Zhong Jia Guo Xin Holdings Company Limited

中加國信控股股份有限公司

Stock Code 股份代號：899

2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

TABLE OF CONTENTS

ABOUT THE REPORT

This Environmental, Social and Governance Report (the "ESG Report") summarises the environmental, social and governance ("ESG") initiatives, programmes and performance of Zhong Jia Guo Xin Holdings Company Limited (the "Company") and its subsidiaries, (collectively the "Group", or "we"). As a socially responsible corporation, we commit to a long-term goal towards sustainability. The Group has been continuously implementing sustainable operations and protecting the environment in different ways to better the lives of people.

Reporting Framework

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

Reporting Principles

During the preparation of this ESG Report, the Group has applied the reporting principles as stipulated in the ESG Reporting Code:

Materiality: A materiality assessment was conducted to identify material issues, thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. The materiality of issues was reviewed and confirmed by the Board of Directors (the "Board") and the ESG Taskforce (the "ESG Taskforce"). Please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment" for further details.

Quantitative: Supplementary notes are added along with quantitative data disclosed in the ESG Report to explain any standards, methodologies, and sources of conversion factors used during the calculation of emissions and energy consumption.

Consistency: Unless otherwise specified, the Group's disclosure and statistical methodologies remain consistent with the previous financial year to ensure meaningful comparisons. During the Reporting Period, adjustments to the reporting scope occurred, as outlined in the "Reporting Scope" section. Any changes in disclosure scope or calculation methodologies that could affect data comparability with prior reports are clearly explained in the relevant sections.

The corporate governance practices of the Group are set out in the "Corporate Governance Report" of its Annual Report 2026.

Reporting Period

This ESG Report details the Group's environmental, social and governance initiatives, measures and performance for the period from 1 April 2025 to 31 March 2026 (the "Reporting Period").

ABOUT THE REPORT

Reporting Scope

This ESG Report covers the two principal businesses of the Group: i. water business; and ii. property investment. The reporting scope includes operational sites in Hunan, Beijing, Zhejiang, and Suzhou, which collectively contributed to nearly 100% of the Group's total revenue during the Reporting Period. The Hong Kong office are excluded from the reporting scope due to their immaterial impact on financial and ESG performance. Mining operations are not included in the reporting scope as they have not commenced commercial production during the Reporting Period. We will continue to refine and expand the scope of reporting when more information becomes available and when there are any changes in circumstances in the future.

Forward-looking Statements

The forward-looking statements contained in this ESG Report are based on current expectations, estimates, forecasts, beliefs, and assumptions about the businesses of the Group and its subsidiaries and the markets in which they operate and are not guarantees of future performance. Our performance may be affected by market risks, uncertainties, and factors beyond the control of the Group. Accordingly, actual results and returns may differ materially from the assumptions made and the statements contained in this ESG Report.

Contact Us

We welcome comments and suggestions from stakeholders. You can share your valuable opinions on this ESG Report or our sustainability performance by emailing info@zhongjiagx.com.

On behalf of the Board of the Company, I am pleased to present the ESG Report, which covers the Group's approach and performance in terms of sustainable development in the Reporting Period.

With the diversification of business and the dedicated efforts of our employees, we continue to strengthen the coordination and cooperation among various business units, making better use of human resources and technology to the advancement and the development of the Group.

MESSAGE FROM THE BOARD

The Group firmly believes that ESG, as the core part of our business strategy, is the key to the Group's continued success in the future. We will continue to fulfil our ESG commitment effectively and responsibly, set sustainable development goals towards issues that will improve the well-being of our community, be conscious of the global climate change, respond to the pressing ESG issues and formulate corresponding policies and measures to reduce the Group's ESG risks.

To better manage the Group's ESG performance and identify potential risks, the Board conducts materiality assessments with the assistance of the ESG Taskforce. We have prioritised the opinions of stakeholders and major ESG-related issues and respond to the needs and expectations of all parties in a timely manner. Collectively, with our employees and different stakeholders, we devote our efforts to strive for sustainable development.

Challenges on tackling climate issues remain ahead and they demand our collective actions to help solve the crisis. The Group will continue to work together with the government and all sectors of society to foster a healthy environment and economy.

The Board would like to take this opportunity to thank all our employees for their efforts and contributions, and all our business partners, customers, suppliers and shareholders for their continued trust and support.

Lam Tsz Chak
Chairman of the Board
Zhong Jia Guo Xin Holdings Company Limited

BOARD STATEMENT

The ESG Governance Structure

The Group believes that sound ESG performance is important to the Group's sustainable business development. The Group is committed to protecting and improving the environment as well as the community's well-being and minimising the impact of its activities on the environment.

To achieve this goal, we have integrated ESG factors into our decision-making process. We have a core governance framework to ensure that ESG factors are being considered while achieving business growth. Our corporate social responsibility structure is divided into two parts, the Board of Directors and the ESG Taskforce.

The Board's Responsibilities

The Board has the ultimate responsibility for overseeing the Group's ESG matters, including its ESG approaches, strategies and policies. To better manage the Group's ESG performance and identify potential ESG risks, the Board conducts materiality assessments with the assistance of the ESG Taskforce, takes into account the opinions of different stakeholders, assesses and prioritises important ESG-related matters, sets ESG-related targets and provides management guidelines and strategies for achieving these targets. The Board and senior management are responsible for ensuring that the Group's ESG strategies and related activities, including climate-related issues, are relevant and effective.

The ESG Taskforce's Responsibilities

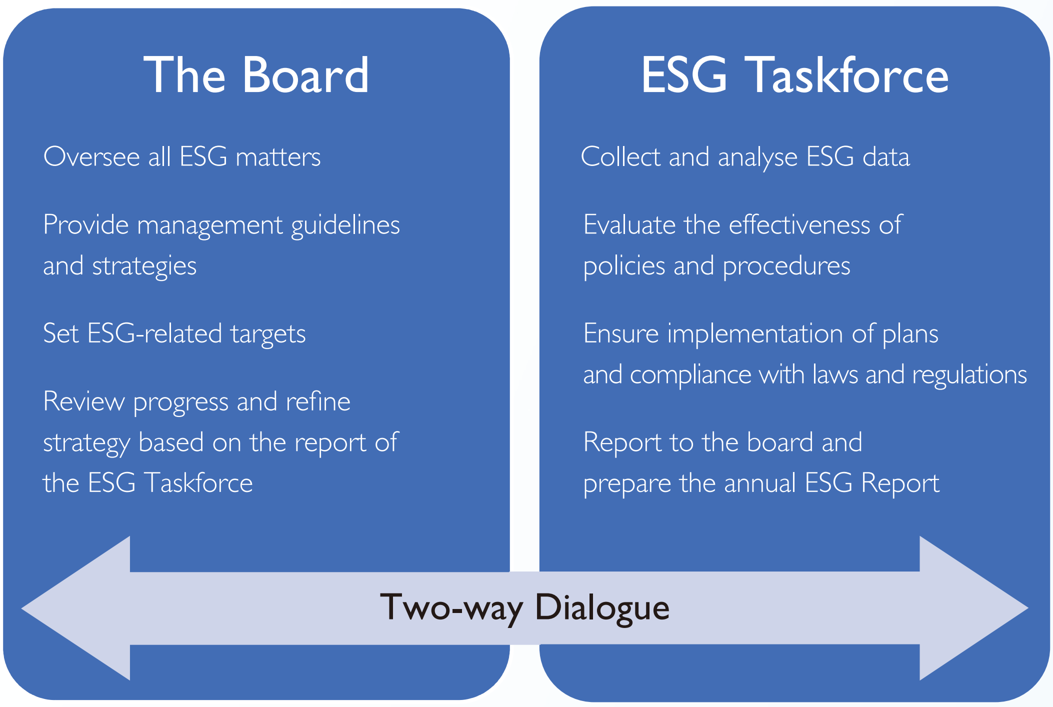
The ESG Taskforce is authorised by the Board to carry out all works related to the implementation of ESG practices and facilitate the Board's overview of ESG matters. The Group's ESG Taskforce comprises core members from different business units of the Group. Its main responsibilities include collecting and analysing ESG data, evaluating the Group's ESG performance, ensuring implementation of plans and complying with ESG-related laws and regulations, and preparing the annual ESG Report.

