上海實業控股有限公司
SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Stock Code : 363)



Environmental, Social and Governance Report 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This environmental, social and governance report (the "**Report**") focuses on the disclosure of the performance of Shanghai Industrial Holdings Limited ("**SIHL**" or "**we**" or "**our**") and its subsidiaries (the "**Group**") on environmental, social and governance aspects for the year commencing 1 January 2025 to 31 December 2025 ("the **Year**" or the "**Reporting Year**").

The Group's environmental, social and governance performance as stated in this Report covers its principal businesses, including infrastructure facilities (water-related businesses), real estate and consumer products (tobacco business and printing business), which are conducted in Mainland China and Hong Kong.

This Report, which is prepared in accordance with the Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEx**") (the "**Listing Rules**"), including the provisions in Part D: Climate-related Disclosures. This Report shall be read in conjunction with the Corporate Governance Report set out in the 2025 Annual Report of the Company for a comprehensive understanding of SIHL's environmental, social and governance performance.

The Environmental, Social and Governance Management Philosophy of SIHL

The Group well acknowledges that, as a responsible enterprise for sustainable development and social development, SIHL has always maintained a balance between business development and social responsibility by integrating the concept of sustainable development into its day-to-day business operations and major commercial decisions. As a listed company in Hong Kong, we not only assume responsibility for the social and economic development of the community, but also strives to facilitate the community's green development and prosperity. The Board of Directors of the Company (the "**Board**") has always attached great importance to sustainable development and is committed to creating long-term values and a sustainable future for the society by taking into account and balancing the interests of major stakeholders.



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Board Statement

The Board upholds its supervisory responsibilities by spearheading the formulation of the Group's sustainable development management policies and strategies, while coordinating related performance management activities to ensure that sustainability principles and core values are deeply integrated into the Group's decision-making process. To implement environmental, social and governance (ESG) strategies, the Board has authorized the environmental, social and governance steering committee (the "**ESG Steering Committee**") to promote strategy execution and coordinate implementation across all Group units. In order to safeguard the effective implementation of the management system and supporting measures, the Board and the management maintain ongoing attention to ESG-related matters and formulate appropriate management approaches and risk control mechanisms. The Board annually reviews and approves internal policies, reviews and approves the environmental, social and governance reports, including implementation progress towards, among others, established targets, with a view to ensure that the business operations can properly address related risks while capitalizing on potential development opportunities. During the Reporting Year, the Board kept abreast of the new Listing Rules, including the new reporting requirements of the HKEx related to climate risks. Recognizing the significance of climate risks and opportunities for business strategies and operational management, the Board implemented climate scenario analysis in 2025, systematically assessing the impact of potential climate risks and opportunities on the Group's core businesses, supply chain and long-term development strategies. This provides a scientific basis for addressing relevant risks and opportunities, in order to continuously improve the climate risk management of the Group.

Governance Structure for Environmental, Social and Governance Issues

The Board leads the development of strategies for the Group's environmental, social and governance issues as well as managing their performance and reporting. In addition to overseeing progress on environmental, social and governance, the Board regularly reviews sustainability-related issues, including climate-related aspects, and ensures robust and effective groupwide risk management (encompassing climate-related risks and opportunities) and internal control systems, whilst complying with applicable laws and regulations. Furthermore, the Board members receive regular training on sustainability-related matters. The ESG Steering Committee comprising the Group's senior management directs the environmental, social and governance issues, and is responsible for formulating strategies and policies for sustainable development and effectively identifying and managing risk management matters that are related to sustainable development in a timely manner, including identifying and managing climate-related risks, assisting the Board in overseeing environmental, social and governance matters, ensuring the establishment of effective risk management and internal control systems (including those pertaining to sustainability and climate-related risks and issues), and maintaining sound corporate governance standards and operations. To ensure committee members possess the requisite skills and competencies, the Group will provide regular training, workshops and resources relating to sustainability and climate-related risks and opportunities. In addition, an environmental, social and corporate governance planning and information disclosure working team (the "**ESG Working Team**") comprising the responsible person(s) of various business units facilitates and monitors and reports the progress of sustainable development issues regularly to the management of the Group. We believe our governance structure has incorporated the expertise and experience of our business units, enabling them to facilitate the development of the Group's sustainable development.

Risk Management

The Board is responsible for assessing and determining the nature and level of risk acceptable to the Group in achieving its strategic objectives (including environmental, social and governance risks, and climate-related risks), and for ensuring that effective risk management and internal control systems are established and maintained. The Board oversees the management's design, implementation and monitoring of such systems (through the Audit Committee), and reviews their effectiveness annually. The Company's internal audit department is responsible for monitoring the operation of the risk management and internal control systems of the Group (including principal subsidiaries), reporting regularly to the Audit Committee and the Board on its findings.

Stakeholder Engagement and Materiality Assessment

SIHL has always emphasized on the importance of regular communication with various stakeholders, including employees, customers, shareholders, business partners, suppliers, media and the community, and has all the way been listening to the needs and expectations of different stakeholders with an open mind, formulating counter measures in response to the concerns of stakeholders and strengthening information disclosure. A number of communication channels, such as meetings, interviews and surveys, have been established to gather stakeholders' ideas, opinions and suggestions on how we can create long-term value for the society and attain sustainable future development.

Our communication channels with respective stakeholders are as follows:

Major Stakeholder Group	Our Communication Channels
Employees	• regular meetings and gatherings • training, seminars and workshops • performance and development discussions • volunteer activities
Customers	• daily operations and interaction • customers' satisfaction surveys • company website
Shareholders	• annual general meetings and other meetings • corporate communications, including circulars, notices, results announcements, annual reports and interim reports
Business partners	• meetings and seminars • on-site inspections
Suppliers	• assessment and performance reviews • on-site inspections and meetings
Media	• management interviews and meetings • results reports
Community	• volunteer activities • sponsorship and donation • community outreach

To meet the principles of consistency, materiality and balance for the reporting, we have solicited the opinions of our stakeholders to further understand their expectations and recommendations in respect of the Group's performance on environmental, social and governance areas, and have identified the latest important environmental, social and governance issues. After reviewing the opinions of the stakeholders of our various businesses and the results of materiality assessment, we noted that the stakeholders have expressed greater concerns in the areas of the Group's performance in pollutant emission management, staff development and training, occupational safety and health as well as green construction, the relevant content of which has been disclosed in the corresponding sections in this Report in details.

Feedbacks were given by the members of the ESG Steering Committee and the ESG Working Team on these opinions, which are then formed as the basis of our key environmental, social and governance agenda for incorporation into this Report. Therefore, this Report has focused on the concerns and expectations of our stakeholders, highlighted issues that are representative of them, and reported on important matters that are in line with the development strategies of the Company.

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ENVIRONMENT PROTECTION

The Group gives high priority to environmental protection, and continuously explores opportunities and applies advanced technologies to minimize consumption of energy and resources, reduce wastes and contribute to the green development of the society. The Group strictly complies with the laws and regulations in which it operates related to air and greenhouse gas emissions, discharges into water and soil, and hazardous and non-hazardous wastes which have a significant impact on the Group, namely the Environmental Protection Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Soil Pollution Prevention and Control Law of the People's Republic of China, the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Law on Prevention and Control of Environmental Noise Pollution of the People's Republic of China, Air Pollution Control Ordinance, Water Pollution Control Ordinance and Waste Disposal Ordinance. During the Reporting Year, the Group did not violate the above-mentioned laws and regulations that had a significant impact on the Group.

The Group will also actively align with Hong Kong in achieving "carbon neutrality" and targeting "carbon emissions and achieving carbon neutrality" in Mainland China, and seize the market opportunities brought by China's promotion of energy conservation and emission reduction. We will continue to expand our business development, and continuously improve environmental protection technology, strengthen technology research and development and improve project efficiency, with a view to promote business development while reducing environmental impact.

Air Emissions and Greenhouse Gas Emissions

We highly regard green development as an integral part of our operation concept, and the real estate business of the Group adopts the green construction management concept of environmental protection and energy saving as our primary goal. Green construction involves not only construction of temporary drainage systems, temporary roads, and temporary construction facilities on site, but also construction of building structures and the production, processing and installation of building structural raw materials, components and parts. It covers different stages including construction planning, material procurement, on-site construction, and project inspection and completion. We hope to reduce waste and air pollutants and greenhouse gas emissions by improving operational efficiency.

Air pollution caused by the real estate business mainly originates from the foundation construction, structural construction and decoration construction stages. It is requested that all construction units participating in the construction projects to formulate various management systems and related guarantee measures for environmental protection and energy conservation. By identifying the sources of pollution, such as emissions from vehicle transportation, emissions from civil engineering machinery operations, dust from roads connecting the construction sites and dust from earthworks, the Group has actively formulated corresponding prevention and control measures. We have installed sprinklers to control dust emission from civil engineering operations and used water mist cannons and water sprayers to clean the roads regularly during the construction stage to control dust pollution from construction areas and access roads. We store cement, fugitive and fine particulate bulk materials in storage or tightly cover them to avoid spillage during transportation. All access roads and stackyard in construction sites are paved with concrete to control dust pollution. All transport vehicles are requested to install movable baffle at unloading chute to prevent spillage of dust as well as clear the concrete after unloading. Meanwhile, we have set up a vehicle washing machine at the entrance and exit where vehicles can leave the site only after being washed, preventing environmental pollution.

In respect of reducing air pollution and greenhouse gas emission, the Group has adopted cleaner ultralow sulphur diesel fuel for the three boilers used for tobacco business, which has reduced emission of smoke, respirable suspended particles, sulphur dioxide and other air pollutants. In addition, the air emissions generated by processing equipment and workshops pass through dust collectors first, enabling them to remove dust before removing odour through eight sprinkler deodorising machines. The deodorising machines are subject to our regular cleaning and potion refill to ensure their effective operation. Closed-circuit televisions are installed in exhaust chimneys to monitor the systems round-the-clock to ensure that the machines are running normally and no black smoke is generated due to poor combustion. Furthermore, piped gas has been used as fuel at incinerator of the tobacco business to clear the odour and dust generated during production process under high temperature so as to reduce environmental pollution.

The Group's printing business also implemented a series of specialized measures to reduce emissions. In particular, old burners were upgraded to new low nitrogen oxides burners on its production equipment with a view to reduce nitrogen oxides emissions to below 50 milligrams per cubic meter of air. Notably, the Group's printing business has achieved remarkable results in carbon reduction and emission reduction in the printing and packaging industry. On 25 August 2025, the China Packaging Federation formally approved the establishment of China Fibre Packaging Products R&D Centre (Shanghai) (中國纖維包裝製品研發中心(上海)) by the Group's printing business enterprises. This initiative aims to drive material innovation and manufacturing upgrades, contributing the printing and packaging industry's "Shanghai Solution" towards China's "dual carbon" goals. This solution takes its first step towards green transformation starting with raw material selection. At the Group's printing facilities in Henan and Jiangsu, traditional timber has been progressively replaced by renewable non-wood plant fibres such as bamboo pulp and sugarcane pulp. At the Carbon Expo held in June 2025, the Group's printing business unveiled its carbon reduction achievements: producing fully biodegradable packaging using natural renewable materials, annually replacing approximately 300 million plastic items (reducing plastic use by 6,000 tonnes). This establishes a low-carbon model spanning the entire chain from raw materials to production, reducing over 3,400 tonnes of carbon dioxide equivalent within two years. The Group's printing facility in Sichuan established a primary line of defence at the raw material sourcing stage: traditional inks were replaced with UV-cured inks with China Environmental Labelling, which possess the lowest volatile organic compound (VOC) content among all ink types; laminating adhesives and mounting adhesives were fully transitioned to water-based formulations; and printing blanket wash cleaning agents and printing ink cleansers were comprehensively upgraded from conventional petrol-based solutions to plant-oil-based alternatives. The Group's printing facility in Qingdao was switched to natural gas for drying moulded-fibre products since 2018, substantially reducing carbon emissions. In 2023, it commissioned China's first moulded-fibre production line for paper containers, achieving significant plastic reduction and markedly lower carbon emissions compared to glass bottles. Digital technologies comprehensively empower low-carbon development. Dual-station synchronous moulding equipment and the R&D Centre's independently developed intelligent heating system further enhance production efficiency while delivering substantial electricity savings and carbon reductions. The Group's printing subsidiary in Dongguan joined hands with upstream and downstream enterprises to develop new materials and processes under the "digitalization + dual carbon" initiative. This solution not only supports the energy conservation and emission reduction targets of the Group's printing business but also provides valuable practical experience and a reference model for the entire printing and packaging industry's green, low-carbon transformation.

The major emissions from the operation of the Group's water-related business are sulphur oxides, nitrogen oxides, dioxins, carbon monoxide and flue gas from the solid waste incineration business, as well as hydrogen sulphide, ammonia and other odours from the sewage and sludge treatment business. In respect of the various types of emissions from solid waste incineration, the Group strictly complies with the relevant national emission standards and adopts treatment processes and techniques such as semi-dry desulphurisation, activated carbon adsorption, bag filtering and selective non-catalytic reduction for nitrogen removal, etc. for the removal of heavy metals and organic substances and to ensure that the emissions meet the standards. For emissions and odours from the sewage and sludge treatment operations, we use negative pressure collection and closed covers for specific treatment facilities to prevent the release of odorous gases, while using various biological, chemical and physical methods to treat the odours, including biological filtration, plasma deodorisation and activated carbon adsorption technologies. In addition, we have grown air-purifying plants around the plant area to further reduce the impact of odour on the surrounding environment and community.

