DYNASTY
Since 1980

# Dynasty Fine Wines Group Limited
# 王朝酒業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code：00828



# 2025
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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# Environmental, Social and Governance Report

## 1. ABOUT THIS REPORT

### 1.1 Introduction

This Environmental, Social and Governance Report (the "**Report**") summarises the Environmental, Social and Governance ("**ESG**") initiatives, plans, and performance of Dynasty Fine Wines Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**" or "**we**") during the period from 1 January 2025 to 31 December 2025 (the "**Year**"), and demonstrates its commitments to sustainable development.

### 1.2 Reporting scope

This Report contains the policies and performance in respect of environment and society associated with the Group's business in the production and sale of wine products. The environmental policies and key performance indicators disclosed in this Report are mainly related to its wine products production business, and cover its Sino-French Joint-Venture Dynasty Winery Ltd. ("**Dynasty Tianjin**", being the key winery of the Group) in Tianjin, the People's Republic of China (the "**PRC**" or "**Mainland China**"). The scope of disclosure in the society aspect covers Dynasty Tianjin, Dynasty Fine Wines (Asia Pacific) Limited in Hong Kong, and a Hong Kong office. The above reporting scope is determined prudently based on entities with major environmental impacts in the Group's business. For information on corporate governance, please refer to the Corporate Governance Report set out in the Annual Report of the Company this year.

Unless otherwise stated, the Group obtained the data of the ESG key performance indicators through its operational control mechanisms.

### 1.3 Reporting framework

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code under Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**"). For the disclosure requirements and contents of the ESG Reporting Code, please refer to 9. Content index of "ESG Reporting Code" of this Report.

### 1.4 Reporting principles

***Materiality:***

The Group has formulated this Report based on the stakeholder engagement and the results of materiality assessment. More details are set out in 2.2 Stakeholder engagement and 2.3 Materiality assessment of this Report, and this Report has covered major ESG issues that stakeholders are concerned about.

***Quantitative:***

The Group discloses environmental and social key performance indicators in this Report. The standards, methods and reference data used to calculate key performance indicators have been explicitly listed in this Report, so that our stakeholders can fully understand the Group's ESG performance.

***Balance:***

In the preparation of this Report, the Group has presented its performance in all aspects of sustainability in a fair and transparent manner.

***Consistency:***

The Group strives to adopt consistent reporting and calculation methods as far as reasonably practicable to improve the comparability of ESG performance. At the same time, the Group will elaborate in the corresponding chapters when there are major changes in data.

### 1.5 Contact us

For more detailed information on the Group's environmental, social and corporate governance, please refer to the website of the Hong Kong Stock Exchange (https://www.hkexnews.hk) or the Group's official website (https://www.dynasty-wines.com/investors). We value the comments from our stakeholders. If you have any comments or suggestions on this Report or the overall sustainable development of the Group, please feel free to contact the Group at esg@dynasty-wines.com.

## 2. ESG MANAGEMENT

### 2.1 Governance statement of the Board

The Group integrates the concept of sustainable development into its ESG management approach, deeply understands that a sound management system not only creates value for stakeholders but also generates long-term returns for the enterprise, and has therefore established it as a core component of its business strategy. To ensure the effective implementation and regular review of the ESG management approach, the Group has built a comprehensive ESG governance structure.

Directors of the Group (the "**Directors**") bear the responsibility for ESG management. Through regular ESG meetings, they review the progress of various issues and the achievement of targets, determine ESG strategic directions, and oversee the operational effectiveness of the Group's ESG risk control and internal control mechanisms. The Board bears the responsibility of promotion and supervision, facilitating smooth communication channels among departments to enable full exchange and collaboration on ESG matters.

# Environmental, Social and Governance Report

The Group has established an ESG working group composed of core members from different departments, tasked with collecting ESG-related data and conducting reviews and assessments of performance in areas such as environment, health and safety, labour practices and product responsibility. Through meetings of the board of Directors (the "**Board**"), special reports and other communication channels, the working group reports ESG performance and assessment results to the Board, assists the Group in continuously improving its ESG governance capabilities and ensures the effective operation of risk management and internal control systems.

During the year, the Board engaged an independent advisor to assist with ESG matters, carry out data and information collection and analysis, and provide recommendations for improving ESG performance. The advisor also helped collect and analyse stakeholders' opinions on ESG matters and conducted a materiality assessment, allowing stakeholders to rate and rank the importance of various ESG issues, thereby identifying ESG issues of critical importance to the Group. The Board also reviews the content and quality of the annual ESG report to ensure it meets the Board's requirements, while closely monitoring market dynamics and the latest guidance from regulatory authorities, adjusting the ESG management approach as appropriate to effectively lead the Group's ESG development process.

## 2.2 Stakeholder engagement

The Group believes that the engagement and opinions of stakeholders are important parts of sustainable development work. We stress maintaining close contact with stakeholders. By establishing different channels for communication, we understand and respond to the expectations and requirements of stakeholders, regularly review ESG issues of importance to key stakeholders and monitor the impact of ESG performance on stakeholders, and thus formulate and implement strategies for improvement, in a way that the Group's business practices can meet the expectations of stakeholders. The expectations and requirements of various stakeholders for us and our corresponding communication and response methods are set out below.

| Stakeholder | Expectations and Requirements | Communication and Response Methods |
|---|---|---|
| **Government and regulatory bodies** | • Compliance with laws and regulations<br>• Promoting local economic development<br>• Paying tax according to laws | • Regular communications with regulatory bodies<br>• Inspection and supervision<br>• Compliance management |
| **Board of Directors** | • Compliant operation<br>• Improving financial performance<br>• Corporate sustainable development | • Board meetings<br>• Routine communication and reporting |

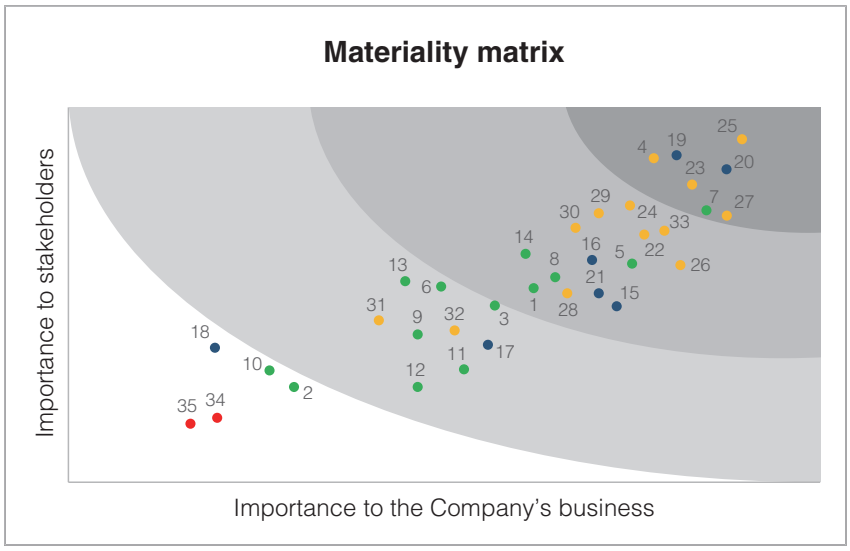
| Stakeholder | Expectations and Requirements | Communication and Response Methods |
|---|---|---|
| **Shareholders, institutional and individual investors** | • Improving financial performance<br>• Enhancing the value of the Company<br>• Corporate sustainable development | • General meeting<br>• Announcement and Circulars of the Company |
| **Suppliers** | • Product quality<br>• Performance of contracts in accordance with law | • Regular assessment<br>• On-site inspection<br>• Exchanges and visits |
| **Customers** | • High-quality products and services<br>• Health and safety<br>• Performance of contracts in accordance with law<br>• Business integrity and ethics<br>• Protection of customer information and privacy | • Customer service centre and hotline<br>• Customer satisfaction survey<br>• Telephone and meetings<br>• Social media platform<br>• Customer activities |
| **Environmental and compliance authorities** | • Emissions in line with standards<br>• Energy saving and emission reduction<br>• Ecological protection | • Exchanges with local environmental departments<br>• Communications with local residents<br>• Submission of report<br>• Investigation and inspection |

# Environmental, Social and Governance Report

| Stakeholder | Expectations and Requirements | Communication and Response Methods |
|---|---|---|
| **Industry associations** | • Formulating standards for the industry<br>• Exchange of industry experience | • Participating in the forums of the industry<br>• Inspection and reciprocal visits |
| **Employees** | • Equal opportunities<br>• Health and safety<br>• Remuneration and benefits<br>• Career development<br>• Humanistic care | • Staff meetings<br>• Routine communication and reporting<br>• Regular appraisal of performance<br>• Training and workshops |
| **Communities and the public** | • Promoting the development of communities<br>• Openness and transparency of information<br>• Compliant operation | • The website of the Company<br>• Announcements of the Company<br>• Community activities |
| **The media** | • Compliant operation<br>• Upholding the business ethics | • The website of the Company<br>• Press release<br>• Announcements of the Company |
| **Non-governmental organisations** | • Environmental protection | • Announcements of the Company<br>• Community activities |

## 2.3 Materiality assessment

To enhance the Group's ESG and related risk management while better addressing stakeholders' expectations, we conducted an internal stakeholder questionnaire survey with the assistance of a third-party ESG consultant. The Group collected opinions from various departments and business units on potential ESG issues and referred to the materiality map provided by well-known external organizations. This enabled the Group to identify key ESG issues and categorize them into four levels: "Extremely Important", "Moderately Important", "Very Important" and "Important", thus helping us quickly identify critical issues closely related to the Group's business.




| Extremely Important | |
|---|---|
| **No.** | **Issues** |
| 25 | Quality Management |
| 20 | Training and Development |
| 19 | Occupational Health and Safety |
| 23 | Supply Chain Management |
| 27 | Responsible Marketing and Promotion |
| 4 | Anti-Corruption |
| 7 | Emissions Management |

# Environmental, Social and Governance Report

| Moderately Important | |
|---|---|
| **No.** | **Issues** |
| 24 | Compliant Procurement |
| 22 | Operational Compliance |
| 29 | Intellectual Property Protection |
| 33 | Energy Management |
| 26 | Customer Health and Safety |
| 30 | Research and Development |
| 5 | Greenhouse Gas Emissions |
| 16 | Remuneration and Benefits |
| 21 | Prevention of Child Labour and Forced Labour |
| 15 | Employment Compliance |
| 14 | Environmental Accident Prevention and Management |
| 8 | Use of Water Resources |
| 28 | Customer Service Management |
| 1 | Environmental Compliance |

# Environmental, Social and Governance Report

| Very Important | |
|---|---|
| **No.** | **Issues** |
| 6 | Waste Management |
| 3 | Wastewater Management |
| 13 | Addressing Climate Change |
| 17 | Working Hours and Leaves |
| 32 | Customer Privacy Protection and Data Security |
| 9 | Green Office |
| 11 | Raw Material and Packaging Material Use |
| 31 | Information Security |
| 12 | Ecological Protection |

| Important | |
|---|---|
| **No.** | **Issues** |
| 2 | Vehicle Emission Management |
| 10 | Green Energy Projects |
| 18 | Diversity and Equal Opportunity |
| 34 | Public Welfare and Charities |
| 35 | Promoting Community Management |

During the year, the Group has established appropriate and effective management policies and monitoring systems concerning ESG matters, and has confirmed that the information disclosed in this Report meets the ESG Reporting Code.

# Environmental, Social and Governance Report

## 3. ENVIRONMENT

### 3.1 Standards and goals of environmental protection management

To promote green development and ensure the effective implementation of environmental protection work, the Group has formulated environmental protection management regulations, assigned corresponding environmental responsibilities based on the positions of the employees, prepared environmental emergency plans to reduce the potential impact of environmental incidents, and established environmental protection operating procedures to standardise sewage treatment, exhaust gas emissions, hazardous waste management and other processes.

