress

Indicators	Action Plan	Taken Actions during the Reporting Period	Target Progress
Advance Renewable Energy Projects	• Promote the use of renewable energy by enterprises	• Civet Port is currently planning to advance a distributed photovoltaic grid-connected power station project	In Progress
Water Efficiency			
Reduce Water Consumption	• Implement water-saving equipment and processes • Increase use of recycled and recirculated water • Regularly monitor water usage and check for leakage	• Arrange for security personnel to conduct regular patrols at each port and assign electricians to be on duty 24/7 to promptly identify and address water leakage issues • Implement water-saving measures in offices, such as installing press-type water-saving devices and reusing water for irrigating plants	In Progress
Promote Awareness of Environmental Protection and Conservation			
Provide Environmental Training for Employees	• Conduct environmental protection training periodically • Organise/Participate in Environmental Activities	• Regular environmental awareness lectures and waste sorting training for employees • Active participation in various environmental public welfare activities, such as community tree planting activities and beach cleanup campaigns	In Progress
Set up Environmental Awareness Displays	• Install environmental protection signs and awareness slogans on public facilities and equipment (energy equipment, water resource facilities, etc.)	• Post energy-saving and environmental protection reminders in office areas, washrooms, and near electrical facilities	In Progress

7.2. Green Operation

Management Approach

To enhance the Group's capabilities in managing environmental challenges, we have developed a comprehensive environmental governance system encompassing oversight mechanisms, and risk response strategies. In accordance with corporate directives, each subsidiary has been tasked with location and operational-specific policies to address the unique environmental conditions and operational risks of each site.

Ecological Environmental Protection Supervision and Administration Measures	General Emergency Management Protocol
• Promote and coordinate environmental protection work according to laws, regulations and policies, and implement industry-standard internal environmental management system • Control pollution resulted from the Group's operation, in regard of air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste • Actively promote and apply internationally advanced environmental protection management methods, systems, etc., to strengthen the environmental protection management system • Rationally utilise resources and energy, to control pollution and create a good working and living environment	• Defined response procedures, including incident classification system, communication chains and control measures to minimise potential impacts resulted from environmental emergency incidents • Enhance management of emergency response by allocating sufficient funds for emergency drills and response, and by establishing specialised emergency rescue teams at subsidiary level

On the other hand, we provide adequate training on environmental risks handling in which adheres to regulations at our operation sites. Among all, Sun Kong Petroleum has set up the vessel management system based on ISO standards, which covers policies such as *Ship Oil Pollution Emergency Plan* and the requirements for drills and training within the plan. The main risks in the Sun Kong Petroleum's fuel supply operations include marine pollution caused by events such as ship collisions leading to oil tank ruptures or sinking, as well as fuel leaks into the sea due to oil pipe ruptures or disconnections during refuelling. To mitigate these risks, Sun Kong Petroleum has established regular navigation safety regulations, conducts onboard safety education and operational training, and develops relevant emergency response plans. Additionally, Sun Kong Petroleum ensures the provision of adequate anti-pollution equipment and materials, as well as regularly conducts rescue and emergency response drills (including ship-to-shore exercises).

Sun Kong Petroleum – Oil Spill Prevention Drill

Improving Ambient Air Quality

The Group is firmly committed to not only achieving full compliance with all relevant local environmental regulations but also proactively pursuing innovative solutions to significantly reduce and mitigate our air emissions.

The major air pollutants from the Group are attributed to vessels operating and berthing at cargo terminals, including sulphur oxides (SO_x), nitrogen oxides (NO_x), and particulate matter (PM). To mitigate our impact on the air quality of nearby communities, we continuously monitor and regulate emissions from our vessels to improve air pollution control.

Container and Cargo Handling	
Onshore Power Supply	• The Group has equipped all its cargo terminals in Mainland China with shore power facilities to minimise the reliance on diesel generators and cut down emissions from fossil fuel combustion of vessels during berthing. This initiative allows vessels to connect to a land-based power source, eliminating the necessity for continuous operation of onboard auxiliary generators
Employing Electrical Machinery	• Subsidiaries operating cargo terminals have been gradually transitioning from diesel-powered equipment to electric-powered machinery. For example, all gantry cranes and quay cranes within the yard of Zhaoqing New Port are powered by electricity, significantly reducing pollution and emissions
Passenger Transportation	
Promoting Environmental-Friendly Ferries	• During the Reporting Period, two hybrid-powered ferries (New Mingzhu 6 and New Mingzhu 30) and one electric-powered vessel (New Mingzhu 39) were introduced
Fuel Efficiency and Low-Sulphur Diesel	• Used low-sulphur diesel to reduce emissions from fuel combustion
	• Relocated 22 barges from Hei Ling Chau Anchorage to Cheung Chau Typhoon Shelter, significantly reducing the relocation distance of reserve ferries. Besides, ferries are operated at economical cruising speeds, thereby optimised fuel efficiency and reduced overall emissions
Fuel Supply	
Fuel Enhancement	• Entire fleet has transited to Ultra-Low Sulphur Diesel with ≤0.001% sulphur content
Phase out of Aging Vessel	• In recent years, Sun Kong Petroleum had replaced 3 aging oil tankers, vessels, and cargo ships, with vessels featuring enhanced fuel efficiency and emission control system

LNG-Powered Vessels Have Been Put Into Operation For Container Business Services

Several LNG-powered multipurpose vessels managed by Shenzhen Zhu Chuan have officially been put into operation. Compared to traditional fuel-powered ships, LNG-powered vessels reduce carbon dioxide emissions by 20%, nitrogen oxide emissions by 20-50%, and achieve zero emissions for sulphur oxides and particulate matter, demonstrating significant emission reduction benefits.