We actively respond to carbon reduction policies, explore carbon trading mechanisms, and support the low-carbon transition. The Shenzhen company of the southern division under the water-related business of the Group, has participated in carbon market transactions. By purchasing carbon emission rights, it optimizes allocation of its carbon resources. The Longjiang division's research project on "Carbon Footprint Accounting and Low-Carbon Synergistic Pollution Control Technologies for the Sewage Treatment Industry" has passed evaluation and was finalized in November 2022. Upon which, a life-cycle-based carbon-emission accounting system for sewage treatment was established, and forming the "Technical Guidelines for Carbon Emissions and Reduction Accounting in the Sewage Treatment Industry". As the lead drafting unit, the project company collaborated with Harbin Institute of Technology to formulate the "Carbon Emission Reduction Assessment Standards for Urban Sewage Treatment Plants", which came into effect on 1 March 2024. The urban sewage treatment carbon footprint quantification model developed by the Longjiang division systematically addresses the deficiency in carbon measurement methodologies, further filling gaps in the relevant fields of China and providing technical support for industry standard development. In addition, the Group is proactively transforming into a low-carbon economy by switching to cleaner energy sources in order to reduce greenhouse gas emissions as a vital part for the Group to carry out sustainable development. In order to fulfill our commitment, we aim to gradually reduce air pollution and greenhouse gas emissions every year by using diesel fuel with lower sulphur content, purchasing models with less environmental impact when replacing production facilities and conducting regular training on environmental protection for employees. Taking the printing business of the Group as an example, in order to realize low-carbon production, it was planned to gradually replace its natural gas and thermal conductive oil heating units with electric heating units and to use clean energy across the board.

Meanwhile, we will continue to monitor Scope 1 and Scope 2 greenhouse gas emissions in order to achieve "carbon neutrality" in Hong Kong and China's goals of "capping carbon emissions and achieving carbon neutrality", while identifying opportunities to reduce emissions in our businesses and contribute to the mitigation of climate change. Various businesses of the Group have gradually set short-term quantitative targets to provide clear directions for each division to reduce emissions step by step. In particular in our printing business, the Dongguan division targets to reduce carbon dioxide emissions by 15% within 5 years; the Qingdao division aims to reduce carbon dioxide emissions by 2% annually; the Sichuan division aims to reduce by 30% within five years, with 2020 as the baseline year; and the Jiangsu division aims to reduce Scope 1 and Scope 2 greenhouse gas emissions by 42% by 2030, with 2023 as the baseline year, while measuring and reducing Scope 3 greenhouse gas emissions.

The Group also initiated its evaluation of Scope 3 greenhouse gas emissions during 2024. This evaluation calculated and disclosed greenhouse gas emissions in three categories of Scope 3 based on fuel and energy usage data, business travel data and employment data. Such categories cover the greenhouse gas emissions from "fuel- and energy-related activities", "business travel" and "employee commuting". The Group will continue to improve the management of Scope 3 carbon emission data to enhance the completeness and availability of the data and hence continuously improve the quality of Scope 3 disclosure.

The exhaust gas emission and greenhouse gas emission data from the businesses of the Group under the scope of reporting in 2024 and 2025 are as follows:

Environmental KPIs	Unit	2025	2024
Nitrogen oxides emissions	tonne	388.89	393.78
Sulphur oxides emissions	tonne	27.62	28.49
Particulate matter emissions	tonne	1.04	0.94
Total greenhouse gas emissions (Scopes 1 & 2)[1]	tonne CO_2e	946,734.55	990,977.18
Total greenhouse gas emission intensity (Scopes 1 & 2)	tonne CO_2e/ HK$'000 of revenue	0.05	0.03
Scope 1 – Direct greenhouse gas emissions[2]	tonne CO_2e	330,043.86	389,874.72
Scope 2 – Energy indirect greenhouse gas emissions[3]	tonne CO_2e	616,690.69	601,102.46
Scope 3 – Fuel- and energy-related activities[4]	tonne CO_2e	62,309.11	79,827.37[5]
Scope 3 – Business travel[6]	tonne CO_2e	977.66	715.54
Scope 3 – Employee commuting[7]	tonne CO_2e	3,471.65	3,513.65

Climate Change

Climate change has become a global challenge, which has brought about risk exposure including extreme weather to the Group, such as strong typhoons, floodings, snowstorms and other physical risks. The changes in policies, laws, technologies and markets due to the transformation to a low-carbon economy also pose transitional risks to the Group.

During the Reporting Year, we enhanced our climate risk management efforts, including conducting climate scenario analysis to understand the impacts of climate risks on the Group under different scenarios. Based on our business operations and with reference to industry research, we identified a list of climate-related risks. For each of the climate risks, the Group qualitatively assessed the potential financial impacts and developed response strategies for each business segment. We have assessed the resilience of our businesses under various future climate conditions, referencing globally recognized primary climate scenarios. This study utilizes the data and assumptions from the Intergovernmental Panel on Climate Change (the "**IPCC**") and the Network for Greening the Financial System (the "**NGFS**"), modelling scenarios ranging from low-emission to high-emission pathways. This enables us to stress-test our business resilience and supports more forward-looking operational planning across both favourable and challenging climate futures. These scenarios encompass both the direct impacts of climate change (i.e., physical risks) and the risks arising from the economic transition to a low-carbon economy (i.e., transition risks), spanning multiple time horizons. While this analysis provides insights into potential risk exposures, the findings carry inherent uncertainties due to the evolving nature of climate science and limitations in available data and forecast accuracy. The table below outlines the key parameters and assumptions employed in this analysis.

1 The greenhouse gases emitted by the Group include carbon dioxide, methane and nitrous oxide, and greenhouse gas emissions are presented in carbon dioxide equivalent.
2 Scope 1 – greenhouse gas emissions and removal refer to greenhouse gas emissions from vehicle fuel combustion, fuel combustion with fixed sources, and refrigerant consumption in air conditioning systems, and reductions related to tree planting. This data is calculated in accordance with "Appendix II: Reporting Guidance on Environmental KPIs" issued by HKEx.
3 Scope 2 – Energy indirect greenhouse gas emissions refer to greenhouse gas emissions from the purchased electricity. This data is calculated in accordance with "Appendix II: Reporting Guidance on Environmental KPIs" issued by HKEx.
4 Scope 3 – Fuel- and energy-related activities emissions refer to emissions related to the extraction, production and transportation of fuels and energy (not included in Scope 1 or Scope 2) purchased and consumed by the Group. This data is calculated in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol based on the fuels and energy consumed as well as third-party emission factors.
5 Data has been restated due to the optimization of the reporting mechanism to ensure comparability over the years.
6 Scope 3 – Business travel emissions refer to emissions related to the transportation of the Group's employees for business-related activities (use of vehicles not owned or operated by the Group) during the Reporting Year. This data is calculated in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol. The emissions in such category are calculated using the spend-based method, which calculates carbon emissions based on the amount of money spent on each mode of business travel transport and applies third-party emission factors.
7 Scope 3 – Employee commuting emissions refer to the emissions from the transportation of the Group's employees between their homes and their worksites (use of vehicles not owned or operated by the Group). This data is calculated in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol. The emissions in such category are calculated using the average-data method, which is based on the number of the Group's employees, statistics on the average commuting distance, statistics on commuting modes, number of working days and third-party emission factors.

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	High-emission Scenario	Low-emission Scenario
Scenario used	• IPCC Representative Concentration Pathway ("RCP") of greenhouse gas concentration 8.5 – temperature rise exceeding 4℃ • Prevailing policy of NGFS – temperature rise exceeding 3℃	• IPCC RCP 2.6 – limiting temperature rise to below 2℃ • NGFS Net Zero 2050 – limiting temperature rise to below 1.5℃
Time Horizon	• Baseline year: 2024 • Short-term: 2030 • Mid-term: 2040 • Long-term: 2050	
Operations Analysed	• Properties and facilities in Hong Kong and Mainland China	

Climate-Related Risks		Risk Description	Potential Financial Impact	Time Horizon	Response Strategies
Physical Risks	Storm surge (Acute) Riverine flooding (Acute)	• Floods and extreme precipitation may affect water quality and quantity, or increase the flooding risk of factory buildings in low-lying areas. • It may damage the Group's buildings and facilities, resulting in business disruptions. Projects under construction may face facility damage, safety hazards and delays due to materials supply disruptions.	• Asset losses and increased operational and repair costs due to business disruptions. • Increased human resource costs. • Increased procurement costs for consumer goods.	Short, medium to long-term	• To consider the possibility and hazards of climate disasters during site selection and business planning, incorporating climate factors into assessments. • To adopt wind-resistant design and strengthen the durability of construction materials. • To construct or upgrade flood control facilities, enhance the wind resistance of properties, and use more water-resistant building materials and designs. • To develop emergency response plans and implement preventative measures in advance, conduct timely specialized inspections to mitigate risks, and regularly enhance emergency drills, to ensure the latest requirements are implemented (such as emergency evacuation drills and notifying logistics teams of adverse weather conditions). This safeguards stable business operations under extreme weather, thereby reducing potential risks. • To enhance employees' ability to respond to extreme disasters through relevant training. • To strengthen the development of sponge city infrastructure, establishing an integrated stormwater management system encompassing infiltration, detention, storage, purification, utilization and discharge to effectively enhance resilience against extreme rainfall events. • To engage independent experts to review environmental emergency plans and make recommendations for improvement. • To implement a dual-track procurement mechanism to ensure suppliers' operational continuity during climate-related disasters. • To review existing insurance coverage and plan potential capital investment projects for high-risk assets (such as installing flood barriers).
	Tropical cyclones (Acute)	• More frequent and severe typhoons may cause structural damage to buildings with high window-to-wall ratios, as well as damage to inventory and machinery. • Manufacturing and logistics schedules may be delayed due to operational disruptions or staff being unable to attend work.			

Climate-Related Risks		Risk Description	Potential Financial Impact	Time Horizon	Response Strategies
Physical Risks	Extreme heat (Chronic)	• Extreme heat events may cause crop yield losses, impacting procurement activities for the consumer product business. • Manufacturing schedules may be delayed due to equipment failure or reduced employee productivity. • Associated cooling requirements and costs would increase. • It may cause adverse effects on the health and safety of employees working outdoors or in un-air-conditioned/poorly air-conditioned premises, such as heatstroke and heat exhaustion.	• Asset losses and increased operational and repair costs due to business disruptions. • Increased human resource costs. • Increased procurement costs for consumer goods.	Medium to long-term	• To review existing policies and guidelines to ensure effective safeguarding of staff health and well-being during extreme heat events. • To assess facility design characteristics, such as wall insulation performance and surface material selection, to reduce energy consumption required for indoor cooling. • To optimize system efficiency and upgrade to high-energy-efficiency air-conditioning and cooling equipment. • To adopt flexible working arrangements (e.g. adjusted working hours, remote working or shift system) to maintain staff efficiency and productivity.
Transition Risk	More stringent and emerging regulatory requirements	• Businesses such as sewage treatment and solid waste incineration may be subject to more stringent regulatory restrictions on greenhouse gas emissions. • National policies may result in further strengthening requirements for corporate climate-related disclosures.	• Increased operational costs of projects. • Increased corporate compliance costs.	Short, medium to long-term	• To stay abreast of climate-related laws and regulations, and to make timely adjustments to the direction of corporate strategies and development plans in accordance with policy changes. • To conduct thematic research on greenhouse gas reduction, and to explore the possibility to continuously reduce emissions across various business segments.

Climate-Related Opportunity		Opportunity Description	Potential Financial Impact	Time Horizon	Response Strategies
Transition Opportunity	Adoption of renewable energy	• Innovative technologies were employed to enhance energy efficiency, thereby reducing overall energy consumption. • Operational energy costs were effectively lowered through the application of renewable energy.	• Increased expenditure on installing renewable energy facilities. • Investments in green buildings, new materials and novel technologies may lead to rising annual amortization costs.	Medium to long-term	• To actively explore energy-saving operation methods, strengthen energy management, leverage innovation and upgrades of green technologies and advanced application of environmental protection technologies, and implement practical measures including afforestation, soil and water conservation, and integrated photovoltaic buildings – for instance, the Zhujiajiao project in Qingpu with photovoltaic panels installed on the roof of Luzhou Primary School, thereby achieving the dual objectives of reducing costs year by year and advancing green transformation. • To actively carry out research on low-carbon technologies so as to increase the low-carbon competitiveness in the industry.

We regularly review climate risks and monitor relevant management measures to ensure their effectiveness. On the other hand, we have also identified climate-related opportunities relevant to the Group, including the development and application of energy-saving technologies and equipment, the development of green buildings, the construction of an information platform to monitor power and resource usage, the adoption of clean energy, the expansion of environmental protection business, green finance and sustainable investment. Looking forward, the Group will continue to monitor market changes and prepare to seize the opportunities in the low-carbon transition.

Use of Resources

We have adopted national codes for energy conservation of public buildings and local energy conservation rules in the design of our property projects. Some large complex projects and certain residential projects of the Group are designed in accordance with national Green Building Rating Standards, the WELL health and well-being building standard ("**WELL**") or LEED green building standards ("**LEED**") in order to reduce environmental pollution and the loss of resources in the whole life-cycle of the building through a series of design and measures to save land, energy, water and materials, creating high-standard green buildings and provide customers with healthy, practical and efficient use of space. As of the end of 2025, Shanghai Industrial Urban Development Group Limited ("**SI Urban Development**"), a subsidiary of the Company, has obtained 33 green building certifications (including LEED and WELL), and the total certified area reached 3.79 million square meters. Among these, a total of 14 projects have obtained green building certifications (including LEED and WELL), and the total certified area reached 1.64 million square meters.