The Group has established a leading management group for environmental protection work, composed of the general manager and other senior management, responsible for determining the environmental development guidelines and plans and supervising the progress of environmental protection work. There is an environmental protection management office under the management group, responsible for implementing the environmental protection plans, establishing an environmental emergency response mechanism, and tracking the implementation of environmental protection practices.

The environmental protection duties of different departments and personnel are listed in the environmental protection management system, which assigns environmental protection works to each level of the Group. In terms of specific division of duties, the discipline inspection and supervision department is responsible for the disciplinary actions related to accidental environmental pollution incidents, the labour union is responsible for assisting in environmental protection promotion and activities, and the equipment department is responsible for the management of environmental protection requirements and regulations in the procurement process. Through such allocation of responsibilities, the Group ensures that environmental protection management covers all business aspects, achieving the sustainable development goal of full participation.

The Group also listed long-term plans of environmental protection management within the environmental protection management standards, aiming to create more value for the society. Among them, the guidelines and goals of environmental protection are as follows:



## 3.2 Emissions

The Group has upheld the concept of sustainable development in business operation and strived to reduce the impact on the environment during its production process. The Group strictly abides by relevant laws and regulations on environmental protection, including but not limited to "Environmental Protection Law of the People's Republic of China", "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", "Water Pollution Prevention and Control Law of the People's Republic of China" and "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes".

The Group has always implemented the approach of "sound system, cherishing resources, treating the Earth well and sustainable development". Therefore, the Group has set control procedures for the identification and evaluation of environmental factors to identify exhaust gas, wastewater and waste generated during the operation and has established environmental protection responsibility system to control and reduce the potential impact of operating activities on the environment. The Group endeavors to manage various types of emissions generated during production to ensure relevant statutory requirements on emission levels are satisfied.

The Group strictly complied with the environmental laws and regulations of the PRC related to wine business during the year and did not record any emissions-related violations.

### *i. Exhaust gas emissions*

The Group's exhaust gas generated by the business in the PRC mainly generated from routine use of motor vehicles. To effectively control and reduce emissions from motor vehicles, the Group takes various emission-reduction measures, including making full use of the seating capacity of vehicles to carry maximum number of passengers in the minimum times of ride, conducting maintenance and inspection of vehicles on a regular basis, and providing training to drivers to ensure no running engines on idling vehicles. Through these measures, the Group is committed to reducing exhaust gas emissions arising from its business operations.

The Group's performance on vehicle exhaust gas emissions is summarized as follows:

| **Vehicle exhaust gas** *(Note 1)* | **Unit** | **2025** | 2024 |
|---|---|---|---|
| Nitrogen oxides ($NO_X$) | kg | **8.51** | 6.83 |
| Sulfur oxides ($SO_X$) | kg | **0.13** | 0.14 |
| Particulate matter (PM) | kg | **0.63** | 0.50 |

*Note:*

1. The emission factors are derived from "Guidelines on Greenhouse Gas Emission Accounting and Reporting" provided by the National Development and Reform Commission of the PRC (the "**NDRC of the PRC**") and "Reporting Guidance on Environmental KPIs" (the "**Appendix II**") provided by the Hong Kong Stock Exchange.

The Group uses natural gas as the fuel of the boiler in the production process, which produces no substantial air pollutants during the combustion process given the fuel characteristics of natural gas. The Group ensures that its boiler operation complies with the "Emission Standard of Air Pollutants for Boiler" (DB12-151-2016) of Tianjin. In summer, the Group maintains the independent operation of gas-supply production equipment. In winter, the heating system is operated together with the gas-supply production equipment to save energy. Meanwhile, the Group engages qualified third-party testing agencies regularly to test the emissions of the boilers to ensure compliance with emission standards. To further reduce the emission of air pollutants from boilers, the Group has installed an external flue gas recirculation system, introducing the flue gas into the burner to reduce the combustion temperature, thereby reducing the emission of nitrogen oxides generated by high-temperature combustion.

***ii. Wastewater treatment***

The wastewater of the Group comes from production sewage and the domestic sewage. The production sewage comprises the wastewater from washing the equipment of production workshops of the Group, filling and cleansing bottles, boiler blowdown, water purification, etc. The domestic sewage comes from the daily usage of water for the office buildings, canteens, washrooms, etc. Domestic sewage is treated through the grease trap and septic tank, and then enters the sewage treatment station together with the production sewage. During the year, the Group generated a total of 83,727 tonnes of production sewage and domestic sewage (2024: 114,921 tonnes). The Group regularly engages third-party agency to conduct sewage testing, and its sewage discharge standards are determined according to the "Integrated Wastewater Discharge Standard" (DB12/356–2018) of Tianjin. During the year, our wastewater testing results met the statutory requirements.

In order to effectively enhance the monitoring and management of wastewater, the Group constructed the automatic monitoring facilities for sources of pollution connected with the monitoring center of the environmental protection authority at the main wastewater outlet. The water pollution monitoring data will be transmitted through the Internet to the environmental protection authority for real-time monitoring, ensuring the Group's discharge of wastewater is in compliance with requirements.

### *iii. Waste management*

The Group takes a classification-based approach to the management of non-hazardous and hazardous waste generated in business operation. Non-hazardous wastes include general waste (including wine lees) and kitchen waste, waste paper, glass and plastic. The production processes from grapes to wine will produce wastes such as grape stems, grape seeds and grape residue. The de-stemmed grapes are pressed and crushed. The grape residue, including grape skins and grape seeds, settles and forms wine lees and are brewed with the wine liquid to help enhance the taste of the wine. Through classification, the Group will recycle and reuse recyclable waste to reduce the impact on the environment, while non-recyclable waste will be transported to government landfill for disposal. In addition, the Group encourages its staff to reuse office supplies such as envelopes and folders, and to reduce the use of disposable and non-recyclable products. In respect of paper consumption, the Group posts notices next to the copiers and printers to remind staff to reuse or use both sides of the paper as much as possible, and conducts regular paper consumption surveys to monitor paper consumption and take appropriate improvement measures, and electronic hand dryers are installed in toilets to reduce paper towel usage.

For hazardous wastes, the Group will effectively manage and process in accordance with relevant laws and regulations including but not limited to "National Hazardous Waste Inventory" and "The Measures for Administration of Joint Disposal of Hazardous Wastes" to minimize the risk of causing hazards to the environment. The hazardous waste generated by the Group during operation includes ink cartridges, mercury-containing solutions, and organic waste liquids from laboratories. The Group engages qualified hazardous waste transportation companies and processing units to collect and process the hazardous wastes.

The data of wastes generated by the Group are as follows:

| Waste | Unit | 2025 | 2024 |
|---|---|---|---|
| Total non-hazardous waste *(Note)* | Tonnes | **126** | 76 |
| Non-hazardous waste intensity | Tonnes/tonne of production output | **0.021** | 0.011 |
| Total hazardous waste | kg | **1,364** | 1,503 |
| Hazardous waste intensity | kg/tonne of production output | **0.232** | 0.214 |

*Note:* The increase in non-hazardous waste was due to the recycling of glass bottles and cardboard boxes of obsolete inventory during the year.

Currently, the Group aims to promote and implement the concept of circular economy, strives to educate staff on the importance of waste reduction and promote recycling measures, and assesses material usage based on operational needs of the Group to avoid excess inventory, thereby reducing waste generation. In the long term, the Group expects to gradually reduce the amount of waste sent to landfill.

### 3.3 Use of resources

As energy, water resources and packaging materials are essential to the production of the Group, the Group attaches importance to resource management and use. The Group complies with the "Law of the People's Republic of China on Energy Conservation" and other laws and regulations concerning energy and resources conservation, and actively promotes the effective use of resources to reduce the impact on the environment while maintaining the quality of production. The Group is highly aware of the overall energy consumption. Therefore, it has established and implemented regulations related to energy management, clarifying the rules of use of various energy and the responsibilities of various departments. Meanwhile, the Group established a monitoring team to monitor the potential impact of business operation on the environment on a real-time basis, and supervise and inspect the energy use by production systems and non-production systems.

### *i. Energy management*

The Group's energy consumption includes direct energy such as natural gas, gasoline and diesel and indirect energy consumption such as electricity purchased from third parties. The Group actively implements the concept of energy-saving and emission reduction, and energy consumption of production equipment has been reduced through maintenance and innovation of production equipment, possible arrangements for production plans to reduce equipment downtime and other measures. For the purpose of effective monitoring of electricity consumption, the Group will record and compare monthly electricity consumption and natural gas consumption to monitor and analyse energy consumption, understand the effectiveness of the energy-saving measures implemented, and make timely adjustments to reduce non-essential energy consumption. In addition to reducing the use of electricity in the production process, the Group also develops relevant energy use requirements for daily operations to raise energy use efficiency, and adopts various measures including using daylight as much as possible and setting up independently controlled lighting switches by area; keeping lighting fixtures and lamps clean to enhance energy efficiency; replacing the lamps in the filling workshop and office area with LED lamps with less electricity consumption; changing the public area lighting to automatic sensing; allowing employees to wear casual attires to reduce the use of air conditioners in the hot weather and on Fridays; specifying the opening temperature and lowest temperature of air-conditioning, and avoiding excessive use of air-conditioning; arranging for cleaning and regular inspection of central air-conditioning components to improve cooling efficiency; regularly inspecting and replacing pressure gauges, pressure hoses and connectors of air compressors to minimize the possibility of refrigerant leaks; and prioritising the purchase of electronic equipment with energy efficiency labels.

In addition, the Group also encourages employees to develop the habit of saving electricity, and lists the requirements on the use of electrical appliances and electricity in the employee management rules, so as to work together with the Group to cultivate a thrifty and frugal atmosphere, reduce unnecessary energy consumption and relieve the burden on the environment. The Group promotes and educates its employees on emission-reduction measures to enhance their sense of environmental responsibility through different media channels such as email, posters and intranet, and encourages them to turn off the lighting equipment when leaving, and follow the rule of readily turning off the lights in an unoccupied area, and turn off electrical appliances and equipment that are not necessary to use in order to save electricity during standby time.

# Environmental, Social and Governance Report

The Group's energy consumption performance is summarised as follows:

| Type of energy | Unit | 2025 | 2024 |
|---|---|---|---|
| **Direct energy consumption** | | | |
| Natural gas *(Note 1)* | MWh | **2,376** | 2,317 |
| Gasoline *(Note 2)* | MWh | **88** | 94 |
| **Indirect energy consumption** | | | |
| Electricity | MWh | **2,732** | 3,242 |
| Heat | MWh | **9,523** | 9,907 |
| Total energy consumption | MWh | **14,719** | 15,560 |
| Energy consumption intensity | MWh/tonne of production output | **2.50** | 2.21 |

*Notes:*

1. The calculation factors used are derived from "Guidelines on Greenhouse Gas Emission Accounting and Reporting" provided by the NDRC of the PRC.

2. The calculation factors used are derived from the Energy Statistics Manual from the International Energy Agency.

Currently, the Group aims to reduce unnecessary energy consumption and improve energy efficiency, and will continue to gradually reduce the intensity of energy consumption by adopting various measures, such as the use of energy-saving equipment and employee education. The Group has adjusted energy consumption composition and continued to install voltage regulators for equipment with large electricity consumption. In the future, the Group will remodel the transformer room and adjust the distribution of electricity loads in order to achieve the goal of reducing energy consumption and improving the efficiency of energy use.

