

NATIONAL ELECTRONICS HOLDINGS LIMITED

Stock Code: 213

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2026

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1. ABOUT THIS REPORT

1.1 OVERVIEW OF OUR BUSINESS

National Electronics Holdings Limited (“the Company”) is an investment holding company. The Company, along with its subsidiaries (“the Group”), is mainly engaged in the manufacturing, assembly and sale of electronic watches and watch parts; trading of watch movements and watch parts; residential and other property development and investment; and commercial property investment.

1.2 SCOPE OF THIS REPORT

This Environmental, Social and Governance (“ESG”) Report covers the Group’s initiatives and progress for the reporting period from 1 April 2025 to 31 March 2026. The scope covers the three main operating segments of the Group – manufacturing, assembly and sale of electronic watches and watch parts, and trading of watch movements and watch parts; residential and other property development and investment; and commercial property investment.

The reported environmental key performance indicators (“KPIs”) cover the Group’s principal operations in the three major business segments, including our five offices and four boutique investments (The Putman, 99 Bonham, The Jervois and One96) in Hong Kong, two offices in Canada, and our watch manufacturing facility in Shenzhen. We also report on the environmental KPIs of investment properties with activities or active construction activities performed by our contractors as listed below:

Project	Location	Nature	ESG data included
1 South Bay Close, Repulse Bay	Hong Kong	Residential	Y
House No. 1, 45 Tai Tam Road	Hong Kong	Residential	Y
House No. 26, Le Palais, 8 Pak Pat Shan Road	Hong Kong	Residential	Y
Two parcels of land located at Yinkai Industrial Park, Nanning City	China	Industrial	N ¹
Phase III of 88 Queen Street East, Toronto	Canada	Commercial and residential	Y
Apartment 306, Burlington Gate, London, U.K.	United Kingdom	Residential	Y
Apartment 503, Burlington Gate, London, U.K.	United Kingdom	Residential	Y

1 ESG data for these sites was not available as at the reporting date and has therefore not been included in this report.

1.3 REPORTING REFERENCE AND SOURCE OF INFORMATION

This ESG report is prepared in accordance with the “comply or explain” provisions of the Environmental, Social and Governance Reporting Code (“ESG Reporting Code”) in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Exchange”). For corporate governance provisions, please refer to the Annual Report 2026 of the Group.

The information disclosed in this report has been sourced from the Group’s internal records and information collected from the construction contractors of our property development projects. The Group’s management and the respective departments have confirmed all information in this report.

1.4 REPORTING PRINCIPLES

In the preparation of this ESG report, the Group follows the four reporting principles as set out in the ESG Code:

Reporting Principles	The Group’s Application
Materiality	The Group focuses on matters that impact business growth and are of importance to our stakeholders. For more details, please refer to section “Our Approach”.
Quantitative	Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies and assumptions used.
Balance	Information is disclosed as objectively as possible to provide stakeholders with an unbiased picture of our overall ESG performance.
Consistency	All KPIs’ calculations and assumptions are consistent with previous years to allow meaningful comparisons. Reasons will be provided for any restating of information published in this report.

1.5 CONTACT

We strive to manage our stakeholders’ best interests and address their concerns wherever possible. The Group values your feedback regarding our ESG report and sustainability performance. If you have any questions or comments regarding any part of this report, please contact us at info@nationalholdings.com.hk.

2. OUR APPROACH

2.1 THE BOARD STATEMENT

The Group adopts a top-down approach to ensure the effective implementation of ESG management measures. The Board facilitates the establishment of the Group's ESG objectives, priorities, and strategies, and considers ESG-related risks and opportunities, including climate-related risks and opportunities, when overseeing the Group's strategies, major transaction decisions and risk management processes and related policies.

The Board formulates the Group's ESG direction and management approach based on the importance of ESG issues to our operations and stakeholders. We have appointed an independent consultant to conduct a materiality assessment on our ESG issues. For details of the materiality assessment, please refer to the section "Materiality Assessment" in this report.