All projects of the Group have strictly implemented power saving standards and systematically applied green environment-friendly construction technique. The Group's new development project located at Originally Lot A3 (A3-4 and A3-7) in Xi'an have incorporated a solar hot water system in their design to provide approximately 15% of domestic hot water. In addition, we have used water-saving sanitary ware and set up domestic refuse collection points to separate hazardous waste, food waste, recyclable waste and other waste for recycling. During the Reporting Year, the project of Lingang New Area PDC1-0401 Unit J11-01 parcel was designed based on the three-star green building assessment standard and the three-star standard of WELL, which are in line with the requirements of the guidelines on ultra-low energy building techniques in Shanghai.

We also keep on introducing new construction technique, promote the application of Building Information Modeling ("**BIM**") technology to accurately manage factors such as schedule, cost and quality, and to reduce waste of resources. During the Reporting Year, BIM technology was applied to the engineering management, asset operations and property services of the North Bund No. 90 project under development in Hongkou District, Shanghai, the Project United 88 under its operations, and subsidiary property services. BIM technology was also applied to the design and construction of all Shanghai projects under development by SI Urban Development, and a BIM collaborative management platform was established. In order to improve the functions of the BIM collaborative management platform, we have communicated and discussed with professional consultants to propose improvements in the functions of the platform, its expansion and usage management, to ensure that the platform effectively manages relevant construction information.

In the daily operation, the real estate business also implemented a series of energy-saving measures, including the purchase of electrical appliances with energy labels, the installation of automatic control devices, the installation of LED lights, presetting energy-saving modes for printers and computers, and switching off lights and computers during non-office hours. The real estate business also advocates reducing the usage of air conditioners and avoiding large temperature difference between air conditioners and outdoor temperatures, and encourages employees to work paperless to reduce paper usage and ink cartridges as well as generation of wastepaper. The real estate business also introduced environmental protection publicity in its induction training for new employees to promote environmental conservation. Additionally, we promoted a circular economy in our construction projects by recycling and reusing construction materials.

Regarding property operation, we gradually upgrade existing commercial projects. We improve the energy efficiency of the properties by enhancing the energy efficiency of the electromechanical system, improving the thermal insulation performance of the original building, and upgrading the environmental protection treatment facilities. The Group also regularly monitors the energy consumption of commercial properties, summarizes and analyses the energy consumption, and makes appropriate adjustments to the energy consumption budget.

The tobacco business under the Group has used T5 fluorescent lamps, LED lamps, air compressors and deodorizing fans with higher energy efficiency on a large scale in its production plants, and has upgraded the dust tanks to eliminate the old dust tank with high energy consumption, to further improve the efficiency of resource usage and reduce energy consumption. The Group's printing business is also gradually phasing out high energy consuming equipment with new energy-saving models and adopts new energy-saving vacuum pumps to replace the original vacuum equipment. The printing business has implemented lighting optimization, completely phasing out incandescent lamps, as well as automating the management of gas-fired equipment to optimize the use of natural gas. In order to improve energy efficiency year by year, the printing business has set energy reduction intensity targets in terms of tonne of product or RMB10,000 of output value.

The water-related business of the Group has set energy management targets and the project companies have taken various energy saving actions, such as replacement of old and high energy consumption facilities and equipment with green energy saving products, with a view to reducing electricity consumption. The Lianxi division of our water-related business has set a resource utilization target by organizing project companies to make efforts in energy saving and consumption reduction, such as retrofitting of energy-saving wind turbines and technical modifications of frequency converters.

The Group attaches great importance to green operation. The Group will give priority to new energy vehicles when purchasing new vehicles to reduce energy consumption and air pollutant emissions. For the use of company vehicles, a car dispatch system is implemented, and employees need to apply to the administrative human resources center for car usage. In order to enhance employees' awareness of environmental protection and conservation, we continue to provide environmental protection training and publicity education for employees through various channels. For example, we have added relevant sections such as environmental protection training to the induction training, and plan to organize more energy-saving and environmental-protection activities in the future.

In terms of water conservation, the Group rigorously manages water resources through optimized recovery designs, upgraded water-saving equipment and other measures tailored to actual conditions, thereby enhancing water utilization efficiency. Specific initiatives include online monitoring, periodic inspections, water-saving fixtures and routine awareness publicity. The Group's real estate business has strictly complied with water consumption standard, whereby water conservation equipment and water conservation measures are deployed in the construction sites to improve water consumption efficiency. We have set up reclaimed water reuse facilities, and the collected rainwater will be used for greening and road cleaning after treatment. The business also uses other water conservation equipment, such as sanitary appliances with high water consumption efficiency and sensor faucets. We have also installed water consumption meter to regularly measure and review the water consumption volume of the construction site of each project.

In terms of real estate, we incorporated the design of the sponge city during the project design process of Lingang New Area PDC1-0401 Unit J11-01 parcel and the Tianjin Hedong Polytechnic University Project by constructing water seepage pavements to improve the efficiency of water resource utilization, and to further enhance the buildings' ability to adapt to climate change. The tobacco business of the Group collects rainwater for cooling the plants to reduce water consumption. On the other hand, the printing business also carried out water reuse system improvement works to further increase the reuse rate, with the Jiangsu division increasing its recycling rate from 68% in 2022 to 86% in 2025. The Group aims to gradually reduce water consumption every year through the above water conservation measures. We will continue to monitor water consumption of our business to further set quantitative targets.

In terms of packaging materials, the production of the Group's tobacco and printing businesses require different types of packaging materials, including plastic and paper. We will continue to closely monitor the amount of packaging materials used and look for opportunities to reduce the related consumption of resources in order to minimize the impact on the environment. The Group's printing business has been actively explored new sustainable technologies for eco-friendly packaging products and has established a nationally accredited R&D centre. This centre will dedicate itself to advancing core technological iterations, achieving disruptive breakthroughs, and exploring green low-carbon technologies for fibre packaging products. It aims to establish itself as a source of original industry technologies and a hub for scientific innovation, constructing a closed-loop ecosystem for green packaging from R&D to application. The centre will actively implement the national "dual carbon" strategic objective and uphold the principles of green sustainability.

The resources usage data in the principal businesses of the Group under the scope of reporting in 2024 and 2025 are as follows:

Environmental KPIs	Unit	2025	2024
Total energy consumption	kWh	1,376,494,311.40	1,969,623,808.59
Direct energy consumption[8]			
Diesel	kWh	20,063,486.51	20,471,112.81
Gasoline	kWh	2,278,553.06	2,857,236.07
Liquefied petroleum gas	kWh	33,672.22	63,717.99
Natural gas	kWh	38,128,527.16	660,940,116.12
Ethanol gasoline	kWh	28,548.52	24,823.32
Renewable energy (biogas)[9]	kWh	96,170,931.99	93,172,894.17
Renewable energy (solar energy)[9]	kWh	9,427,967.90	9,788,655.72
Total direct energy consumption intensity	kWh/HK$'000 of revenue	7.97	27.23
Indirect energy consumption			
Electricity purchased	kWh	1,184,269,217.54	1,158,320,806.93
Towngas company gas	kWh	26,083,406.51	23,750,000.83
Heating purchased	kWh	10,000.00	234,444.63
Total indirect energy consumption intensity	kWh/HK$'000 of revenue	58.10	40.89
Total water consumption	m^3	502,138,702.94	479,880,986.79
Water consumption intensity	m^3/HK$'000 of revenue	24.10	16.59
Total packaging materials used for finished products	tonne	13,693.60	12,869.22
Intensity of packaging materials used for finished products	kg/HK$'000 of revenue	0.66	0.45

8 Fuel consumption of vehicles is calculated with reference to the conversion factors in "Appendix II: Reporting Guidance on Environmental KPIs" issued by HKEx.

9 In order to reduce greenhouse gas emissions, the Group's businesses have increased the use of renewable energy. Among them, the renewable energy mainly used in water-related businesses includes electricity generated from solar energy and biogas.

Environment and Natural Resources

The Group continues to promote the application of renewable energy. As a benchmark project for solid waste in the Yangtze River Delta, the Baoshan Center, a key project in the water-related business for waste-to-energy, has been successfully put into operation. The Baoshan project generates electricity through waste incineration, realizing the resource utilization of waste. The electricity generated not only supplements the daily energy supply of the solid waste projects but is also transferred to the power grid. The project adopting international top processing technology, equipment and facilities is designed to be "neighbour-friendly" and "eco-friendly". It can process 3,800 tonnes of waste per day and generate 800 million kWh of green electricity per year. In addition, the Baoshan Project also makes use of tail water to generate steam energy, supplying power for off-site industrial production. The tail water from the Shidongkou Wastewater Treatment Plant under our project company, meets industrial water standards after fibre filtration and meets raw water standard for chemical water production after ultrafiltration treatment. After processing at the existing chemical water treatment plant of the production area, it can be used as boiler feedwater, and the generated steam, after conditioning through desuperheating and reducing pressure, is sold for industrial energy use, achieving energy conversion. It is worth noting that the key sewage treatment project of the Year, the Xicen Water Purification Plant in Qingpu, was put into commercial operation in January 2025, and it has a daily sewage treatment capacity of 25,000 tonnes. Furthermore, the water-related business will construct the Tiantai County Sewage Treatment Plant, which is expected to have a daily treatment capacity of 30,000 cubic meters upon completion. The project is anticipated to be completed and put into operation in April 2026.

Other businesses of the Group have also proactively utilised clean energy, such as installation of photovoltaic (PV) panels on the warehouses in our printing business. During the Reporting Year, the Jiangsu division generated approximately 700,000 kWh of PV electricity, all of which was used within the factory. In addition, the water-related business actively responded to the national policy of promoting the "Water + PV" strategic layout. Distributed PV facilities have been installed on suitable project sites such as rooftops and pond surfaces to help promote the green energy transformation and upgrades. Some projects have also started to explore the use of green electricity through outsourcing.

Discharges into Water and Soil

The Group advocates recycling of water resources trying to avoid or minimize sewage discharge and treats sewage in a cost-effective manner to protect the environment and community.

The drainage facilities of the Group's real estate business must meet relevant regulatory requirements and apply for discharge permits in accordance with the requirements of relevant local authorities. For sewage treatment in the construction area, we have set up catchment ditches on-site and sewage will pass through the sedimentation tank before flowing into the municipal rainwater pipeline. We have set up grease traps in the on-site canteen and sewage is filtered by the grille and then connected to the sewage pipeline. We impose stringent measures in segregating rainwater and sewage and strictly prohibit the discharge of other types of liquid into the municipal rainwater pipe network. Sedimentation tanks are installed at on-site toilets such that sewage and toilet water will be discharged into the municipal sewage pipeline after sedimentation. Construction sewage is strictly prohibited from being directly discharged into municipal sewage pipeline or out of the construction site to pollute the environment. The Group's tobacco business discharges sewage after being treated by the sewage treatment system, with the aim to minimize the pollution to water resources.

The water-related business has adopted relevant measures to ensure the stable and efficient operation of the sewage treatment process and the discharge of wastewater complies with national standards. We conduct routine laboratory tests to collect and test pollutants in wastewater on a regular basis, and some business segments have developed pollutant discharge monitoring system to improve the accuracy and efficiency of monitoring. The business utilizes "laboratory robots" to carry out water quality monitoring work, which improves the efficiency of water quality monitoring while reducing the discharge of laboratory wastewater. In addition, the related business also explored the use of intelligent technology for the fine management of sewage treatment, and independently developed the "Carbon Source" dosing system and the "Chemical Phosphorus Removal" dosing system, which can accurately control the consumption of drugs and electricity while ensuring the stability and safety of the water quality of the sewage discharge. The water-related business has introduced a smart water management platform system to monitor water quality in real time and automatically ensure safety of water supply. The Southern Chinese division is actively exploring the establishment of smart operation systems in some sewage treatment plants and has implemented technologies like "precise aeration". Our smart "digital twin" sewage management platform employs artificial intelligence algorithms to predict water quality fluctuations and automatically adjust process parameters, thereby ensuring the stable and efficient operation of water treatment processes.

The Xicen Water Purification Plant under our Group's water-related segment, is among one of the plants with the highest effluent standards in China. It has been successfully designated as a Shanghai Municipal Key Project and serves as an environmental benchmark project at the Integrated Development Demonstration Zone within the Yangtze River Delta. In early 2025, the Xicen Water Purification Plant was put into commercial operation. Occupying 44.85 mu, its first phase facility boasts a daily treatment capacity of 25,000 tonnes, with effluent quality meeting Class III surface water standards. Centered on "AI + Smart Water Services", the project establishes a smart digital twin control system covering the entire production process. Integrating precision aeration and pure oxygen aeration technologies, it achieves precise operational parameter control and significantly reduces energy consumption, driving efficient management throughout the whole sewage treatment process. Concurrently, low-carbon technologies such as photovoltaic power generation and light-guided illumination are employed to create a garden-style factory that also functions as an ecological park, effectively overcoming the traditional "not in my backyard" (NIMBY) effect associated with sewage treatment plants. The project not only advances infrastructure upgrades at the Demonstration Zone of Green and Integrated Ecological Development of the Yangtze River Delta, injecting green momentum into regional high-quality development, but also establishes a new model of modern water governance that combines intelligence, low-carbon practices and ecological harmony. It provides the entire industry with a replicable and scalable blueprint for smart carbon reduction.

