MEXAN LIMITED
茂盛控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 22)



Environmental, Social and Governance Report 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

Mexan Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") is pleased to present the environmental, social and governance ("**ESG**") report (the "**ESG Report**") for the financial year ended 31 March 2025 ("**Reporting Period**" or "**2025**"). This ESG Report summarises the ESG initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

The Group is engaged in two business segments: 1) hotel operation, which mainly focuses on the operation of the Winland 800 Hotel (the "**Hotel**"), an 800-room Hotel in Tsing Yi, New Territories, Hong Kong; and 2) supply of furniture and building materials and provision of the design and fit-out construction service by its non-wholly owned subsidiary, Winland Firmstone Limited ("**Winland Firmstone**").

The Group believes sustainability is the key to achieving continuous success and has integrated this key concept into its business strategy. In order to pursue a successful and sustainable business model, the Group actively promotes an environmentally and socially sustainable culture among all its employees and stakeholders. This culture enables the Group to formulate appropriate ESG policies and procedures in its daily operations and governance perspectives, to monitor and measure the progress of its ESG efforts, and also to report on its performance to investors and other stakeholders.

Recognising the urgent need for decisive action to mitigate climate change and protect the environment, the Group has set targets to enhance its performance on greenhouse gas ("**GHG**") emissions, waste management, energy consumption, and water consumption. The Group believes setting ESG-related targets can enhance the Group's commitment to corporate social responsibility and allow the Group's stakeholders to have a clearer understanding of the ESG performance of the Group.

The ESG Governance Structure

The Group has developed an ESG governance structure to ensure ESG governance aligns with its business strategy and to integrate ESG management into its business operations and decision-making process.

INTRODUCTION – CONTINUED

The board of directors (the "**Board**") of the Company holds the overall responsibility for the Group's ESG issues and discusses ESG-related issues at least once annually. To better manage the Group's ESG performance, related issues and potential risks, the Board has resolved to establish an ESG committee (the "**ESG Committee**"). The Board is diverse in its composition and is considered to have a balance of skills and experience in overseeing the ESG-related issues of the Group, with support from the ESG Committee and the independent ESG consultant. The ESG Committee is a sub-committee of the Board, composed of at least one executive director, members from the senior management and representatives of relevant departments of the Group. The ESG Committee assists the Board in oversight of ESG issues by providing direction on and overseeing the development and implementation of the ESG initiatives of the Group, executing the Group's ESG management approach and strategy, including the process used to identify, evaluate, prioritise, and manage material ESG-related issues, as well as formulating and reviewing ESG-related targets. The ESG Committee reports to the Board on ESG-related issues, including the progress made against ESG-related targets at least once annually. Relevant departments will assist the ESG Committee in collecting ESG-related data, preparing ESG reports and implementing ESG-related policies and initiatives.



SCOPE OF REPORTING

The ESG Committee of the Group identifies the reporting scope by considering the materiality principle, its core business and its main revenue source. The scope of reporting of this ESG Report is the same as the reporting scope of the Group's 2025 Annual Report and the ESG report for the financial year ended 31 March 2024 ("**2024**"). During 2025, the environmental data covers the operation of the Hotel, the offices within the Hotel, as well as one showroom and one office of Winland Firmstone in Hong Kong. Following the Group's disposal of the Hotel operation in April 2025, related information and data will no longer be included in the ESG Report for the year ending 31 March 2026 ("**2026**"), and relevant targets will not be discussed in this ESG Report.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in the Appendix C2 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Information relating to the Group's corporate governance practices has been set out in the Corporate Governance Report of the Group's 2025 Annual Report.

During the preparation for this ESG Report, the Group applied the reporting principles in the ESG Reporting Guide as follows:

Materiality: Materiality assessment was conducted to identify material ESG issues during the Reporting Period, thereby adopting the confirmed material ESG issues as the focus for the preparation of the ESG Report. The materiality of ESG issues was reviewed and confirmed by the Board and the ESG Committee. For further details, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment".

Quantitative: The standards, methodologies and applicable assumptions used in the calculation of key performance indicators ("**KPIs**") data were supplemented by explanatory notes.

Consistency: For the purpose of meaningful comparison, this ESG Report describes the information about changes in the scope of disclosures and calculation methodologies as appropriate.

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and endeavours to understand and accommodate their views and interests related to the Group's businesses and ESG aspects. In order to understand and address their key concerns, the Group has maintained constructive communications with its key stakeholders, including but not limited to employees, investors and shareholders, suppliers, customers, media, non-governmental organisations ("**NGOs**") and the public, as well as government bodies and regulators.

In formulating ESG strategies and measures, the Group takes into account the stakeholders' expectations and concerns and strives to improve its performance through mutual cooperation with the stakeholders. The Group believes that it will create greater value for the community by utilising diversified key communication channels.

Stakeholder	Expectation and Concern	Communication Channel
Employees	• Employee health and safety • Employee development and training • Equal opportunities • Protection of employees' rights and interests • Compliant operation • Working environment	• On-the-job training • Mentoring by direct supervisors • Regular team sharing • Employee notice board • Performance reviews • Staff handbook
Investors and shareholders	• Compliant operation • Risk management • Anti-corruption • Economic performance • Corporate sustainability • Timely announcement of the latest information • Protection of shareholders' rights and interests	• Annual general meeting and other shareholder meetings • Financial reports • Announcements and circulars • Information disclosure on the Stock Exchange and the Group's website
Suppliers	• Fair and open procurement • Stable business relationship • Sustainable development of supply chain • Timely information sharing and sufficient product/service feedback	• Tendering process • Supplier management meetings and events • On-site visits • Supplier evaluation

STAKEHOLDER ENGAGEMENT – CONTINUED

Stakeholder	Expectation and Concern	Communication Channel
Customers	• Product and service quality • Protection of customers' interests and privacy • Compliant operation • Complaint handling • Risk management	• Customer satisfaction survey • The Group's website, hotline or email • On-site enquiry and resolution
Media, NGOs and the public	• Transparent information disclosure • Community service • Environmental protection	• Information disclosure on the Stock Exchange and the Group's website • ESG reports • Participation in events with the local businesses and communities
Government bodies and regulators	• Compliant operation • Risk management • Payment of tax	• The Group's secretary and in-house solicitor • Legal executive

The Group aims to collaborate with its stakeholders to improve its ESG performance and create greater value for the wider community on a continuous basis.