The ESG Taskforce arranges regular meetings to assess the effectiveness of current policies and procedures and develop appropriate solutions to improve the overall ESG performance. At the meetings, the ESG Taskforce communicates plans to achieve the Group's ESG goals. The ESG Taskforce ensures concepts of sustainable development are incorporated into its business operations. It reports to the Board on a regular basis to evaluate the effectiveness of the internal control mechanism and review the progress of achieving the established goals and targets. The ESG Taskforce is also involved in the enterprise risk assessment to identify the Group's ESG risks and opportunities.

BOARD STATEMENT

A Two-way Dialogue Approach

To promote effective communication within the organisation, the Group adopts a two-way dialogue approach. Both top-down and bottom-up communications are encouraged and facilitated. It allows the Board to monitor the implementation of policies, identify potential risks, rectify problems that are inconsistent with sustainable development practices and keep track of the progress of achievement. It also allows employees to provide feedback on those policies implemented.



STAKEHOLDER ENGAGEMENT

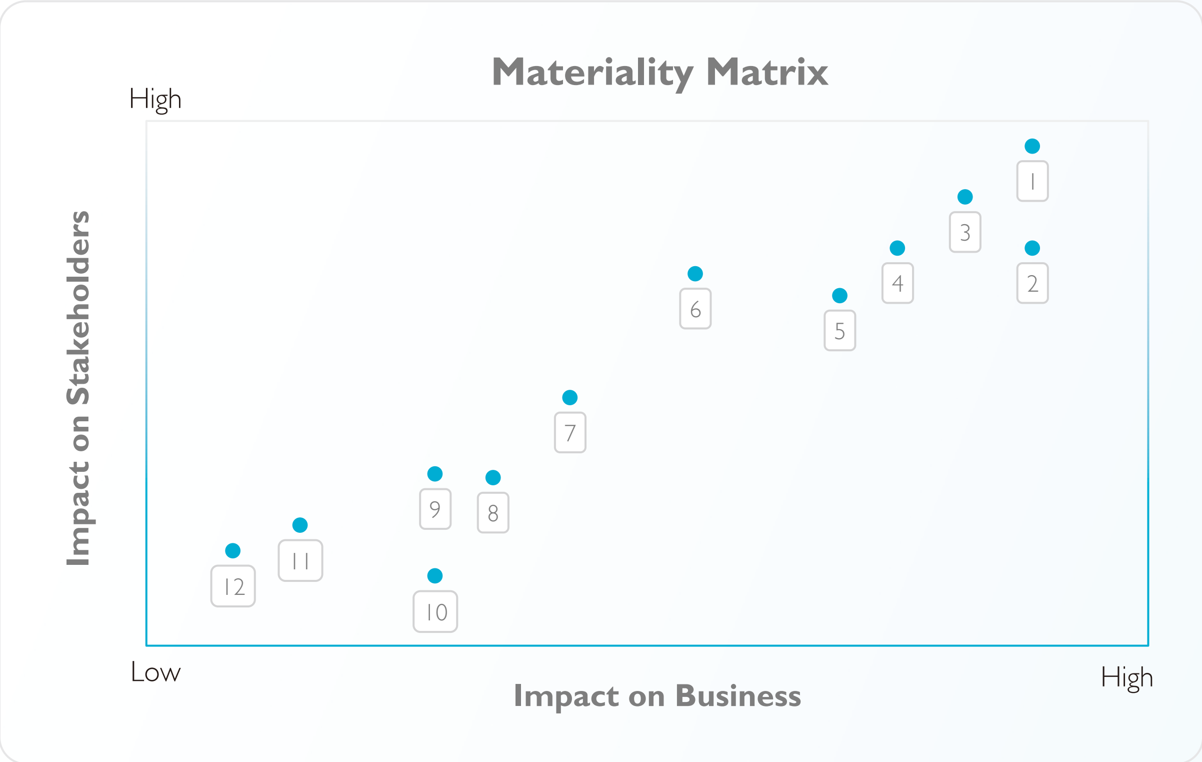
The Group places great importance on maintaining ongoing communication with different stakeholders and collecting their feedback on ESG matters. To fully understand, respond to and address the core concerns of different stakeholders, the Group has been working with key stakeholders from time to time through different communication channels to gain a deeper understanding of their concerns and expectations.

Stakeholders	Expectations and Concerns	Communication Channels
Government and Regulatory Authorities	• Compliance with laws and regulations • Sustainable development • Occupational health and safety • Paying taxes in full and on time	• Regular reports • Official website of the Group • Work reports preparation and submission
Shareholders	• Return on investments • Corporate governance • Compliance with laws and regulations • Transparent information and effective communication	• Financial reports • Announcements and circulars • Annual general meetings and other shareholder meetings • Official website of the Group
Employees	• Employee remuneration and benefits • Career development • Workplace health and safety • Labour rights	• Training and orientation • Regular meetings • Emails and other electronic communications
Customers	• Quality products and services • Customer rights • Customer satisfaction • Performance of contracts	• Customer satisfaction survey • Face-to-face meetings and on-site visits • Customer service hotline and emails
Suppliers	• Fair and open procurement • Performance of contracts • Mutual benefits and win-win situation	• Open tendering • Supplier satisfaction assessment • Telephone conferences • Face-to-face meetings and site visits
General Public	• Community participation • Compliance with laws and regulations • Environmental protection • Transparent information	• Official website of the Group • ESG reports
Professional Organisations	• Compliance with laws and regulations • Environmental protection and social responsibilities	• Telephone discussions • Meetings (private or general meetings) • Emails and other electronic communications

The Group is committed to working with various stakeholders to improve the Group's ESG performance and create greater value for the general community.

MATERIALITY ASSESSMENT

Throughout the stakeholder engagement exercise, the Group has identified its major ESG issues, and assessed the importance of these issues to its business and stakeholders. The results are illustrated in the matrix below. The Group has reviewed the results and considered that the results are applicable to the Group. The Group will continue to monitor these major issues and their impact on its business and stakeholders.



Key ESG Issues	
1. Employment and equality	7. Quality assurance
2. Employee remuneration and benefits	8. Community investment
3. Occupational health and safety	9. Climate change
4. Supplier management	10. Pollutant emission
5. Anti-corruption	11. Use of energy and resources
6. Development and training	12. Environment protection

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We unequivocally support the Sustainable Development Goals adopted by the United Nations in 2015, and have identified five Sustainable Development Goals with higher relevance to our business. Meaningful initiatives are directed to support the achievement of these goals. During the process, we continuously review our performance and ensure that our operations are in line with international norms.

Environmental Goals

Water scarcity affects billions of people every year. Water is not only vital to our survival but is also a valuable resource to our water mining business. We pay particular attention to our water footprint, a measure of the amount of water used to produce each of the goods and services. We are committed to using innovative technologies to produce safe drinking water. Our business operations are optimised with an emphasis on improving water efficiency. We regularly assess and monitor our water consumption and implement a water conservation policy to raise employee awareness on water conservation.

The consequences of climate change may be catastrophic to humans. Climate threats include intense droughts, widespread flooding, rising sea levels, extreme weather, and declining biodiversity. We are aware of any negative impacts that our operations may have on the environment. We also proactively identify and mitigate any major climate risks that may affect our business and operations. Contingency measures are put in place to respond to emergency situations and ensuring the safety and well-being of our employees and the continuity of our operations. In the event of any substantial disruption as a result of climate threats, our potential loss will be contained to a minimum.

Social Goals

Ensuring the health and promoting the well-being of our employees are essential to our sustainable development. We incorporated flexible work arrangements and improved the sanitization of our offices and operational sites. Our employees are provided with basic health insurance and medical benefits. For our day-to-day operations, we have effective measures in place to improve workplace health and safety. During the Reporting Period, the Group recorded zero cases related to work-related injuries or deaths.

Inequalities perpetrate discrimination, conflicts, and social unrest. We believe everyone should be treated with equality and dignity, and endeavour to provide a work environment with fair opportunities and free from discrimination. Comprehensive policies are in place to protect employee rights and interests. We also ensure that the provision of employee benefits appropriately addresses their needs and concerns in a timely manner. In addition, we are conscious of the social issues surrounding income inequality and are committed to social contribution targeting to alleviate the extent of income inequality between different groups.