For effective leadership of our ESG progress, the Board will continue to monitor the ESG-related work and ensure that all departments work closely together to identify and manage ESG-related issues (including climate-related risks and opportunities) and collect quantitative and qualitative information to share our ESG progress with different stakeholders through the ESG report. Furthermore, the Board will regularly review the Group's ESG progress and goals (including progress towards any climate-related targets set by the Group) to ensure that they remain appropriate in light of the changing business environment. To support the Board's oversight of ESG matters, the Company provides annual training to Board members on applicable ESG requirements, including climate-related matters. All Board members received such training during the reporting year.

2.2 GOVERNANCE ON ESG MATTERS

ESG governance is embedded in our daily operation and management. Currently, ESG matters are managed by each business division, where each division is responsible for identifying, assessing, and mitigating current and potential ESG risks (including climate-related risks) to seize opportunities for improvement within its respective operations. Business divisions report back to the head office on their ESG progress and performance annually, including relevant information on climate-related risks and opportunities. Dedicated personnel gather quantitative and qualitative information for the preparation of the ESG report with the help of a third-party consultant. Through this annual reporting process, the Board and management receive updates and provide feedback on the Group's ESG risks and opportunities (including climate-related risks and opportunities), performance, and progress towards any target set.

2.3 STAKEHOLDER ENGAGEMENT

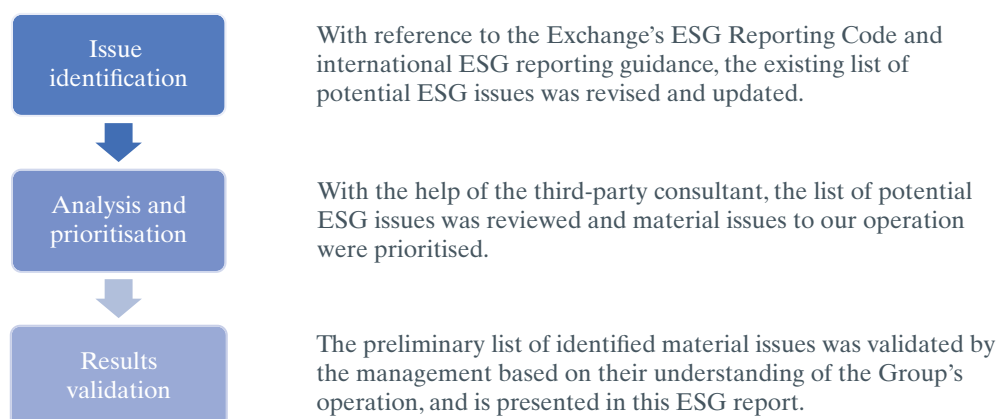
The Group endeavours to communicate openly and transparently with our stakeholders to ensure our ESG strategies and reporting meet their expectations. We believe encouraging sustainable practices with our stakeholders is vital to our community and business. This includes effective planning and management of ESG matters for all our stakeholders.

Our key stakeholders are our clients, employees, suppliers, contractors, and professionals engaged in our diverse business segments. We closely communicate with these stakeholders through various channels to understand their concerns and to determine how best to implement our ESG commitments into our policies and processes. We believe that our stakeholders play a crucial role in sustaining our business success and positive impacts on the community and the environment.

As we progress through our ESG journey, we will continue to actively work with our stakeholders to inform, include them in key decisions and seek their feedback that relates to our sustainability initiatives and policies. This extends to periodically reviewing our materiality issues as needed.

2.4 MATERIALITY ASSESSMENT

We previously conducted a materiality assessment with the assistance of a third-party consultant to identify and prioritise our list of important ESG issues. The specific steps in this materiality assessment were as follows:



The material sustainability issues that were identified through the materiality assessment process are as follows:

Environmental issues

Energy use

Water use

Social issues

Health and safety

Labour practices

Supply chain management

Product responsibility

Anti-corruption

3. ENVIRONMENT

The Group recognises the importance of good environmental stewardship and is firmly committed to protecting the environment. We integrate environmental considerations into our business operations and implement various initiatives to mitigate the direct environmental impact arising from our business operations.