Energy Management

The Group is committed to enhancing energy efficiency and reducing energy consumption. We have put into effect various energy conservation and emission reduction initiatives. These include encouraging energy-saving practices in the workplace, procuring energy-efficient equipment, adopting renewable energy, conducting routine inspections and maintenance of machinery, vehicles, ferries and vessels, as well as appointing dedicated personnel to monitor and document energy consumption.

Renewable Energy

The Group has strategically implemented renewable energy infrastructure across its operational facilities as part of its decarbonisation roadmap. In 2018, Sun Ferry installed 27 solar panels, each with an area of 1.95 square meters and on the rooftop of its office building and a total of 296 solar panels on the rooftops of two warehouses. From January to October 2024, the solar panels generated a total of 95,670.8 kWh of electricity, which helps offset around 36,000 kg of carbon emissions.

Since 2022, CKTL has connected its rooftop solar photovoltaic power generation system to the grid. During the Reporting Period, the solar panels generate approximately 2,268,564 kWh of electricity, further improving the resource utilisation.

CKTL – Solar Panel Installation

Sustainable Warehousing

The eco-friendly warehouse of CKTL implemented various sustainable features to reduce its environmental impact. For instance, the ceiling of the new warehouse is fitted with hollow glass panels, allowing natural sunlight to illuminate the interior during the day, thereby reducing electricity consumption. Besides, rooftop greening also enhanced energy efficiency through improved insulation, reduced heat absorption, while improving air quality.

Moreover,the company has upgraded its warehouse air conditioning systems and using gantry cranes. These initiatives have collectively resulted in significant energy savings, reducing electricity consumption by approximately 540,000 kWh.

CKTL – Eco-Friendly Warehouse

Innovation in Eco-Efficient Ferry Fleet

The Group has successfully deployed five carbon fibre high-speed ferries, namely "Yinzhu Lake", "Yuzhu Lake", "Xinshunshui", "Haizhu Lake", and "Haizhu Bay". Taking the "Xinshunshui" as example, operating on the same route as traditional ferry, "Xinshunshui" achieves annual savings of 576 tonnes of fuel, reducing operational costs by RMB4.46 million. The ferry's environmental impact is notably lower, equivalent to a 1,357-tonne reduction in carbon emissions.

Water Resource Management

The Group sources water from municipal water supply, thereby we did not encounter difficulties in obtaining water for operation. Despite not being a water-intensive industry, the Group actively endeavours to reduce water consumption through diverse water-saving initiatives. These include regularly inspecting and replacing aging and corroded underground water pipes to minimise leakage, thereby improving water efficiency. Additionally, the Group also posts water-saving signs in the restrooms to raise awareness among employees about the importance of water conservation and encourage them to adopt water-saving practices in their daily routines.

Zhaoqing Kangzhou Port leveraged a rainwater collection system within the terminal to collect water for reuse in landscaping or dust suppression, conserving water resources
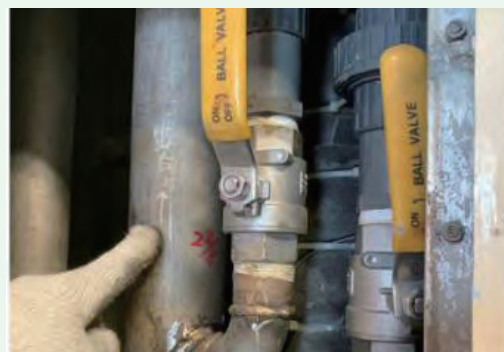
Since 2019, all 423-seat high-speed ferries were retrofitted to use seawater for flushing toilets. From January to October 2024, the system has saved 1,527 tonnes of fresh water supply

Besides, we concern compliant and proper wastewater discharge management at our subsidiaries operating cargo terminals. Wastewater treatment facilities have been established within the terminal areas to ensure that all wastewater is properly treated before discharge. In addition, we have set up designated collection points to collect wastewater at the terminals, preventing pollution of nearby coastal areas.

Gaoyao Port – Vessel Sewage Reception Facility

Sihui Port – Wastewater Collection Tank

Effective Utilisation of Materials and Waste Management

The type of waste generated from the Group's operation primarily consists of hazardous chemical waste (waste machine oil, vehicle batteries), non-hazardous waste (domestic waste, waste tires). Adhering to regulatory requirements, the Group ensures the responsible management of waste, employing qualified third parties to handle and dispose of both non-hazardous and hazardous wastes in a manner that safeguards the environment and surrounding communities.

Non-hazardous Waste	• Set up recycling facilities at its operational sites to segregate unavoidable wastes, including used lamps and waste metal, for recycling purposes. Consistently, the Group conducts awareness campaigns on waste sorting to promote material recycling • The subsidiaries operating cargo terminals actively recycle and reuse old tires at their affiliated terminals, aiming to reduce both waste tire and new tire consumption. For tires that are worn beyond repair, they are disposed of and processed according to standardised procedures
Hazardous Waste	• The Group has developed the Port Terminal Waste Oil Management Procedure to standardise the handling of waste oil • Regularly collect waste oil drums and oily waste generated from vessel and machinery, conduct periodic inventory counts, and arrange for qualified recycling contractors to handle the disposal on-site • No abnormality was detected in the amount of waste oil generated during the Reporting Period

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Sun Ferry Engaging Community in Promoting Recycling Waste

Sun Ferry has placed tri-coloured recycling bins at all ferry terminals for passengers to efficiently sort and dispose recyclable waste during their journeys.