Unsustainable patterns of consumption and production are the root causes of pollution and environmental threats. We believe responsible consumption and production patterns are integral to the livelihood of our future generations. Apart from applying the "Reduce, Reuse, Recycle and Replace" ("4R") concept to all stages of our projects, we promote energy conservation, resource management, and waste reduction in our daily operations. We also engage in responsible sourcing by applying selection criteria that favour green suppliers, and ensure our production practices are in line with international standards.

A. ENVIRONMENTAL

The Group places utmost importance on environmental management in order to fulfil its social responsibilities. The Group has applied environmental protection management to regulate emissions and wastes generated during operations, so as to contribute to environmental protection and reduce carbon emissions and achieve the goal of long-term sustainable development.

2030 Environmental Goals

The below objectives are set at the Group level to address the pressing climate issues and facilitate the evaluation of the Group's performance on achieving its environmental goals. By using 2022/2023 as the base year, we target to achieve the following goals by 2030. Detailed plans and initiatives taken to achieve these goals are outlined in the following sections.

Electricity Consumption	Water Consumption	Non-hazardous Waste	Greenhouse Gas Emissions
↓ 4%	↓ 4%	↓ 8%	↓ 8%

A1. EMISSIONS

The Group ensures its environmental policies are implemented under stringent supervision, and that all its business processes comply with the legal and regulatory requirements. The person-in-charge at each level continuously reviews the Group's policies and procedures and report to the management when appropriate. Suggestions for improvement will be carried out when needed.

During the Reporting Period, the Group was not aware of any significant violation of the relevant laws and regulations on air and greenhouse gas emissions ("GHG emissions"), discharges into water and land, and generation of hazardous and non- hazardous wastes that might have a significant impact on the Group. Relevant laws and regulations include but are not limited to the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Waste Disposal Ordinance and the Water Pollution Control Ordinance of Hong Kong.

A. ENVIRONMENTAL

Exhaust Gas Emissions

The Group's exhaust gas emissions mainly stem from petrol and diesel consumption of its vehicles. The Group has in place an internal policy, the "Anti-pollution and Anti-noise Operation Scheme", across all of its water mining projects, to improve the air quality of its operational sites. In relation to the management of emissions from petrol and diesel consumption, the Group has implemented the following measures:

- Inspect and maintain company vehicles regularly to optimise fuel consumption;
- Encourage employees to use video conferences or teleconferences instead of physical meetings in order to reduce unnecessary travel; and
- Reduce the number of trips through better logistics planning.

During the Reporting Period, the Group has optimised vehicle usage and implemented efficient transportation practices, resulting a reduction of exhaust gas emissions. Details on the Group's exhaust gas emissions are summarised as follows:

Types of Exhaust Gas	Unit	2026	2025
Nitrogen Oxides (NO_x)	kg	27.94	34.44
Sulphur Oxides (SO_x)	kg	0.06	0.07
Particulate Matter (PM)	kg	2.60	2.87

A. ENVIRONMENTAL

Sewage Disposal

Property Investment Business

The Group was engaged in the lease of properties during the Reporting Period. As a result, the Group did not generate any industrial wastewater from its operational sites. The main sewage discharge is commercial wastewater generated from the Group's properties and office premises.

The Group has installed sewage treatment facilities of appropriate scale at its operational sites to carry out the treatment of sewage. All wastewater generated at its operational sites must be treated on-site before being discharged into the city sewer network. The Group also conducts internal monitoring on a regular basis to ensure that the treated wastewater complies with the national and local standards, such as the Integrated Wastewater Discharge Standard (GB8978-1996) of the PRC. Any floating sludge produced during the treatment process is collected and transported to a certified environmental organisation for further processing.

Water Business

The production and bottling of water involve a series of processes such as water mining, inspection, filtration and purification. The Group is highly concerned with the potential ecological impact of its production process. As the process does not involve a lot of chemicals or additives, the wastewater generated is harmless. In addition, the Group is committed to reusing water as much as possible during extraction and production, and has installed wastewater treatment facilities at its bottling plants.

Office Operations

The wastewater generated in the office is mainly commercial wastewater, which is discharged directly into the urban sewer network. As the amount of wastewater generated by the Group largely depends on its water consumption, the Group has implemented specific water-saving measures, which are further explained in "Water Resources Management" under the section A2. Use of Resources.

Waste Management

Waste management is of significance to the Group. The Group will strictly abide by the relevant laws and regulations and pay attention to the quantity and quality of wastes generated. The Group is committed to promoting a circular economy within the enterprise to control and manage the recycling and disposal of wastes, and to deal with non-recyclable wastes more effectively.

Hazardous Wastes

The Group does not directly generate hazardous wastes during its operations. Nonetheless, the Group has adopted guidelines for its management and disposal of hazardous wastes. If any hazardous waste is generated, the Group must engage qualified waste collectors to dispose of such waste in order to comply with the relevant environmental laws and regulations.

Non-hazardous Wastes

Property Investment Business

During the Reporting Period, the Group's commercial waste was generated from its property leasing business. Nonetheless, the Group has established waste management measures that comply with the "Administrative Measures for Urban Living Garbage" of the PRC that govern the disposal of commercial wastes and construction wastes respectively. Commercial solid wastes are regularly collected and processed by the Group. Any construction wastes generated from property investment projects (such as property renovations) are regularly collected and transported by trucks to designated waste disposal facilities. In addition, recyclable wastes are transported to the recycling station. The Group strictly abides by local waste management laws and regulations, and disposes of excess mud and all other wastes in a legal and compliant manner in all material respects.

The Group will continue to enhance and expand the scope of waste management in the future. Specifically, it will strengthen waste measurement at its properties and facilities, keep track of commercial solid wastes, reduce the overall waste generated, and improve the environmental awareness of its operational staff and tenants.

A. ENVIRONMENTAL

Water Business

The Group is committed to reducing solid wastes in its water business. Solid wastes generated at the water plants are mainly commercial wastes, which are managed by the Group's administrative department and property management department, and are subsequently delivered to the landfill for disposal by the urban management in the PRC. The Group will continue to monitor and keep track of the production process from a full product life cycle perspective, and better control the waste generation from its water operations.

Office Operations

The Group adheres to the 4R principle: "Reduce, Reuse, Recycle and Replace" for effective waste management. The non- hazardous wastes generated in the Group's offices are mainly paper, household waste and kitchen waste, which are processed and disposed of by qualified waste treatment service providers after collection and sorting. Recyclable wastes, such as paper and metal, will be recycled and reused as far as is practicable.

In addition, the Group is committed to establishing a green and paperless office. Our administrative personnel regularly monitor the amount of paper and office supplies used. The following measures have been implemented to encourage minimisation of wastage:

- Make use of electronic means for communication as far as is practicable;
- Use paper printing only when necessary;
- Use double-sided printing and double-sided photocopying as much as possible;
- Reuse single-sided printing paper for printing draft documents;
- Post reminders on office equipment to remind employees on efficient use of resources;
- Choose environmentally-friendly office supplies;
- Use old envelopes and recycle used stationery, paper, cartons, and folders;
- Install microwave ovens in offices and encourage employees to bring their own lunch instead of ordering take-out food; and
- Minimise the use of disposable products, such as paper cups and paper towels.

A. ENVIRONMENTAL

During the Reporting Period, the Group's non-hazardous wastes mainly consisted of commercial wastes disposed on behalf of its tenants and minimal paper consumption for office purpose, and the total amount decreased compared to the previous year. Details of the Group's non-hazardous wastes are as follows:

Type of Waste	Unit	2026	2025
Total Non-hazardous Wastes	tonnes	508.00	733.85
Intensity (Employee)	tonnes/employee	9.24	17.47
Intensity (Revenue)	tonnes/million HKD	22.44	36.62

A2. USE OF RESOURCES

Through adherence to the 4R principle aforementioned, the Group has embedded the concept of "Reduce, Reuse, Recycle and Replace" in its everyday operations. The Group actively promotes the efficient use of resources, monitors the potential impact of its business operations on the environment and raises the awareness of resource conservation among its employees.