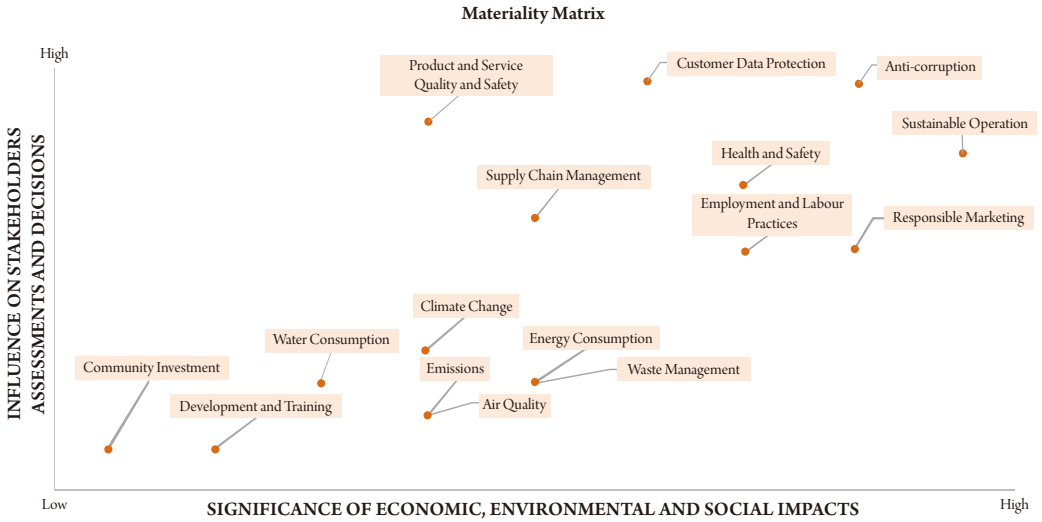
MATERIALITY ASSESSMENT

In order to understand the stakeholders' areas of concern, identify material ESG issues, assess the importance of these issues, and formulate sustainable development strategies and guidelines, the Group continues to conduct annual materiality assessment. The specific work steps are as follows:

Identifying relevant issues	• With the assistance of the ESG Committee, the Group identified and confirmed a list of 16 material ESG issues for the Group in 2025, based on the Group's business development, results of the materiality assessment in 2024, and the MSCI ESG Industry Materiality Map.
Collecting stakeholders' feedback	• Questionnaires were designed based on the list of material ESG issues, which was the core content of the materiality assessment. The questionnaires were distributed to stakeholders for them to rate the material ESG issues according to the significance of economic, environmental and social impacts, and influence on stakeholders assessment and decisions and answer any open-ended questions. • This assessment covered internal stakeholders, including management and general staff.
Prioritising material issues	• Based on the results of the questionnaires, the Group evaluated the materiality of these ESG issues and compiled the materiality matrix. • The ESG Committee reviewed the feedback from stakeholders and the results of the materiality assessment, and identified the focus of the ESG Report and the improvement areas for ESG performance.
Validating material issues	• The ESG Committee presented the summary of the result of the materiality assessment to the Board and the Board reviewed and approved the materiality matrix.

MATERIALITY ASSESSMENT – CONTINUED

The following matrix summarises the Group's material ESG issues as set out in the ESG Report:



CONTACT US

The Group welcomes stakeholders to provide comments and suggestions. You can provide valuable advice in respect of the ESG Report or the Group's performances in sustainable development by the following means:

Address: Room 1303, 13/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong
Email: ir@winland800.hk

ENVIRONMENTAL

A1. Emissions

The Group strives to protect the environment through the implementation of control activities and monitoring measures in its business activities and workplace. The Group is committed to promoting a green environment by introducing environmentally friendly business practices, educating its employees to enhance their awareness of environmental protection and complying with the relevant environmental laws and regulations.

In order to mitigate the environmental impact produced by the Group's operations, the Group has adopted and implemented relevant environmental policies. For example, there is a section of "Environment, Health and Safety" in the Group's Code of Conduct, showing its commitment to achieving environmental, health and safety excellence. These policies cover the waste management principle of "Reduce, Reuse, Recycle and Replace" as well as the emissions mitigation principle, with the objectives of minimising the adverse environmental impacts and ensuring the waste and emissions are handled in an environmentally responsible manner.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant environmental laws and regulations in Hong Kong in relation to air and GHG emissions, water and land discharge, and the generation of hazardous and non-hazardous waste. The relevant laws and regulations include, but are not limited to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) and the Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong).

ENVIRONMENTAL – CONTINUED

A1. Emissions – continued

Emissions

Air Emissions

Due to the Group's business nature, it only generates a minimal amount of air emissions resulting from the combustion of town gas for cooking at the stoves in the kitchen and water heating in the boilers in the Hotel. Winland Firmstone has neither owned vehicles nor any stationary sources that require fuel consumption. During 2025, air emissions decreased compared with 2024, which is due to the decrease in the use of town gas.

The summary of the Group's air emissions performance:

		2025			2024		
Indicator[1]	**Unit**	**Total**	**Hotel**	**Winland Firmstone**	Total	Hotel	Winland Firmstone
Nitrogen oxides (NO_X)	kg	**15.79**	**15.79**	**–**	17.02	17.02	–
Sulphur oxides (SO_X)	kg	**0.08**	**0.08**	**–**	0.09	0.09	–

Note:

1. The calculation method of air emissions and the related emission factors were based on, including but not limited to, "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

ENVIRONMENTAL – CONTINUED

A1. Emissions – continued

Emissions – continued

GHG Emissions

The Group's GHG emissions were mainly direct GHG emissions (Scope 1) from the town gas consumed for cooking in the kitchen and water heating in the boilers in the Hotel, and energy indirect GHG emissions (Scope 2) from the use of town gas in the Hotel and the purchased electricity of the Group, while other indirect GHG emissions (Scope 3) includes both upstream and downstream emissions, such as methane gas generation at landfill due to disposal of paper waste, and GHG emissions due to electricity used for processing fresh water and sewage by the government.

During the Reporting Period, the Group's directors and employees attended a training on environmental protection and ESG-related issues that fulfilled its target set in 2024 of organising an internal training on environmental protection to increase the environmental awareness of its employees. For 2026, the Group continues setting a target to organise at least one activity or internal training related to environmental protection.

The Group has actively adopted electricity conservation and energy-saving measures as well as other initiatives to reduce GHG emissions, including but not limited to:

- Turning off air-conditioners when not in use;
- Circulating various energy-saving guidelines to staff (for example, turning off computers, lights and office equipment after work and during holidays, and closing windows when the air conditioning is in use);
- Procuring some of its products from companies using recyclable materials and renewable energy in their production processes; and
- Actively adopting other measures for environmental protection, energy conservation, and water-saving. More measures are described in the sections headed "Energy Consumption" and "Water Consumption".

During 2025, the Group's total GHG emissions intensity decreased compared with 2024, primarily due to reduced town gas usage from fewer dine-in clients.

ENVIRONMENTAL – CONTINUED

A1. Emissions – continued

Emissions – continued

GHG Emissions – continued

The summary of the Group's GHG emissions performance:

		2025			2024		
Indicator[2]	**Unit**	**Total**	**Hotel**	**Winland Firmstone**	Total	Hotel	Winland Firmstone
Direct GHG emissions (Scope 1)							
• Town gas consumption, and fugitive emissions of refrigerants	tCO_2e	**209.99**	**209.99**	**–**	363.70	363.70	–
Energy indirect GHG emissions (Scope 2)							
• Purchased electricity and town gas	tCO_2e	**1,069.22**	**1,045.42**	**23.80**	1,046.99	999.49	47.50
Other indirect GHG emissions (Scope 3)							
• Electricity used for fresh water and sewage processing by government departments, and paper disposal at landfills	tCO_2e	**12.89**	**10.88**	**2.01**	11.54	10.95	0.59
Total GHG emissions (Scope 1, 2 and 3)	tCO_2e	**1,292.10**	**1,266.29**	**25.81**	1,422.23	1,374.14	48.09
Intensity	tCO_2e/room[3]	**N/A**	**1.58**	**N/A**	N/A	1.72	N/A
	tCO_2e/HK$ million revenue[4]	**10.44**	**14.70**	**0.69**	8.04	18.46	0.47

ENVIRONMENTAL – CONTINUED

A1. Emissions – continued

Emissions – continued

GHG Emissions – continued

Notes:

2. GHG emissions data are presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Bank Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, global warming potential values issued by the IPCC Sixth Assessment Report, "Environmental, Social and Governance Report 2024" issued by The Hong Kong and China Gas Company Limited, "Sustainability Report 2024" issued by HK Electric Investments Limited, the CLP Holdings Limited's ESG Data Hub, "Annual Report 2023/24" issued by the Water Supplies Department and "Sustainability Report 2023/24" issued by the Drainage Services Department.