### *ii. Water management*

The use of water resources of the Group includes water for production and domestic use. In order to prevent the wines from contamination, all the glass bottles used are required to undergo washing procedures before wine bottling. The Group procures glass bottles with high-hygienic standards and washes them under high pressure to reduce the amount of water used in the cleansing process. The Group strictly implements the annual consumption of groundwater as approved by the Tianjin Water Conservation Office to ensure that actual consumption does not exceed the planned targets. The Group also implemented a series of water-saving and energy-saving programs, such as "Pure Water Production Equipment Renovation Program" and "Program for the Increased Use of the U.S. Gamajet Cleaning Nozzles" to reduce water for production use. The Group is committed to reduce water consumption, implementing water-saving measures, and encouraging employees to actively lower their water usage. The Group has reminded employees to turn off the taps after using the sink, and posted water-saving reminder stickers at water supply locations and restrooms to raise the water-saving awareness among employees. The Group regularly checks the readings of water meters and hidden water leakage. If there is any dripping of water from the taps, the Group will immediately arrange for repairs to ensure the effective use of water resources and avoid wastage. In addition, the Group will use faucets and urinals with water-saving labels, and pay attention to the latest water-saving devices and discuss the possibility of applying them, so as to further reduce the consumption of water resources. Based on the production model and the geographical location of plants and offices, the Group has no issues with sourcing water that is fit for purpose.

The Group's water consumption performance is summarised as follows:

| Water Resources | Unit | 2025 | 2024 |
|---|---|---|---|
| Total water consumption | $m^3$ | **76,191** | 102,668 |
| Intensity of water consumption | $m^3$/tonne of production output | **12.96** | 14.60 |

### *iii. Use of packaging materials*

The Group mainly produces wine products, and the main packaging materials include cartons and paper products and glass wine bottles. The Group improved the production conveyor and increased the spacing of glass wine bottles to reduce damage to glass wine bottles due to collisions, thereby reducing unnecessary consumption of packaging materials. In addition, the Group conducts regular assessment of material usage to avoid overstocking.

The Group's performance on the consumption and intensity of packaging materials is summarised as follows:

| Packaging Materials | Unit | 2025 | 2024 |
|---|---|---|---|
| Consumption of packaging materials | Tonnes | **4,647** | 7,403 |
| Intensity of consumption of packaging materials | Tonnes/tonne of production output | **0.79** | 1.05 |

## 3.4 Environment and natural resources

In response to increasingly stringent policies on environmental protection, the Group strives to strengthen environmental management, integrates the concept of environmental and natural resource protection into its internal management and daily operation, and strives to ensure that the treatment of waste gas, wastewater and solid wastes is compliant with relevant laws and regulations, and reduce the impact on the surrounding environment and natural resources. In addition to complying with the requirements of relevant laws and regulations, the Group also strives to reduce its environmental impact in other aspects. For example, the bottle corks used by the Group is made of dead outer layer of bark, which will not affect the trees' continued growth and at the same time reduce white pollution. The Group also reasonably arranges production plans and upgrades equipment with lower utilization efficiency in the filling process in order to improve production efficiency while actively reducing its impact on the environment. The Group adopted the patent for a filter device for wine processing, which can filter the wine in the recoil filter again to reduce the waste of raw materials. The Group also implements various environmental protection measures in the office, including reusing envelopes, folders, file cards and other stationeries; using recyclable toner; setting the computers and printers to default to double-sided printing and ink-saving mode; using the projector to display meeting materials and avoid copying; applying electronic communication software for notification to reduce the use of paper for notification documents; adopting e-approval instead of paper forms; installing electronic hand dryers to reduce the use of paper towels; and conducting regular paper consumption surveys to monitor the paper consumption and take appropriate improvement measures.

## 3.5 Addressing climate change

As climate change becomes one of the most pressing global challenges, the Group places high priority on understanding and addressing its impacts. Beginning with this Report, the Group has integrated climate-related considerations into our strategic planning and will disclose climate-related information in accordance with Appendix C2 of the Listing Rules, following the four-pillar framework of "governance, strategy, risk management, and metrics and targets".

***Governance***

The Group has fully integrated climate-related risks and opportunities into its governance structure at all levels. The Directors are responsible for ESG management, formulating sustainable development policies and strategies, tracking progress towards sustainable development goals and targets, and exercising full authority over the deliberation, decision-making, management and supervision of related matters. To ensure orderly control of climate-related issues, the Directors include them in regular meetings for deliberation at least once a year. These meetings focus on discussing the climate-related risks and opportunities faced by the Group and assessing whether management has implemented effective response measures to mitigate the impacts of climate change. At the same time, the Directors annually review and monitor the progress of climate targets and revise relevant strategies as appropriate to ensure that the direction of implementation remains aligned with the Group's strategy. Furthermore, in the course of supervising the Group's strategy, major transaction decisions, risk management procedures and related policies, the Directors proactively conduct assessments incorporating identified climate-related risks and opportunities, and specifically consider key factors associated with such risks and opportunities.

To ensure that directors possess the professional capabilities required to perform their supervisory functions, the Group actively supports directors in enhancing their knowledge and competence in climate-related areas. Specific measures include providing professional learning resources, organising specialised internal training, and facilitating directors' participation in climate-related training and seminars conducted by external professional institutions, thereby continuously strengthening directors' ability to assess climate risks and opportunities and keeping them abreast of the latest developments in climate-related risks and opportunities.

Building upon the Board's strategic oversight, the Board has delegated day-to-day climate-related governance responsibilities to the ESG working group, which is composed of core members from different departments. The core responsibilities of the ESG working group include reporting on the promotion of climate-related assessment work, thereby enhancing the Group's climate resilience. Various control requirements and implementation processes have been fully integrated into the relevant policies of the Group's business departments, helping the Group proactively identify potential climate-related risks and opportunities, make data-driven decisions, and promote the implementation of concrete and actionable climate action plans.

***Strategy***

The Group is committed to enhancing its business's ability to respond to climate change and, to this end, has improved its risk assessment process to analyse the potential impacts of climate change on its business and value chain, thereby evaluating and formulating the best response measures. To advance this work and address the limitations of previous risk assessment processes in identifying the long-term impacts of climate change, the Group conducted its first comprehensive climate scenario analysis in 2025. This analysis covered physical risks, transition risks and opportunities, and included a detailed identification and assessment of each category of risks and opportunities.

- Physical risks: Risks associated with the physical impacts of climate change, which may be event-driven (acute risks) or result from long-term changes in climate patterns (chronic risks).

- Transition risks: Risks associated with the transition to a low-carbon economy, which may involve changes in policy, law, technology and markets in response to mitigation and adaptation needs related to climate change.

To comprehensively analyse climate-related risks and opportunities that may arise during business development, the Group needs to consider factors such as global temperature rise pathways, climate policy changes and time horizons of impacts. Accordingly, the Group selected scenario assumption models and related parameters from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) and the Phase 5 public release of the Network for Greening the Financial System (NGFS). The selected climate-related scenarios are consistent with the nature of the Group's industry and its strategic objectives, as well as with China's "carbon peaking and carbon neutrality" strategy and the Hong Kong SAR Government's goal of achieving carbon neutrality by 2050. In addition, the Group expects that the impacts of climate-related risks and opportunities will be material over the short, medium and long term, covering up to 2030, 2040 and 2050 respectively. These time horizons are determined based on the Group's operating budget cycle and business planning cycle.

In this scenario analysis, the Group assumed that emission-reduction policies and the reporting scope remain unchanged over the time horizon of potential risk impacts. The table below sets out the climate-related scenario models selected for this analysis, covering both low-emission and high-emission scenarios, so as to gain a more comprehensive understanding of the various impacts of climate change on the Group.

| | |
|---|---|
| Scope | Consistent with the reporting scope, covering the Group's main winery in Tianjin and its office in Hong Kong, with business including the production and sale of wine products. |
| Scenario analysis models adopted | Physical risk analysis adopts the IPCC scenario framework:<br>• **SSP1-2.6 scenario:** Global warming reaches 2.0°C. Governments' social, economic and clean energy transition processes remain consistent with historical trends. Strict policies will exacerbate transition risks faced by enterprises, while physical risks remain at a significant level.<br>• **SSP5-8.5 scenario:** Global warming exceeds 4°C. Government climate action is sluggish, emission reduction and adaptation efforts stall, and supporting policies are insufficient, ultimately triggering extreme climate impacts, increasing both short-term and long-term physical risks for enterprises.<br>Transition risk analysis adopts the NGFS scenario framework:<br>• **Net Zero 2050 scenario:** Governments implement strict climate policies early, reducing energy demand and developing low-carbon technologies, striving to limit global warming to within 1.5°C and achieve global net-zero carbon dioxide emissions by 2050.<br>• **Current policies scenario:** Only currently implemented climate policies are maintained, leading to continued growth in greenhouse gas emissions. Global warming is projected to exceed 3°C, causing severe physical risks. |

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The Group recognises that combining quantitative and qualitative analysis will enable a more comprehensive assessment of climate-related risks and opportunities. However, because relevant operational data are dispersed across various business units and there remains significant uncertainty in industry-accepted measurement methods for such indicators, the Group is unable to reliably prepare various cross-industry indicators in a reasonable and cost-effective manner. Furthermore, the Group's climate-related actions (such as maintaining robust and resilient business operations and monitoring emerging climate regulations) are fully integrated into day-to-day business operations, with no separate allocation of funds specifically for addressing climate-related risks and opportunities. This operational integration also prevents the Group from providing quantitative data on the current and expected financial impacts of these climate initiatives.

Nevertheless, the Group has identified the core financial impacts of key climate risks and opportunities and provides detailed qualitative disclosure in the table below. We are also actively improving our internal data integration system and scenario modelling capabilities to gradually enhance the granularity of climate-related quantitative disclosure, and undertake to disclose in a timely manner the quantitative impacts on financial position, financial performance and cash flows should there be any significant adjustments to our operating strategy.

The following six climate-related risks and opportunities have been identified based on the assessment and analysis under the selected scenarios and time horizons (2030-2050). The detailed qualitative assessment results for these risks and opportunities are set out in the table below.

| Risk Category | | Mainly Affected Scope | Materiality Level[1] | | | Impact on Business | Impact on Financial Performance |
|---|---|---|---|---|---|---|---|
| | | | Short term | Medium term | Long term | | |
| **Physical Risks** | | | | | | | |
| Acute risk<br><br>Chronic risk | Extreme weather events<br><br>Changes in precipitation patterns | The Group's main winery in Tianjin | | | | **Business model:**<br><br>• The production and sales rhythm of the winery may be disrupted by extreme weather, making it impossible to fulfil orders as planned<br><br>**Value chain:**<br><br>• Key raw material suppliers may reduce output due to climate reasons, decreasing supply chain stability | • **Additional expenditure:** Extreme weather events may trigger relocation of warehouses and replacement of production equipment, leading to extra costs and default compensation<br><br>• **Increased costs:** Changes in precipitation patterns may cause raw material shortages, raising the price of winemaking inputs and directly increasing production costs |

| Risk Category | | Mainly Affected Scope | Materiality Level[1] | | | Impact on Business | Impact on Financial Performance |
|---|---|---|---|---|---|---|---|
| | | | Short term | Medium term | Long term | | |
| **Transition Risks** | | | | | | | |
| Market demand changes | Consumer preferences are gradually shifting towards more sustainable wine products, accompanied by changes in consumption patterns. This trend directly affects consumers' purchasing decisions and carries the market risk that products may be replaced by low-carbon alternatives. | The Group's business of production and sale of wine products | | | ■ | **Business model:**<br>• Decline in brand loyalty among environmentally conscious customer segments<br>**Value chain:**<br>• Changing consumer preferences drive market demand towards greener products, requiring the Company to adjust its product mix and develop more eco-friendly products | **Revenue reduction:**<br>• Loss of environmentally conscious consumers to competitors, leading to decreased sales<br>**Cost increase:**<br>• Developing sustainable green production lines leads to higher costs |
| Stricter policies and regulations | In case of introduction of low-carbon production policies for the alcohol industry by local governments in the short term, existing brewing equipment of the Company may not comply with new rules. | The Group's main winery in Tianjin | | | ■ | **Business model:**<br>• Need to comply with local low-carbon and ESG-related requirements, replacing non-compliant, high-energy-consumption equipment, thereby affecting business operations<br>**Value chain:**<br>• Suppliers may raise prices due to their own increased carbon costs | **Compliance fines:**<br>• Financial penalties for failing to meet disclosure requirements, directly increasing business costs<br>**Additional expenditure:**<br>• Equipment replacement and wastewater treatment system upgrades to meet compliance requirements result in increased costs |