In response to the Environmental Protection Agency's "Reverse Vending Machine Pilot Programme", Sun Ferry has installed reverse vending machines at Hung Hom Ferry Terminal and Kowloon City Ferry Terminal, making it convenient for passengers to return used plastic beverage containers.

Green Office Initiatives

The Group is committed to integrating environmental considerations into daily operations. We are implementing a comprehensive strategy to minimise our environmental footprint through various measures, including but not limited to the following aspects:

Energy Conservation	• Power down computers promptly when not in use and turn off the meeting system when no meetings are scheduled to minimise energy consumption. Ensure lights are switched off when the office is unoccupied
	• Installed electricity meters in office areas to monitor monthly energy consumption and identify excessive use
	• Use energy-efficient appliances, such as Grade 1 energy-saving air conditioners
	• Central air-conditioning systems had been replaced at Chu Kong Shipping Tower during the Reporting Period, achieving an average energy reduction of approximately 40%

Business Travel Management	• Prioritise online methods such as video conferencing for work communication to reduce GHG associated with transportation, such as air travel and railways
	• Company vehicles are managed under the *Administrative Vehicle Management Implementation Rules*, to optimise Vehicle Dispatch System and reduce redundant vehicle deployments
	• Plan to replace conventional vehicles and gradually transition to hybrid, EV and other vehicles powered by renewable power source
Water Conservation	• Install automatic water-saving faucets to prevent water wastage
	• Display water-saving posters to raise awareness among employees
Waste Recycle	• Recycling bins are set up in the office to collect and recycle paper, aluminium/iron items, plastic materials, used light tubes, and batteries
	• During the Reporting Period, we had supported various recycle initiatives organised by the government and NGOs, including Green@Community scheme, Mooncake Boxes Recycling Programme, The Producer Responsibility Scheme on Waste Electrical and Electronic Equipment of the Environmental Protection Department

Promotion of Environmental Protection among Employees

During the Reporting Period, the Group closely aligns with the themes of the 2024 Energy Conservation Publicity Week, "Green Transition, Energy-Saving Breakthrough", and Low-Carbon Day, "Green and Low-Carbon, Beautiful China" to carry out various promotional activities tailored to the Company's actual circumstances. For instance, we had organised online promotion of energy-saving and carbon-reduction concepts through WeChat, as well as displaying banners, electronic posters and videos, encouraging employees to widely embrace the concept of green development. In addition, our subsidiaries actively organised related activities to further support these initiatives.
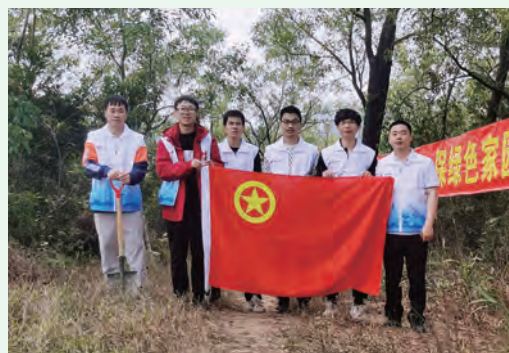
Doumen Port organised 2 voluntary tree planting activities,
actively contributing to environmental sustainability

On 2 June 2024, volunteers from CKIFF organised an environmental
cleanup at Doumen Fengshan Park

7.3. Climate Change

With the escalating challenges of global warming, urgent climate action has become essential. We have consistently prioritised addressing climate change as a fundamental aspect of our environmental management, as well as providing clear and comprehensive climate-related information that helps stakeholders assess the resilience of the Group in face of climate change. During the Reporting Period, we had initiated various work to enhance disclosure on climate-related risks and opportunities, with reference to the Hong Kong Stock Exchange's Climate Information Disclosure Guidance, and International Financial Reporting Standards Sustainability Disclosure Standard – S2 Climate-related Disclosures.

Governance

In 2023, the Group had formulated its ESG governance framework which specifies the roles and responsibilities of the Board, management and relevant departments in driving ESG initiatives. During the Reporting Period, the Group identified areas for improvement within its governance framework, particularly in managing climate change issues. To address these, the Group had planned to enhance its practices by introducing additional policies, guidelines, and protocols aligned with emerging regulations and industry best practices.

Risk Management and Strategy

Our climate resilience strategy focuses on systematic risk management through enhanced identification, assessment and mitigation protocols. We continuously refine our approach to climate-related challenges, implementing robust response measures while identifying emerging opportunities. Through advanced quantitative analysis and progressive risk assessment methods, we strengthen our capacity to address climate impacts and adapt to environmental changes.