3. During 2025, the total number of hotel rooms was 800 (2024: 800). The number would also be used for calculating other intensity data. Since this intensity calculation base is specific to hotel operation, such intensity is not presented for the operation of Winland Firmstone and the Group in its entirety.

4. Revenue of the Group for 2025 amounted to approximately HK$123,710,000.00 (2024: approximately HK$176,944,000.00), revenue of the Hotel is approximately HK$86,118,000.00 in 2025 (2024: approximately HK$74,443,000.00), and revenue of Winland Firmstone is approximately HK$37,592,000.00 in 2025 (2024: approximately HK$102,501,000.00). The number would also be used for calculating other intensity data.

ENVIRONMENTAL – CONTINUED

A1. Emissions – continued

Waste Management

Hazardous Waste Handling Method

The Group did not generate any significant amount of hazardous waste during the Reporting Period and thus, no related targets have been set. To comply with relevant environmental laws and regulations, and to be a responsible firm, if there is any unusual hazardous waste produced, the Group will follow the internal guidelines for governing the management and disposal of hazardous waste, and such waste must be handled by a qualified waste collector.

Non-hazardous Waste Handling Method

The majority of the non-hazardous waste produced by the Group was grease trap waste primarily left from the restaurant in the Hotel as well as waste paper from the offices. The Group emphasises waste reduction with the principle of "Reduce, Reuse, Recycle and Replace" to promote better utilisation of environmental resources. The Group has achieved its waste reduction target set in 2024, by organising a Lai See Recycling Programme to reduce the generation of waste. For 2026, the Group will continue to set a target to organise at least one activity related to waste reduction.



Waste separation bins at the lobby of the Hotel

ENVIRONMENTAL – CONTINUED

A1. Emissions – continued

Waste Management – continued

Non-hazardous Waste Handling Method – continued

With the aim of minimising the environmental impact of non-hazardous waste generated from its business operations, the Group has implemented relevant measures to handle such waste and launched different reduction initiatives in daily operations and at the back office, with reference to the established environmental policies. These measures and initiatives include but are not limited to the followings:

- Repairing and reusing the electrical appliances (if possible) by the maintenance department before disposal;
- Reusing wrapping materials and paper cartons wherever possible, otherwise, recycle properly, or dispose of responsibly;
- Reducing excessive printing by going paperless as far as possible, for example, utilising digital devices to the greatest extent for internal meetings and internal communications;
- Reusing printed papers wherever possible, subject to personal data privacy requirements; and
- Avoiding taking more food than their needs in every staff meal.

The Hotel uses grease trap devices to collect the grease and oil, and dispose of the grease trap waste responsibly by employing authorised service providers for collection. In addition, single-use toilet amenities are only provided to hotel guests upon request so as to reduce unnecessary wastage. Also, only bulk-size refillable shower gel is provided in the rooms to reduce single-use plastics.

The Hotel has monitored the streamlined food production process and the stock level of the cooking ingredients, food waste has been kept to a minimum. Therefore, the Hotel has no relevant data recorded as it is not material.

ENVIRONMENTAL – CONTINUED

A1. Emissions – continued

Waste Management – continued

Non-hazardous Waste Handling Method – continued

Despite lacking direct influence over the waste disposal and recycling practices of its customers, Winland Firmstone is committed to promoting sustainability by providing maintenance services to the furniture sold. By prolonging the lifespan of the furniture, waste generation can be reduced. Furthermore, Winland Firmstone procures some of its furniture from companies which have made a conscious effort to use recyclable and biodegradable materials during their production processes. This not only reduces the consumption of raw materials and minimises the negative environmental impact of resource extraction but also helps to mitigate the waste generated at the end of the furniture's lifecycle.

During 2025, the Group's total non-hazardous waste disposed of decreased compared with 2024, primarily due to reduced grease trap waste from fewer dine-in clients.

The summary of the Group's non-hazardous waste disposal performance:

		2025			2024		
Indicator	**Unit**	**Total**	**Hotel**	**Winland Firmstone**	Total	Hotel	Winland Firmstone
Grease trap waste	tonnes	**9.17**	**9.17**	**–**	17.00	17.00	–
Paper	tonnes	**1.73**	**1.31**	**0.42**	1.10	0.98	0.12
Total non-hazardous waste	tonnes	**10.90**	**10.48**	**0.42**	18.10	17.98	0.12
Intensity	tonnes/room	**N/A**	**0.01**	**N/A**	N/A	0.02	N/A
	tonnes/ HK$ million revenue	**0.09**	**0.12**	**0.011**	0.10	0.24	0.001

ENVIRONMENTAL – CONTINUED

A1. Emissions – continued

Discharges into Water

Since the wastewater discharged from the Group is discharged into the municipal sewage pipeline network for processing, the amount of water consumption of the Group could be seen as the wastewater discharge volume. Relevant data will be described in the section headed "Water Consumption". The Group strives to use environmentally friendly cleaning products to minimise the risk of water pollution caused by its operation.

A2. Use of Resources

The Group has always placed great emphasis on energy and resource conservation. During the operations, energy and water are frequently consumed, and the Group has established relevant policies and procedures governing the efficient use of resources, with the objectives of achieving higher energy efficiency and reducing the unnecessary use of materials. The Group also regularly checks water and electricity meters to review its resource consumption performance and unexpected high consumption will be investigated to find out the root cause and preventive measures will be taken.

Energy Consumption

The energy consumption by the Group was mainly attributed to the use of the town gas in the Hotel for direct energy consumption, and the purchased electricity of the Group for indirect energy consumption. Related policies and measures were developed to set energy conservation as one of the Group's ESG strategies. All employees must execute the adopted measures and assume responsibility for the Group's overall energy efficiency.

While the Group had targeted to organise at least one energy conservation activity in 2025, this was not achieved due to resource constraints. Nevertheless, we remain committed to promoting energy efficiency awareness. For 2026, we will maintain this target and will take steps to ensure energy conservation initiatives are implemented.