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| Risk Category | | Mainly Affected Scope | Materiality Level[1] | | | Impact on Business | Impact on Financial Performance |
|---|---|---|---|---|---|---|---|
| | | | Short term | Medium term | Long term | | |
| **Opportunities** | | | | | | | |
| Operational energy efficiency optimisation | Adopting energy-efficient production lines at the winery | The Group's main winery in Tianjin | | | ■ | **Business model:**<br>• Enhancing operational resilience by reducing reliance on traditional grid energy<br>**Value chain:**<br>• Using energy-saving systems to streamline the overall operation process of the winery | • **Cost savings:** Reduced electricity costs improve operating margins<br>• **Improved capital efficiency:** Extending the lifespan of winemaking equipment reduces the frequency of equipment replacement and capital expenditure |
| Increasing sustainable wine product portfolio | Developing and promoting wine products made from recycled, certified or low-environmental-impact materials | The Group's business of production and sale of wine products | | | ■ | **Business model:**<br>• Establishing a position as a manufacturer of sustainable wine products<br>**Value chain:**<br>• Enriching the wine product line with sustainable features, offering customers more choices | • **Revenue diversification:** Developing new revenue streams from green and sustainable wine products<br>• **Revenue growth:** Driving sales increases through the sustainable product line |

[1] Definition of materiality:

: Routine handling through existing standard processes;

: Requires continuous monitoring;

■: Requires formulation of management strategies and tracking of implementation effectiveness.

Mitigation measures for risk and opportunity assessment results:

| Risk Category | Mitigation Measures |
|---|---|
| Extreme weather events | • Maintain reserves of raw materials for wine production to cope with short-term supply disruptions |
| Changes in precipitation patterns | • Regularly review special work arrangements for responding to severe weather |
| Market demand changes | • Assess and optimise partner and product selection criteria, exploring alignment between service standards and low-carbon market demand<br>• Consider conducting customer surveys on demand for low-carbon wine products to provide references for business adjustments |
| Stricter policies and regulations | • Closely monitor international climate governance trends and relevant policies and regulations related to business operations, and regularly identify, assess and monitor various potential climate-related risks and opportunities<br>• Track regulatory updates and drive internal compliance implementation<br>• Strengthen communication and negotiation with suppliers to share the pressure of rising carbon costs |

| Opportunity Category | Response Measures |
|---|---|
| Operational energy efficiency optimisation | • Optimise operating plans for site air conditioning, lighting and other systems to reduce energy consumption<br>• Assess the feasibility of adopting renewable energy to reduce reliance on traditional grid energy |
| Promotion of green wine products and service expansion | • Assess the potential to expand low-carbon partnerships and optimise the direction of green business development |

Although the Group has not yet formulated a dedicated climate-related transition plan, it has implemented the above mitigation and response measures. The relevant work is funded and executed through the Group's internal capital and existing human resources. The Group has also clearly identified the material Scope 3 emission categories relevant to the Group and established climate-related targets during the year to comprehensively advance decarbonisation and enhance climate resilience.

During the year, the Group had no capital expenditure, financing or investment specifically dedicated to climate-related risks and opportunities. Furthermore, we have implemented the mitigation and response measures disclosed in the previous reporting period at all its operating locations.

Despite taking these proactive measures, the Group still faces key uncertainties that may limit the effective implementation of future climate resilience plans. These factors include: uncertainty regarding the pace of global and regional climate policy updates, shifts in consumer demand for sustainable products, the evolving speed and severity of physical climate change impacts, and the as-yet-unclear timing and stringency of future climate-related regulatory requirements applicable to the Group. Nevertheless, the Group believes that it has the ability to adjust and adapt its strategy and business model to address climate change over the short, medium and long term. This adaptive capacity is embedded in the Group's ongoing strategic planning and operational management, enabling it to respond to evolving climate risks, regulatory changes and market dynamics by adjusting business priorities, operational processes and value chain collaboration in a timely manner.

Looking ahead, the Group will regularly monitor climate-related risks and opportunities, assess the effectiveness of mitigation measures, adjust strategies based on operational performance, and track progress towards all climate-related targets through regular monitoring. The Group will adjust its climate-related targets as appropriate based on operational performance and climate trends to ensure that the targets are both feasible and ambitious. We will also optimise mitigation and response measures as needed based on progress against targets and results of effectiveness assessments. These clear targets will guide all climate response initiatives in an orderly manner, effectively supporting the Group in achieving its established climate-related goals and further enhancing the Group's adaptive resilience to the challenges of climate change.

***Risk Management***

The Group has integrated the processes for identifying, assessing, prioritising and managing climate-related risks and opportunities into its overall risk management framework and systems, thereby incorporating climate risk management into daily operations. This also ensures that the Group can effectively respond to the challenges posed by climate change. This integration is consistent with our existing risk management structure, and there have been no significant changes to our risk management processes during the Reporting Period.

In this process, the Group considered parameters such as asset location and type, historical exposure to extreme weather, and energy consumption patterns. We used climate data from publicly available scenario sources, as well as internal data (e.g., utility consumption records and operational incident logs). The following is an overview of the Group's climate risk and opportunity management process:

| | |
|---|---|
| 1. Identification | Through research on climate change trends, domestic and international industry developments, technological changes, etc., the Group conducts peer benchmarking, gathers stakeholder opinions, and performs climate-related scenario analysis based on its own operational status and business characteristics. Through these research, benchmarking and analysis efforts, the Group comprehensively and objectively identifies potential climate risks and opportunities facing the Group's main winery in Tianjin and its office premises in Hong Kong, ensuring that the list of climate risks and opportunities covers all key aspects of the entire business process. |
| 2. Assessment | The Group conducts a comprehensive assessment, analysing the potential impacts of climate-related risks and opportunities on its business model, value chain and financial performance, as well as the likelihood and magnitude of impact of these risks and opportunities. The assessment uses the same data and parameters as the identification phase, and covers the same reporting scope and business processes. |
| 3. Prioritisation | Based on the assessment results of climate-related risks and opportunities, the Group prioritises the identified items according to their likelihood of occurrence and magnitude of impact. This prioritisation process is aligned with the Group's overall risk management framework and business objectives. |
| 4. Monitoring | The Group's ESG working group regularly evaluates and monitors the identified climate-related risks and opportunities, as well as the effectiveness of corresponding mitigation and response measures. At the same time, the ESG working group regularly reports the results of identification, assessment and management of climate-related risks and opportunities to the Directors, thereby strengthening the Board's oversight of risk and opportunity management and ensuring that risk response measures and opportunity capture initiatives are effectively implemented. |

***Metrics and Targets***

The Group has made enhancing climate resilience and implementing sustainable operating models a core strategic priority, and has been committed to aligning its sustainable development goals and related action plans with global sustainability standards. The Group prioritises benchmarking against China's "carbon peaking and carbon neutrality" strategy and Hong Kong's carbon peaking and carbon neutrality targets, which are also important pillars supporting China's fulfilment of its obligations under the Paris Agreement.

To remain aligned with these climate frameworks, the Group continues to pursue decarbonisation by optimising its operational processes and has established emission reduction and management targets that match the requirements of these frameworks. Although these targets have not yet been verified by an independent third party, nor have they been established using sectoral decarbonisation pathway methodologies, the Board will monitor the progress and performance of target achievement annually and assess whether revisions are needed. In addition, the Board will continuously improve the mechanisms for setting, evaluating and verifying targets to ensure the transparency and credibility of its decarbonisation actions.

To translate the above targets into tangible emission reduction results, the Group focuses on achieving substantive decarbonisation through energy efficiency improvements and operational process optimisation. At this stage, the Group has no plans to use carbon credits for emission offsetting, but will closely monitor developments in the carbon credit market and policies so as to utilise such instruments as supplementary support for achieving long-term carbon neutrality targets when appropriate.

| Target Category | Description |
|---|---|
| Greenhouse gas emissions | Using 2025 as the base year, achieve a 3% reduction in total Scope 1 and Scope 2 emissions by 2030 |
| Resource use | Using 2025 as the base year, achieve a 3% reduction in electricity and water consumption by 2030 |
| Waste management | Using 2025 as the base year, achieve a 3% reduction in waste generation by 2030 |

Furthermore, during this Reporting Period, the Group carried out greenhouse gas identification, assessment and verification to effectively manage its own GHG emissions. The relevant work covered the Group's main winery in Tianjin, where Scope 1 and Scope 2 emission calculations have been completed in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). The Group also completed data collation on Scope 3 emission sources with reference to the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Based on the Group's core operations, estimated emission scale, data availability and peer research findings, the following categories have been included within the Group's Scope 3 emission calculation scope:

- Category 5: Waste generated in operations
- Category 6: Business travel

Currently, the Group has adopted a series of practical measures with a short-term goal of gradually reducing GHG emissions from its production processes, and strives to explore plans to achieve carbon neutrality in the long term. To quantify the effectiveness of emission reduction, the Group keeps green plants in office areas, with a total of 574 trees over 5 meters tall. During the year, these trees reduced GHG emissions by 13.20 $tCO_2e$, making a positive contribution to improving air quality and mitigating climate change. At the same time, the Group further advances its emission reduction targets by encouraging employees to take public transport and using video conferencing to replace unnecessary overseas business travel. We will also continue to promote the development of a green office environment to enhance biodiversity and carbon sink capacity.

The Group's greenhouse gas emissions for the year are set out below:

| GHG | Unit | 2025 | 2024 |
|---|---|---|---|
| Total GHG emissions *(Notes 1 and 2)* | $tCO_2e$ | **6,305** | 7,301 |
| GHG emissions intensity *(Note 3)* | $tCO_2e$/tonne of production output | **1.07** | 1.04 |
| Scope 1 – Direct emissions *(Note 4)* | $tCO_2e$ | **751** | 998 |
| Scope 2 – Indirect emissions *(Note 5)* | $tCO_2e$ | **5,509** | 6,232 |
| Scope 3 – Other indirect emissions *(Note 6)* | $tCO_2e$ | **45** | 71 |

*Notes:*

1. The Group adopts the operational control approach for greenhouse gas emission calculations. This approach defines the reporting scope based on the Group's control over the implementation of operational policies for its business activities. It not only more accurately reflects the Group's actual responsibility in carbon emission management but also helps strengthen the monitoring and management of GHG emissions, ensuring that the calculation results remain aligned with the Group's sustainable development objectives.

2. The Group's GHG emission calculation methodology is established in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). The emission factors used in the calculations are referenced from the Appendix 2: Reporting Guidance on Environmental Key Performance Indicators issued by the Hong Kong Stock Exchange, as well as the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong jointly published by the Environmental Protection Department and the Electrical and Mechanical Services Department of Hong Kong. The types of greenhouse gases covered by the Group's calculations include carbon dioxide, methane and nitrous oxide. To enhance data readability, emission amounts are uniformly presented in tCO2e.

3. The method for calculating GHG emission intensity has been uniformly updated to GHG emissions per tonne of production output.