Watch Manufacturing

In our watch manufacturing practice, we mainly source watch components and assemble them to create our final products. We do our best to reduce our impact on the environment through our process line, and have concluded that our major source of chemical wastes is the use of lubricants within our production line, as well as the air emissions generated from soldering. We have established an environmental management system, which assists us in managing our manufacturing procedures in an environmentally sustainable manner.

To mitigate adverse environmental impacts, we have implemented various mechanisms into our watch manufacturing business. We have both specific and broad targets for our watch business to ensure that environmental concerns are considered in our manufacturing process. We have introduced more eco-friendly product designs and processes, and we seek to understand and reduce our existing environmental footprint.

Residential and Other Property Development

Engaging closely with our contractors, vendors and other stakeholders is a key aspect of our property development business. Although it can sometimes be challenging to incorporate sustainable practices in construction, we are firmly committed to minimising any adverse impacts on the environment. For example, beginning with the design phase, we employ green building guidelines, such as BEAM² and LEED³, for all new buildings. In all, we emphasise green features in every step of our property development process to demonstrate our commitment to sustainability and explore different opportunities such as increasing the property's asset value by encouraging the adoption of good social and environmental practices.

For instance, double insulated glass window panels are installed in our building structures, which reduce the amount of heat that can pass through the window. Our buildings also implemented green roof designs to reduce their environmental impact by leveraging the benefits of plants and green spaces.

Commercial Property Investment

The nature of the boutique investments can present some challenges when considering sustainable alternatives. This is especially prevalent when taking into account that boutique investments offer 24-hour service to guests. The two key areas of challenge in the operation of boutique investments are the use of resources and waste management.

Offices

Our offices make the same commitment to minimising negative environmental impacts as every other business segment of the Group. This is demonstrated by strict waste management and efficient resource use. To continue making a positive contribution to society, we encourage our staff to follow the model of "Reuse, Reduce, and Recycle" in their daily lives.

2 Building Environmental Assessment Method (BEAM) is the Hong Kong rating tool for green buildings.

3 Leadership in Energy and Environmental Design (LEED) is a rating system developed by the United States Green Building Council (USGBC) to evaluate the environmental performance of a building and encourage market transformation towards sustainable design.

3.1 USE OF RESOURCES

As a responsible conglomerate, reducing energy consumption is a priority to the Group as it accounts for a significant proportion of our greenhouse gas (“GHG”) emissions. Upon reflecting on our use of resources, we have concluded that electricity is the most significant resource consumed in our operations. As part of our effort to minimise our environmental impact, we closely monitor our monthly electricity, water and fuel consumption, and those data allow us to analyse the areas to be improved.

Watch Manufacturing

We continue to minimise waste and the use of unnecessary resources in the manufacturing process. We set aspirational targets to challenge ourselves to continuously improve, aiming to reduce our electricity and water consumption by 10% compared to the previous year. Additionally, we are improving our employees’ environmental awareness to encourage resource saving. Staff are encouraged to activate energy-saving mode on office equipment during working hours and turn off lights in unoccupied areas, with the goal of minimising energy consumption throughout our workplace operations.

Residential and Other Property Development

The environmental impacts of buildings over their lifetimes are determined by several factors, including materials, design, construction, use, and demolition. With material comprising a significant proportion of the building’s environmental footprint, we are committed to reducing and reusing materials where practical. For example, we have implemented double insulated glass units as window panels to minimise heat permeation into our buildings, therefore reducing air conditioning costs. Further, to reduce the use of electricity during its use phase, we prioritise the use of LED lights over other lightings during the design phase. Occupancy sensors have also been implemented to control lightings in parking garages and corridors in some buildings to reduce energy consumption. In addition to optimising the resource consumption of the buildings, we also aim for a provision of at least 20% of greenery area for plants and trees in the common space of our property developments. Additionally, the Group is committed to reducing water consumption by implementing design features, such as water-saving fixtures and rainwater retention for flushing, together with various initiatives.