Risk Identification	The Group identifies climate risks and opportunities through scenario analysis, as well as our insights on industry and policy trends (such as national and local low-carbon transition policies and industry energy transition trends), forming the preliminary list of climate risks and opportunities
Risk Assessment	We invited representative from responsible departments to rate and rank the climate risk and opportunities based on professional knowledge and insight from daily operation
Risk Management	The Group regularly reviews on its practice and performance, monitors progress, updates strategies in response to new developments, and integrates climate risk management into corporate decision-making processes

During the Reporting Period, the Group initiated a climate scenario analysis to model potential impact under high emission and low emission circumstances. In the analysis, we identified 8 relevant risks and opportunities to the Group, of which Acute Physical Risks, Market Risks, Product and Service Innovation might present significant implications on the Group's operational and financial status.

When considering the choices of input data, we thoroughly reviewed industry and policy macro trends (such as national and operational regions' low-carbon transition policies, and industry energy transition trends), as well as the Group's commercial activities, business scope, needs, and objectives. In our assessment, we adopted the hypothetical trends from internationally-recognised climate scenarios as follows, so that we can provide a comprehensive analysis of potential climate-related impacts on our business operations.

Scenario Model Selection

Publisher	Turquoise (Low Emission) Scenario	Brown (High Emission) Scenario
United Nations Intergovernmental Panel on Climate Change (IPCC)	Representative Concentration Pathway (RCP) 2.6	Representative Concentration Pathway (RCP) 8.5
	Shared Socioeconomic Pathway (SSP) 1	Shared Socioeconomic Pathway (SSP) 5
International Energy Agency (IEA)	Sustainable Development Scenario (SDS)	Business-as-Usual Pathway: Stated Policies Scenario (SPS)
Network for Greening the Financial System (NGFS)	Orderly Pathway	Hot House World Pathway

	Turquoise Scenario	Brown Scenario
Physical Environment		
Global mean temperature increase	• About 1.7°c by 2060 and 1.8°c by 2100	• About 2.4°c by 2060 and 4.4°c by 2100
Global mean sea level increase	• Likely at 0.30m by 2065 and 0.50m by 2100	• Likely at 0.40m by 2065 and 0.80m by 2100
Climate change impacts	• Relatively stable	• Significant (e.g., increased frequency and severity of floods, extreme weather events)
Socio-Economic Environment:		
Economic development	• A more inclusive economic development that respects the perceived environmental boundaries	• Economic growth and technological advancement are fueled by fossil fuels, resulting in high levels of GHG emissions by 2100, which can exacerbate extreme weather events
Climate policies	• The Mainland China and Hong Kong governments adopt more aggressive and stringent carbon reduction strategies and roadmaps, such as increasing the proportion of renewable energy, implementing carbon pricing, and mandating climate-related risk and opportunity disclosures	• Due to systemic, political, and economic barriers, i.e., policy inertia, there is a lack of new climate policies
Common business model	• Rapid shift from a fossil fuel-dependent economy to a renewable energy driven economy	• Profit driven business model with only casual consideration of environmental and social impacts
Level of commitment	• Corporates are committed to contributing to national and regional climate action goals, i.e. business partners work together to achieve lower-carbon operations	• Insufficient public environmental awareness to drive system change

Risks Type	Financial and Operational Impact on the Group	Time Horizon	Impact level
Physical Risks			
Acute Physical Risks - Adverse impacts caused by frequent extreme weather events	Natural disasters (e.g., tropical cyclones) may result in: • Damage to equipment and assets at operational locations, such as terminals, vessels and cargo • Threats to employee safety from extreme weather, disrupting normal operations in logistics, passenger transport and other services	Short-term/ Medium-term	High
Chronic Physical Risks - Adverse impacts caused by long-term changes in global climate patterns	Rising average temperatures may lead to: • Increased energy consumption (for cooling systems) at offices, terminals and other operational locations, raising overall operational costs • Negative impacts on employee health, reducing work efficiency; employees may be unable to work outdoors for extended periods during high-temperature seasons, affecting operational efficiency • Rising sea levels leading to changes in wave patterns, impacting vessel navigation and the operations of freight loading and unloading	Medium-term/ Long-term	Medium

Risks Type	Financial and Operational Impact on the Group	Time Horizon	Impact level
Transition Risks			
Policy and Legal Risks - Pricing of GHG Emissions	With the continuous evolution of GHG emission policies and regulatory measures, government-imposed charges such as carbon taxes, emission trading schemes and fuel taxes could be introduced. These carbon pricing mechanisms may impact the shipping industry's market dynamics, leading to an increase in operational costs	Medium-term/ Long-term	Medium
Technological Risks - Expenditure on Low-Carbon Technology Transition	In the context of global climate change, businesses are required to transition towards low-carbon operations. This includes research and development of new technologies (such as ship energy efficiency retrofits and energy-saving technologies) and the adoption of new energy sources or energy-efficient equipment to replace traditional, high-energy-consuming, or aging equipment. These adjustments could result in increased operational expenses	Medium-term/ Long-term	Medium
Market Risks - Transition to Renewable Energy	As renewable energy projects progress, the demand for traditional fossil fuels may gradually decline, and shipping fuel is expected to shift towards cleaner alternatives	Long-term	High

Risks Type	Financial and Operational Impact on the Group	Time Horizon	Impact level
Opportunities			
Improving Energy Efficiency	• Introducing energy-saving technologies and equipment to enhance energy efficiency and reduce operational costs • Stay aligned with sustainable market development requirements by actively investing in green ferries, properly disposing of old vessels, and gradually improving economic efficiency and return on investment	Medium-term/ Long-term	Medium
Product and Service Innovation	By developing low-carbon product lines, businesses can meet the growing demand for green consumption while establishing an environmentally friendly brand image	Medium-term/ Long-term	High
Green Financial Market Development	With the rapid growth of sustainable finance, actively engage in green financial products, such as securing green loans from banks and utilising ESG investment tools, to provide the Group with more diversified financing channels	Short-term/ Medium-term	Medium

Based on these high-priority risk findings, we conducted a thorough review of our existing mitigation strategies to ensure their effectiveness.