4. Scope 1 refers to direct GHG emissions, primarily from fuel consumption of vehicles. The emission coefficients for various vehicle types are sourced from the Energy Statistics Manual published by the International Energy Agency (IEA). The emission coefficients for Global Warming Potential (GWP) are sourced from the Sixth Assessment Report (AR6) published by the Intergovernmental Panel on Climate Change (IPCC).

5. Scope 2 refers to indirect GHG emissions, primarily from the consumption of electricity purchased from power companies. The emission coefficients used to calculate GHG emissions from purchased electricity are based on data provided by CLP Power Hong Kong Limited and The Hong Kong Electric Company, Limited.

6. Scope 3 refers to other indirect GHG emissions, including Category 5: Waste generated in operations and Category 6: Business travel. Emission calculations are performed in accordance with Appendix 2: Reporting Guidance on Environmental Key Performance Indicators issued by the Hong Kong Stock Exchange (HKEX).

The Group's strategic focus is on optimising core business performance and creating long-term value, which is consistent with the Group's current risk management approach. At present, the Group has not yet incorporated an internal carbon pricing mechanism or climate-related factors into its remuneration policy or governance structure. This is primarily because these factors have not yet demonstrated a direct and material relevance to the Group's industry, current operational priorities, or financial decision-making needs. The Group will continue to monitor developments in climate-related indicators, industry best practices and the application of internal carbon pricing, and will actively evaluate the feasibility of integrating these factors into the Group's governance framework and remuneration policy when conditions are mature.

## 4. EMPLOYMENT AND LABOUR PRACTICES

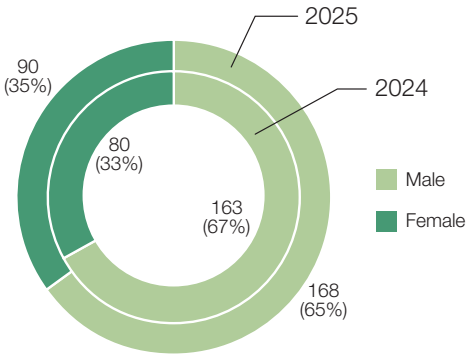
### 4.1 Employment practices

The Group regards its employees as its most valuable assets and the core of its competitive advantage. The Group maintains its advantage in human resources by recruiting new employees, developing and retaining staff to support good corporate development. We adhere to the principle of people-oriented, standardise the labour and employment management, and actively protect the occupational health and safety of employees to respect and protect the legitimate rights and interests of each employee.

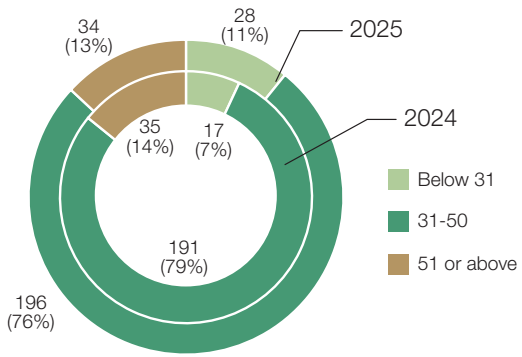
The Group has strictly complied with the labour-related laws and regulations such as the "Labour Law of the People's Republic of China", the "Labour Contract Law of the People's Republic of China", the "Regulations on the Administration of Labour and Employment in Tianjin", and Hong Kong legislations, including the "Employment Ordinance" and "Minimum Wage Ordinance". The Group has established employee management systems and employment contracts in accordance with local employment laws and regulations and provides various benefits to its employees. During the year, the Group was not aware of any material non-compliance with laws and regulations governing human resources.

As of 31 December 2025, the Group had a total of 258 employees (2024: 243) and all of them are full-time employees, whose distribution by gender, function, age group and geographical location is as follows:

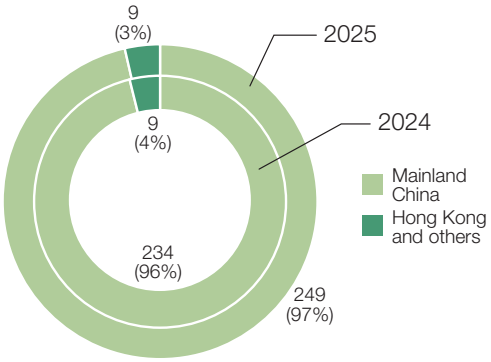
**Employees by gender**



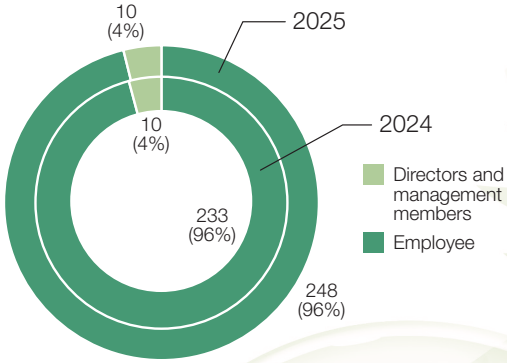

**Employees by age group**




**Employees by region**




**Employees by functions**



During the year, the Group implemented an employee reform plan last year in response to business development, and provided adequate compensation for employees who had been terminated their employment contracts and retired early. The overall employee turnover rate of the Group is 4% (2024: 5%), and the employee turnover rate by gender, age group and geographical location is as follows:

| Employee turnover rate (%) | 2025 | 2024 |
|---|---|---|
| **By gender** | | |
| Male | **6** | 5 |
| Female | **2** | 5 |
| **By age group** | | |
| 30 or below | **0** | 0 |
| 31-50 | **2** | 4 |
| 51 or above | **21** | 14 |
| **By region** | | |
| Mainland China | **4** | 5 |
| Hong Kong and others | **11** | 20 |

### *i. Talent selection*

The Group strives to recruit and retain high-quality staff to ensure the smooth development of the corporate. For that purpose, it follows an internal recruitment and promotion process to identify suitable candidates for each position. In order to improve recruitment efficiency, the Group formulates human resource plans in accordance with the needs of its corporate development strategies and production and operation objectives. The human resources department will arrange for the recruitment of staff based on the needs of each department. The Group's recruitment exercise comprises internal promotion and external recruitment, and priority will be given to employees who meet the requirements for internal promotion. The Group conducts external recruitment through advertisements, job fairs and campus recruitment, pursuant to which, external applicants are required to undergo screening and interviews to ensure that they have the required competencies for the positions.

### *ii. Labour standards*

The Group values labour rights and interests and strictly prohibits forced labour and child labour in compliance with regulations, including but not limited to the "Provisions on the Prohibition of Using Child Labour" in the PRC and the "Employment of Children Regulations" in Hong Kong. We require new hires to provide identification documents to confirm that they are of legal working age and to avoid the misuse of child labour. At the same time, to prevent forced labour, we also require employees to sign an employment contract before onboarding, which sets out detailed information on the content of duties, location, working and rest time, salary, benefits, etc. If any child labour or forced labour is found, the Group will terminate the relevant person's work immediately and investigate on the issue to prevent recurrence. The Group attaches great importance to maintaining the work-life balance of its employees. We adopt standard working hour system in Mainland China where employees work five days a week and less than eight hours per day. At the same time, the Group does not encourage working overtime. In order to reduce unnecessary overtime, employees who need to work overtime are required to submit an overtime application to the human resources department.

### *iii. Remuneration and benefits*

The Group adheres to the principle of safeguarding the rights and interests of its employees and has established a standardised remuneration system. According to internal and external reference standards and employees' abilities, experience and contributions, it will determine the competitive salary for them. In addition to basic remuneration, the Group provides employees with overtime subsidies, performance incentives and bonuses for outstanding performance or special contributions to enhance employees' motivation.

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In accordance with the "Social Insurance Law of the People's Republic of China", "Mandatory Provident Fund Schemes Ordinance" of Hong Kong and other relevant laws and regulations, the Group provides social security for its employees in the PRC, including five social insurance and one housing fund (i.e. unemployment insurance, medical insurance, maternity insurance, work-related injury insurance, pension, housing provident fund), and engaged the employees in Hong Kong in the Mandatory Provident Fund Scheme. In addition, we also provide transportation subsidies, housing allowances, medical subsidies and high-temperature allowances to our employees in the PRC, including the provision of heat stroke prevention and cooling supplies and festive gifts to our employees in the PRC and medical insurance, festive gifts, team lunches and birthday cakes to our employees in Hong Kong. In addition to statutory holidays, employees are entitled to paid annual leave, family leave, bereavement leave, marriage leave, maternity leave and sick leave, etc. For long-serving employees, in recognition of their long-term dedication to the Group, dung the year, the Group encouraged its employees to participate in the volleyball and badminton tournaments organised by the Group to promote a healthy lifestyle, and held employees collective birthday parties, festive events and knowledge competitions to enrich the after-work life of our employees.





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The Group actively practices an employee-centric human resources management philosophy and has formally signed the Hong Kong Labour Department's Good Employer Charter, committing to creating a quality work environment and promoting work-life balance for employees. In terms of family-friendly policies, the Group provides flexible work arrangements specifically for breastfeeding mothers and new parents, together with a reasonable leave system, to help employees better balance family and professional responsibilities.

The Group's performance in employee welfare protection has been repeatedly recognised. The Mandatory Provident Fund Schemes Authority of Hong Kong conferred the "Good MPF Employer" award, recognising the Group's excellence in fulfilling statutory employer obligations, improving employee retirement protection systems, and guiding employees in proactively managing their MPF accounts.

With the advocacy direction of "Supportive Family-friendly Good Employer", the Group continuously optimises its family-friendly employment policies, aiming to alleviate the pressure on employees between family and work, enhance their sense of identity and belonging to the Company, thereby improving overall work efficiency and strengthening the Company's market competitiveness.






### *iv. Promotion, development and training*

For talent development and mobility management, the Group has established a rigorous and transparent mechanism covering the entire process of promotion, transfer, demotion and resignation, aimed at balancing the Company's operational needs with employees' rights. All position changes or terminations of employment strictly comply with relevant laws and regulations, and any illegal dismissal is firmly prohibited. We objectively measure employees' performance through regular performance assessments, using them as an important basis for promotion. At the same time, taking into account business development needs, individual performance, professional competence and employees' willingness, we flexibly provide internal transfer opportunities, striving to achieve "the right person for the right role and full utilisation of talents", thereby opening up broader career prospects for employees. When an employee resigns, the Group conducts exit interviews to gain an in-depth understanding of the reasons, and handles contract termination, social insurance transfer, salary settlement and other procedures in accordance with the law, ensuring a compliant and orderly process.

To continuously enhance the quality of its workforce, the Group implements a systematic training management system, planning pre-job and on-the-job training programmes on an annual basis. For new hires, we provide pre-job training covering corporate culture, policies and job-specific professional knowledge to help them quickly become competent in their roles. For employees undergoing job transfers, we arrange specialised technical training to ensure they acquire the skills required for their new positions. In terms of on-the-job training, the Group keeps pace with operational and production development trends, offering courses in areas such as food safety, quality control, production processes and wine expertise. A training fee reimbursement mechanism is also in place to incentivise employees to pursue self-improvement.