Energy Management

The Group's main energy consumption is the use of petrol and diesel in company vehicles and electricity purchased. As stated in section A1, the Group has in place an internal policy, the "Anti-pollution and Anti-noise Operation Scheme", for all of its water mining projects, and measures are implemented to reduce fuel consumption and the number of trips required in its daily operations. To reduce electricity consumption and raise employee awareness of energy conservation, the Group has implemented the following practices:

- Choose energy-efficient appliances;
- Turn off lights when they are not in use;
- Make use of daylight and LED lighting;
- Regular cleaning and maintenance of office equipment such as refrigerators, air conditioners and shredders to ensure efficiency;
- Set proper air conditioning temperature;
- Reduce carbon generated from business travels by using teleconferencing or video conferencing; and
- Use of energy-efficient equipment during daily operations.

A. ENVIRONMENTAL

During the Reporting Period, direct energy consumption decreased as a result of improved vehicle usage optimisation, indirect energy consumption increased due to the expansion of the bottled mineral water production and sales business in Hunan, which required greater electricity usage to support operations. Changes in total energy consumption intensity were primarily attributable to adjustments in business structure. The details of the Group's energy consumption are as follows:

Types of Energy	Unit	2026	2025
Total Direct Energy Consumption	MWh	**46.75**	**46.97**
– Unleaded Petrol	MWh	21.38	14.92
– LPG	MWh	12.16	13.70
– Diesel	MWh	13.21	18.35
Total Indirect Energy Consumption	MWh	**845.29**	**700.29**
– Purchased electricity	MWh	845.29	700.29
Total Energy Consumption	MWh	**892.04**	**747.26**
– Intensity (Employee)	MWh/employee	16.22	17.79
– Intensity (Revenue)	MWh/million HKD	39.40	37.29

Water Resources Management

Water is one of the most precious resources on the planet. The Group has been seeking effective ways to use and conserve water. It encourages all employees to develop a good habit of using water in an efficient way to reduce water consumption. The following water conservation measures have been implemented:

- Regularly check the water supply pipeline to detect leakages;
- Formulate plan to minimise the loss of water in case of leakages;
- Use water-saving facilities as much as possible; and
- Strengthen water-saving propaganda, post water-saving messages, and guide employees to use water efficiently.

Due to the geographical location of the Group's office, the Group does not encounter any problems in obtaining suitable water sources.

A. ENVIRONMENTAL

During the Reporting Period, details of the Group's water consumption are as follows:

Indicator	Unit	2026	2025
Total Water Consumption	m^3	13,741.00	15,382.00
Intensity (Employee)	m^3/employee	249.84	366.24
Intensity (Revenue)	m^3/million HKD	606.93	767.56

Use of Packaging Materials

Given the nature of the Group's business, the packaging materials consumed during the Reporting Period included approximately 225 tonnes of water bottles, 22 tonnes of plastics and 52 tonnes of carton boxes. The respective intensity of water business (tonnes per revenue in million HKD) was 27.64.

A3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group actively pursues best practices in environmental protection and is committed to being responsible for the impact of its operations on the environment and natural resources in order to achieve sustainable development. In addition to complying with the relevant environmental laws and regulations and international standards, the Group has also implemented various measures to reduce the environmental impacts.

Indoor Air Quality Management

As employees spend a lot of their time in the office, good indoor air quality is very important. The Group regularly monitors and measures the indoor air quality of the workplace. By using air purification equipment in the workplace to filter pollutants, impurities and dust particles, and regularly cleaning the air-conditioning system, the Group strives to ensure good indoor air quality in the office.

Noise Management

During the Reporting Period, the noise generated by the Group mainly comes from the use of machinery and equipment during water mining operations. The Group strictly complies with the national and local noise emission standards, such as the "Emission Standards for Industrial Enterprises Noise at Boundary" (GB12348-2008), and the Group adopts appropriate noise reduction facilities and measures to reduce noise. Vibration pads and real-time sound monitoring equipment are widely used noise control tools at the Group's operational sites. In addition, the Group has installed noise enclosures, noise barriers and vibration isolation facilities, and stipulated the operating hours of certain equipment or machines. In order to reduce noise emissions to a level that will not cause long-term or health impacts on the nearby residents, the Group actively conducts surveys with local residents to explore better ways to minimise noise impacts from its daily operations.

Climate change has become a growing global concern. It is a significant and impending issue that poses various unforeseen hazards and catastrophic consequences for businesses. Governments of various countries and international organisations have strengthened their efforts to seek solutions related to climate change. The Sixth Assessment Report of the Intergovernmental Panel on Climate Change further warns of the severity and urgency of the climate crisis. The PRC government has proposed to achieve carbon peaking by 2030 and carbon neutrality by 2060. Therefore, it is expected that our country will take a more proactive approach and adopt more active measures, policies and laws and regulations to achieve carbon neutrality.

The Group is aware of the threat posed by climate change. It closely monitors the potential impact of climate change on its business and actively contributes by offsetting its carbon footprint. There are two major categories of climate-related risks, physical and transition risks. The Group has evaluated relevant climate-related risks, and has strived to manage possible impacts of climate risks on the Group's businesses.

B. SOCIAL

B1. EMPLOYMENT

Human resources are the most valuable assets of the Group and constitute our competitive advantages. The Group is committed to improving its employment standards to attract, develop and retain talents. The Employee Handbook and Recruitment Management Regulations are compiled to guide and govern the Group's practices on recruitment, promotion, dismissal, remuneration and benefits, and other employment terms. The Group also reviews its policies and recruitment procedures regularly to ensure that its recruitment standards are updated and improved continuously.

During the Reporting Period, the Group was not aware of any significant non-compliance of relevant laws and regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti- discrimination, and other benefits and welfare that might have a significant impact on the Group. Relevant laws and regulations include but are not limited to the Employment Ordinance of Hong Kong, the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China.

As of 31 March 2026, the total number of employees within the Reporting Scope was 55 (2025: 42 employees). The employee profile is outlined in the table below:

Employee Data	2026	2025
By Gender		
Male	22	19
Female	33	23
By Age Group		
Below 30	2	3
30–50 years old	31	29
Above 50	22	10
By Employee Category		
Directors and management	22	19
General staff	33	23
By Geographical Region		
Mainland China (including Hong Kong)	55	42
By Employee Type		
Full-time	46	38
Part-time	9	4

B. SOCIAL

As of 31 March 2026, the employee turnover rate[1] was 27.27% (2025: 2.38%). Due to the adjustment in this year's reporting scope, as mentioned earlier, the turnover rate for 2026 only includes data from operational sites in Hunan, Beijing, Zhejiang, and Suzhou. As such, the turnover rate data for the previous year may not be directly comparable with that of the Reporting Period. The breakdown of the employee turnover rate is set out in the table below:

Employee Turnover Data	Number of Employees	Percentage of Employees[2]
By Gender		
Male	12	55%
Female	3	9%
By Age Group		
Below 30	6	300%
30–50 years old	7	23%
Above 50	2	9%
By Geographical Region		
Mainland China (including Hong Kong)	15	27%

1. Employee turnover rate = Total number of employees left during the Reporting Period / Average number of employees during the Reporting Period × 100%

2. Employee turnover rate by category = Total number of employees left during the Reporting Period in a specific category / Average number of employees in the Reporting Period in that category × 100%

B. SOCIAL

Employment Practices

Recruitment, Promotion and Dismissal	• The Group actively recruits potential talents and applies a fair and open evaluation system in its recruitment process. Factors such as individual capabilities, qualifications, work experience, and matching with the actual job requirements are the Group's recruitment criteria, ensuring a transparent and open recruitment process.
	• The Group conducts regular performance appraisals, which form the basis for promotion and salary adjustment. Outperforming employees will be rewarded and recognised. The Group regularly reviews its remuneration package to ensure that it reflects prevailing market conditions and properly recognises employee contribution. Internal promotion rather than external recruitment is preferred to increase employee engagement.
	• The Group strictly prohibits any form of unfair or unlawful dismissal. Termination of any employment contract shall be based on reasonable, lawful grounds and internal policies. The Group has formulated the procedures and conditions for dismissal and contract termination in the Employee Handbook. The Group also has a handover to-do list to ensure a seamless transition of job responsibilities.
Compensation and Benefits	• The Group considers employee compensation and benefits to be crucial to talent retention. The Group strictly applies the annual salary or hourly wage system with respect to different positions of employees, in accordance with the labour law. The Group also provides medical benefits and subsidises professional trainings and postgraduate programmes enrolled by its employees. The Group regularly organises team building events and meaningful entertainment activities for its employees to enhance their sense of belongingness.
	• The Group enters into labour contracts with employees in accordance with the Labour Contract Law of the PRC. As required by the PRC laws and regulations, the Group contributes to the social insurance and housing fund of its PRC employees, namely endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund. PRC employees are therefore entitled to the protection of social insurance.