ENVIRONMENTAL – CONTINUED

A2. Use of Resources – continued

Energy Consumption – continued

The Group has also implemented the following practical measures to reduce energy consumption:

- Prioritising the use of air-conditioners with pre-set 25°C room temperature and humidity controls, which allows employees to work in a comfortable environment at the back office, while at the same time reducing unnecessary energy consumption due to overheating or overcooling;
- Using machines, fixtures, and electrical appliances which are certified to be energy-efficient or environmentally friendly with Energy Label;
- Cleaning air-conditioners' filters regularly to enhance efficiency;
- Regulating the opening hours of machines and fixtures, such as televisions and air conditioning in staff changing rooms in the Hotel to reduce unnecessary usage;
- Checking fridges and public area temperature regularly, to reduce unnecessary energy consumption in the Hotel;
- Promoting energy-saving awareness amongst employees and reminding them to turn off lighting in working areas during their lunch breaks to save energy in the back office; and
- Encouraging employees to put forward feasible advice to continuously improve the Group's energy saving and control.

During 2025, the Group's total energy consumption increased compared with 2024, primarily due to increased electricity demand from hotel clients.

ENVIRONMENTAL – CONTINUED

A2. Use of Resources – continued

Energy Consumption – continued

The summary of the Group's energy consumption performance:

		2025			2024		
Indicator[5]	**Unit**	**Total**	**Hotel**	**Winland Firmstone**	Total	Hotel	Winland Firmstone
Direct energy consumption							
• Town gas[6]	MWh	**1,096.73**	**1,096.73**	**–**	1,182.16	1,182.16	–
Indirect energy consumption							
• Purchased electricity	MWh	**2,672.15**	**2,632.48**	**39.67**	2,509.96	2,438.00	71.96
Total energy consumption	MWh	**3,768.88**	**3,729.21**	**39.67**	3,692.12	3,620.16	71.96
Intensity	MWh/room	**N/A**	**4.66**	**N/A**	N/A	4.53	N/A
	MWh/ HK$ million revenue	**30.47**	**43.30**	**1.06**	20.87	48.63	0.70

Notes:

5. The calculation of unit conversion refers to the "Energy Statistics Manual" issued by the International Energy Agency.

6. The amount of town gas consumed is equivalent to approximately 3,948,240.00 MJ in 2025 and approximately 4,255,776.00 MJ in 2024 respectively.

ENVIRONMENTAL – CONTINUED

A2. Use of Resources – continued

Water Consumption

The Group encourages all employees and customers to develop the habit of conserving water consciously. The Group has achieved the target set in 2024 by displaying posters or other promotional materials in prominent locations to encourage water conservation. For 2026, the Group will also continue to set the target of displaying posters or other promotional materials in prominent locations to encourage its employees and customers to conserve water.

The Group promotes the awareness of water conservation among employees, and encourages hotel guests to request for cleaning of linen and towels only when necessary. The Group carries out regular inspections of the water pipes and facilities in the Hotel and showroom to ensure no water leakages.

During 2025, the Group's total water consumption decreased compared with 2024, primarily because Winland Firmstone ceased operating its showrooms.

The summary of the Group's water consumption performance:

		2025			2024		
Indicator	**Unit**	**Total**	**Hotel**	**Winland Firmstone**	Total	Hotel	Winland Firmstone
Total water consumption	m^3	**9,639.00**	**9,639.00**	**–**	9,658.50	9,639.00	19.50
Intensity	m^3/room	**N/A**	**12.05**	**N/A**	N/A	12.05	N/A
	m^3/HK$ million revenue	**77.92**	**111.93**	**N/A**	54.59	129.48	0.19

Since the Group's business nature and operations are mainly based in Hong Kong, the Group does not encounter any issue in sourcing water that is fit for purpose.

Packaging Materials

The Group does not consume significant amounts of packaging materials as it has no industrial production or any factory facilities.

ENVIRONMENTAL – CONTINUED

A3. The Environment and Natural Resources

The Group's operations are not directly involved in the use of natural resources. Hence, the impact on the environment and natural resources from its operations was minimal during the Reporting Period. As an ongoing commitment to good corporate social responsibility, the Group has established relevant policies and recognises the responsibility of minimising the negative environmental impacts of its operations in achieving sustainable development to create long-term values for its stakeholders and community.

Sustainable Operation

Due to the Group's business nature, its operation includes the provision of food and beverage services in the Hotel. As a responsible corporate, the Group is committed to not serving endangered animal species such as shark fins, wild game meat and is trying to source sustainable seafood under the World Wide Fund Seafood Guide whenever possible. The Group also strives to minimise plastic waste whenever possible and evaluates the possibilities to provide biodegradable toiletries in the future to reduce the negative impact on the environment.

Sustainable Procurement

During the procurement process, the Group promotes suppliers which offer sustainable products. Winland Firmstone has procured some of its products from companies with the use of recyclable materials and renewable energy during their production processes, which not only reduces the consumption of raw materials and the generation of waste, but also reduces the related GHG emissions. In cases where the products sold have sustainable options, such as fibre made from recyclable and biodegradable materials, Winland Firmstone will inform the customers of the environmentally friendly options, and actively collaborate with the suppliers in catering to the environmental needs of the customers.

Indoor Air Quality

Good indoor air quality is important as employees and hotel guests of the Group spend most of their time indoors. Indoor air quality is thus regularly monitored and measured. Air pollutants, contaminants and dust particles are filtered by air purifying equipment in the workplace, and regular cleaning of the air conditioning system is conducted to ensure indoor air quality. In addition, smoking is prohibited in non-smoking guest rooms, restaurants, common areas and other enclosed facilities of the Hotel and showroom to prevent second and lingering of third-hand smoke.

ENVIRONMENTAL – CONTINUED

A4. Climate Change

The management of the Group understands that climate change may adversely impact its businesses and the global economy as a whole. Therefore, other than reducing the environmental footprint caused by the Group's business, the Group has also established the Climate Change Policy to identify any physical and transition risks caused by climate change, and to adapt to and/or mitigate major impacts on the Group's business associated with identified risks. The Group has integrated climate risks into its enterprise risk management process to manage and review climate-related risks regularly. The identified climate-related risks of the Group and corresponding actions taken to manage them are as follows:

Physical Risks

In view of the seriousness of climate change, the Group identified physical risks that might significantly impact the Group. As climate change is causing extreme weather events to be more frequent and severe, the Group's normal operation may be subject to disruption under extreme weather events. In severe cases, these events may pose a threat to the health and even personal safety of the Group's employees. In addition, if extreme weather damages the properties owned by the Group, the Group will experience an increase in repairing costs and a loss of assets. More specifically, for the hotel operation, more frequent extreme weather events would prevent people from travelling, causing a reduction in the number of hotel guests and room occupancy, which would reduce the Group's revenue. For the operation of Winland Firmstone, extreme weather events may cause disruptions to the supply chain, causing a delay in the delivery of the products from the suppliers and to the customers, which results in increased operating costs, such as transportation and storage costs. The extreme weather events may also cause the project timelines to be extended or disrupted, resulting in increased costs.

The Group has taken different actions to manage the abovementioned physical risks. For example, the Group has the Staff Handbook in place to give guidance to the employees regarding work and operation arrangements when they are endangered by adverse weather conditions, such as suspending all outdoor work under heavy rainstorms. Business continuity plans are also formulated for different businesses to minimise the impacts brought by extreme weather events. It is believed that the potential financial impacts can be minimised with adequate preparations and risk management.