Furthermore, the Group actively expands external learning resources. During the year, it subsidised employees in obtaining vocational skill certifications as sommeliers and winemakers, as well as training for quality inspection personnel in testing and laboratory management capabilities, further strengthening the expertise of the professional team. In terms of internal knowledge transfer, we held a "mentor-apprentice reporting meeting", where both mentors and apprentices shared practical challenges and response strategies. This not only facilitated the effective transfer of key techniques but also simultaneously enhanced the professional level of both mentors and apprentices, fostering an environment of mutual learning and improvement. The average number of hours of training per employee of the Group was 6.39 hours (2024: 8.49 hours) and the overall percentage of employees trained was 100% (2024: 85%). The average number of hours of training and the percentage of employees trained by gender and occupational function are as follows:

| **The average number of hours of training per employee and the percentage of employees trained (%)** | **2025** | 2024 |
|---|---|---|
| **By gender** | | |
| Male | **6.39 (107)** | 7.50 (85) |
| Female | **6.40 (89)** | 10.51 (85) |
| **By occupational function** | | |
| Management members | **3.86 (68)** | 9.80 (87) |
| Employees | **7.96 (120)** | 7.89 (85) |

### *v. Equal opportunity and anti-discrimination*

The Group strictly abides with the "Rules on the Labour Protection of Female Employees" in China, the "Hong Kong Bill of Rights Ordinance" and relevant laws and regulations and does not tolerate any acts of discrimination, harassment or abuse in the workplace. The Group adheres to the principle of equality, eliminates discrimination in the recruitment and operation process, to ensure that no employee is discriminated against by reason of race, gender, age, ethnicity or religion and other factors. All employees are entitled to fair treatment in every aspect including recruitment, salary, training, promotion, and with equal pay for equal work for men and women.

## 4.2 Health and safety

The health and safety of employees is the foundation of the Group's operations. In view of this, the Group has established a safety policy of "safety first, prevention focus". The Group strictly complies with national and local laws and regulations relating to labour safety, including but not limited to the "Production Safety Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases", "Occupational Safety and Health Ordinance" of Hong Kong and the Occupational Health and Safety Guidelines by the Labour Department of Hong Kong.

The Group did not record any accidents that resulted in death in the past three years. During the year, the Group had no case of work-related injury (2024: 1), and the total number of working days lost due to work-related injuries for all employees was 0 day (2024: 26 days).

### *i. Production safety, investigation on potential hazards and emergency response system*

To comprehensively advance work safety, the Group has established a robust production safety responsibility system and set up a production safety committee composed of representatives from various departments as the core management body. The committee undertakes multiple key functions, including drafting emergency response plans for production safety accidents, organising safety drills, conducting safety inspections and hazard identification, supervising rectification efforts, reporting on production accidents, and establishing annual production safety goals. The committee holds monthly production safety meetings to study and guide the safety work of all units and departments, ensuring that safety responsibilities are delegated and assigned to every department and position.

To strengthen safety awareness, the Group requires management personnel and employees in high-risk positions to sign production safety responsibility agreements, clearly outlining production safety policies, objectives and specific commitments. This measure has effectively enhanced the safety awareness of all employees, fostering a strong culture where everyone prioritizes safety.

The Group has established a management system of safety inspection and investigation on potential hazards in accordance with the "Production Safety Law of the People's Republic of China", requiring management at all levels to investigate and manage potential hazards in all units and departments under their supervision. Employees engaged in high-risk work are required to wear necessary protective equipment during their tasks. The Group conducts a variety of safety inspections, including comprehensive, specialised, seasonal, holiday and daily inspections. All units and departments are required to record, report and manage potential hazards in daily operation, forming a closed-loop management system. With the cooperation of staff at all levels, we are able to identify and eliminate potential safety hazards to effectively reduce the occurrence of production safety accidents and ensure the safety of employees.

In accordance with the "Emergency Response Law of the People's Republic of China" and other relevant laws and regulations, the Group has prepared a comprehensive emergency response plan for production safety accidents, establishing a robust emergency response system. We have formulated response plans for various potential accidents, including hydrogen sulfide poisoning, electric shock, fire and special equipment accidents, based on the identified sources of danger and the types of accidents that may occur. In terms of emergency response implementation, the Group has clearly defined the roles and responsibilities of each emergency command centre and on-site response leadership team in the event of an accident, including directing rescue and post-accident recovery efforts. Employees are provided with emergency supplies to ensure a systematic response to various types of accidents and minimise losses. Additionally, we regularly organise rescue drills, fire evacuation drills and other activities, continuously enhancing employees' rapid response capabilities in dangerous situations. During the year, the Group was successfully accredited as a "Level 2 Enterprise for Production Safety Standardization in Industrial and Trade Sector". This certification fully recognizes the Group's production safety mechanisms and signifies that our safety management system has reached an industry-leading level. We have improved the production safety management system covering organizational structure, responsibility systems, management protocols, emergency plans, equipment management and education and training, and will continue to monitor and improve these measures, making every effort to protect the health and safety of our employees.

# Environmental, Social and Governance Report

The Group has established a robust production safety management system, ensuring production safety through multi-level control measures. The Company has formed a production safety committee, composed of representatives from various departments, as the core management body for production safety. The committee is responsible for coordinating and planning company-wide safety efforts, including developing emergency plans, organizing safety drills, facilitating hazard inspections and other key functions.

In daily safety management, the Group strictly adheres to relevant requirements of the "Production Safety Law of the People's Republic of China" and has established a standardised safety inspection system. We conduct multi-dimensional safety inspections, including comprehensive, specialized and seasonal checks, to ensure that safety hazards are promptly identified and rectified. All departments are obliged to record and report safety hazards identified during daily operations, achieving closed-loop management.

In terms of emergency management, the Group as developed a comprehensive emergency plan system in accordance with the "Emergency Response Law of the People's Republic of China". Detailed response plans have been formulated for potential risks and accidents such as hydrogen sulfide poisoning, electric shock and fire. Additionally, the Group has improved its emergency command system to ensure rapid and appropriate response during accidents. Through regular emergency drills, we continuously strengthen employees' emergency response capabilities.

### *ii. Health management of employees*

To monitor employee health and prevent work-related injuries, the Group has established a clear health management system for production line employees, and requires production line employees to undergo a health examination once a year and obtain a health certificate before performing their duties. In addition, the Group has formulated a management system for labour protection gears according to the "Provisions on the Supervision and Administration of Labour Protection Articles" in China and provides employees with labour protection equipment with product certificates and instructions based on the need of their positions, for the purpose of effectively protecting their health and safety.

### *iii. Education and training*

The Group has established a systematic safety education and training system to continuously enhance employees' safety awareness and skills through multi-level training activities. The training system covers the entire career cycle from onboarding to ongoing employment, ensuring that every employee acquires essential safety knowledge.

For new employees, the Group implements a strict safety induction training program. All new hires must complete a minimum of 24 hours of safety education courses and pass an assessment before starting work. The training content comprehensively covers production safety laws and regulations, occupational health standards, safety technical knowledge and accident case studies, helping new employees quickly build a robust safety knowledge framework.

# Environmental, Social and Governance Report

For existing employees, the Group regularly conducts specialized safety training sessions. During the year, the Company focused on organising special training on work safety in the bottling workshop to enhance the safety awareness and practical skills of all employees. Specific measures include:

- Experienced senior employees served as instructors, delivering special explanations and practical teaching on topics such as standard equipment operation, routine hazard identification, typical accident warnings and emergency response to unexpected situations.

- Through themed activities, the Company regularly organised diversified events including study of safety regulations, viewing of warning education videos, safety knowledge competitions and emergency drills, continuously strengthening the safety emergency response capabilities of all employees.

- Using carriers such as workshop notice boards, preshift meetings and work group chats, the Company regularly disseminated safety knowledge and warning messages, fostering a strong culture where "everyone prioritises safety, every action is taken with safety in mind, and safety is always on everyone's mind".






The Group has established a routine safety information notification mechanism, regularly sharing safety inspection results, work-related injury statistics and other safety information with employees to maintain transparency in safety management. The Group also strictly adheres to emergency plans and organize various accident drills, including rescue exercises and fire evacuation drills, to enhance employees' emergency response capabilities through realistic training. This training system has effectively enhance the safety competence of all employees, laying a solid foundation for preventing and reducing safety incidents. In the future, the Group will continue to optimize training content and methods to ensure our safety education and training efforts remain up-to-date, effectively safeguarding employees' lives and health.

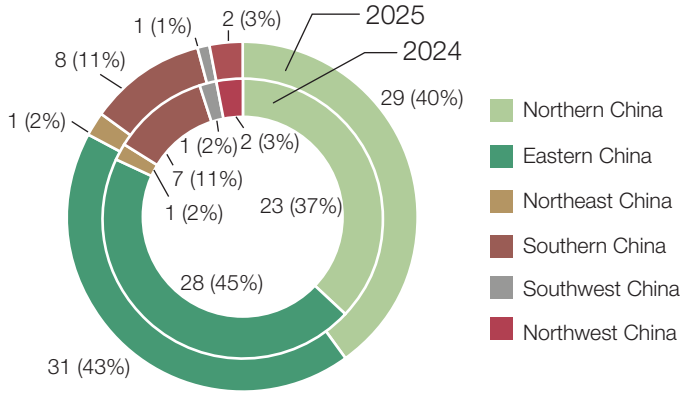
## 5. OPERATING PRACTICES

### 5.1 Supply chain management

Excellent supply chain management is an important part of the Group's efforts to produce high-quality products. The Group has established a fair, transparent and systematic supplier selection process to improve product quality. During the year, the Group was not aware of any non-compliance incident related to supply chain management.

The Group has established a supplier review system for systematic supply chain management. In selecting new suppliers, the Group will evaluate the performance of candidate suppliers in terms of production scale, production capacity, testing capability, quality management system, product quality certification and other factors. After the qualifications of the candidate suppliers are verified, we will make small purchases during the one-year inspection period to ensure product quality. The Group will also conduct an annual assessment of existing suppliers and score them on various aspects such as quality of supply, delivery time, price and services. Suppliers which are qualified will be included in the list of qualified suppliers, and those unqualified will be eliminated. All suppliers that the Group cooperates with are in compliance with the Group's systems and requirements, and maintain good cooperative relationships. During the year, the Group had 72 major suppliers (2024: 62), and the number of major suppliers by regions is as follows:

**Suppliers by region**



As raw materials are critical to product quality, the Group has developed different requirements for specific purchases in order to ensure the quality of raw materials. For materials having direct contact with wine, the Group has set stringent requirements on the factory inspection reports, packaging and transportation methods of suppliers, including the identification of raw materials with clear product name, expiry date, storage temperature, etc., and confirmation that the storage and packaging of raw materials can properly maintain the quality. At the same time, to ensure that the supplier has conducted a satisfactory inspection, the Group will verify whether the supplier's calibration records of inspection, measuring and testing equipment are complete upon receipt of goods. The Group will also reject goods that do not meet the requirements under the non-conformity management system, and return goods or replace them with satisfactory goods, as part of its efforts to ensure the quality of products.

The Group promotes the principle of green procurement and has given preference to suppliers that are closer in proximity when selecting suppliers, thus reducing the transportation lead time for procured parts and helping to reduce the environmental impact in the supply chain. At the same time, the Group has considered the environmental impacts of products in its procurement process and selected products with lower environmental impacts, such as those with energy efficiency labels and water efficiency labels, where applicable.

In addition, the Group takes environmental and social risks in the supply chain seriously and has regularly reviewed updates of local policies and regulations related to the supply chain, and communicated with internal and external stakeholders to understand and identify potential environmental and social risks related to the supply chain. In selecting suppliers, the Group has given preference to suppliers that are internationally certified or accredited in environmental and social aspects such as energy, safety and anti-corruption.

## 5.2 Product quality management

As a wine producer, the Group's product will have a direct effect on the health of its customers. Therefore, the Group attaches great importance to the quality of its products. The Group strictly complies with relevant laws and regulations, including but not limited to the "Food Safety Law of the People's Republic of China", "General Hygiene Practice for Food Production" and the "Food Safety Ordinance" of Hong Kong, and is committed to providing high quality, safe and hygienic products to its customers.

### *i. Production process control*

*Production process control system*

Under the product quality and food safety management and control system, the Group implements multi-level management measures. Each department has a certified food safety manager who is responsible for implementing measures on quality and food safety. Staff responsible for key positions in food safety-related production, quality, skills and inspection must be qualified and receive regular food safety training. The Group has established a health management system for production line employees and requires them to undergo health checks once a year. For the sake of food safety, if an employee is found to have an infectious disease or skin disease, the employee will be reassigned to a post that does not involve contact with food production or other work that does not affect food safety.