Meanwhile, in response to the national policy on river ecological protection, the Group aims to gradually reduce the rate of sewage discharge every year, and inspect our sewage treatment system as when appropriate to identify effective improvement proposals.

Lastly, the Group's real estate business has carefully planned for the facilities used in the construction sites during the project construction process to reduce environmental noise and pollution. Noisy equipment is kept away from residential areas wherever possible, sound insulation measures are adopted, and low noise construction equipment and technology are used to reduce the impact of noise in construction sites to residents in the neighbourhood.

Waste Management

The Group adheres to waste management policies that are based on the 3Rs (reduce, reuse, recycle) and encourages the reduction of consumption and reusing and recycling of resources. Being a large-scale producer, we actively implement waste reduction strategies and reduce waste from the source. The Group actively and strictly implements classifications of waste. For the aspect of non-hazardous waste, we have set up recycling bins in the office for collecting wastepaper, aluminum cans, metal scraps, plastics and food waste, and employees are encouraged to actively participate in recycling, and then entrusted qualified recycled operators approved by the government for proper recovery and treatment. In addition, small amount of hazardous waste will be produced during the production process which will be strictly handled in accordance with local environmental regulations. This aims to reduce the amount of waste generated during the production process and to meet the relevant government standards.

Real estate projects of the Group when considering their architectural design will take into account environmental impact at various stages of the lifecycle of a project, including site selection, design, construction, operation, maintenance, renovation and demolition, as well as adopting automation and standardization factors to minimize wastage of building materials to effectively control waste generated. To reduce hazardous and non-hazardous waste generated from the real estate business, we ensure domestic waste, construction waste and hazardous waste generated through construction properly collected and transfer them to qualified organizations for disposal. Construction waste is cleaned and transferred from the building structures by setting up temporary enclosed waste hauling lanes, container lifting or bagging. At the same time, we set up different collection points for different types of waste to separate them at source. The sites are equipped with sufficient garbage ponds and bins, and construction waste is centrally stacked and cleaned and transferred in a timely manner to maintain environmental hygiene. We have set up sanitary rooms at construction sites equipped with septic tanks, which are covered and sprayed regularly, and are cleaned by dedicated personnel on a daily basis. Electronic waste are also collected separately and transferred to professional recycling organization for disposal on a regular basis in order to improve the recycling rate of electronic waste.

Due to the business natures, the water-related business of the Group produces a wide range of hazardous and non-hazardous wastes in the course of its operations. Through strict adherence to standardized processes and the use of advanced technology to enhance process efficiency, our water-related business strives to reduce waste at source and treat all types of waste in accordance with the relevant regulations. Main hazardous waste generated from the operation of the water-related business of the Group includes fly ash and activated carbon generated from waste incineration business and a small amount of hazardous sludge, liquid waste from laboratories and waste motor oil generated from other businesses. We strictly implement relevant national regulations and properly dispose of all hazardous waste generated. Fly ash generated from domestic waste incineration is solidified with cement and sequestrant and is then sent to landfills for burial and disposal. Activated carbon generated from flue gas treatment is collected and disposed of by the compliant waste disposal unit or sent to the waste incinerator for incineration according to local environmental regulations. Hazardous sludge, liquid waste from laboratories and waste mineral oil are separately collected and stored in designated areas and sent to professional organizations for centralized disposal. In addition, non-hazardous waste from water-related business includes non-hazardous sludge from sewage treatment, water supply and sludge treatment business, as well as slag from solid waste incineration. Some of the harmless sludge is transferred to local landfills for centralized treatment, while some are recycled for greening of project sites or collected by qualified third-party organizations for use in the production of fertilizers and construction materials.

In terms of consumer product business, our printing business has designated personnel to collect and record hazardous waste, which is then stored in the hazardous waste area for sorted collection. Subsequently, it is treated by qualified waste disposal companies. Used motor oil and kerosene generated in the production process of tobacco business are recycled and disposed of by qualified contractors licensed by the government; while soot and other wastes are compressed in garbage compactor before being sent to landfills. For the office domestic waste, it is sent to the building property management companies for centralized disposal. In addition, recycled building materials are used as much as possible to minimize wastage.

The Group aims to continuously improve the waste management system to reduce the amount of waste generated every year. Meanwhile, in response to the national "Waste-free City" plan, the Group also aims to gradually improve the treatment capacity of municipal solid waste incineration every year to increase the treatment capacity of municipal solid waste. In addition, we are actively researching on the recycling of hazardous waste, such as recycling of used motor oil. The various businesses of the Group have progressively established quantitative targets for hazardous and non-hazardous waste, providing clear direction for each division to gradually reduce emissions. Specifically, the Qingdao division of the Group's printing business aims to reduce 3% in hazardous waste emissions by 2028.

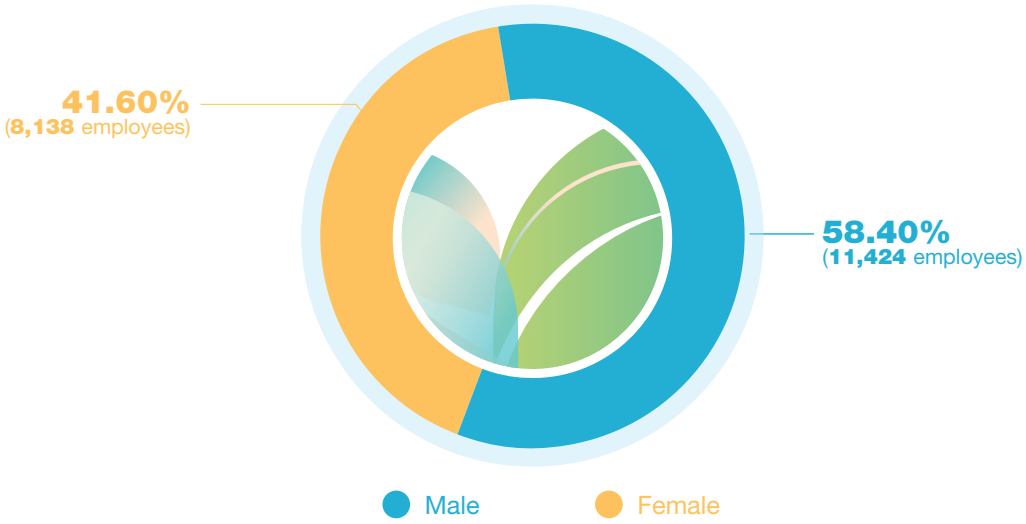
The waste discharge data in the principal businesses of the Group under the scope of reporting in 2024 and 2025:

Environmental KPIs	Unit	2025	2024
Total hazardous waste produced	tonne	26,829.07	28,497.48
Total hazardous waste production intensity	kg/revenue in HK$'000	1.29	0.99
Total non-hazardous waste produced	tonne	2,388,545.08	2,178,732.50
Total non-hazardous waste production intensity	kg/revenue in HK$'000	114.66	75.34

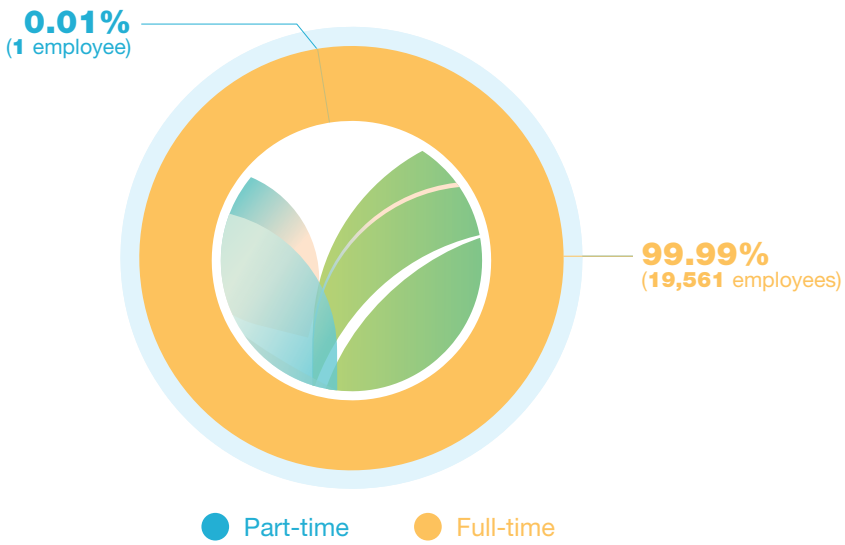
EMPLOYMENT AND LABOUR PRACTICES

Employees are essential for the sustainable development of the Group and we regard them as our most valuable assets. The total number of employees of the Group was 19,562 as of the end of 2025. The Group strives to improve its talent recruitment, retention and development training, with an open, robust and efficient management style to ensure employees realize that their values are properly recognized. The Employment and Labour Practices, Operating Practices and Social Responsibility sections cover the Group's infrastructure and environmental protection (toll roads and water-related businesses), real estate and consumer products (tobacco business and printing business) segments.

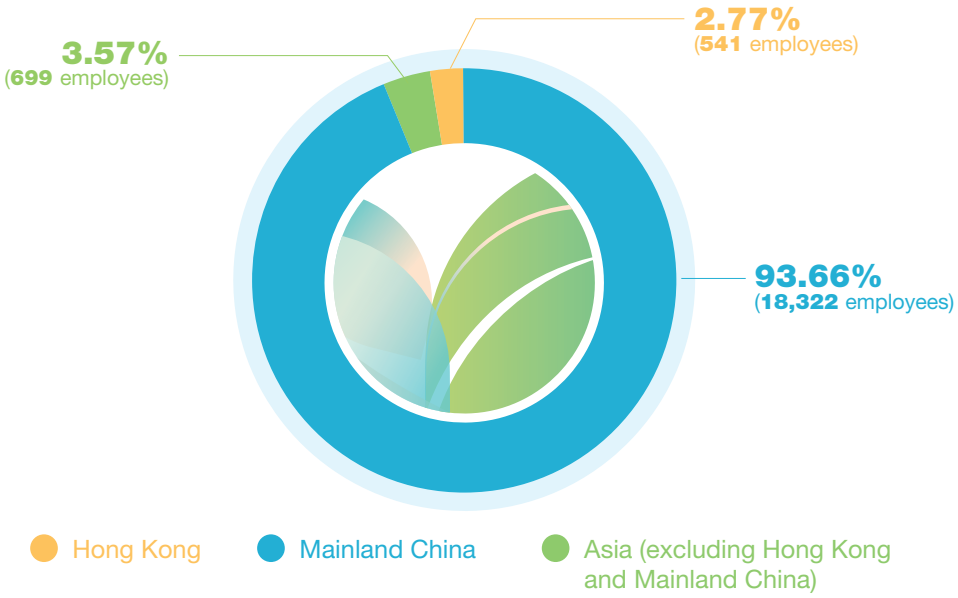
Number and percentage of workforce by gender



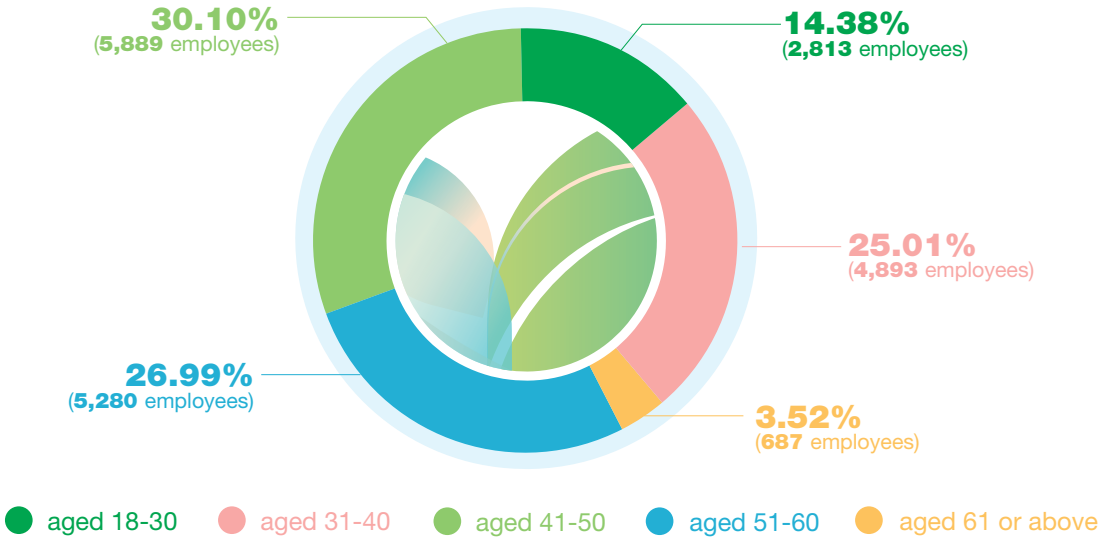
Number and percentage of workforce by employment type



Number and percentage of workforce by geographical region



Number and percentage of workforce by age group



Employment

The Group is committed to talent management and adheres to a "people-oriented" spirit. We have adopted a fair and equal recruitment strategy to attract talented people. By establishing a performance appraisal mechanism through assessing individual contributions, corporate results and market salary trends, we further optimized our human resources policy. Enterprises within the Group have established staff manuals in accordance with the nature of their specific business and needs, setting out policies including office procedures, reporting duty, employment termination, attendance, abnormality management, performance appraisals, rewards and penalties, compensations and benefits as well as training and employee rights, for strict implementation and review and optimization at appropriate time.