B. SOCIAL

Working Hours and Rest Periods	• The Group acknowledges the importance of work-life balance and its significance on employee health. It has implemented policies to govern working hours and the rights of employees to rest periods and vacations. Statutory holidays and paid annual leave are provided as required by law. Other types of paid leaves, such as maternity leave, paternity leave, sick leave and personal leave, are provided and reviewed regularly according to market standards.
	• The Group has formulated policies in accordance with the Provisions of the State Council on Working Hours of Workers and Staff, and other local labour laws, and outlined the arrangements of working days and hours in the Employee Handbook. It does not tolerate any kind of forced labour. All overtime work is on voluntary basis and appropriate overtime allowance is offered.
Equal Opportunity, Diversity, Anti-discrimination	• As an equal opportunity employer, the Group values fair competition, mutual respect, and diversity. It is committed to promoting an inclusive work environment that is free from discrimination. Recruitment, promotion, and termination are not affected by the employee's age, gender, marital status, pregnancy, family status, disability, race, colour, ancestry, national or ethnic origin, national origin, religion or any other non-job-related factors.
	• The Group has zero tolerance towards any kind of harassment or slanderous conduct in the workplace. In accordance with the local laws and regulations, the Group has implemented an equal opportunity policy against discrimination.
	• The Group encourages employees to report any incident of discrimination to the Group's Human Resources Department. The Group is responsible for a fair and transparent assessment, and it will take necessary disciplinary actions against the relevant persons in accordance with the applicable laws and regulations.

B. SOCIAL

B2. HEALTH AND SAFETY

The Group is committed to providing its employees with a healthy, safe and comfortable working environment. It strives to eliminate potential workplace safety hazards and has upheld safety standards in all aspects to ensure the health and safety of employees during work.

The Group has formulated stringent internal safety and health policies to comply with the relevant laws and regulations in the PRC. During the Reporting Period, the Group was not aware of any significant violation of laws and regulations related to the provision of a safe working environment and the protection of employees from occupational hazards that might have a significant impact on the Group. Relevant laws and regulations include but are not limited to:

- Production Safety Law of the People's Republic of China;
- Law of the People's Republic of China on the Prevention and Control of Occupational Diseases; and
- Regulation on Work-Related Injury Insurance of the People's Republic of China.

As a company engaged in property investment and water mining, the mitigation of occupational health and safety risks is of paramount importance to the Group. The Group strives for zero accident in its operations. It strictly follows the instructions of the Quality Management Systems (ISO9001:2015) and the Occupational Health and Safety Management Systems (ISO45001:2018) on hazards identification and measures to reduce on-site safety risks.

Specifically, the Group has posted warning labels and announcements on health and safety issues in conspicuous places of the operational sites and stipulated that smoking and liquor drinking are strictly prohibited in the workplace. To ensure the health and safety of employees, the Group requires on-site workers to wear appropriate protective equipment, such as safety helmets, safety ropes and gloves. All other personnel entering the operational area are also required to wear safety helmets. Safety inspections of all operational sites are carried out from time to time. The Group also provides employees with medical and work injury insurance in accordance with the requirements of relevant laws and regulations.

Contingency planning can effectively minimise the risks associated with health and safety incidents. The Group has developed a crisis management plan and response mechanism to deal with any emergencies that may occur. All work areas have unobstructed emergency exits and fully-equipped first aid boxes. The Group arranges emergency drills to ensure that employees are familiar with measures that will be taken upon occurrences of any emergencies.

To further enhance employee awareness on occupational health and safety, the Group arranges regular training courses on various topics such as emergency management, handling of hazardous substances and protection of machinery and equipment.

Since the COVID-19 pandemic, the Group has strengthened its measures to curb virus spreading in the workplace. The Group reminds its employees to pay attention to personal hygiene and follow the government's health advice. The Group has implemented preventive measures such as providing surgical face masks and alcohol-based hand sanitiser in the office. It has also allowed flexible work arrangements for employees when necessary.

The Group achieved zero employee casualties for three consecutive years, including the Reporting Period. During the Reporting Period, the Group did not lose any working days due to work-related injuries.

B3. DEVELOPMENT AND TRAININGS

Development and trainings help the Group to attract and retain talents, improve employee job satisfaction, morale and productivity, and improve health and safety standards. The Group encourages the development and training of employees of all levels, to keep them abreast with industry trends and refresh existing skills.

During the Reporting Period, a total of 40 hours (2025: 82 hours) of staff trainings was recorded. Approximately 3.64% (2025: 9.52%) of the employees were trained with an average training hours per total number of employees of 0.73 hours (2025: 1.95 hours).

B. SOCIAL

The percentage of employees trained and the average training hours completed by each employee by gender and employee category are as follows:

Categories	Percentage of Employees Trained by category[5]	Average Hours of Training per Employee by category[6]
By Gender		
Male	4.55%	1.27
Female	3.03%	0.36
By Employee Category		
Directors and management	4.55%	0.55
General staff	3.03%	0.85

3. The percentage of employees trained = Total number of employees trained during the Reporting Period / Total number of employees at the end of the Reporting Period × 100%

4. The average training hours per employee = Total training hours for the Reporting Period / Total number of employees at the end of the Reporting Period

5. The percentage of employees trained by category = Number of employees trained in a specific category during the Reporting Period / Number of employees at the end of the Reporting Period in that category × 100%

6. The average training hours per employee by category = Training hours in a specific category in the Reporting Period / Total number of employees at the end of the Reporting Period in that category

B4. LABOUR STANDARDS

Prevention of Child Labour and Forced Labour

The Group prohibits any child labour and forced labour in its business, and it has formulated an internal policy to govern related labour issues. The Human Resources Department inspects the identification documents of job applicants before they are hired in order to prevent the employment of child labour. If the Group finds any violation of relevant labour laws, regulations or standards regarding child labour, the Group will immediately terminate the labour contract and take disciplinary action against the relevant management personnel.

Each employee's labour contract clearly states his working hours, work location and main responsibilities, to protect employees from being assigned to work that is not within the scope of their responsibilities. If any employee needs to work overtime, the overtime work must be agreed mutually and compensated according to relevant laws and regulations.

During the Reporting Period, the Group was not aware of any significant violation of relevant laws and regulations relating to the prevention of child and forced labour that might have a significant impact on the Group. Relevant laws and regulations include but are not limited to the Labour Law of the People's Republic of China and the Regulations Prohibiting Child Labour of the People's Republic of China.

B5. SUPPLY CHAIN MANAGEMENT

The Group has in place a supplier evaluation management system, namely "Supplier Management Measures", for the selection of suppliers. According to this system, the procurement department assesses suppliers based on their performance on ESG issues, product quality, qualifications, production capacity, technological level, past performance, customer base, and related matters for a comprehensive assessment. The selected suppliers are required to submit the required information for the Group's assessment.

The Supplier Management Measures ensure that selected suppliers will meet the Group's quality standards. The procurement department will perform site inspection, if necessary, to gain a better understanding of the supplier's production plant. Suppliers can only be included into the Group's qualified supplier list after passing the Group's assessments and interviews. In addition, suppliers should comply with all relevant laws and regulations, including but not limited to environmental and labour laws and regulations. The Group conducts on-going assessments and communicates feedback to suppliers on a regular basis to ensure that suppliers continue to meet the standards.

Green Procurement

The commitment to "Green Procurement" reflects the Group's determination to improve its environmental sustainability, not only within the Group's organisation, but also along the value chain. The Group is committed to local procurement in order to support the local economic development, create employment opportunities, and reduce the carbon generated from transportation. During the procurement process, the Group will give priority to local suppliers and environmentally friendly products and services.

The Group also takes measures to monitor its suppliers' compliance with the relevant laws and regulations, and whether they meet the standards on issues such as health, safety, forced labour and child labour. It is done by conducting site visits at the suppliers' operating sites. The Group aims to minimise environmental and social risks in its supply chain.