*Production premises and equipment requirements*

Different functional departments are responsible for different aspects of food safety management during procurement, transportation, storage, etc. The Group has established requirements for production sites and equipment, including the factory environment, warehouse management, production equipment and facilities, cleaning and disinfection systems, etc., to ensure environmental hygiene and cleanliness and to avoid contamination of products. At the same time, the Group has established systems for raw and auxiliary material control, process technology management, production hygiene management and production process control to ensure food safety from raw and auxiliary materials to the production process.

*Production process monitoring and inspection*

The Group monitors and inspects each step in the production process, and conducts tests in its in-house laboratory and entrusts qualified inspection agencies to carry out inspection, ensuring that the products comply with standards and regulatory requirements. The Group also carries out batch management of raw wines, products and materials at all stages of the production process to ensure effective product traceability. After the wine is made, the Group will carry out a thorough physical and chemical test, and only after all the indicators have been passed will the process of sterilization, filtering and bottle filling be commenced. For the packed finished wine, the Group arranges inspectors to perform visual inspections to ensure that the products meet the packaging requirements. Through such comprehensive quality control system, the Group ensures that every step from raw materials to finished products complies with food safety standards, providing customers with safe, reliable and high-quality wine products.

***ii. Quality assurance of finished products***

For the finished and bottled wines, the Group has established regulations for the storage and warehousing of the products to manage the quality of the finished products. The Group has standardised the management of the finished wine warehouse and formulated corresponding systems and requirements for the storage, transportation, entry and exit of finished wine to ensure the quality and safety of the finished wine. The Group has acquired the latest WineScanTM3 FOSS rapid wine analyzer, enabling real-time quality control throughout the entire wine processing and production process. This helps promptly correct anomalies in alcohol content, total acidity, reducing sugars and other parameters identified in raw materials and during production. While ensuring food safety oversight, it also guarantees that products meet consumer requirements.

In order to manage our products systematically, the Group has set up comprehensive record requirements for our products and require our staff to keep records of the storage, transportation, entry and exit of finished wine. When the products are shipped out of the warehouse, the Group also requires its staff to keep electronic records of the products, recording information such as the production date, product name, batch number, quantity and inspection certificate number, which will facilitate quick reference in the future, meet the requirements of food safety traceability and ensure product safety. In addition, for the transportation and delivery of products, the Group provides transportation and sales personnel with guidelines for the transportation and delivery process to reduce the risk of product quality problems due to improper transportation or methods of delivery.

For raw materials, semi-finished products and products that do not meet the requirements in terms of packaging, storage, production methods and quality, the Group will issue a notice of non-conformity, and label and handle them. The quality control department will hold quality meetings from time to time to analyse the causes of non-conforming products, take corrective measures, and if necessary, revise relevant guideline documents and provide relevant training for employees to prevent the recurrence of related quality problems. At the same time, the Group has assigned food safety officers and formed self-inspection teams in the production workshops of each department to conduct regular quality inspections to minimize the occurrence of quality problems.

In order to ensure product quality, the Group has established a return and replacement process for products that meet the return and replacement category and have completed the identification for return and replacement. The Group has also formulated an unsafe food recall management system in accordance with the "Administrative Measures for Food Recalls" to safeguard the health and safety of its customers. The Group has set up a recall team, which is responsible for recalling unsafe food products that have come to the Group's attention through self-inspection and self-examination, complaints or reports from the public, and notification from operators and supervisory authorities. During the recall process, the recall team will communicate, and report with the Group's general manager, the district market supervisory authority or the State Administration for Market Regulation as necessary or make announcements to properly and effectively conduct the recall.

During the year, the Group did not receive any incidents of unsafe food-related to the Group, nor were there any product recalls due to health and safety concerns.

## 5.3 Customer service

The Group attaches great importance to customer service and believes that feedbacks from customers forms part of the foundation for the Group to make improvement and progress. The Group collects customer complaints through distributors and customer service hotline, responds actively to them and makes improvements. The Group also has a product recall and traceability system to ensure product quality and customer safety. The Group conducts an annual customer satisfaction survey to analyse the satisfaction of new customers and customers with high purchase volumes of its products. The Group will analyse complaints and comments from customers, suppliers and partners, and take appropriate measures to make improvements. The Group also attaches great importance to the sales approach of its products. Therefore, the Group will assess the marketing strategies and reputation of distributors and will only select distributors with good sales practices. The Group will also manage and monitor the performance of its distributors to ensure that customers receive quality service in the purchasing process. Through the above customer service system, satisfaction surveys and distributor management mechanisms, the Group ensures that it can respond promptly to customers' needs, continuously improve product and service quality, and provide customers with a high-quality purchasing experience.

During the year, the Group received 30 (2024: 66) complaints regarding the products and immediately reshipped the products upon receipt of complaints and investigated the cause of the incidents to prevent the recurrence of the same incidents.

## 5.4 Business ethics

The Group is committed to maintaining business ethics in its business operations, attaches importance to information management, privacy protection and product information requirements, strictly complies with relevant laws and regulations, strives to operate in a manner that does not harm the interests of others, and actively minimizes the risk of damage to the Group's interests.

### *i. Information management and privacy protection*

The Group strictly complies with relevant laws and regulations on privacy protection, including but not limited to the "Regulations of the People's Republic of China for Safety Protection of Computer Information Systems" and the "Personal Data (Privacy) Ordinance" of Hong Kong. The Group respects and is committed to safeguarding customer information and will only use the information collected for the purpose for which the customer has given prior authorisation. The Group has formulated a server and server room security management system to strengthen the security management of the server and ensure the safe and stable operation of the information system by standardising information storage, data backup, maintenance and failure management. In addition, the Group has established a computer security management system to manage the use of employees' computers, including confidentiality and virus protection to reduce the risk of information leakage.

In order to protect customer information and trade secrets, the Group requires employees who come into contact with such information to sign a confidentiality agreement, undertaking to keep such information confidential during their employment and after leaving the Group. The customer data collected by the Group is confidential and only used by designated employees with authorisation. Employees are prohibited from disclosing confidential information without permission, and relevant employees who violate the rules will be demoted, transferred, suspended or face salary cuts to enhance information protection. Through the above strict information security management system, confidentiality agreements and disciplinary mechanisms for violations, the Group is committed to protecting customer privacy and trade secrets, ensuring data security and stable system operation, thereby earning customers' trust.

***ii. Advertising, labelling and sales***

The Group strictly complies with the "Advertising Law of the People's Republic of China", the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests", the "Trade Descriptions Ordinance" and the "Food and Drugs (Composition and Labelling) Regulations" of Hong Kong and other relevant laws and regulations in relation to food advertising and labelling. The Group avoids the use of inappropriate or exaggerated promotional techniques in the design of advertising content, and ensures that advertisements and product labels comply with the relevant legal requirements in the jurisdictions where they are sold and the advertising content is clear, truthful and free from misleading information in order to protect the interests of consumers. As for sales activities, the Group provided sales knowledge training to sales staff during the year to prevent any irregularities in sales and promotions and to provide the best quality services to customers.

During the year, the Group did not receive any illegal or non-compliant matters relating to advertising, labelling and sales activities.

### 5.5 Anti-corruption

The Group is committed to creating a clean corporate culture and attaches great importance to the fight against corruption and the promotion of probity. The Group adopts a zero-tolerance attitude towards the acts of corruption and bribery and strictly complies with relevant laws and regulations such as 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" of Hong Kong, prohibiting any employee from engaging in acts of bribery, embezzlement or money laundering to prevent corruption and bribery. The Group will terminate the employment contract with any employee who is involved in bribes or corruption.

The Group has established the code of conduct, which specifies the standards of conduct for directors and employees on policies in relation to accepting advantages and declaration conflicts of interest, with efforts to prevent corruption. Meanwhile, the Group has established the principle of avoidance, which prohibits the recruitment of immediate family members of middle-level and above employees, and prohibits middle-level and above employees from transferring their relatives to work within their own supervision. Employees who already have kinship are not allowed to work in the same position. For the purpose of reducing the risk of corruption, employees should also avoid any interest in business-related entities. In addition, the Group's leaders and cadre-level employees are required to comply with the "Disciplinary Provisions of Nine Forbidden Behaviours for the Leaders and Cadres of Tianjin Food Group System", which specifies the integrity requirements for the management, such as not using their positions to seek personal gain. The Group has established channels such as report mailbox, hotline and email for employees to report in order to effectively prevent corruption. It also publishes information on anti-corruption education from time to time through the Company's WeChat official account, and conducts anti-corruption education seminars to raise the anti-corruption awareness of its employees. The Group will impose organisational discipline or take disciplinary actions against employees who violate the disciplinary regulations, while those suspected of violating the law and committing crimes will be referred to the relevant authorities and may be subject to prosecution for their legal responsibilities in accordance with the law. The Group conducts anti-corruption publicity in various forms, including regularly publishing integrity education information through the Company's WeChat official account to promote anti-corruption education. During the year, the Group arranged an anti-corruption training for Directors and held one session (2024: 1 session) for middle-level employees of the head office in Tianjin and members of the leadership team of its subsidiaries, respectively, by receiving education on corporate criminal legal risks collectively in order to reinforce employees' commitment to maintaining integrity and honesty. A total of 50 (2024: 12) participants attended the training in Tianjin, with a total training time of 83 hours (2024: 24 hours).

During the year, the Group did not receive any lawsuit alleging corruption against the Group or its employees, nor was there any anti-corruption related irregularities involved or discovered.

## 6. INNOVATION AND INTELLECTUAL PROPERTY RIGHTS

### 6.1 Research and development ("R&D") project

The Group regards R&D and innovation as a significant part for maintaining its competitiveness, with commitments to developing new products, improving production techniques as well as R&D of production technology. During the year, the Group launched the tea-flavoured wine series with its core concept of "tea and wine fusion", which captured market attention with its unique craftsmanship. In addition to the newly-developed products, the Group continued to improve its product development technologies, such as the purification of distilled spirits from distillation towers and the improvement of taste through various process improvements. The Group also tested a variety of auxiliary materials and conducted the technical R&D and stockpiling on products, to reduce production costs and enhance product quality and meet market needs.







### 6.2 Protection of intellectual property rights and trademark

With continuous investment in R&D, the Group has developed a number of new technologies or device designs every year. With a view to maintaining its competitive position and safeguarding its interests, the Group applied to the China National Intellectual Property Administration (CNIPA) for patents in accordance with the "Patent Law of the People's Republic of China" and the "Patents Ordinance" of Hong Kong. The Group's patents are mainly design patents such as wine bottles and wine gift boxes, and new utility model patents such as wine production devices, with commitments to safeguarding its own rights and interests.

While safeguarding its own intellectual property rights, the Group will never infringe the copyright of the commodities of other individuals or other enterprises. The Group also values its own trademark protection and actively abides by relevant laws and regulations including but not limited to the "Trademark Law of the People's Republic of China" and the "Trade Marks Ordinance" of Hong Kong. When purchasing packaging materials, the Group will clearly set out in contracts the period and scope of the supplier's use of the Group's trademarks, to prevent misapplication, therefore safeguarding the Group's interests.