ENVIRONMENTAL – CONTINUED

A4. Climate Change – continued

Transition Risks

Other than physical risks, the Group is aware that transition risks associated with climate-related issues may significantly impact the Group. As different countries are working on the goals of the Paris Agreement on global climate change ("**Paris Agreement**"), the Group expects the laws and regulations related to climate change are going to be more stringent. As a result, the Group may face legal and compliance risks, which may cause the Group to bear higher operating costs to comply with regulatory changes, including the tightening requirements on climate-related disclosures from the Stock Exchange. To minimise such risks, the Group regularly monitors current and emerging climate-related trends, policies and regulations, and is prepared to alert senior management when necessary to avoid delayed response. In addition, the Group has communicated its actions on climate change mitigation and adaptation to the public via multiple channels, particularly the ESG reports.

Due to climate change, public awareness of environmental protection has risen and more people tend to prefer environmentally friendly products and services and more customers favour suppliers who can provide products that meet specific environmental criteria. The Group actively collaborates with existing suppliers or new suppliers to fulfil the environmental requirements of the customers to reduce the market risks associated with climate change. For hotel operation, the Group only provides bulk-size refillable shower gel in the hotel room to prevent unnecessary wastage, and uses machines, fixtures and electrical appliances which are certified to be energy-efficient or environmentally friendly with Energy Label in the Hotel and its offices. For the operation of Winland Firmstone, the Group will keep itself updated on the latest green preferences in the construction industry and explore the possibility of introducing green products that meet stricter environmental criteria.

After all, the Group will closely monitor the changes in the business environment and policies, and capitalise on the opportunities whenever possible to fulfil its role as a global citizen. In addition, the Group will also adjust and formulate appropriate business strategies to support the global vision of achieving the goals of the Paris Agreement.

SOCIAL

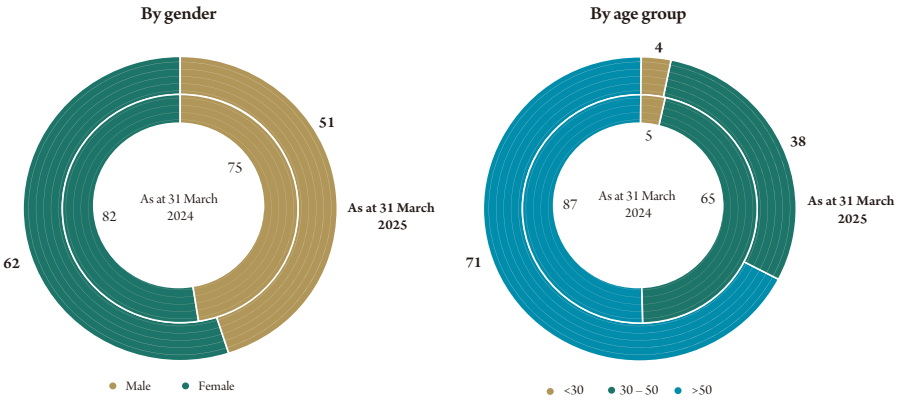
B1. Employment

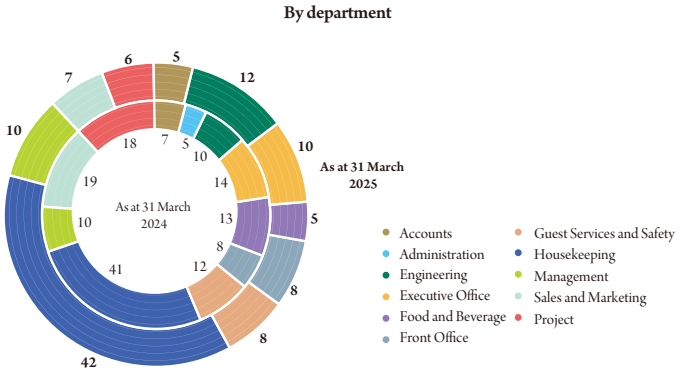
Employment and Labour Practices

Human resources are the foundation in supporting the development of the Group. Thus, the Group values its employees and is committed to providing them with a fair and equitable workplace environment. The Group has set up relevant policies and procedures, including but not limited to the Staff Handbook, and has an in-house counsel to ensure that it complies with related laws and regulations related to employment, i.e. remuneration, dismissal, recruitment and salary adjustment and promotion, working hours, leave entitlements, equal opportunities, diversity, anti-discrimination, and other staff welfare and benefits.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and the Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong).

As at 31 March 2025, the total workforce of the Group was 113 employees (as at 31 March 2024: 157 employees), all of them are full-time employees and they are all located in Hong Kong. Breakdown of workforce by gender, age group and department of the employees are depicted below:





SOCIAL – CONTINUED

B1. Employment – continued

Employment and Labour Practices – continued

The total employee turnover rate[7] was approximately 30.25% during 2025 (2024: approximately 19.49%). Employee turnover rates by gender, age group and department are depicted below:

Indicator[8]	**2025 (%)**	2024 (%)
By Gender		
Male	**33.77**	20.21
Female	**27.06**	18.81
By Age Group		
Under 30 years old	**55.56**	50.00
30-50 years old	**43.28**	16.67
Over 50 years old	**17.44**	18.69
By Department		
Accounts	**37.50**	12.50
Administration	**100.00**	28.57
Engineering	**7.69**	28.57
Executive office	**–**	–
Food and beverage	**66.67**	–
Front office	**38.46**	38.46
Guest services and safety	**–**	20.00
Housekeeping	**2.33**	6.82
Management	**–**	–
Sales and marketing	**63.16**	26.92
Project	**70.00**	41.94

Notes:

7. Total employee turnover rate = total number of employees leaving employment during the financial year ÷ (total number of employees at the end of the financial year + total number of employees leaving employment during the financial year) × 100%. The employee turnover rate by geographical region is the same as the Group's total employee turnover rate, as all employees work in Hong Kong.

8. Employee turnover rate by category = total number of employees leaving employment by category during the financial year ÷ (total number of employees by category at the end of the financial year + total number of employees leaving employment by category during the financial year) × 100%.

SOCIAL – CONTINUED

B1. Employment – continued

Recruitment, Promotion, Remuneration and Dismissal

The Group ensures its employees are recruited, remunerated and promoted based on their merits, qualifications, competence, suitability and contributions, ensuring that it treats and evaluates employees and applicants in a fair way and compensates employees by reference to other players in the industry and local labour markets in which it operates. Legal employment rights such as rest days and leave entitlements are fully respected and are detailed in the Staff Handbook.

In addition, the Group strives to provide a competitive remuneration system. The Group's remuneration packages consist of competitive levels of fixed and variable compensation, including but not limited to holidays, annual leave, sick leave, maternity leave, medical scheme, dental scheme, transportation allowance, and mandatory provident fund. As an appreciation for the employees' efforts, the Group sends commendatory letters to outstanding employees.

Unreasonable dismissal under any circumstances is forbidden in the Group. Dismissal will only be proceeded on a reasonable basis and a warning letter will be sent prior to the dismissal. Official dismissal will only be considered when the employee fails to correct the problems after receiving a warning letter.

Diversity, Equal-opportunity and Anti-discrimination

The Group is committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive. The Group is dedicated to providing equal opportunity in all aspects of employment and maintaining a workplace that is free from discrimination against any individual based on age, race, family background, region, nationality, gender, sexual orientation, disability, ethnicity, religion and political beliefs. Discriminatory acts of any kind will not be tolerated. The Group has included a section of "Anti-discrimination" in its Staff Handbook and a section of "Fair Employment Practices" in its Code of Conduct to show its commitment to developing a discrimination-free working environment.