	Risks	Mitigation Strategies
Physical Risks	Acute Physical Risks - Adverse impacts caused by frequent extreme weather events	- All subsidiaries operating cargo terminals have strictly implemented typhoon emergency response plans and conducted drills and training - In typhoon weather, in accordance with the requirements of the Hong Kong Marine Department and company practices, all marine operations must cease when Typhoon Signal No. 3 is issued. Vessels are to stop operating and be moved to a typhoon shelter for safety - We distributed care packages to frontline staff during periods of high temperatures
Market Risks	Market Risks - Transition to Renewable Energy	- Our subsidiaries, for instance Sun Ferry, CKTL had implemented various renewable energy initiatives. In addition, Civet Port is currently planning to advance a distributed photovoltaic grid-connected power station project - The fleet of Sun Kong Petroleum has fully transitioned to ultra-low sulphur diesel. Policy-wise, the Hong Kong government is currently formulating regulations mandating all local vessels to adopt ultra-low sulphur fuel beginning next year. This presents significant advantages for our fuel supply operations which the company had sustained supply channels of compliant fuel
Opportunities	Product and Service Innovation	- The Group has introduced green vessels, such as LNG vessels, carbon fibre vessels, and electric ferries

Typhoon Emergency Response Plans

To enhance typhoon preparedness, Sihui Port formulates and strictly executes the *Typhoon Emergency Response Plan* as well as other protocols.

Preparatory work before typhoon season

In mid-to-late April each year, Sihui Port host typhoon prevention meetings to summarise the previous year's typhoon prevention work, confirm the typhoon prevention command structure and submit it to the Safety and Technical Department of the Group for record-keeping.

Routine work during typhoon season

The Safety Supervision Department closely monitors weather changes. As tropical cyclones approach operating sites, the department will immediately report to the manager in charge of safety, notify all company departments, all branch companies, and relevant inspection units, and properly document the situation.

Risk Response to typhoon and emergency

The Safety Supervision Department shall notify all departments and subsidiaries about the latest typhoon situation. Based on the assigned duties, the general manager would lead the overall typhoon prevention work and guide all departments. When Sihui Port encounters dangerous situations, the duty personnel should maintain detailed records and report according to the command structure.

Sihui Port – Typhoon Safety Drill

Indicators and Targets

To strengthen our climate resilience and strategic positioning, we have finalised the quantitative GHG target on Scope 1 and 2 emissions during this Reporting Period. Moving forward, we will actively monitor performance of the Group and its subsidiaries on climate indicators, while maintaining the flexibility to dynamically refine our emission reduction strategies and objectives in response to evolving circumstances.

2024	GHG Emissions (Scope 1)	GHG Emissions (Scope 2)	GHG Emissions (Scope 1 & 2)
Tonnes	53,584.55	7,865.42	61,449.97
Tonnes per HKD million revenue	19.73	2.90	22.62

8. COMMUNITY ENGAGEMENT

The Group takes pride in upholding its corporate social responsibility by supporting the local communities in which it operates. Through diverse initiatives and partnerships with local organisations, we are dedicated to creating a meaningful and positive impact. At the same time, we mobilise employees in driving these efforts, collaboratively work towards building a more inclusive and sustainable society.

We put a strong emphasis on our community activities across various areas including environmental protection, youth development, elderly care, community health and others. During the Reporting period, Sun Ferry supported 28 charity events initiated by government bodies, NGOs and community organisations. This support included actively promoting the charitable activities and waiving associated logistics charges.

Value of Community Investment	Contributed Hours in Community Activities
1,284,097 HKD	4,934.42

Educational Support

The Group had been continually engaging the Hong Kong Government's Strive and Rise Programme. Over three consecutive sessions during the Reporting Period, a total of 23 Hong Kong-based employees volunteered as mentors, actively supported training activities and connected with their paired mentees, guided students into enterprises, and helped them better understand various industries while setting personal development plans.

Huangpu Port collaborated with Zhongshan Technician College to organise a practical teaching activity for over 200 teachers and students from the college in Modern Logistics major. By visiting operation sites, learning about port operations, and participating in on-site Q&A sessions, the port presented its front-line operations, enabled students to experience and gain hands-on knowledge related to their logistics studies.

Community Care

Zhaoqing New Port launched an educational supplies donation initiative aimed at providing essential academic materials to students from underprivileged backgrounds, supporting their educational needs and fostering equal learning opportunities. In addition, Zhaoqing New Port organised care visits to the families of military service members, offering support and expressing gratitude for their contributions to the community.