The Group also pays attention to the integrity of suppliers and will only select reputable suppliers and partners with no records of business violations. The Group does not tolerate any acts of bribery and corruption, and strictly prohibits suppliers from obtaining procurement contracts or cooperative relationships through any form of benefit transmission or gift.

During the Reporting Period, the Group had 35 suppliers within the Reporting Scope (2025: 30 suppliers), all of them are located in China.

B6. PRODUCT RESPONSIBILITY

Customer satisfaction is the cornerstone of the Group's sustainable development. The Group actively monitors product quality through internal control procedures and maintains constant communication with customers to ensure the Group's products and services meet customer expectations. The Group will continuously improve the quality of its products and services by understanding the needs and expectations of its customers.

During the Reporting Period, the Group was not aware of any significant violation of relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that might have a significant impact on the Group.

B. SOCIAL

Property Investment Business

The Group is committed to creating a high-quality living environment. Every detail of a project must meet the Group's quality standards before it can be offered to market. The Group has established an integrated management system that meets the requirements of ISO9001:2015 and ISO14001:2015, and strictly monitors the entire property management process.

Water Business

The Group aims to provide every customer with safe, clean and natural water. Its principle of "Serving clients with reliable products, excellent management, perfect quality and considerate sincerity" serves to ensure that all products in its water business fully comply with the applicable laws and regulations, including but not limited to the Water Law of the People's Republic of China, the Food Safety Law of the People's Republic of China, and the guidelines of ISO9001:2015. The Group has invested heavily in source control, production monitoring and finished product management to establish a system management platform that meets customer needs and expectations. During the Reporting Period, the Group did not encounter any water products that had to be recalled due to safety and health reasons.

Customer Satisfaction

Customers can give their feedback to the Group through customer satisfaction surveys and direct contact. After receiving the complaint, the Customer Relations Department will follow up on the complaint within a specified time. Through effective dialogue and communication with customers, the Group strives to improve its business performance and provide its customers with quality services and products. During the Reporting Period, the Group did not receive any products and service-related complaints from its customers.

B. SOCIAL

Protection of Intellectual Property Rights, Customer Data and Privacy

The Group strictly abides by the laws and regulations on customer privacy, including but not limited to the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), to ensure that its customers' rights are safeguarded. The customer data collected by the Group is stored in encrypted systems, and only designated staff are authorised to access. Customer data is used only for the purposes for which the data was collected. The Group prohibits any employee from divulging any customer's information to any third party without the customer's consent. During the Reporting Period, the Group did not receive any complaints about customer privacy.

Product and Service Labelling

The Group has also issued internal guidelines to ensure that product descriptions and materials, including the labelling of its products and services, are accurate and in compliance with the relevant laws and regulations, including but not limited to the Advertising Law of the People's Republic of China. For example, the label of bottled water should be clear and comply with the relevant laws and regulations, including but not limited to GB7718-2011 National Food Safety Standard – Standard for nutrition labelling of prepackaged foods and GB28050-2011 China Food Safety National Standard General Rules for the Nutrition Labelling of Prepackaged Foods. Any misrepresentation in marketing materials or exaggeration of offerings is strictly prohibited by the Group. The sales and marketing materials are reviewed by the legal counsel of the Group before releasing to the public in order to prevent any violation of the applicable laws and regulations regarding advertisement.

B7. ANTI-CORRUPTION

The Group has zero tolerance against any corruption or fraud and strictly abides by the Anti-Corruption Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and other laws and regulations in regards to corruption or fraud or of similar nature.

The Group has appointed risk control personnel responsible for supervising related matters, and has established integrity rules and regulations which cover the operation of business and project management, including detailed regulations on bidding, reimbursement, and other issues. The Group is committed to maintaining an image of integrity and no corruption lawsuits have been brought against the Group or any of its employees that have been concluded during the Reporting Period.

Whistle-blowing System

The Group has established whistle-blowing mechanisms for employees to report any suspected corruptive activity. Whistle- blowers may report any suspected misconduct verbally or in writing to the Group's audit committee (the "Audit Committee"), providing details and evidence of the incident. The Audit Committee conducts independent investigations of any suspicious or illegal conduct to safeguard the interests of the Group. Investigations are conducted on a confidential and independent basis to protect whistle-blowers from unfair dismissal or harm. If the Group discovers any suspected illegal activities, it will report to the relevant regulatory authorities or law enforcement authorities as appropriate.

B. SOCIAL

Anti-corruption Training

The Group also regularly provides trainings to employees on anti-bribery and integrity through induction training, middle and senior management training and keynote speeches, so as to enhance employee awareness on preventing any corruptive or unethical behaviour such as bribery, extortion, fraud and money laundering.

All directors have received anti-corruption training through the anti-corruption training material titled "Anti-Corruption Programme – A Guide for Listed Companies" published by the Independent Commission Against Corruption and spent about an hour on self-study.

B8. COMMUNITY INVESTMENT

The Group is committed to giving back to society and participating in public welfare development while pursuing business development. Our businesses, including water business and property investment, provide job opportunities and affordable housing for underprivileged families in the rural and suburban areas. The Group also provides donations, participates in volunteering services and offers training and educational activities to the disadvantaged groups. During the Reporting Period, plastic bottles office for recycling. The Group focuses on contributing to the communities where it operates, creating a better place to live, especially by promoting the development of local philanthropy and the healthy growth of children as its top priorities.

C. CLIMATE-RELATED DISCLOSURES

C1. GOVERNANCE

Our ESG governance is divided into two parts, the Board of Directors and ESG Taskforce. For the detailed responsibilities, please refer to the "Board Statement" section.

C2. CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Group is aware of the threat posed by climate change. It closely monitors the potential impact of climate change on its business and operations and evaluates relevant climate-related risks and opportunities in order to manage possible impacts on the Group's businesses. The Group considers climate-related risks and opportunities over the short, medium and long term with reference to its business planning and operational needs.

Table 1: Climate-related Risks and Opportunities

Climate-related Risks and Opportunities	Category	Time Horizon	Potential Impact on The Group
Extreme weather events, such as typhoons, heavy rainfall, flooding, heat waves and cold snaps	Physical risks	Short/Medium term	May affect the structural safety and normal operation of investment and leasing properties, damage water-related facilities, disrupt power supply and transportation systems, and pose safety risks to employees, tenants and customers.
Long-term changes in temperature and precipitation patterns	Physical risks	Medium/Long term	May affect water resource availability and increase cooling and energy demands at operational sites and investment and leasing properties, leading to higher operating and maintenance costs, particularly in relation to electricity consumption and building services.
Changes in climate-related laws, regulations and disclosure requirements	Transition risks	Medium term	May increase compliance, operating and administrative costs for both property and water businesses, and give rise to potential penalties or reputational risks if requirements applicable to environmental protection, climate-related disclosure or building-related standards are not met.
Supply chain and market changes due to low-carbon transition	Transition risks	Medium/Long term	May increase input costs for energy-intensive materials and services and accelerate the shift in customer and investor preferences towards low-carbon and sustainable properties and water products.

C. CLIMATE-RELATED DISCLOSURES

Climate-related Risks and Opportunities	Category	Time Horizon	Potential Impact on The Group
Improvement in energy efficiency and water resource management	Climate-related opportunities	Medium/Long term	May enhance operational efficiency, reduce environmental footprint and support long-term sustainable development in both property and water businesses.
Growing market demand for safe and sustainable drinking water	Climate-related opportunities	Medium/Long term	May support the development of the water business and strengthen the Group's market positioning.
Investment in energy-efficient and environmentally friendly properties	Climate-related opportunities	Medium/Long term	May create opportunities to enhance the environmental performance and market attractiveness of the Group's investment and leasing properties through energy efficiency improvements and other green building measures, which may support occupancy levels, rental income and long-term asset values.

C. CLIMATE-RELATED DISCLOSURES

In addition to identifying climate-related risks and opportunities at a high level, the Group has further assessed the risk levels, time horizons and corresponding mitigation measures for key climate-related risk factors, as summarised in the following risk matrix.