## 7. COMMUNITY INVESTMENT

The Group proactively fulfills its corporate social responsibilities, while promoting economic development and caring a lot about the needs of special groups and communities in the society, so as to grow hand in hand with the community. The Group firmly believes that the growth of an enterprise cannot be achieved without the support of society. It is therefore committed to giving back to the community by participating in public welfare initiatives through various means, including donating supplies, funding educational programmes, cleaning communities, educating citizens on garbage sorting and recycling, supporting vulnerable groups and other efforts, thereby contributing to the building of a harmonious society. The Group encourages employees to participate in various charitable activities and contribute to social development. Through the above corporate social responsibility performance, employee charitable participation, and Party-building cooperation mechanisms, the Group is dedicated to achieving a win-win situation between economic and social benefits, establishing a strong corporate citizen image, and laying a solid foundation for sustainable development.





## 8. VERIFICATION STATEMENT

SHINEWING
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Causeway Bay, Hong Kong

信永方略可持續發展諮詢服務有限公司
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SHINEWING Sustainability Advisory Services Limited ("**SHINEWING Sustainability**") has been engaged by Dynasty Fine Wines Group Limited (HKSE Stock Code: 00828) and its subsidiaries (collectively referred to as "**Dynasty**") to undertake an independent verification on Environmental, Social and Governance Report 2025 ("**ESG Report**"). The ESG Report set out the environmental and social performance of the Dynasty from 1 January 2025 to 31 December 2025; and has been prepared in accordance with the requirements of Appendix C2 – "Environmental, Social and Governance Reporting Code" of the Rules Governing the Listing of Securities" of the Stock Exchange of Hong Kong ("**ESG Reporting Code**").

### Objective

This independent verification statement is solely for the use of the stakeholders and management personnel of Dynasty. The statement has been prepared in English and Chinese versions. Should there be any discrepancies between these versions, the English version shall prevail.

### Responsibilities of Dynasty

Dynasty is responsible for the data collection, calculation, making estimates and preparation of the ESG Report. Dynasty is also responsible for implementing sound internal control procedures to ensure the content and presentation of the ESG Report are free from material errors.

### Responsibilities of SHINEWING Sustainability

SHINEWING sustainability is responsible to provide an independent verification statement to stakeholders based on the scope and methodology described. We do not assume responsibility or accept liability to any other person for the contents of this report.

### Independence

SHINEWING Sustainability is independent to Dynasty. There is no relationship between SHINEWING Sustainability and Dynasty beyond the contractual agreement for providing the verification service.

# Environmental, Social and Governance Report

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## Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. Further, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

## Scope

The scope of the verification statement is limited to the data and information in the ESG Report. Dynasty selected several specified performance information in the ESG Report for the verification purpose, which included the Scope 1&2 greenhouse gases[1], use of resources data[2] (collectively referred to as "**Specified Performance Information**") set out in the ESG Report.

## Methodology

The verification is with reference to (i) AA1000AS v3, Type 2 Engagement and Moderate Level of Assurance; (ii) ESG Reporting Code; and (iii) SHINEWING Sustainability Procedures of Verification on ESG and Sustainability Report.

Within the scope of our work, SHINEWING Sustainability performed amongst others the following procedures:

- Review the preparation process of the ESG Report, including stakeholders engagement and materiality assessment.
- Verify the system and process of collection, analysis and reporting of selected data.
- Interview the manager responsible for sustainability performance and data collection.
- Verify the samples of the representative data and information selected, including review on conversion data and calculation as well as inspect the original data and supporting evidence of the data selected during the verification process.
- Assess whether the preparation of the ESG Report by Dynasty responded to the principles of Inclusivity, Materiality, Responsiveness, and Impact as defined in the AA1000AS v3.

1 Refer to Greenhouse Gas ("**GHG**") Emissions Section of the ESG Report: Data of Greenhouse Gas Emission

2 Refer to Use of Resources Section of the ESG Report: Data of Resources Use

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## Conclusion

With reference to the AA1000AS v3 principles of Inclusivity, Materiality, Responsiveness and Impact, our conclusions are as follows:

- Inclusivity: Dynasty has identified key stakeholders and has understood stakeholders' needs and concerned issues through various forms of stakeholder engagement. Dynasty has demonstrated that their formulation of policies accounted for stakeholders' expectations and their impacts.

- Materiality: Dynasty has accounted for stakeholders' needs and concerned issues, and has disclosed identified material issues based on its unique business characteristics, legal and regulatory requirements, economic, environmental and social impacts, etc. Dynasty has disclosed the methodology, process and outcome of the assessment on material issues.

- Responsiveness: Dynasty has established communication channels for its stakeholders to understand their concerns and expectations. Meanwhile, through the ESG Report, Dynasty has disclosed corporate sustainability strategies, management systems, management key points, key stakeholder participation activities as well as major sustainability development related issues to respond to key stakeholders.

- Impact: Dynasty has considered and evaluated its impacts by integrating ESG concepts into daily operations and realised its impacts on stakeholders, so as to make a more effective business decision-making and result-based management within the organisation.

- Specified Performance Information: Based on the procedures that SHINEWING Sustainability has performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Specified Performance Information is not reliable or is not in the quality of the basis of reporting as set out in the ESG Report.

# Environmental, Social and Governance Report

## About SHINEWING Sustainability

SHINEWING Sustainability has studied, standardized and verified corporate environmental performance data since 2016. SHINEWING's Sustainability team possesses relevant professional technical capability and experience. The relevant personnel received professional training regarding sustainability standards such as GRI Sustainability Reporting Standards issued by Global Reporting Initiative, AA1000AS v3, ESG Reporting Code, ISO 14064 and PAS2600.

**SHINEWING Sustainability Advisory Services Limited**
Hong Kong
26th March, 2026

AA1000
Licensed Report
000-294/V3-J16VO

## 9. CONTENT INDEX OF "ESG REPORTING CODE"

| ESG Indicator | Reporting Code | Section | Page |
|---|---|---|---|
| **A. Environment** | | | |
| **Aspect A1** | **Emissions** | | |
| **General disclosure** | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Environment – Standards and goals of environmental protection management; Emissions | 10, 11 |
| **KPI A1.1** | The types of emissions and respective emissions data. | Environment – Emissions | 11 |
| **KPI A1.2** | Deleted on 1 January 2025 | | |
| **KPI A1.3** | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Environment – Emissions | 11 |
| **KPI A1.4** | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Environment – Emissions | 11 |
| **KPI A1.5** | Description of emissions target(s) set and steps taken to achieve them. | Environment – Standards and goals of environmental protection management; Emissions | 10, 11 |
| **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. | Environment – Standards and goals of environmental protection management; Emissions | 10, 11 |

# Environmental, Social and Governance Report

| ESG Indicator | Reporting Code | Section | Page |
|---|---|---|---|
| **A. Environment** | | | |
| Aspect A2 | Use of Resources | | |
| **General disclosure** | Policies on the efficient use of resources, including energy, water and other raw materials. | Environment – Use of resources | 14 |
| **KPI A2.1** | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000 s) and intensity (e.g. per unit of production volume, per facility). | Environment – Use of resources | 14 |
| **KPI A2.2** | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Environment – Use of resources | 14 |
| **KPI A2.3** | Description of energy use efficiency target(s) set and steps taken to achieve them. | Environment – Standards and goals of environmental protection management; Use of resources | 10, 14 |
| **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. | Environment – Standards and goals of environmental protection management; Use of resources | 10, 14 |
| **KPI A2.5** | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Environment – Use of resources | 14 |

# Environmental, Social and Governance Report

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| **A. Environment** | | | |
| **Aspect A3** | **The Environment and Natural Resources** | | |
| **General disclosure** | Policies on minimising the issuer's material impact on the environment and natural resources. | Environment – Environment and natural resources | 18 |
| **KPI A3.1** | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Environment – Environment and natural resources | 18 |
| **Aspect A4** | **Climate Change** | | |
| **General disclosure** | Deleted on 1 January 2025 | | |
| **KPI A4.1** | Deleted on 1 January 2025 | | |

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| **B. Social** | | | |
| **Employment and Labour Practices** | | | |
| **Aspect B1** | **Employment** | | |
| **General disclosure** | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Employment and Labour Practices – Employment practices | 31 |
| **KPI B1.1** | Total work force by gender, employment type (for example, full-or part time), age group and geographical region. | Employment and Labour Practices – Employment practices | 31 |
| **KPI B1.2** | Employee turnover rate by gender, age group and geographical region. | Employment and Labour Practices – Employment practices | 31 |

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| **B. Social** | | | |
| **Employment and Labour Practices** | | | |
| **Aspect B2** | **Health and Safety** | | |
| **General disclosure** | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to providing a safe working environment and protecting employees from occupational hazards. | Employment and Labour Practices – Health and safety | 38 |
| **KPI B2.1** | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Employment and Labour Practices – Health and safety | 38 |
| **KPI B2.2** | Lost days due to work injury. | Employment and Labour Practices – Health and safety | 38 |
| **KPI B2.3** | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | Employment and Labour Practices – Health and safety | 38 |
| **Aspect B3** | **Development and Training** | | |
| **General disclosure** | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Employment and Labour Practices – Employment practices | 31 |
| **KPI B3.1** | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Employment and Labour Practices – Employment practices | 31 |
| **KPI B3.2** | The average training hours completed per employee by gender and employee category. | Employment and Labour Practices – Employment practices | 31 |

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| **B. Social** | | | |
| **Employment and Labour Practices** | | | |
| **Aspect B4** | **Labour Standards** | | |
| **General disclosure** | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to preventing child and forced labour. | Employment and Labour Practices – Employment practices | 31 |
| **KPI B4.1** | Description of measures to review employment practices to avoid child and forced labour. | Employment and Labour Practices – Employment practices | 31 |
| **KPI B4.2** | Description of steps taken to eliminate such practices when discovered. | Employment and Labour Practices – Employment practices | 31 |

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| **B. Social** | | | |
| **Operating Practices** | | | |
| **Aspect B5** | **Supply Chain Management** | | |
| **General disclosure** | Policies on managing environmental and social risks of the supply chain. | Operating Practices – Supply chain management | 43 |
| **KPI B5.1** | Number of suppliers by geographical region. | Operating Practices – Supply chain management | 43 |
| **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. | Operating Practices – Supply chain management | 43 |
| **KPI B5.3** | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Operating Practices – Supply chain management | 43 |
| **KPI B5.4** | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Operating Practices – Supply chain management | 43 |

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| **B. Social** | | | |
| **Operating Practices** | | | |
| **Aspect B6** | **Product Responsibility** | | |
| **General disclosure** | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Operating Practices – Customer service; Business ethics | 48 |
| **KPI B6.1** | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Operating Practices – Product quality management | 45 |
| **KPI B6.2** | Number of products and service related complaints received and how they are dealt with. | Operating Practices – Customer service | 48 |
| **KPI B6.3** | Description of practices relating to observing and protecting intellectual property rights. | Innovation and Intellectual Property Rights – R&D project; Protection of intellectual property rights and trademark | 51 |
| **KPI B6.4** | Description of quality assurance process and recall procedures. | Operating Practices – Product quality management | 45 |
| **KPI B6.5** | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | Operating Practices – Business ethics | 48 |

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| **B. Social** | | | |
| **Operating Practices** | | | |
| **Aspect B7** | **Anti-corruption** | | |
| **General disclosure** | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to bribery, extortion, fraud and money laundering. | Operating Practices – Anti-corruption | 50 |
| **KPI B7.1** | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. | Operating Practices – Anti-corruption | 50 |
| **KPI B7.2** | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | Operating Practices – Anti-corruption | 50 |
| **KPI B7.3** | Description of anti-corruption training provided to directors and staff. | Operating Practices – Anti-corruption | 50 |

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| **Community** | | | |
| **Aspect B8** | **Community Investment** | | |
| **General disclosure** | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Community Investment | 52 |
| **KPI B8.1** | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Community Investment | 52 |
| **KPI B8.2** | Resources contributed (e.g. money or time) to the focus area. | Community Investment | 52 |
| **D. Climate-related Disclosures** | | | |
| **Addressing climate change** | | | |
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