OUR
PERFORMANCE

9. OUR PERFORMANCE

Revenue[2]

	Units	2024	2023	2022
Revenue	HKD million	2,716.47	2,553.84	2,899.55

Emissions and Waste

	Units	2024	2023[3]	2022
Air Emissions[4]				
NO_x	Tonnes	1,077.09	1,206.20	1,119.82
	Tonnes per HKD million revenue	0.40	0.47	0.39
SO_x	Tonnes	14.82	14.22	13.45
	Tonnes per HKD million revenue	5.46×10^{-3}	5.57×10^{-3}	4.64×10^{-3}
CO	Tonnes	83.39	137.30	131.54
	Tonnes per HKD million revenue	0.03	0.05	0.05
PM2.5	Tonnes	14.44	21.84	20.66
	Tonnes per HKD million revenue	5.32×10^{-3}	8.55×10^{-3}	0.01
PM10	Tonnes	16.82	22.89	21.51
	Tonnes per HKD million revenue	6.19×10^{-3}	8.96×10^{-3}	0.01

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[2]   Revenue of the Group is used for the calculation of the intensity of environmental KPIs.

[3]   Air emission data in 2023 is restated to reflect updated calculations.

[4]   The reporting scope of air pollutants includes those generated from the operation of vehicles, vessels and machinery. Air pollutants were calculated using the methods and emission factors from the Discharge Coefficients of Industrial Pollutants in the First National General Survey of Pollution Sources, the Non-road Mobile Source Air Pollutant Emission Inventory Preparation Technical Guide (Trial), the Road Vehicles Air Pollutant Emission Inventory Preparation Technical Guide (Trial) and the EMEP/EEA Air Pollutant Emission Inventory Guidebook 2023.

	Units	2024	2023	2022
GHG Emissions				
Total GHG emissions (Scope 1 and Scope 2)	Tonnes CO2e	61,449.97	64,451.56	61,946.30
	Tonnes CO2e per HKD million revenue	22.62	25.24	21.36
Direct GHG emissions (scope 1) [5]	Tonnes CO2e	53,584.55	55,588.66	54,267.08
Indirect GHG emissions (scope 2)[6]	Tonnes CO2e	7,865.42	8,862.90	7,679.22
Non-Hazardous Waste				
Domestic waste	Tonnes	462.47	632.07	797.39
	Tonnes per HKD million revenue	0.17	0.25	0.28
Waste tire	Pcs	1,232.00	1,291.00	1,341.00
	Pcs per HKD million revenue	0.45	0.51	0.46
Hazardous Waste				
Waste machine oil	Tonnes	26.96	39.71	25.26
	Tonnes per HKD million revenue	0.01	0.02	0.01
Waste vehicle battery	Pcs	192.00	190.28	297
	Pcs per HKD million revenue	0.07	0.07	0.10

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[5] The calculation scope of Scope 1 GHG emissions includes those generated from the operation of vehicles, vessels and machinery. Scope 1 GHG emissions was calculated using the methods and emission factors from the Reporting Guidance on Greenhouse Gas Emissions for Other Industrial Enterprises (Trial), the Guidelines for Calculation Method and Reporting Guidance on Greenhouse Gas Emissions for On-road Transportation Enterprises (Trial), and the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong.

[6] The calculation scope of Scope 2 GHG emissions includes those came from the use of electricity. Scope 2 GHG emissions was calculated by referencing the Announcement on the Release of 2022 National Average Carbon Dioxide Emission Factor for Electricity, and the emission factors provided in the Sustainability Report 2023 of HK Electric Investments Limited, the Sustainability Report 2023 of CLP Holdings Limited, and the CEM Sustainability Report 2023 of Companhia de Electricidade de Macau – CEM, S.A.

Use of Resources

	Units	2024	2023	2022
Direct Energy				
Total direct energy	MwH	206,716.85	213,233.49	208,820.10
	MWh per HKD million revenue	76.10	83.50	72.02
Gasoline (vehicles)	Litres	60,980.73	64,826.45	65,248.05
	Litres per HKD million revenue	22.45	25.38	22.50
Diesel (vehicles and machinery)	Litres	3,002,736.87	4,411,187.92	4,890,067.89
	Litres per HKD million revenue	1,105.38	1,727.28	1,686.49
Diesel (vessels)	Tonnes	14,637.93	14,013.49	13,250.51
	Tonnes per HKD million revenue	5.39	5.49	4.57
Indirect Energy				
Electricity	kWh	15,099,161.29	15,424,995.82	14,688,302.07
	kWh per HKD million revenue	5,558.38	6,039.92	5,065.73
Water				
Water	Tonnes	182,232.55	238,446.18	303,182.33
	Tonnes per HKD million revenue	67.08	93.37	104.56

Employees[7]

	Units	2024	2023	2022
Total no. of employees	No.	2,147	2,206	2,231
By Gender				
Male	No.	1,684	1,737	1,785
Female	No.	463	469	446
By Employment Type				
Full-time	No.	2,110	2,152	2,192
Part-time	No.	37	54	39
By Employee Category				
Directors and senior management	No.	72	64	89
Middle management	No.	343	391	424
General employee	No.	1,732	1,751	1,718
By Age Group				
≤ 30	No.	293	300	335
31 – 40	No.	529	519	580
41 – 50	No.	586	614	625
> 50	No.	739	773	691
By Operating Location				
Mainland China	No.	1,335	1,377	1,409
Hong Kong	No.	808	824	818
Macao	No.	4	5	4

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[7]   The Group followed the Hong Kong Stock Exchange's guidance on how to calculate the information called for under the social KPIs provided in the How to Prepare an ESG Report Appendix 3: Reporting guidance on Social KPIs. The calculation formulas for employee turnover rate, employee training coverage, percentage of employees trained, and average training hours completed per employee are provided in this section.