By adopting the principle of "remuneration based on position", our enterprises provide employees with competitive remunerations in accordance with economic growth and business operations, integrating a remuneration that is based both on fixed salary and performance appraisal and taking into account job responsibility and individual capability as well as our operating results. The Group pays salaries and bonuses in accordance with relevant national and local regulations, and makes contribution for employees to various social insurance funds and provident funds. Employees are entitled to statutory holidays, marriage and bereavement leave, annual leave, compensatory leave, sick leave, maternity leave and personal leave. In addition, the Group also provides employees with various benefits and allowances, such as lunch allowance, birthday benefits and holiday allowance. During the Reporting Year, the Group strictly complied with relevant national and local laws and regulations and there were no cases of violating employment laws and regulations reported.

Moreover, the Group is committed to building a diversified team. As such, a series of internal human resources policies such as employee handbooks, employee welfare standards and implementation rules have been formulated, which specify the Group's recruitment and dismissal, remuneration and promotion, working hours, leaves, equal opportunities, diversity, anti-discrimination as well as any other treatments and benefits to protect the rights and interests of both employees and employers. The printing business also attached great importance to caring for its female staff and offered greetings and gifts to them on the Women's Day. The Sichuan division also provided health screening for its female staff by collaborating with the local maternal and child health center to provide cervical and breast cancer screenings for its female staff. In addition, the printing business provided subsidies for employment stabilization to new employees, heatstroke prevention and cooling measures during hot seasons, and summer supplies to employees, etc., so as to enhance employees' sense of belonging and happiness by taking practical actions.

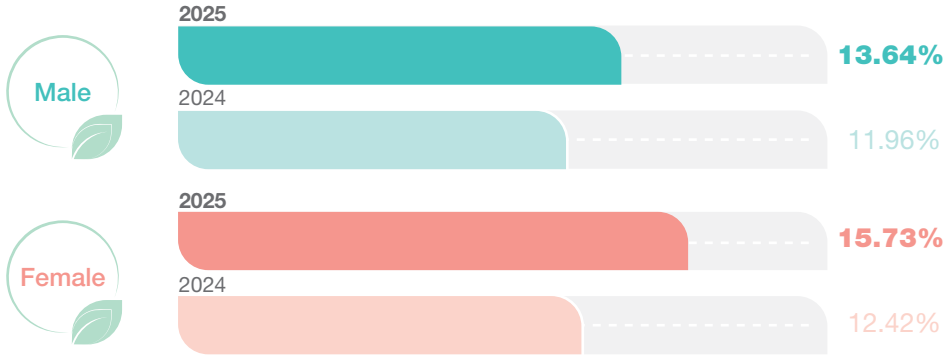
By adhering to the principle of fairness and equality in the recruitment process, the Group focuses on the professional ethics, expertise, experience and development potential of the candidates to ensure that they enjoy equal opportunities and will not be discriminated by their nationality, ethnicity, race, gender, age, marital status, social status or religious beliefs. The Group implements a probation system for newly hired employees. During the probation period, the head of the department where the employee works for will make assessment of the employee. Upon passing the assessment, the employee will be formally hired as permanent staff. Furthermore, the Group regards standardized performance management as the basis of decision-making for talent recruitment and remuneration management. In order to streamline the assessment process while ensuring consistency in the overall assessment, our enterprises follow an objective, fair, standardized and transparent performance management system to assess, promote and reward outstanding talents. During the Reporting Year, the printing business of the Group has held a training in relation to Anti-discrimination Control Procedures, insisted on the principle of "fairness, justice and equality" towards the staff in recruitment, job allocation, appraisal and other activities, and made rectification when discrimination occurs to further promote the corporate culture of fairness and equality. During the Reporting Year, the Qingdao division of the Group's real estate business recruited four employees with disabilities, providing them with equal employment opportunities and a suitable working environment. Additionally, monthly transport allowances were issued to entry-level and intermediate employees.

The Group also respects the employee's freedom of association and right to collective bargaining, emphasizes improving employees' cohesion and sense of belonging through good employee relationship, encourages employees to communicate and interact with the management through company intranet and other channels, and actively carries out staff activities to create a harmonious working atmosphere.

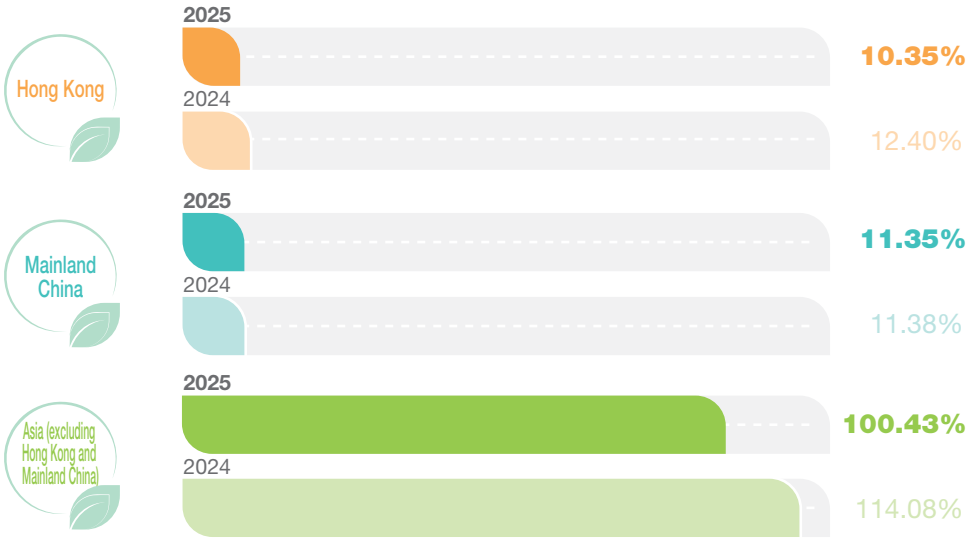
The Group also stipulates the arrangements for cancelling and terminating employment contracts in the employee handbook pursuant to relevant laws and regulations to protect the rights and interests of both parties. The conditions applicable to cancellation of employment contract include failure of employees to observe the attendance system repeatedly during their tenure, provision of false personal information, gross negligence of duties, malpractice, fraud or material violation of any laws and regulations. The Group will arrange employees to properly handover their work and implement departure procedures before the date they leave the job.

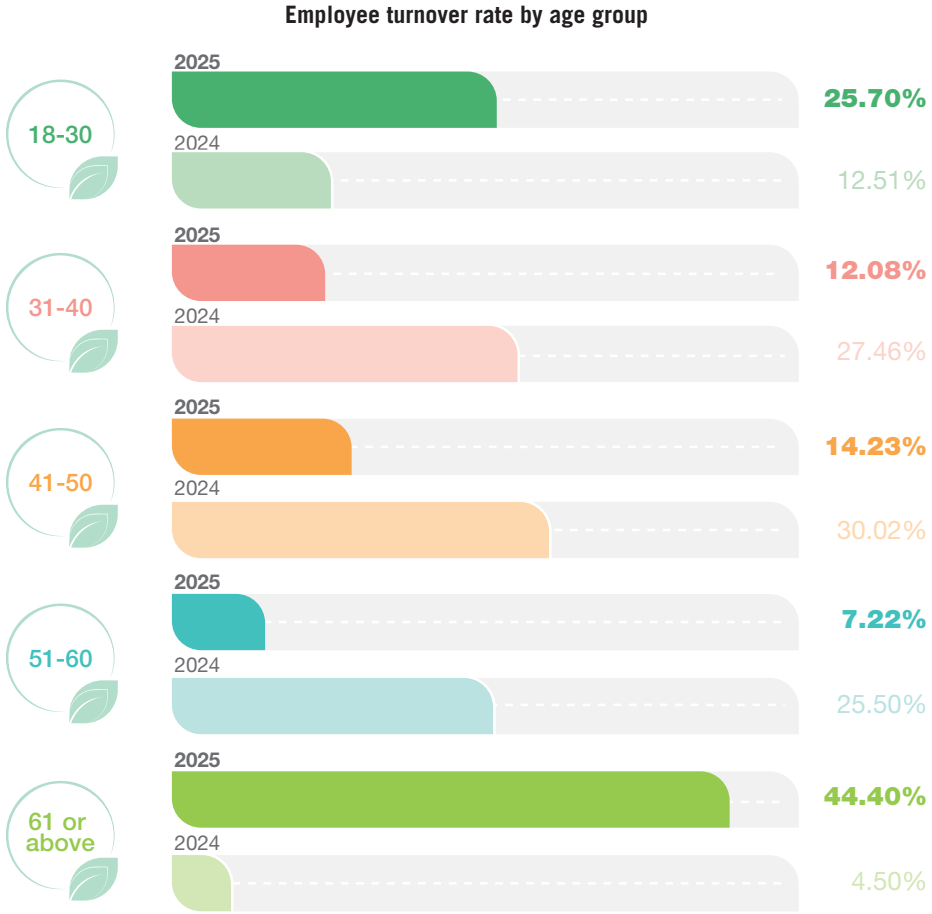
The principal activities of the member companies of the Group are located in China and Hong Kong. In accordance with respective local human resources regulations and corporate culture, we have formulated relevant codes of conduct for employment and we adhere to the policy of diversification and anti-discrimination to provide employees with equal opportunities. The relevant codes of conduct are included in the staff manual for implementation.

Employee turnover rate by gender



Employee turnover rate by geographical region





Health and Safety

Ensuring the health and safety of our employees is crucial to the Group's long-term development. We are committed to providing a safe and comfortable working environment for our staff, adhering to the corporate culture of "healthy lifestyle, joyous working" and constantly improving and enhancing production safety mechanisms of all units, refining and implementing rules and regulations required for occupational safety in production. The Group strictly adheres to local relevant health and safety laws and regulations of where the Group operates that have a significant impact on the Group, such as the Production Safety Law of the People's Republic of China, the Fire Prevention Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Social Insurance Law of the People's Republic of China, the Regulations on Work-related Injury Insurance, the Measures for the Determination of Work-related Injuries and Occupational Safety and Health Ordinance and so on, pursuant to which the Group has formulated all kinds of policies and guidelines for better identification, evaluation and management of substantial hazards in different businesses so as to reduce safety risk. Various business segments of the Group have been accredited by occupational health and safety management system, including the water-related business and printing business, in order to assure the systematic management on the occupational health and safety issue. During the Reporting Year, the Group did not violate any laws and regulations relating to health and safety which have a significant impact on the Group. We establish the corporate safety culture, ensure occupational health and safety of our employees and establish a working environment with zero accident by putting efforts in the following three areas: developing and supervising its safety systems, providing employees with safety training, and enhancing their safety and emergency response capabilities and awareness.

The Group provides employees with various health and safety trainings. Based on actual situations, we proactively organized trainings and drills such as flood control and typhoon control, emergency repair of equipment, firefighting, evacuation, drowning rescue, first aid dressing and cardiopulmonary resuscitation to ensure emergency situations can be dealt with by all employees in time and reduce the extent of accidental injuries. To further enhance the overall standard of safety management, the Group organizes safety workshops, trainings and drills from time to time for promoting occupational health and safety information, and actively creating a safety culture atmosphere to ensure operational safety. In addition to the Group's staff, the Group also actively invites the staff of construction units, leasing units, commercial tenants and other related parties to participate in relevant activities to enhance their emergency response capabilities, thereby reducing the risk of safety incidents. We are also committed to equipping our employees with personal protective equipment in compliance with legal requirements to provide the necessary protection. In addition, the Group provides regular check-ups for employees and monitors and manages safety risks in the workplace to prevent occupational diseases, taking into account the industry-specific nature of each business.

The real estate business of the Group actively works with construction units and implements safety standard guidelines during the construction process to ensure construction safety. It has also established a safety management committee, which shoulders the important responsibility of leading and supervising the occupational health and work safety of the Group, and is committed to enhancing safe production and continuously improving the level of safety management. During the Reporting Year, the safety management committee held a total of 4 production safety meetings, at which the work requirements of production safety was conveyed to internal units, who reviewed the implementation of work safety and at the same time adopted a variety of measures to enhance safety education and training. The occupational safety and hygiene committee of the Group formulated the annual safe production plan and goals and perform day-to-day supervision, the status of achievement of the targets and the investigation and management of potential hazards. It also conveyed the work requirements of production safety to internal individual units, and reviewed the implementation of work safety. The real estate business also actively provides safety trainings for its staff. For example, the Quanzhou division and Chongqing division organised training for its first aiders and safety management personnel, and the employees participated in the trainings have obtained the corresponding certificates. The Qingdao division also tested the effectiveness of employee safety training with a written examination to enhance the safety awareness of all employees. Additionally, the business has implemented a series of safety and health protection measures, including organizing regular health check-ups for employees; incorporating provisions in employment contracts regarding safeguarding workers' occupational safety and preventing occupational hazards; managing working hours and subsidy distribution for employees in roles subject to occupational health impact, high-temperature operations, overtime work and pregnant staff; organizing diverse occupational health education and awareness campaigns; signing the Commitment to Work Safety by Employees of Project Companies with project personnel, requiring adherence to safety protocols and proper use of personal protective equipment; encouraging staff of the headquarters and subsidiaries to participate in the national "Safety and Health Cup" initiative, alongside hosting internal "Safety and Health Cup" knowledge contests to reinforce safety knowledge among entry-level employees.