SOCIAL – CONTINUED

B2. Health and Safety

The Group is committed to providing and maintaining a safe and healthy environment for all employees. The Group has shown its determination in developing a safe and healthy workplace by adopting the Health and Safety Policy and including a section of "Environment, Health and Safety" in the Group's Code of Conduct. Other policies and measures are also implemented in its operation to ensure health and safety during its operation.

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong). There were no significant work-related fatalities recorded within the past three years (including the Reporting Period). During 2025, there were 2 reported cases related to the work injury for the full-time employees of the Group, resulting in 55 lost working days (2024: 6 work-related injury cases resulting in 101 lost working days). The Group provided assistance to the employees involved in accordance with the relevant policies by arranging sufficient work-related injury leave. In addition, there was 1 work-related injury case connected with 1 subcontractor, resulting in 240 lost working days during the Reporting Period. Such incident was promptly reported to the management of the Group and the Labour Department. The Group has taken appropriate actions to follow up on the incident and ensure relevant compensation for the injured worker is properly settled.

The Group has provided guidance on health and safety principles in the Staff Handbook as well as the Engineering Health and Safety Handbook. Within the working hours that meet the requirements of the relevant labour protection laws of Hong Kong, reasonable arrangements are made for the working hours of employees, and reasonable rest times are allowed with adequate space and furniture provided. The Group also reminds employees of the risks of sitting for an extended period and encourages them to take rest and do stretching exercises when necessary.

Regarding the hotel operation, in areas where there is a high risk of body injury, such as the kitchen and cloak rooms, where manual handling is frequently involved, there are posters issued by the Occupational Safety and Health Council to remind workers to pay special attention to safety and avoid injury. To avoid the spread of germs and bacteria, the Hotel also displays posters to remind its staff to keep their working environment clean and tidy at all times, as well as to sanitise their hands after using toilets and before handling food. Adequate first aid boxes and equipment are available throughout the Hotel, and regular inspections are conducted to ensure their good condition. Fire safety and CCTV systems are also regularly inspected and serviced, and fire drills are conducted to ensure effective staff evacuation. Dangerous areas, such as electrical rooms, are marked with signs and kept locked, with entry restricted to qualified and authorised personnel.

SOCIAL – CONTINUED

B2. Health and Safety – continued

Regarding the operation of Winland Firmstone, the Group has designated project managers and site coordinators to ensure the health and safety-related policies and measures are implemented and followed by its employees and subcontractors at project sites. The site coordinators will apply control measures to mitigate the hazards for any risks identified at project sites, such as ensuring that workers use personal protective equipment correctly and that proper inspections are carried out by qualified personnel before equipment usage. If a work-related incident occurs, the site coordinator will promptly report to the project manager and appropriate follow-up actions will be taken in response to the specific circumstances. In addition, the Group continuously encourages its employees and subcontractors to monitor and rectify its health and safety management system and measures. They are urged to report risks and provide suggestions by notifying the site coordinators at the project sites.

Relevant policies and procedures are reviewed regularly to ensure their effectiveness.

The Group is highly aware of its potential health and safety impacts on employees and customers. In the Hotel, the Group places air purifier robots in the Hotel's lobby and utilises the food delivery robot in its operation if customers request to maintain social distancing when necessary.



Air purifiers and food delivery robots have been utilised in the Hotel area

SOCIAL – CONTINUED

B3. Development and Training

The Group regards its employees as the most important asset and resource. The Group recognises the valuable contribution of their talents for its continued success, and it is committed to inspiring its human capital toward delivering excellence. The Group has the Directors' Training Policy and the Staff Handbook in place to improve employees' knowledge and skills for discharging duties at work, and regularly arranges various training to increase employees' abilities to adapt to the changing environment. Related information will be posted on the employee notice board. On-the-job practical training is offered to employees to equip them with the relevant skill sets to enable them to provide quality and efficient services to customers.

The Group encourages lifelong learning at all employee levels with no age restrictions. Training programmes are constantly updated and their contents are reviewed and improved based on the feedback from staff and the management. The Group regularly organises various training programmes, including communication skills training, on-the-job practical training, basic to advanced level of computer operation classes, experience sharing workshops, focus groups on occupational safety and health, round-table discussion of contingency planning, and small group dialogue of the Whistleblowing Policy. These programmes aim to equip the Group's employees with the right skills and attitude to reach their potential and to become more efficient and prepared to deliver the best quality services to customers and stakeholders.

The Group will provide training programmes for the management executives from time to time, not only to develop and refresh their knowledge and skills, but also to cultivate talents with leadership potential from supervisory to manager level. The programmes cover various aspects of training for the participating employees to enhance their skills in the management of self, team and work. Also, the programmes offer management support such as training in presentation skills, and English and Mandarin language training. Through such programmes, the participants can further develop their management skills with confidence and pave the way to become professional team leaders to deal with crises where appropriate. This also enables the participants to have mutual growth with the Group by achieving continuous lifelong learning.

SOCIAL – CONTINUED

B3. Development and Training – continued

During 2025, approximately 1%[9] of employees participated in the training (2024: approximately 18.47%). The average training hours completed per employee is approximately 0.09 hours[10] (2024: approximately 0.52 hours). The breakdown of employees trained and the average training hours completed per employee by gender and employee category are as follows:

	2025		2024	
Indicator	**Breakdown of employees trained[11]**	**Average training hours[12]**	Breakdown of employees trained[11]	Average training hours[12]
By Gender				
Male	**100%**	**0.20**	65.52%	0.76
Female	–	–	34.48%	0.30
By Employee Category				
Senior management	**100%**	**2.50**	27.59%	1.83
Management	–	–	44.82%	1.68
General employees	–	–	27.59%	0.15

Notes:

9. Total percentage of employees trained = total number of employees trained during the financial year ÷ total number of employees at the end of the financial year × 100%.

10. Average training hours completed per employee = total number of training hours completed during the financial year ÷ total number of employees at the end of the financial year.

11. Breakdown of employees trained = number of employees trained by category during the financial year ÷ total number of employees trained during the financial year × 100%.

12. Average training hours = number of training hours completed by category during the financial year ÷ number of employees by category at the end of the financial year.

SOCIAL – CONTINUED

B4. Labour Standards

Prevention of Child and Forced Labour

Child and forced labour are strictly prohibited during the recruitment process of the Group as defined by relevant laws and regulations. The Group actively detects and prevents child labour through its relevant internal policies. The Group conducts a comprehensive screening in the recruiting process, including checking the applicants' identity documents, and their working visas (if applicable) prior to any employment offers.

The Group understands the importance of balance between work and life. Long working hours will only reduce productivity and increase the risk of accidents. Therefore, the Group's work schedules are arranged with reference to employees' input to ensure the schedules are arranged fairly, and provided with adequate rest and the appropriate work-life balance to ensure service quality excellence. In cases where overtime work is required, employees do so of their own accord and with their supervisor's approval, and overtime compensation is provided in accordance with relevant labour laws and regulations.