Employee Turnover

	Units	2024	2023	2022
Employees turnover rate[8]	%	13.1%	14.4%	13.4%
By Gender				
Male	%	13.4%	13.9%	12.9%
Female	%	12.1%	16.4%	15.5%
By Age Group				
≤ 30	%	17.1%	17.0%	23.3%
31 – 40	%	7.6%	11.4%	11.7%
41 – 50	%	12.8%	7.2%	6.4%
> 50	%	15.7%	21.2%	16.5%
By Operating Location				
Mainland China	%	11.5%	10.2%	7.4%
Hong Kong	%	15.6%	21.6%	24.0%
Macao	%	25.0%	0.0%	0.0%

Training and Development

Employee Training Coverage[9]	Units	2024	2023	2022
Employee training coverage	%	90.6%	89.6%	94.3%
By Gender				
Male	%	91.0%	89.8%	94.2%
Female	%	89.4%	88.7%	94.4%
By Employee Category				
Senior management	%	63.9%	59.4%	80.9%
Middle management	%	85.7%	90.5%	92.5%
General employee	%	92.7%	90.5%	95.4%

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8   The calculation formula of percentage of employee turnover rate is: number of employees who left during the Reporting Period/number of employees as of the end of the Reporting Period x 100%.

9   The calculation formula of employee training coverage is: number of trained employees during the Reporting Period/number of employees as of the end of the Reporting Period x 100%.

Percentage of Employees Trained[10]	Units	2024	2023	2022
By Gender				
Male	%	78.7%	78.9%	80.0%
Female	%	21.3%	21.1%	20.0%
By Employee Category				
Senior management	%	2.4%	1.9%	3.4%
Middle management	%	15.1%	17.9%	18.6%
General employee	%	82.5%	80.2%	77.9%

Average training hours completed per employee[11]	Units	2024	2023	2022
Average training hours completed per employee	Hours	19.5	34.8	47.1
By Gender				
Male	Hours	21.6	32.9	48.5
Female	Hours	11.8	41.9	41.8
By Employee Category				
Senior management	Hours	15.8	64.6	42.6
Middle management	Hours	16.3	66.7	76.9
General employee	Hours	20.3	26.6	40.1

Safety Performance

	Units	2024	2023	2022
Number of work-related fatalities	No.	0	0	1
Work-related fatalities rate	%	0%	0%	0.04%
Lost days due to work injury	Days	740	433	605

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[10] The calculation formula of average training hours completed per employee is: total training hours received by employees during the Reporting Period/number of employees as of the end of the Reporting Period x 100%.

[11] The calculation formula of average training hours completed per employee is: total training hours received by employees during the Reporting Period/number of employees as of the end of the Reporting Period x 100%.

APPENDIX I.
APPLICABLE LAWS AND REGULATIONS

The laws and regulations that have a significant impact on the Group's operation in Mainland China, Hong Kong and Macao and our performance during the Reporting Period are as follows:

Laws and Regulations[12]

Environment

Mainland China
- Environmental Protection Law of the People's Republic of China
- Atmospheric Pollution Prevention and Control Law of the People's Republic of China
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes
- Water Pollution Prevention and Control Law of the People's Republic of China
- Law of the People's Republic of China on Water and Soil Conservation
- Law of the People's Republic of China on the Promotion of Cleaner Production
- Law of the People's Republic of China on Ports
- Law of the People's Republic of China on Conserving Energy

Hong Kong
- Cap. 311Z Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation
- Cap. 358 Water Pollution Control Ordinance
- Cap. 354 Waste Disposal Ordinance
- Cap. 313 Shipping and Port Control Ordinance
- Cap. 311Y Air Pollution Control (Marine Light Diesel) Regulation

Macao
- Administrative Regulation No. 15/2016 Standards for Unleaded Petrol and Light Diesel for Vehicles

Employment and Labour Practices

Mainland China
- Labour Law of the People's Republic of China
- Labour Contract Law of the People's Republic of China
- Law of the People's Republic of China on the Protection of Minors
- Provisions on the Prohibition of Using Child Labour

Hong Kong
- Cap. 57 Employment Ordinance
- Cap. 282 Employee Compensation Ordinance
- Cap. 608 Minimum Wage Ordinance

Macao
- Law No. 4/98/M Framework Law on Employment Policy and Worker's Rights
- Law No. 7/2008 Labour Relations Law
- Administrative Regulation No. 13/2010 Regulation of the conditions or responsibilities to be established in the employment permit for non-resident workers

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[12]   The laws and regulations of Macao are translated from Português.