Moreover, the solid waste division of our water-related business also regularly carries out investigation and management of potential hazards threatening safety production that was organized and led by the key persons-in-charge of the companies. During the Reporting Year, a total of 1,445 inspections of key production areas and professional on-site inspections were conducted, pursuant to which a list of potential hazards was prepared and 100% of the rectification projects were completed. For positions with high exposure to occupational health hazards, warning signs and instructions were posted at conspicuous positions in the factory area, and third-party professional institutions were engaged to make regular inspections and assessment on occupational hazard factors. Professional technical employees were also provided with personal protective equipment that meets legal requirements (including but not limited to helmets, gloves, masks, etc.) to ensure that they are protected from occupational diseases at work. Our water-related business also regularly inspect and replaces protective equipment to maintain the functionality and effectiveness of this equipment.

The water-related business purchased social insurance for all permanent employees, and each business segment has supplemented with commercial insurance based on the actual situation. At the same time, our enterprises have also set up the "Occupational Healthcare Files" to keep and manage the data of employees' medical check-ups in a standardized manner, so as to facilitate the timely tracking and management of their occupational health conditions. They provide annual occupational health check- ups and other occupational disease-related examinations for their employees, and conduct specialized occupational disease examinations for special positions. For example, dedicated lung examinations are conducted for employees who are exposed to production dust to ensure their health conditions. Regarding safety training, our water-related business arranged for the key persons-in-charge and safe production management personnel of the companies to participate in external professional training in batches during the Reporting Year and obtained the qualification certificates of safety management personnel. The Xicen project team collaborated with participating contractors including Shanghai Baoye to establish a safety management group to implement a "snap-and-report" hazard whistleblowing system alongside a "red and yellow card" reward and punishment mechanism. By the application of BIM technology for construction simulation, potential faults were identified in advance, significantly enhancing construction efficiency and reliability. The project successfully achieved a "zero accident" record. The water-related business also invited external experts to hold 1,488 internal safety production training sessions at the companies during the Reporting Year to provide trainings to entry-level employees on professional knowledge on safety regulations, identification of major potential hazards, etc. to improve the overall production safety awareness of employees.

With regard to consumer products, the printing business carried out fire drills, provided professional guidance to its staff and required them to engage in hands-on practice. The Safety Month knowledge quiz was also organized to enhance employees' safety awareness. The business also regularly conducts occupational health check-ups for its employees, carries out workplace occupational hazards inspections for workplaces with occupational hazards and puts a medical kit in place to ensure a safe and healthy working environment.

The toll roads business conducts regular safety training sessions and carries out its winter fire evacuation drills and fire drills to strengthen safety awareness and help all employees master the skills of fire escape and the use of fire extinguishers.

During the Reporting Year, the Group had 2,824 days of paid leave for work-related injuries, an increase of 494 days as compared to 2024, and our work-related fatalities and fatality rate in the past three years are as follows:

Health and Safety Indicators	2025	2024	2023
Work-related fatalities	0	0	0
Work-related fatality rate (%)	0.00	0.00	0.00

Development and Training

The Group attaches great importance to talent nurturing and professional development for its employees. We are devoted to broadening their horizon for growth and helping them to unleash their talent and potential to realize their own value. We also provide employees with a wide range of training and development opportunities and have established a good learning mechanism for them to keep abreast of the latest trends and technical knowledge in the industry and improve their business competence and skills.

To improve the job-related capabilities of its staff, the Group organizes a wide spectrum of internal and external training programmes every year, covering induction training, performance management, management skills, occupational skills, quality control, occupational health and safety as well as financial and tax management for discovering and training talents, to meet overall planning and development needs of each business. The Group formulates annual training programmes for employees at different levels and arranges appropriate training content. For example, seminars are arranged for senior management to enhance their leadership and management capabilities; training courses are provided to middle management and young talents to enhance corporate cohesion and strengthen internal communication and learning to assist new middle managers master their management skills. New employees will be provided with induction training to introduce our corporate culture and development status, corporate organizational structure and rules and regulations, for helping them integrate into the working environment, enhance mutual understanding between employees and team spirit.

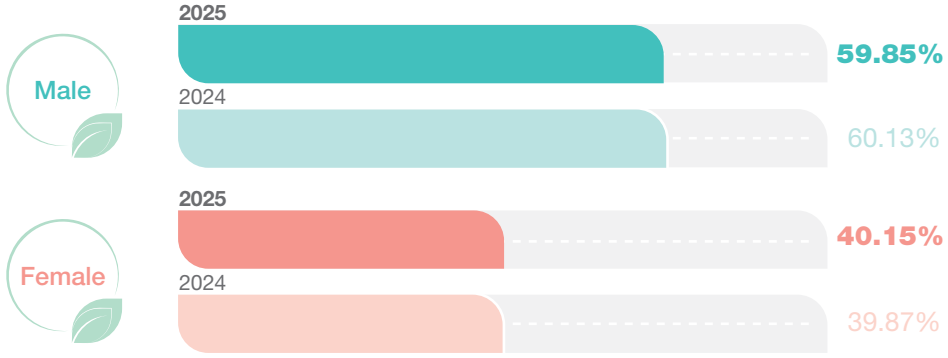
Each business of the Group also conducts business-specific training for their staff. During the Reporting Year, the real estate business's enterprises formulated the Employee Training Management Measures, integrated practical work requirements with annual training needs across departments, planned and implemented a series of training programs by way of internal corporate training, external corporate training, seminars, exchange meetings, domestic and international field trips, commissioned training and online learning. These initiatives aimed to enhance employees' overall competence and professional skills, elevating the comprehensive capabilities – including knowledge, skills, and attitudes – of staff across departments and functional lines within their respective professional domains. During the Reporting Year, the real estate business arranged the management to attend the training for directors and supervisors organised by the State-owned Assets Supervision and Administration Commission to enhance their management skills. It also organised staff reading club(s), courses on mental health and topical training courses to create a learning atmosphere, provided professional training on real estate market, risk management, green building, safety culture and other topics to their employees. Among these initiatives, the Huzhou division organized the staff of the finance department to participate in the online continuing education program for accounting professionals of the Zhejiang Province, enhancing their operational capabilities. The Qingdao division conducted specialized training on cybersecurity awareness and safe use of AI. The real estate business organized staff to attend dual-certification training for project manager empowerment and emergency response capability enhancement for property projects, while establishing a modern apprenticeship scheme. During 2025, the printing business organized specialised training on Innovation and Practice in Labour Efficiency Enhancement, alongside academic advancement programs and vocational skills grading courses. A vocational skills appraisal centre was also established to further support staff upskilling.

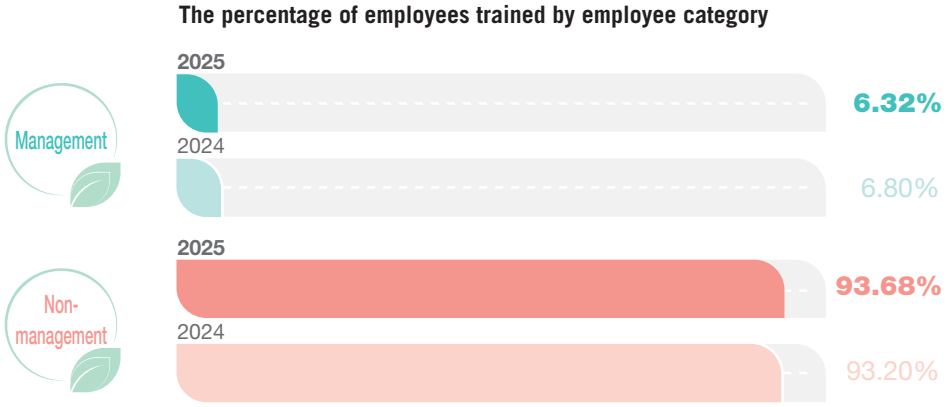
Apart from regular training, the Group also regularly organizes other activities to help staff develop their potential and to recognize outstanding performance and encourage continuous improvement. The printing business organizes annual awards to recognize outstanding staff and teams, including the Best Creativity and Progress Awards, to encourage staff to continue to improve and apply creativity in their daily work to enhance productivity. The printing business adhered to the "Management System for Specialized Staff Improvement Rewards", which aims to enhance the creativity and skill level of staff through the provision of rewards to all staff for their participation in improvement.

During the Reporting Year, the average training hours completed per employee by gender and average training hours completed per employee by category were as follows:

	2025 Average training hours	2024 Average training hours
Average training hours completed per employee by gender		
Male	26.87	25.60
Female	33.19	30.76
Average training hours completed per employee by category		
Management	30.61	22.61
Non-management	29.42	28.12

The percentage of employees trained by gender





Labour Standards

The Group strictly complies with the laws and regulations related to labour standards in which it operates which have a significant impact on the Group including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Rights and Interests of Women, the Law of the People's Republic of China on the Protection of Minors, the Provisions on the Prohibition of Using Child Labour and Employment Ordinance, prohibits any child labor and forced labor and adheres to the employment principles of equality, fairness and compliance. To prevent the use of child labor and forced labor under all circumstances, the Group has established the Child Labor Prevention and Remedial Procedures, the Underage Worker Protection Procedures, the Student Worker Control Procedures and the Forced Labor Prohibition Procedures for internal reference in its daily operations. Candidates would be asked to provide valid identification documents for verification of his/her identity and age during recruitment to ensure that he/she applies for the job voluntarily and meets the legal requirements for entering labor contracts. Persons under 18 will be rejected for job application. The Group also implements a standard working hour system in its daily operations to ensure the work shift system and attendance system are in place. The Group strictly offers compensatory leave and compensation for overtime work with strict enforcement in accordance with relevant national and regional regulations. We also stipulate that employees enjoy statutory holidays, marriage leave, bereavement leave, annual leave, compensatory leave, family visit leave, sick leave, maternity leave, breastfeeding leave, paternity leave and personal leave to protect employees' reasonable working hours and rights. During the Reporting Year, the Group did not find any violations related to child labor and forced labor. If the above situations are identified, the Group will strictly follow our internal guidelines to deal with violations.

OPERATIONAL PRACTICES

Supply Chain Management

In view of the diversity of its business, the Group has to interact with a wide range of suppliers in its daily operation. For this reason, we are committed to establishing a close partnership with them to seek mutual interest and to arrive at a common goal for growth. To select suppliers with excellent environmental and social performance, the Group will conduct environmental and social risk assessments on potential suppliers' business scope, service areas, quality and reputation, corporate qualifications and collaborative spirit before issuing tender invitations. We regulate tendering and bidding activities through relevant systems in the tendering and bidding process to ensure the quality and efficiency of procurement work; we also implement a fair and transparent tender evaluation system to create a fair, open and equitable tendering and bidding process for enhancing procurement efficiency. When we receive a bidding plan from a potential supplier, we will review the bidding proposals and will consider its feasibility and reasonableness, supply schedule and guarantee measures, equipment employed and performance, quality, safe and civilized construction and environmental protection measures, maintenance measures, profiles of project managers and the main technical management personnel, relevant projects undertaken and performance, etc. for assessment. We also carry out qualification checks on potential suppliers through data collection and site visits to identify qualified suppliers in terms of their business scopes, service areas, qualifications, key achievements and accreditations, etc. and discuss with them on suitable cooperation plans. Finally, the winning bidder is determined according to the evaluation results, and the contract is signed with the winning bidder in accordance with the Group's procedures.

Enterprises within the Group have established their respective Supplier Management Policy to establish a systematic supplier management, qualification assessment and approval system to ensure suppliers meet all assessment criteria. The water-related business segment arranges its procurement work in strict compliance with the company's rules and regulations such as the "Procurement Management System", "Management Rules of Tender Evaluators in Procurement" and "Contract Management Rules" during tendering, bidding, consultation and negotiation of tenders, and its business divisions also conduct audits of procurement-related work in accordance with the "Internal Audit System" on a regular or ad hoc basis, so as to ensure that the risks associated with the supply chain are kept under control. The Group's water-related business division commenced promotion of the "Procurement Management System". Relevant personnel responsible for procurement from all departments and units attended meetings to understand the new evaluation procedures for supplier management and enhance the job standardisation. In addition, the real estate business formulated the "Management Measures of Project Suppliers of the Group" to ensure that its supply chain partners meet the company's standards on quality, environment, health and safety, employment and compliance, etc.

Besides, the Group has maintained a long-term, stable and reliable supplier database. The Group's subsidiaries would perform an annual assessment on their own suppliers and update the supplier list to ensure that the collaborative suppliers have certain strengths and can fulfill the requirements of the Group, so as to improve the design quality of the company's projects, as well as to assess the environmental and social factors of the suppliers with higher effectiveness and objectively.