If there is any suspected violation case regarding child and forced labour, the Group will conduct an investigation. When the violation case of child labour is confirmed, the Group would terminate the employment contract immediately, and may refer the case to relevant statutory bodies in light of the actual situation. In addition, when the violation case of forced labour is confirmed, the Group might take disciplinary actions against any staff members who are responsible for the cause of the incident.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong).

SOCIAL – CONTINUED

B5. Supply Chain Management

The Group is aware of the importance of managing environmental and social risks of its supply chain, and has embedded environmental and social considerations in the procurement process and supplier (including subcontractor) communication. The Group has established relevant supply chain management policies and procedures to ensure procurement choices are made thoughtfully and responsibly. The Group has implemented such policies and relevant procedures to ensure the suppliers can compete in a transparent and fair way, and that no discrimination against any particular suppliers nor corruption and bribery in the selection process. When selecting new suppliers, the Group will conduct due diligence to ensure the suppliers provide the necessary documents and will consider factors including but not limited to their licences, qualifications, service quality, degree of support, reputation and environmental and social issues. The Group will shortlist at least three suppliers for comparison before a final decision is made by the management in sourcing for new suppliers, and for large-scale projects or large-volume procurements, four or even more suppliers may be shortlisted. During the selection process, the Group will give priority to local suppliers and suppliers who provide or promote environmentally friendly products and services.

Once the suppliers are registered in the approved supplier list, assessments work on the suppliers' performance are conducted on a regular basis. If the Group discovers any supplier has non-compliance with relevant environmental and social laws and regulations, or significant negative impacts on related environmental and social aspects, including but not limited to quality control, resource efficiency, employment practices, and business ethics, during the supplier assessment, the Group will carry out corrective action to remediate the identified risks, and the suppliers may be suspended or removed from the approved supplier list, where necessary. Relevant policies and measures are reviewed regularly to ensure their effectiveness.

SOCIAL – CONTINUED

B5. Supply Chain Management – continued

Specifically, for Winland Firmstone, most of the suppliers the Group engages and their products the Group sells demonstrate a high level of environmental friendliness and excel in sustainability practices. The suppliers and their products have received internationally and domestically recognised certifications, including but not limited to ISO 14001:2015 Environmental Management System, ISO 9001:2015 Quality Management System, FSC-STD-40-004 V3-1 Chain of Custody Certification, Green Factory Evaluation Certificate of China, Green Product Certification of China, Green Building Product Certification of China, Certificate for Building Environmentally Friendly Product Certification of China, and CATAS Product Quality Award Certification (Formaldehyde).

One sustainable supplier that Winland Firmstone engages with is Arredo3. Arredo3 has been opting for renewable sources to power its production activities by installing a photovoltaic system that generates over 60% of its energy needs. It actively promotes reuse and recycling in its products, including its Gaia range sold by the Group, which are made from recycled or recyclable and sustainable materials. Customers who buy Arredo3 kitchenware with a Gaia element can have a tree planted on their behalf through Arredo3's tree planting partner.

In 2025, the Group has 245 major suppliers (2024: 249 major suppliers), and all of the Group's suppliers are subject to the procurement practices above. The number of suppliers by geographical region is depicted below:

By Geographical Region	**2025**	2024
Mainland China	**26**	16
Hong Kong	**193**	153
Overseas	**26**	80

SOCIAL – CONTINUED

B6. Product Responsibility

Product and Service Quality and Safety

Product and service quality is the cornerstone of the sustainable development of the Group. For the hotel operation, it is the Group's mission to provide a comfortable, safe and hygienic environment for all guests and customers, and to ensure that the Hotel's services meet their expectations. Thus, the Group is committed to complying with all requirements of the licences or permits they are granted, which include hotel, general restaurant and liquor licences. These requirements include proper air, water and noise pollution controls, proper fire safety, proper ventilation systems, sufficient sanitary fitments, proper water supply and drainage systems, as well as compliance with laws and regulations with respect to building works. The Group complies with these requirements with the help of its employees, many of whom are well-trained through many years of experience working at the Hotel and other hotels in the hospitality industry. The Group also stipulates these requirements in relevant internal policies, and provides guidelines which are posted on different displays and notice boards in the Hotel, to remind the employees of these requirements.

The Hotel's engineering department regularly checks the conditions of the premises, boilers, and other operating equipment to ensure that none of them will endanger the well-being of its guests and employees. There is a CCTV system and security personnel on duty to monitor the Hotel's premises 24 hours per day, 7 days per week as security surveillance for the Hotel. Unauthorised visitors will be questioned, and incidents of abnormality will also be followed up in a timely manner. To promote better indoor air quality, smoking is prohibited in non-smoking guest rooms, restaurants, common areas and other enclosed facilities of the Hotel. These measures help to provide a health-conscious and smoke-free environment for guests, and guarantee that guests stay out from both second and lingering third-hand smoke.

When supplying products to customers, Winland Firmstone ensures that the detailed specifications of the products are stated clearly in sale contracts and that the products shall fulfil the guaranteed specifications in order to complete a sale transaction. In consideration of the customers' concern over indoor air quality issues regarding home furniture, Winland Firmstone has engaged with suppliers that obtained relevant certifications such as California Air Resources Board certification. Before products are shipped, the quality of products is monitored through close communication with suppliers and supporting documents provided by suppliers. Reliable logistics companies are also engaged in product delivery. If any product is subject to a product recall due to safety and health reasons, Winland Firmstone will communicate with customers concerning the reasons for the product recalls and formulate appropriate and viable solutions in response to the product recall cases in a timely manner. During the Reporting Period, the Group did not violate any law or regulation relating to the health and safety of products and services, and there was no product recalled due to safety and health reasons (2024: Nil).

SOCIAL – CONTINUED

B6. Product Responsibility – continued

Product and Service Quality and Safety – continued

Winland Firmstone also places a strong emphasis on delivering high-quality services to its customers. It works closely with customers to understand their needs and provide tailored solutions to meet those needs. When the project involves subcontractors, the supplier engagement and review procedures mentioned in the sections headed "Supply Chain Management" will be strictly followed to select qualified suppliers. Through the designated project managers and site coordinators, Winland Firmstone works closely with customers and subcontractors to ensure that projects are completed on time, within budget, and up to quality and safety standards. A rigorous quality control process is implemented to ensure that the products and services meet the necessary standards, and Winland Firmstone regularly reviews and updates its processes to strive for continuous improvement. After the completion of the project, detection and rectification will be arranged for quality monitoring purposes and future improvement if necessary.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with laws and regulations that had a significant impact on the Group, concerning product health and safety, advertising, labelling and privacy matters relating to products and services provided. The relevant laws and regulations include, but are not limited to, the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong), the Copyright Ordinance (Cap. 528 of the Laws of Hong Kong), the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), the Trade Marks Ordinance (Cap 559 of the Laws of Hong Kong), the Patent Ordinance (Cap 514 of the Laws of Hong Kong) and the Registered Design Ordinance (Cap 522 of the Laws of Hong Kong).