Laws and Regulations[12]

Health and Safety

Mainland China
- Production Safety Law of the People's Republic of China
- Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases

Hong Kong
- Cap. 509 Occupational Safety and Health Ordinance
- Cap. 59J Factories and Industrial Undertakings (Lifting Appliance and Lifting Gear) Regulation
- Cap. 59K Factories and Industrial Undertakings (Cargo and Container Handling) Regulation
- Cap. 59AC Factories and Industrial Undertakings (Suspended Working Platforms) Regulation
- Cap. 59AG Factories and Industrial Undertakings (Loadshifting Machinery) Regulation
- Cap. 81 Port Control (Cargo Working Areas) Ordinance

Macao
- Law No. 2/83/M Sanctions Applicable to the Transgression of Legal or Regulatory Norms on Occupational Health or Safety in Industrial Establishments
- Decree-Law No. 24/95/M Fire Security Regulation
- Decree-Law No. 37/89/M Approves the General Regulation on Occupational Health and Safety in Commercial, Office and Service Establishments

Product Responsibility

Mainland China
- Product Quality Law of the People's Republic of China
- Law of the People's Republic of China on Import and Export Commodity Inspection
- Law of the People's Republic of China on the Protection of Consumer Rights and Interests

Hong Kong
- Cap. 486 Personal Data (Privacy) Ordinance
- Cap. 456 Consumer Goods Safety Ordinance
- Cap. 362 Trade Descriptions Ordinance
- Cap. 26 Sale of Goods Ordinance

Macao
- Law No. 8/2005 Personal Data Protection Act

Anti-Corruption

Mainland China
- Criminal Law of the People's Republic of China
- Anti-Unfair Competition Law of the People's Republic of China
- The Bidding Law of the People's Republic of China
- Supervision Law of the People's Republic of China
- Interim Provisions on Banning Commercial Bribery

Hong Kong
- Cap. 201 Prevention of Bribery Ordinance

APPENDIX II.
ESG REPORTING GUIDE CONTENT INDEX

Mandatory Disclosure Requirements	Descriptions	Relevant section and remarks
Governance Structure	A statement from the board containing the following elements: (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	3.1. ESG Governance Framework 3.2 Adhering to Our ESG Policy 3.3 Stakeholder Engagement and Materiality Assessment
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: 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 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 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	1.2 Basis of Report Preparation
Reporting Boundary	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	1.1 Reporting Scope

General disclosures and KPIs	Descriptions	Relevant section and remarks
Environment **Aspect A1: Emissions**		
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	7.1. Environmental Targets 7.2. Green Operation Appendix I. Applicable Laws And Regulations
KPI A1.1	The types of emissions and respective emissions data	9. Our Performance
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).	7.3. Climate Change 9. Our Performance
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	9. Our Performance
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	9. Our Performance
KPI A1.5	Description of emission target(s) set and steps taken to achieve them	7.1. Environmental Targets
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	7.1. Environmental Targets 7.2. Green Operation

General disclosures and KPIs	Descriptions	Relevant section and remarks
Environment **Aspect A2: Use of resources**		
General Disclosure	Policies on the efficient use of resources	7.2. Green Operation
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	9. Our Performance
KPI A2.2	Water consumption in total and intensity	9. Our Performance
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	7.1. Environmental Targets 7.2. Green Operation
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	7.1. Environmental Targets 7.2. Green Operation
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	The Group does not produce any products. The total packaging material used for finished products is not applicable to the Group.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	7.2. Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	7.2. Green Operation
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	7.3. 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	7.3. Climate Change

General disclosures and KPIs	Descriptions	Relevant section and remarks
Social		
Employment and Labour Practices		
Aspect B1: Employment		
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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	6.2. Employee Development Appendix I. Applicable Laws And Regulations
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	6.2. Employee Development 9. Our Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region	9. Our Performance
Aspect B2: Health and Safety		
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 providing a safe working environment and protecting employees from occupational hazards	6.3. Safety and Health Appendix I. Applicable Laws And Regulations
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	6.3. Safety and Health 9. Our Performance
KPI B2.2	Lost days due to work injury	6.3. Safety and Health 9. Our Performance
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	6.3. Safety and Health

General disclosures and KPIs	Descriptions	Relevant section and remarks
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	6.2. Employee Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	9. Our Performance
KPI B3.2	The average training hours completed per employee by gender and employee category	9. Our Performance
Aspect B4: Labour Standards		
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	6.2. Employee Development Appendix I. Applicable Laws And Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.2. Employee Development
KPI B4.2	Description of steps taken to eliminate such practices when discovered	6.2. Employee Development
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	5.4. Procurement Practices
KPI B5.1	Number of suppliers by geographical region	5.4. Procurement Practices
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	5.4. Procurement Practices
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	5.4. Procurement Practices
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	5.4. Procurement Practices

General disclosures and KPIs	Descriptions	Relevant section and remarks
Aspect B6: Product Responsibility		
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	5. Providing Excellent Service Appendix I. Applicable Laws And Regulations Due to the Group's business nature, products, labelling is are not applicable to the Group.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Group does not produce any products.
KPI B6.2	Number of products and service related complaints received and how they are dealt with	5.2. Customer Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	5.3. Data and Privacy Protection and Intellectual Property Rights Protection
KPI B6.4	Description of quality assurance process and recall procedures	Due to the Group's business nature, recall procedure is not applicable to the Group.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	5.3. Data and Privacy Protection and Intellectual Property Rights Protection

General disclosures and KPIs	Descriptions	Relevant section and remarks
Aspect B7: Anti-corruption		
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 bribery, extortion, fraud and money laundering	4.3 Operating with Integrity Appendix I. Applicable Laws And Regulations
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	4.3 Operating with Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	4.3 Operating with Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff	4.3 Operating with Integrity
Community		
Aspect B8: Community Investment		
General Disclosure	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	8. Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	8. Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	8. Community Engagement

CHU KONG SHIPPING ENTERPRISES (GROUP) COMPANY LIMITED

24th Floor, Chu Kong Shipping Tower
143 Connaught Road Central
Hong Kong

Tel: (852) 2581 3799
Fax: (852) 2851 0389

www.cksd.com