Table 2: Climate-related Risk Matrix

		Scenario Reference		
Risk Category	**Potential Impact**	**SSP1-1.9**	**SSP5-8.5**	**Time Horizon**
Extreme weather events (typhoons, heavy rainfall, flooding, heat waves and cold snaps)	May damage properties and water-related facilities, disrupt power supply and transportation systems, and affect business continuity.	Lower	Moderate	Short/Medium term
Long-term changes in temperature and precipitation patterns	May affect water resource availability and increase cooling and energy demands at operational sites and investment and leasing properties, leading to higher operating and maintenance costs.	Lower	Moderate	Medium/Long term
Changes in climate-related laws, regulations and disclosure requirements	May increase compliance, operating and administrative costs for both property and water businesses, and give rise to potential penalties or reputational risks if requirements applicable to environmental protection, climate-related disclosure or building-related standards are not met.	Lower	Moderate	Medium term
Supply chain and market changes due to low-carbon transition	Higher input costs for energy-intensive materials and services, shifting customer and investor preferences towards low-carbon and sustainable products.	Lower	Moderate	Medium/Long term

C3. BUSINESS MODEL AND VALUE CHAIN

The current and anticipated effects of climate-related risks and opportunities are mainly concentrated in the Group's property investment business and water business. In the property business, climate-related risks may affect the safety, maintenance, operation and long-term value of investment and leasing properties, as well as the planning and execution of future projects. In the water business, climate-related risks and opportunities are mainly associated with water resource availability, electricity consumption, facility operation, bottling processes, transportation arrangements and compliance with environmental requirements. Climate-related risks and opportunities also extend along the Group's value chain, including the sourcing of raw materials and packaging materials, procurement of products and services, energy and water use in operations, logistics planning, and the quality and continuity of services delivered to customers and tenants. The Group is committed to local procurement and green procurement where appropriate in order to reduce the carbon generated from transportation and minimise environmental and social risks along the value chain.

Table 3: Climate-related Impacts on Business Model and Value Chain

Climate-related Risk or Opportunity	Current Impact	Anticipated Impact
Extreme weather events	May affect property operations and water business activities at operational sites in Hunan, Beijing, Zhejiang and Suzhou, including temporary disruptions to power supply, drainage systems and site access during heavy rainfall or typhoons.	More frequent and severe extreme weather events may increase maintenance and repair requirements, affect the continuity of services for tenants and customers, and require additional investments in drainage, flood protection and emergency response.
Long-term changes in temperature and precipitation patterns	Influence water resource usage and cooling needs at office and operational facilities, with occasional high temperature periods leading to higher electricity consumption.	Higher and more persistent temperature increases may raise energy and water demand for cooling and processing, potentially increasing operating expenditures and accelerating equipment ageing in water plants and properties.
Market and stakeholder expectations for low-carbon and sustainable products	Increasing interest from tenants, customers and investors in energy-efficient properties and safe, sustainable drinking water, reflected in ESG-related inquiries and market feedback.	Potential opportunities to enhance the environmental performance of properties and water products, strengthen market positioning and align with customers' and investors' expectations.
Policy and regulatory developments related to climate and environment	Additional resources devoted to understanding and complying with updated environmental and climate-related requirements applicable to the Group's property and water operations.	Greater emphasis on environmental and climate risk management across the value chain, including procurement, operations and disclosure, and potential adjustments to future project planning and capital allocation.

C. CLIMATE-RELATED DISCLOSURES

C4. STRATEGY AND DECISION-MAKING

The Group considers climate-related risks and opportunities in its strategic planning and decision-making processes. As climate change may affect the Group's business operations and long-term sustainable development, the Group reviews relevant climate-related issues on a regular basis and responds by formulating corresponding policies and measures to reduce related risks and enhance resilience. In response to physical risks, the Group has put in place contingency measures to respond to emergency situations and safeguard the safety and well-being of employees, tenants and other relevant stakeholders, and has strengthened inspection and maintenance of key facilities, optimised drainage and flood prevention measures at project sites, and implemented flexible working arrangements when severe weather warnings are issued so as to minimise potential disruption to operations. In response to transition risks, the Group closely monitors existing and emerging climate-related trends, policies and regulations relevant to its property and water businesses, promotes energy conservation, resource management, waste reduction and low-carbon technologies where feasible, and continues to strengthen greenhouse gas emissions data collection and climate-related disclosure practices. The Group currently does not maintain a standalone formal climate-related transition plan; nevertheless, climate-related considerations have been incorporated into relevant operational and management decisions, and the Group will continue to review whether more formal climate-related planning and resource allocation should be developed in the future.

C5. RISK MANAGEMENT

The Group is committed to identifying and mitigating climate-related risks that may affect its business and operations, and incorporates climate-related risks and opportunities into its overall risk management and ESG governance processes. In identifying and assessing climate-related risks, the Group considers relevant internal and external information, including business characteristics, operational data, regulatory developments, geographical exposure, historical experience and, where applicable, scenario analysis results, and assesses such risks by reference to their nature, likelihood, potential magnitude of impact and possible implications for operations, compliance and sustainable development. Climate-related risks are monitored through regular management review, internal reporting and the implementation of relevant environmental and operational measures, and are prioritised relative to other business risks with reference to their potential effect on business continuity, employee safety, compliance obligations, cost structure and long-term development; the Group will continue to review and improve its climate-related risk management processes in line with business expansion, regulatory developments and improvements in data availability.

C. CLIMATE-RELATED DISCLOSURES

C6. METRICS AND TARGETS

6.1 Greenhouse Gas Emissions

The main greenhouse gas emissions of the Group are from the direct greenhouse gas emissions of petrol and diesel consumed by its vehicles (Scope 1), the indirect greenhouse gas emissions from purchased electricity (Scope 2) and indirect emissions (Scope 3). Greenhouse gas emissions data is presented in carbon dioxide equivalent with reference to, among others, the "GHG Protocol Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and the latest published Baseline Emission Factors for Regional Power Grids in the PRC.

The Group is enhancing its data collection and boundary assessment for Scope 3 greenhouse gas emissions across its value chain. Scope 3 categories currently under assessment include, among others, purchased goods and services, transportation and distribution, waste generated in operations and employee commuting.

C. CLIMATE-RELATED DISCLOSURES

During the Reporting Period, changes in total greenhouse gas emissions were primarily attributable to business activities and electricity consumption, including the expansion of the water business in Hunan. Details of the Group's greenhouse gas emissions are summarised as follows.

Table 4: GHG Emissions

Indicators[7]	Unit	2026	2025
Direct GHG Emissions (Scope 1)	tCO_2e	13.98	11.93
Energy Indirect GHG Emissions (Scope 2)	tCO_2e	426.25	434.53
Indirect Emissions (Scope 3)	tCO_2e	5.50	–
Total GHG Emissions (Scope 1, 2 & 3)	tCO_2e	445.73	446.46
Intensity (Employee)[8]	tCO_2e/employee	8.10	10.63
Intensity (Revenue)[9]	tCO_2e/million HKD	19.69	22.28

7. GHG emissions data is presented in carbon dioxide equivalent with reference to, inter alia, the reporting requirements of the "GHG Protocol Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and the latest published Baseline Emission Factors for Regional Power Grids in the PRC.

8. As of 31 March 2026, the total number of employees within the Group's reporting scope was 55 (as of 31 March 2025: 42). The data is also used to calculate other intensity data.

9. During the Reporting Period, the Group recorded a revenue of approximately HK$22.64 million (FY2025: approximately HK$20.04 million). The data is also used to calculate other intensity data.

6.2 Climate-related Targets

Using 2022/2023 as the base year, the Group has set Group-level environmental goals to be achieved by 2030, including targets relating to greenhouse gas emissions, electricity consumption, water consumption and non-hazardous waste. Detailed plans, quantitative targets and progress during the Reporting Period are set out in the environmental sections of this ESG Report. The Group will continue to review the appropriateness of expanding such goals into more detailed climate-related targets and related metrics in future reporting periods.