Complaint Handling

The Group has established procedures for handling complaints, customers can file complaints through different channels, i.e. telephone, email, and online booking websites (for hotel guests). These customer complaints are properly recorded and handled by the Group's designated personnel, who will investigate the relevant reasons for each complaint and follow up accordingly. These complaint-handling processes allow the Group to receive feedback on the products and services provided, and at the same time appropriately address customers' concerns in a timely and professional manner. In addition, these processes also help the Group to formulate preventive measures in order to avoid the occurrence of similar issues in the future. It is a vital element of the Group's continuous development for service excellence. During 2025, no significant complaints were received from customers (2024: 0 cases).

SOCIAL – CONTINUED

B6. Product Responsibility – continued

Customer Data Protection

The Group takes customer data protection very seriously. Private information of the Group's customers will only be collected with proper consent, and is collected solely for the agreed purposes unless consented otherwise. There is a section of "Confidentiality and Privacy" in the Group's Code of Conduct, stating that employees must maintain the confidentiality of all information entrusted to them, except when disclosure is authorised or legally mandated, and that any non-public information relating to the Group or its products and services has to be treated as confidential during, as well as after, an employee's term of employment.

The Group's IT systems have been configured to have different levels of rights of access to information to ensure only authorised personnel have access to customer personal information. The Group also has policies and procedures in place to determine the time that such information should be retained and when it should be destroyed. All employees are encouraged to keep abreast of and fully comply with the relevant laws and regulations. The Group will review the policies regularly to ensure their effectiveness.

Protection of Intellectual Property ("IP")

Despite the Group does not hold any significant IP assets, as a responsible corporate citizen, the Group respects IP rights and is committed to complying with relevant laws and requirements. There is a section of "Intellectual Property" in the Group's Code of Conduct to establish, protect, maintain and defend its IP rights and to use those rights in a commercially responsible manner. All employees must safeguard these assets and other IP issues under the Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong) and the Patent Ordinance (Cap. 514 of the Laws of Hong Kong) as well as international conventions, such as Paris Convention for the Protection of Industrial Property and the treaties of the World Intellectual Property Organization.

Responsible Marketing

The Group produces minimal marketing and advertising materials. However, it has formulated clear guidelines on advertising and marketing for its employees to ensure that no misleading or false information is disclosed in the Group's advertising or marketing materials.

SOCIAL – CONTINUED

B7. Anti-corruption

The Group values and upholds integrity, honesty and fairness in its business. It does not tolerate any type of corruption, fraud or other behaviours violating work ethics.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering. The relevant laws and regulations include, but are not limited to, the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong), and other relevant laws and regulations related to anti-corruption. There were also no concluded legal cases regarding corrupt practices brought against the Group or its employees during 2025 (2024: 0 cases).

The Group has strict policies on anti-money laundering and counter-terrorist financing to ensure adherence to the highest ethical standards and maintain a corporate culture of integrity and justice so as to prevent, detect and report all types of corruption, including bribery, extortion, fraud and money laundering. In complying with provisions included in the Staff Handbook, employees at all levels are expected to conduct business in an appropriate manner, with integrity, impartiality and honesty. The Group has also clearly stated that employees must avoid activities that conflict with the Group's interests or influence their judgment or actions in performing their duties as employees in the section of "Conflicts of Interest Issues" in the Group's Code of Conduct. Such a section also states that any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the in-house lawyer and professionals.

To maintain a high level of integrity in the Group's corporate culture, the Group provides anti-corruption training or related learning materials to the directors and employees annually, familiarising them with their corresponding role and responsibility regarding anti-corruption and business ethics under applicable laws and regulations. The Group has circulated anti-corruption related materials to the directors and employees for their self-learning. Through these efforts, the Group aims to ensure that directors and employees are equipped with the knowledge and skills necessary to uphold the Group's commitment to ethical business practices and prevent corruption.

SOCIAL – CONTINUED

B7. Anti-corruption – continued

Whistleblowing Mechanism

To further maintain and achieve the highest degree of openness, probity and accountability, the Group has established the Whistleblowing Policy, which allows employees and third parties (for example, customers and suppliers) to report concerns about any suspected or actual improprieties relating to the Group. Reports and complaints received will be handled in a prompt and fair manner, while all information received will be treated confidentially, except where the Group is required by laws and regulations or relevant regulators or law enforcement authorities to disclose it. The identity of the whistleblower will also be kept confidential and protected from reprisal or disadvantage as a result of making a report under the policy. The Group will review the policy regularly to ensure its effectiveness.

B8. Community Investment

The Group is committed to supporting the public by means of social participation and contribution as part of its strategic development. To nurture corporate culture and strengthen practices of corporate citizenship, the Group has established relevant policies and formulated social management strategies to sustain its corporate social responsibility and support the Group's strategic development.

Community Participation

The Group invests in the community by making significant contributions where appropriate, as well as encourages employees to participate in various local community activities and events on a voluntary basis, i.e. participation in voluntary work and blood donation for the community. The Group's employees are also encouraged to participate in sporting activities not only for their healthy well-being, but also as a means to support the "Sport for All Day" by the Leisure and Cultural Services Department of the Hong Kong government, to encourage others to lead more active, healthier and happier lives.

During the Reporting Period, the Group mainly focused on business development and concentrated its resources on daily operations. As a result, the Group did not participate in community activities. The Group attaches great importance to giving back to society and will continue to seek opportunities to participate in charity in the future.

CONTENT INDEX OF ESG REPORTING GUIDE OF THE STOCK EXCHANGE

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	The ESG Governance Structure
Reporting Principles	Reporting Framework
Reporting Boundary	Scope of Reporting

Aspects, General Disclosures and KPIs	Description	Section/Declaration
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.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable – explained
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions – GHG Emissions
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.	Emissions – Waste Management

CONTENT INDEX OF ESG REPORTING GUIDE OF THE STOCK EXCHANGE – CONTINUED

Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Energy Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable – explained

CONTENT INDEX OF ESG REPORTING GUIDE OF THE STOCK EXCHANGE – CONTINUED

Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Sustainable Operation, Sustainable Procurement, Indoor Air Quality
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.	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.	Climate Change – Physical Risks, Transition Risks

CONTENT INDEX OF ESG REPORTING GUIDE OF THE STOCK EXCHANGE – CONTINUED

Aspects, General Disclosures and KPIs	Description	Section/Declaration
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.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment – Employment and Labour Practices
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment – Employment and Labour Practices

CONTENT INDEX OF ESG REPORTING GUIDE OF THE STOCK EXCHANGE – CONTINUED

Aspects, General Disclosures and KPIs	Description	Section/Declaration
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.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

CONTENT INDEX OF ESG REPORTING GUIDE OF THE STOCK EXCHANGE – CONTINUED

Aspects, General Disclosures and KPIs	Description	Section/Declaration
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.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Prevention of Child and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

CONTENT INDEX OF ESG REPORTING GUIDE OF THE STOCK EXCHANGE – CONTINUED

Aspects, General Disclosures and KPIs	Description	Section/Declaration
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.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility – Product and Service Quality and Safety
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Complaint Handling
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Protection of IP
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Product and Service Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Customer Data Protection

CONTENT INDEX OF ESG REPORTING GUIDE OF THE STOCK EXCHANGE – CONTINUED

Aspects, General Disclosures and KPIs	Description	Section/Declaration
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.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-corruption – Whistleblowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
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.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment – Community Participation
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment – Community Participation



MEXAN LIMITED
茂盛控股有限公司