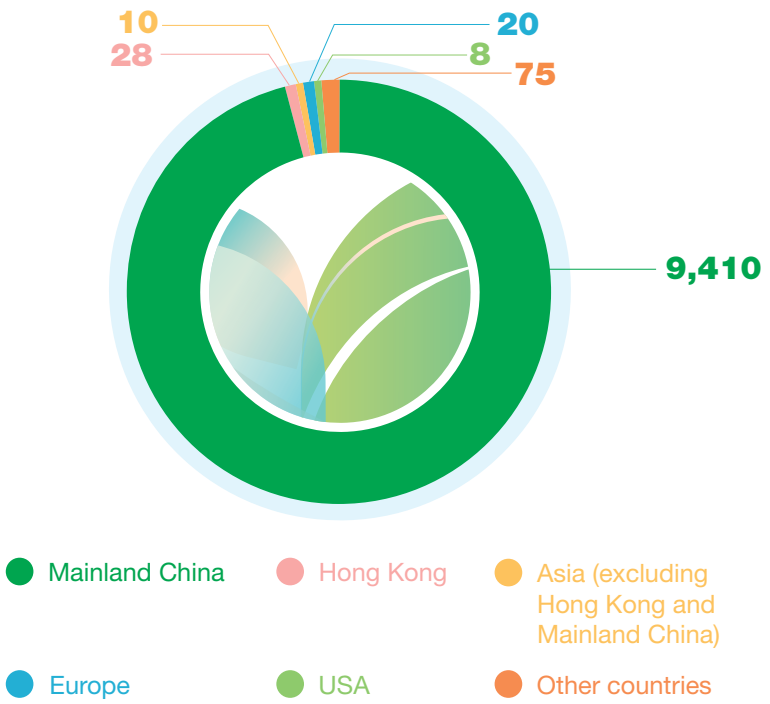
In addition, to reduce the environmental risks of the suppliers, the enterprises of the Group have thoroughly considered the environmentally friendly and energy saving factors when selecting suppliers. The printing business of the Group has driven suppliers to sign the Agreement on Non-Use of Hazardous Substances and Environmental Material Assurance, managing environmental risks in the production process from the source. Certain suppliers have obtained FSC forest management certification and been designated as national-level green factories, achieving deep alignment between the production process and environmental standards. The business enterprises plan to source 75% of paper from sustainably certified resources by 2026, further enhancing the green and low-carbon attributes of the industrial chain.

The water-related business segment has replaced the original hazardous chemical methanol with an environmentally friendly product, composite carbon source, in the selection of pharmaceuticals, to ensure that all incoming materials meet the environmental requirements. In the future, we will continue to actively carry out environmental procurement work, give priority to environmentally certified products in order to reduce the negative impact of procurement activities on the environment. The Group will review green development from a broader perspective, and advocate a green environmental protection and sustainable business model.

The toll road companies have implemented an innovative collaborative model by adopting a supplier-based energy management contracting approach to enhance energy utilization efficiency. Meanwhile, they have refined operational standards and established detailed specifications for maintenance contracts to achieve standardized and regulated management throughout the entire maintenance and operational lifecycle. This approach has ultimately resulted in effective reductions in energy consumption, thereby fulfilling the dual objectives of energy conservation and enhanced operational efficiency.

To effectively prevent and control the potential risk of its supply chain, we usually avoid using one single supplier. The ongoing international political events in recent years have led to a continuous increase in the global price of natural gas, a shortfall in the supply of tobacco leaves and a significant increase in price, resulting in numerous uncertainties in the supply of filaments used in the production of tobacco. The tobacco business has initiated internal discussions to anticipate the price trend and supply and demand situation from time to time, and made arrangements with suppliers to maintain supply. The tobacco business also required its suppliers to provide more environmentally friendly products, and examined whether their products had satisfied those requirements by checking against the requirements of new technical standards or the inspection reports for incoming goods. During the Reporting Year, such requirements have been implemented to three suppliers. During the Reporting Year, the Group had engaged 9,551 suppliers, of which 9,438 were from Mainland China and Hong Kong.

Number of suppliers by geographical region



Anti-corruption

Business ethics and integrity are the keys of corporate governance. With a strong emphasis on corporate integrity and honesty, the Group strictly adheres to laws and regulations relating to bribery, extortion, fraud and money laundering in which it operates, namely the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China and the Prevention of Bribery Ordinance, and compliance to requirements of the Listing Rules. Corruption of any kind will not be tolerated. The Group has established a whistle-blowing policy to encourage reporting of relevant misconducts by its staff and people who conduct business with the Group such as customers and suppliers. Our supervision and examination department(s) will review any reported malpractices in detail as the Group has zero tolerance for any misbehaviours. The Group launched anti-corruption training activities in different forms such as thematic counselling seminars, forums, and visits to integrity education bases to enhance the professionalism of directors and employees in practicing integrity. We have established and monitored responsibility and accountability systems, to foster an excellent corporate integrity culture. For example, the real estate business of the Group organized an "Integrity Education Campaign" in an effort to raise their awareness of integrity. The Group's tobacco business provided occupational ethics training and education to its staff to enhance their awareness of the relevant rules and regulations.

Furthermore, in adherence to good corporate governance principles, the Group has tightened internal control management and warning education and enhanced sound discipline inspection work. The headquarters of the Group conducts special audits of its subsidiaries on a regular basis, covering finance, procurement, operation and production. If employees are found to have violated the Group's anti-corruption policy or engaged in illegal activities, the Group will, subject to the severity of the incidents, either seek compensation from such employees or report them to the judiciary.

We convey expressly our determination and undertaking for integrity and honesty to our employees through staff manuals and internal training, and emphasize the Group's requirements for professional ethics and declaration of interests. All directors and senior executives of the Group display their integrity by taking the lead as a role model, and the general managers of functional departments and subsidiaries are also held accountable in the building of the Group's ethical system. The real estate business clarified in its "Employee Handbook" that all employees have to adhere to the business ethics promoted by the companies on law-abiding, integrity, honesty and professionalism, as well as fulfilling the obligations of anti-corruption, anti-bribery, anti-monopoly, fair competition and anti-money laundering, and organized specialized staff training sessions on "integrity in professional conduct". The printing enterprise of the Group also provided training on "Agreement on Anti-corruption" to their staff, requesting all employees to sign the Anti-Bribery/Anti-Corruption Commitment, and required the marketing and procurement personnel to enter into an "Agreement on Anti-corruption". The Group's tobacco business has established a compliance committee to develop robust compliance management processes and a whistleblowing mechanism, thereby strengthening oversight and investigation of corrupt practices. During the Reporting Year, the Group did not involve in any related legal proceedings, claims or disputes which have a significant impact on the Group.

Product Responsibility

In order to realize our commitment to customers and provide excellent quality of products and services, the Group is committed to continuous innovation to improve the quality, health and safety standard of its products and services. At the same time, the Group creates more opportunities and channels of communication for customers, and strives to understand the needs of our customers, enabling them to have a more pleasant experience. In order to assure the quality of projects, the water-related business of the Group encouraged each business segment to formulate quality management system on the basis of ISO 9001, and multiple segments including the Huadong segment has obtained the certification of ISO 9001 Quality Management Systems, in order to strengthen the measures on internal policies and management. There were no sold or delivered products that had to be recalled for safety and health reasons in 2025.

In addition, the Group has established a comprehensive "Progress Management Policy". It regularly tracks and evaluates the progress, safety and quality of each project as well as difficulties encountered during the research period, and develops and implements solutions in a timely manner. In respect of the high demand on product quality and the use of materials and equipment, our enterprises the companies will supervise the construction units based on the requirements of the Construction Quality Management Policy to ensure that qualified and safe materials, components and equipment are used. They will also hire qualified supervision agencies to monitor and inspect projects during construction, undergo sample testing or repeat testing of materials on-site to ensure project quality and safety. General contractors, subcontractors and other construction units are required to develop overall construction plans and use BIM technology to adjust and optimise project designs. The enterprises have set up a system on acceptance inspection and delivery management in accordance with the Acceptance Inspection Assessment Criteria for the Quality of Construction and Installation Projects and the relevant standards. Comprehensive inspections would be performed on the projects together with the supervision agent, professional engineers and construction units before project completion and delivery. If necessary, the construction units would be urged to repair any defects in quality. Relevant units would also share and exchange their experiences and ideas regularly on managing project construction quality for the purpose of improving the project quality of each property project company.

Our commitment to quality is also reflected in the reliability of our products and services. In the course of the hotel operation of our real estate business, we emphasize safety management, proactively implement risk accountability policy and continuously carry out risk assessment, drill, training and inspection on safety matters while regularly cooperating with professional organizations to repair and maintain the access control system, security system and fire alarm system of our hotels. The property companies focus on customers and established the "Complaint Handling Operation Procedures" to ensure that customer complaints are handled in a timely, effective and reasonable manner. Multiple customer communication channels have been set up, including an 800 complaint hotline, contact hotline for projects and the company's website to rapidly respond to customers' complaints or other requests. Within 1 hour after receipt of a complaint, the customer service personnel will forward the customer's request to the project or department involved. The customer will be contacted within 24 hours and the complaint handling will be completed within 72 hours with a return visit to the customer for updates of the progress. The Group's real estate business adheres to the customer-oriented service principle, strictly controls product quality, proactively communicate with customers, continuously improves its customer service system to enhance customer experience and satisfaction. The real estate business has actively engaged in two-way communication and exchanges with tenants, such as organizing tenant talks to discuss with tenant representatives on issues such as management services, hardware and software facilities, ancillary services, and responding to various enquiries from tenants in a timely manner. Complaints lodged by tenants will be forwarded to relevant departments such as engineering and technical departments in a timely manner after self-inspection by the property and commercial management departments, to ensure that the complaints are properly handled.

The water-related business under the Group has established various policies, namely the Production and Operation Process Management Policy, the Operation Project Water Quality Management Policy and the Production Scheduling Management Policy, to manage daily production and ensure that the water supply quality of each project company is up to standard. The Group will strictly adhere to the requirements set out in the Emergency Plan for Unexpected Environmental Incidents to handle the occurrence of any abnormal conditions in a reasonable and legal manner. Our water-related business divisions operate a 24-hour customer service hotline for water services to receive complaints, repair reports and requests for assistance from tenants, which are handled to ensure that the quality of customer service is enhanced. To address the growing demand for water supply services driven by a growth in the number of customers, and to safeguard the fundamental right of customers and the wider community to conveniently access safe and clean drinking water, our business enterprises have established an online water supply application platform. Customers may complete the entire process of water supply application and installation online via the official website or WeChat public account, enabling a convenient "doorstep" service experience that genuinely enhances service accessibility and customer satisfaction. In the realm of community care and responsibility, our business enterprises actively promote the "Water Services in Community" initiative. Temporary service points have been established in residential communities, offering on-site service processing and distribution of convenience service cards, enabling water-related matters to be resolved within the community. Meanwhile, water conservation awareness campaigns were conducted to strengthen public consciousness of water resource protection, fostering green and low-carbon water usage concepts and promoting sustainable water resource utilization. To ensure environmental adaptability for water supply projects in the cold areas of Northern China, our business enterprises deployed specialized winter cold-weather protection measures in advance. Through multi-faceted initiatives – including enhanced freeze protection upgrades to water supply facilities, optimized operational management protocols for low-temperature environment, and strengthened emergency response capabilities during extreme weather – the enterprises have guaranteed the safe and stable operation of water supply systems in severe cold conditions. This effectively safeguards the basic water needs of residents in the Northern China in winter, fulfilling the responsibility for safeguarding the sustainability of infrastructure services.

In addition, the tobacco business has established a quality management system to strictly implement annual internal and external audit in order to assure that the production is in line with related quality requirements, and any production issues will be traced and stopped as soon as they are detected. During the Reporting Year, the business duly handled complaints regarding product quality and has traced back to find out the root cause of the problem and offered a satisfactory solution. The Group's printing business has a complete quality management system in which information such as product names, production personnel and time can be traced through product labels. Finished products need to have their quality seals printed and pasted by the production personnel before warehousing. The printing companies will respond promptly upon receipt of customer complaints by paying a visit to the customer's site quickly, to provide solutions and improvement reports and help the customer solve the problem. They also carry out reviews on abnormal inventory and production lines.

The Group highly values the importance of protecting customer information and privacy and strictly complies with the laws and regulations in which it operates, including Law of the People's Republic of China on the Protection of Consumer Rights and Interests and Personal Data (Privacy) Ordinance, strictly prohibiting the disclosure of customer privacy without permission. The Group's subsidiaries keep customer data and privacy information in their management system and put them into different categories for administration purpose. Such data and information can only be accessed by authorized personnel. The Group requires employees to keep customer information confidential and strictly prohibits any form of divulgence by means of establishing rules and regulations, staff manual, internal communication and training. When it is discovered that customer information has been or may be divulged, the Group will immediately handle, report and rectify the case and hold relevant personnel accountable in accordance with its relevant policies.

In respect of the protection of intellectual property rights, the water-related businesses of the Group proactively research innovative processes based on their operations. In which, the northeast division of our water-related business set up a research and development centre with 23 researchers with a dedicated laboratory equipped with bacteriophage development, process trial experiment, comprehensive testing and other functions, which was graded as a hi-tech enterprise of Heilongjiang. During the Reporting Year, the research and development centre has obtained 8 licensed invention patents, 5 pending invention patents and 8 licensed utility new model patents for its independent development. In addition, the Group's tobacco business is committed to protecting the Group's intellectual property through proper collection and management of product packages and designs and photos of retail outlets. The Group's real estate business properly manages its construction design patents and trademark registrations. Specific clauses on intellectual property protection are written in the relevant contracts to explicitly set out the copyright and right of use of the relevant design patents and registered trademarks to ensure non-infringement of third-party intellectual property rights or trade secrets.