MAJOR APPLICABLE LAWS AND REGULATIONS RELATED TO THE GROUP'S BUSINESSES

Aspects	Major Applicable Laws and Regulations
Emissions and Ecosystem	Environmental Protection Law of the People's Republic of China Environmental Impact Assessment Law of the People's Republic of China Atmospheric Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Water Pollution Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise Water Law of the People's Republic of China Energy Conservation Law of the People's Republic of China
Employment and Labour Standards	Labour Law of the People's Republic of China Labour Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China Law of the People's Republic of China on the Protection of Minors Insurance Law of the People's Republic of China
Health and Safety	Production Safety Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Regulation on Work-Related Injury Insurance of the People's Republic of China

MAJOR APPLICABLE LAWS AND REGULATIONS RELATED TO THE GROUP'S BUSINESSES

Aspects	Major Applicable Laws and Regulations
Product Responsibility	Advertising Law of the People's Republic of China Trademark Law of the People's Republic of China Food Safety Law of the People's Republic of China Food Recall Management Measures GB28050-2011 National Food Safety Standard – Standard for Nutrition Labelling of Pre-packaged Foods GB7718-2011 National Food Safety National Standard – General Rules for Labelling of Pre-packaged Foods Water Law of the People's Republic of China Regulation on the Administration of the Licence for Water Drawing and the Levy of Water Resource Fees Administrative Regulations on the Work Safety of Construction Projects Construction Law of the People's Republic of China Law of the People's Republic of China on the Protection of Consumer Rights and Interests Safety and Health in Construction Convention Regulation on the Quality Management of Construction Projects Law on the Management of the Environmental Inspection of Completed Construction Projects
Anti-corruption	Prevention of Bribery Ordinance Anti-Money Laundering and Counter-Terrorist Financing Ordinance Criminal Law of the People's Republic of China Law of the People's Republic of China on Anti-money Laundering Anti-Corruption Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Bidding Law of the People's Republic of China

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
A. Environmental		
A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	[Replaced]	
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions – Hazardous Waste (not applicable – explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Non-Hazardous Waste
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	2030 Environmental Goals
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.	2030 Environmental Goals

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity.	Use of Resources – Water Resources Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Management, 2030 Environmental Goals
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Resources Management, 2030 Environmental Goals
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources – Use of Packaging Materials
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Indoor Air Quality Management, Noise Management

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
A4: Climate Change [Replaced]		
KPI A4.1	[Replaced]	
B. Social		
B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Prevention of Child and Forced Labour
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility – Customer Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Protection of Intellectual Property Rights, Customer Data and Privacy
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Protection of Intellectual Property Rights, Customer Data and Privacy

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

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

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

INDEX OF CLIMATE-RELATED DISCLOSURES

This index has been prepared with reference to the ESG Code of the Stock Exchange and IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB).

Paragraph(s)	Disclosure Requirement	Section/Disclosure
Governance		
19(a)(i)–(iv)	Disclose the governance body's oversight of climate-related risks and opportunities, including the skills and competencies available or to be developed, how and how often the body is informed, how it considers climate-related risks and opportunities when overseeing strategy, major transactions, and risk management, and how it oversees targets.	Board Statement; C1. Governance. Climate-related performance metrics have not yet been formally incorporated into the Group's remuneration policy.
19(b)(i)–(ii)	Disclose management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Board Statement; C1. Governance. Climate-related performance metrics have not yet been formally incorporated into the Group's remuneration policy.
Strategy		
20(a)–(d)	Describe the climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects, including whether they are physical or transition risks and the time horizons over which the effects could reasonably be expected to occur.	C2. Climate-related risks and opportunities; C3. Business model and value chain. The Group will continue to assess whether additional information relating to climate-related opportunities over different time horizons may be disclosed in future reports where practicable.
21(a)–(b)	Describe the current and anticipated effects of climate-related risks and opportunities on the Group's business model and value chain, including where in the business model and value chain such risks and opportunities are concentrated.	C3. Business model and value chain. The Group will continue to assess whether additional information relating to climate-related opportunities may be disclosed in future reports where practicable.

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Paragraph(s)	Disclosure Requirement	Section/Disclosure
22(a)–(b); 23	Describe the Group's response to, and plans for, climate-related risks and opportunities, including transition plans, mitigation and adaptation efforts, and how resources are allocated. Also disclose progress on plans disclosed in previous reporting periods.	C4. Strategy and decision-making. The Group is still conducting further internal discussions in relation to climate-related transition planning and will provide further disclosures in future reports where practicable. The Group will also continue to assess whether additional information relating to climate-related opportunities may be disclosed in future reports where practicable.
24(a)–(b)	Disclose qualitative and quantitative information about the current financial effects of climate-related risks and opportunities on the Group's financial position, financial performance and cash flows for the reporting period.	The Group is still conducting further financial analysis and internal discussions, and plans, where practicable, to disclose more detailed information on the current financial effects of climate-related risks and opportunities in future reports.
25(a)–(c)	Disclose qualitative and quantitative information about the anticipated effects of climate-related risks and opportunities on the Group's financial position, financial performance and cash flows over the short, medium and long term, including how such risks and opportunities are factored into financial planning.	The Group is still conducting further financial analysis and internal discussions, and plans, where practicable, to disclose more detailed information on the anticipated financial effects of climate-related risks and opportunities in future reports.
26(a)–(b)	Disclose information that enables an understanding of the resilience of the Group's strategy and business model to climate-related changes, developments and uncertainties, including the use of climate-related scenario analysis.	The Group is still conducting further internal discussions on climate resilience and scenario analysis, and plans, where practicable, to provide further disclosures in future reports. The Group will also continue to assess whether additional information relating to climate-related opportunities may be disclosed in future reports where practicable.

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Paragraph(s)	Disclosure Requirement	Section/Disclosure
Risk Management		
27(a)–(c)	Disclose the processes used to identify, assess, prioritise and monitor climate-related risks and opportunities, and how such processes are integrated into the Group's overall risk management process.	C5. Risk Management.
Metrics and Targets		
28(a)–(c)	Disclose absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO_2 equivalent, classified as Scope 1, Scope 2 and Scope 3 emissions.	C6. Metrics and Targets – Greenhouse gas emissions.
29(a)–(d)	Disclose the measurement approach, inputs and assumptions used to measure greenhouse gas emissions, including the basis for selecting the categories included in Scope 3 emissions and the approach used to measure Scope 2 emissions.	C6. Metrics and Targets – Greenhouse gas emissions.
30	Disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	The Group is reviewing market practices and quantitative methodologies in order to disclose the proportion of business activities vulnerable to transition risks in future reports where practicable.
31	Disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	The Group is collecting additional data and information, including financial effects, mitigation measures and residual risk, in order to disclose the proportion of business activities vulnerable to physical risks in future reports where practicable.
32	Disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group is reviewing available market practices and more detailed analytical methodologies in order to disclose the proportion of business activities aligned with climate-related opportunities in future reports where practicable.

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Paragraph(s)	Disclosure Requirement	Section/Disclosure
33	Disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group is reviewing available market practices and more detailed analytical methodologies in order to disclose capital expenditure, financing or investment deployed towards climate-related risks and opportunities in future reports where practicable.
34(a)–(b)	Explain whether and how the Group applies internal carbon prices in decision-making, and disclose the price used.	The Group currently does not apply an internal carbon price in decision-making.
35	Explain whether and how climate-related considerations are factored into remuneration.	Climate-related performance metrics have not yet been formally incorporated into the Group's remuneration policy.
36	Encouraged industry-based metrics associated with particular business models or activities.	Not applicable.
37(a)–(h)	Disclose climate-related targets and the related details, including the metric used, target objective, scope of application, period over which the target applies, base period, milestones and whether the target is absolute or intensity-based.	A. Environmental; C6. Metrics and Targets – Climate-related targets.
38(a)–(d)	Disclose the approach to setting and reviewing climate-related targets, including whether they are validated by a third party and any changes made.	Board Statement; A. Environmental; C6. Metrics and Targets – Climate-related targets.
39	Disclose performance against each climate-related target and an analysis of trends or changes in performance.	A. Environmental; C6. Metrics and Targets – Climate-related targets.
40(a)–(e)	Disclose additional details for greenhouse gas emissions targets, including the greenhouse gases covered, whether the target is gross or net, whether it uses carbon credits, and the planned decarbonisation levers.	C6. Metrics and Targets – Climate-related targets.
41	In preparing disclosures about strategy and targets, consider the applicability of cross-industry and industry-based metrics.	Not applicable.

Zhong Jia Guo Xin Holdings Company Limited
中加國信控股股份有限公司