SOCIAL RESPONSIBILITY

As an established red chip company with a strong presence in the society, we have built a rapport with the local communities and fulfil our community responsibilities. In 2025, we promoted our social responsibility work mainly through supporting education, helping the poor, promoting knowledge on the use of water and social health. The Group integrates corporate brand development with corporate resources to innovate models for charitable and public welfare activities. By voluntarily initiating various public welfare activities, the Group gains experience in concerning about and giving back to the society. Social responsibility activities organised or participated by the Group during the Reporting Year are as follows:

Through close communication with local residents, the Group is eager to understand their living needs, listen to the voices of the people, and pay attention to their livelihood, with the cumulative amount of donations for the Year reaching HK$76.07 million. The Group's real estate enterprises continued to deepen the collaborative support and assistance programme between Shanghai and Yunnan, launching the third round of support and assistance program for Tangzi Village, Dezhu Township, Midu County, Yunnan Province. This focused on local distinctive industries and projects which help improve livelihood. Throughout 2025, outreach visits were conducted to gain a thorough understanding of local residents' genuine needs and the utilization of funds. Pragmatic measures has deepened the Shanghai-Yunnan industrial poverty alleviation collaboration, injecting sustained momentum into the high-quality development of supported and assisted regions. As at the end of the Reporting Year, the Group had cumulatively provided support and assistance funds of approximately RMB600,000 to Tangzi Village, RMB90,000 of which was donated during the Reporting Year. As a member of Shanghai Property Management Association, a subsidiary of the Group voluntarily donated specifically used for the educational support and assistance project of Qiaojia County in order to supplement teaching equipment and has effectively advanced the implementation of the rural revitalization strategy. During the Reporting Year, the real estate enterprises also actively participated in public welfare and charitable activities, including donations to the Flame Blue Fire and Rescue Fund, the Lantianxia Charity Fund and the Village Rural Revitalization Project for Chengguangcun, Chongming. In September 2025, the real estate enterprises successfully hosted its third charity sale event. The event aimed to encourage staff to donate personal items they no longer required, which were then sold in the staff canteen. All proceeds were directly donated to the China Charity Aid Foundation for Children. Additionally,, the real estate enterprise has for 29 consecutive years supported the Chengkai Hope Primary School in Lu'an, Anhui Province, and made donations to the Municipal Charitable Foundation and other institutions. In addition, the toll-road companies also participated in paired-up support and assistance work for rural revitalization of Qingyun Village, Midu County, Yunnan Province.

Various divisions of the Group's water-related business actively engaged in community support and voluntary services, benefiting residents across multiple provinces. The water-related enterprises have established a clear community investment strategy, focusing on three key areas: environmental education, community wellbeing and local inclusion. This is underpinned by dedicated budgets and employee volunteer programs. The water-related business has deeply engaged in various public welfare and emergency response initiatives, including volunteer services, charitable donations and flood relief efforts, demonstrating tangible commitment to giving back to society. In the meantime, they have consistently adhered to the rural revitalization strategy, supporting the development of underdeveloped areas. Currently, the Group has established a long-term support and assistance mechanism, providing annual fixed funding to support the educational assistance project at Qingmai Primary School in Dezhu Township, Midu County, Yunnan Province. During the Reporting Year, the Group donated RMB130,000 to the school, specifically allocated for teaching building renovations. This effectively improved local educational infrastructure, demonstrating solid support for high-quality development of rural education. Total social contribution expenditure reached RMB557,000, with employees accumulating 3,205 hours of voluntary service.

As the pandemic has relieved, the Group shifted the focus of community support from anti-pandemic to healthcare, assisting the community to build up healthy living habits and providing medical services to residents in need to maintain the overall health of the community. During the Reporting Year, the Group's tobacco business organized 3 talks on cardiovascular and orthopedic health, each attracting over 100 participants. At the same time, community free clinic services and meridian-exercise activities were organized to effectively improve the health condition of residents. The Group also co-hosted a cultural thematic performance celebrating the anniversary of the handover and enriching community cultural life.

The Group upholds the core philosophy that "social responsibility is rooted in development". Since 2022, its printing business has formally launched a paired support and assistance program with Nanjunping Primary School, integrating educational philanthropy into its long-term ESG strategic framework. Since the inception of the project, the Company has established a dedicated scholarship fund with a clear disbursement plan for 2025–2027. In the next three years, the Group will provide an annual specialized scholarship of RMB24,000 to students who are excellent in both conduct and academic performance. Through this initiative, the Group proactively improves the educational conditions of rural schools, demonstrating the Group's commitment to corporate social responsibility through concrete actions. These actions help contribute to the equitable allocation of educational resources and supporting long-term rural revitalization.

We believe in giving back to the society. In the future, the Group will keep engaging in activities such as optimizing business environment, facilitating community water supply in summer, collaborating in community development, alleviating poverty in villages and towns, actively participating in volunteer services and external corporate communications, enhancing corporate image and demonstrating corporate brand influence.

Compliance

The Group is committed to ensuring that its business operation complies with relevant laws, rules and regulations. Close attention is paid to relevant regulatory changes from time to time. The Group also conducts extensive compliance review to strengthen the effectiveness of its internal control and regulatory compliance and has formulated and renewed its internal control policies and procedures, to provide guidance for our operation. Furthermore, the Group holds work seminars or trainings regularly to enhance employees' awareness and understanding of its internal control and compliance procedures.

During the Reporting Year, we were not aware of any violation by the Group of any laws and regulations relating to environmental protection, employment and labour practices, operational practices and social responsibilities which might have a material adverse effect on its operation. Nor the Group has in any form violated the laws and regulations relating to bribery, extortion, fraud and money laundering.

CONTENT INDEX OF THE ESG REPORTING CODE

Our 2025 Environmental, Social and Governance Report has been prepared in accordance with the latest version of the ESG Reporting Code as set out in Appendix C2 to the Listing Rules.

Part C: "Comply or explain" Provisions

Environmental	Descriptions	Relevant Section / Remarks
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, etc.	Environmental Protection, Air Emissions and Greenhouse Gas Emissions, Discharges into Water and Soil, and Waste Management
KPI A1.1	The types of emissions and respective emissions data	Air Emissions and Greenhouse Gas Emissions, Discharges into Water and Soil, and Waste Management
KPI A1.3	Total hazardous waste produced and intensity	Waste Management
KPI A1.4	Total non-hazardous waste produced and intensity	Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them	Air Emissions and Greenhouse Gas Emissions, and Discharges into Water and Soil
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	Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw material	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity	Use of Resources
KPI A2.2	Water consumption in total and intensity	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Use of Resources
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
KPI A2.5	Total packaging materials used for finished products and with reference to per unit produced	The water-related business and real estate business of SIHL do not require packaging for delivery to clients, and the total amount of packaging materials used in tobacco and printing business is set out in the section "Use of Resources".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental	Descriptions	Relevant Section / Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	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	Environment and Natural Resources

Social	Descriptions	Relevant Section / Remarks
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, holidays, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Employment and Labour Practices, and Employment
KPI B1.1	Total workforce by gender, employment type (e.g. full- or part-time), age group and geographical region	Employment and Labour Practices
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Employment
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

Social	Descriptions	Relevant Section / Remarks
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
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
KPI B4.2	Description of steps taken to eliminate such practices when non-compliance is discovered	Labour Standards
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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social	Descriptions	Relevant Section / 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	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Product Responsibility
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 Year and the outcomes of the cases	Anti-corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored	Anti-corruption
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	Social Responsibility
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Social Responsibility
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	Social Responsibility

Part D: Climate-related Disclosures

Reference Paragraph		Relevant Section / Remarks
(I) Governance		
19	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Governance Structure for Environmental, Social and Governance Issues
	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Governance Structure for Environmental, Social and Governance Issues
	(iii) how the body(s) or individual(s) takes into account climate- related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Governance Structure for Environmental, Social and Governance Issues
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Governance Structure for Environmental, Social and Governance Issues
	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Governance Structure for Environmental, Social and Governance Issues
	(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Governance Structure for Environmental, Social and Governance Issues

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Reference Paragraph		Relevant Section / Remarks
(II) Strategy		
Climate-related risks and opportunities		
20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate Change
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Climate Change
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Climate Change
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Climate Change
Business model and value chain		
21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Climate Change
	(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Climate Change

Reference Paragraph		Relevant Section / Remarks
Strategy and decision-making		
22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Climate Change
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Climate Change
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	Climate Change
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Climate Change
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Climate Change
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Climate Change

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Reference Paragraph		Relevant Section / Remarks
Financial position, financial performance and cash flows		
Current financial effect		
24	An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Climate Change
	(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Climate Change
Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	Climate Change We have completed a preliminary high-level assessment of climate-related risks and opportunities and have disclosed their potential financial impacts. Quantitative data will be disclosed when relevant information becomes available. We do not anticipate that climate-related risks will have a material financial impact on the Group's business. Moving forward, we are committed to achieving full disclosure in the foreseeable future to uphold transparency and accountability in information disclosure.
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	We have completed a preliminary high-level assessment of climate-related risks and opportunities and have disclosed their potential financial impacts. Quantitative data will be disclosed when relevant information becomes available. We do not anticipate that climate-related risks will have a material financial impact on the Group's business. Moving forward, we are committed to achieving full disclosure in the foreseeable future to uphold transparency and accountability in information disclosure.

Reference Paragraph		Relevant Section / Remarks
Climate resilience		
26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	Climate Change We have completed a preliminary high-level assessment of climate-related risks and opportunities and have disclosed their potential financial impacts. Quantitative data will be disclosed when relevant information becomes available. We do not anticipate that climate-related risks will have a material financial impact on the Group's business. Moving forward, we are committed to achieving full disclosure in the foreseeable future to uphold transparency and accountability in information disclosure.
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	The Group has not identified any significant areas of uncertainty.
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Not applicable. The Group has not identified any immediate need to adjust or adapt its strategy or business model due to climate change.

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Reference Paragraph			Relevant Section / Remarks
26	(b)	how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	Climate Change
		(ii) the key assumptions the issuer made in the analysis; and	Climate Change
		(iii) the reporting period in which the climate-related scenario analysis was carried out.	Climate Change

Reference Paragraph		Relevant Section / Remarks
(III) Risk Management		
27	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Climate Change
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	Climate Change
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	Climate Change
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	Climate Change
	(v) how the issuer monitors climate-related risks; and	Climate Change
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	The Group has not changed the processes it uses compared with the previous reporting period for identifying, assessing, prioritising and monitoring climate-related risks.
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Risk Management Corporate Governance Report
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Risk Management Corporate Governance Report
(IV) Metrics and Targets		
Greenhouse gas emissions		
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions;	Air Emissions and Greenhouse Gas Emissions
	(b) Scope 2 greenhouse gas emissions; and	Air Emissions and Greenhouse Gas Emissions
	(c) Scope 3 greenhouse gas emissions.	Air Emissions and Greenhouse Gas Emissions

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Reference Paragraph		Relevant Section / Remarks
29	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Air Emissions and Greenhouse Gas Emissions
	(b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Air Emissions and Greenhouse Gas Emissions
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Air Emissions and Greenhouse Gas Emissions
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	In 2025, the Group made no changes to the measurement approach, inputs or assumptions.
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Air Emissions and Greenhouse Gas Emissions
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Air Emissions and Greenhouse Gas Emissions
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	We will make disclosures when relevant information is ready. However, we do not anticipate that climate-related risks will have a material financial impact on the Group's business.
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	We will make disclosures when relevant information is ready. However, we do not anticipate that climate-related risks will have a material financial impact on the Group's business.

Reference Paragraph		Relevant Section / Remarks
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	We will make disclosures when relevant information is ready. However, we do not anticipate that climate-related risks will have a material financial impact on the Group's business.
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	We will make disclosures when relevant information is ready. However, we do not anticipate that climate-related risks will have a material financial impact on the Group's business.
Internal carbon prices		
34	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	At present, we do not apply an internal carbon price in decision-making.
	(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Not applicable. At present, we do not apply an internal carbon price in decision-making.
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Currently, the Group has not factored sustainability performance into its reward and incentive schemes for management and staff.
Industry-based metrics		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Air Emissions and Greenhouse Gas Emissions, Use of Resources, Waste Management

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Reference Paragraph		Relevant Section / Remarks
Climate-related targets		
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Currently, climate-related targets are established at subsidiary level. For instance, the water-related business has set targets to peak carbon emissions by 2030 and achieve carbon neutrality by 2060; the printing business has established greenhouse gas emission targets across its various local divisions; and we will consider setting a group-wide quantitative target in the future.
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Currently, climate-related targets are established at subsidiary level. For instance, the water-related business has set targets to peak carbon emissions by 2030 and achieve carbon neutrality by 2060; the printing business has established greenhouse gas emission targets across its various local divisions; and we will consider setting a group-wide quantitative target in the future.
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Currently, climate-related targets are established at subsidiary level. For instance, the water-related business has set targets to peak carbon emissions by 2030 and achieve carbon neutrality by 2060; the printing business has established greenhouse gas emission targets across its various local divisions; and we will consider setting a group-wide quantitative target in the future.

Reference Paragraph		Relevant Section / Remarks
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and	Currently, climate-related targets are established at subsidiary level. For instance, the water-related business has set targets to peak carbon emissions by 2030 and achieve carbon neutrality by 2060; the printing business has established greenhouse gas emission targets across its various local divisions; and we will consider setting a group-wide quantitative target in the future.
	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	At present, the Group has not used any carbon credits to achieve its net greenhouse gas emissions target.
Applicability of cross-industry metrics and industry-based metrics		
41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Air Emissions and Greenhouse Gas Emissions, Use of Resources, Waste Management