Commercial Property Investment

We are firmly committed to reducing the environmental footprint across our boutique investments. We are targeting the phased replacement of our air conditioning system with more energy-efficient models to align with our environmental commitment and prioritising the purchase of Grade 1 Energy Efficiency Electrical Appliances. Our efforts depend significantly on the choices of our guests. Nevertheless, we encourage our guests to make use of the sustainable alternatives that we provide.

During the reporting year, we participated in the ECO Housekeeping programme under Green Planet, reducing room cleaning frequency from daily to once every three days at guest’s request. This initiative contributed to a 13% reduction in water usage across our boutique investments compared with last reporting year. To further reduce the consumption of a substantial amount of resources, we close certain rooms and floors of our boutique investments when guest room utilisation is low. This policy assists in saving electricity, gas, and water. Also, we set air conditioners to Dry Mode immediately after room cleaning and adjust the temperature settings of our gas water heaters based on the surrounding ambient conditions, optimising energy consumption whilst maintaining guest comfort. Furthermore, we are replacing emergency lighting with LED tubes and phasing in the replacement of Variable Refrigerant Volume (VRV) outdoor units in some of our boutique investments. These initiatives collectively support our commitment to minimising the environmental footprint.

3. ENVIRONMENT

Offices

We have implemented various green practices at our offices to enhance energy efficiency and reduce the production of general waste. These measures include the following:

- Keeping the air-conditioned room temperature at approximately 25°C;
- Switching off lights in unoccupied rooms and shutting down idle computers and printers;
- Installing drinking water dispensers to reduce the use of bottled water;
- Switching to energy-saving mode for office equipment and electronic appliances after a period of inactivity;
- Recycling food waste such as coffee grounds; and
- Adopting duplex printing and minimising the printing of documents by using electronic soft copies and communication channels whenever practicable.

Group-level ⁴	Unit	2026	2025
Total energy consumption ⁵	GJ	13,921	14,440 ⁶
Use of electricity	kWh	2,934,025	3,094,932
Use of heat	kWh	2,597	2,734
Use of town gas	unit	63,093	60,942
Use of diesel	litre	5,199	5,277
Use of gasoline	litre	4,044	5,266
Use of water	m ³	14,957	18,549
Construction projects⁷	Unit	2026	2025
Total energy consumption ⁵	GJ	4,162	19,542
Use of electricity	kWh	943,640	3,490,906
Use of natural gas	m ³	21,043	186,448
Use of diesel	litre	304	3,750
Use of water	m ³	4,443	4,501

4 Excludes contractors' consumptions at our property development sites, which are reported separately in the column "Construction projects".

5 Energy conversion factors are extracted from the UK Government GHG Conversion Factors for Company Reporting 2026 published by the Department for Energy Security and Net Zero in the UK, and the Hong Kong Town gas unit conversion factor published in its Gas Charge Calculator.

6 We have restated the figures in 2025 to reflect the actual consumption.

7 Due to the difference in project phase and completion of projects during the period, the year-on-year contractor consumptions are not directly comparable.

3.2 EMISSIONS

Hazardous waste and air emissions are among the principal types of environmental emissions arising from the Group's operations. In the following sections, we have provided a breakdown of these implications within each of our business segments.

3.2.1 Waste Management

Watch Manufacturing

Our watch manufacturing division is mainly involved in the assembly of watch parts into final products. We do not manufacture the components ourselves but work closely with suppliers who produce the watch parts. The assembly process generates minimal waste and pollution, with only a small amount of chemical waste generated comprising of waste batteries, spent oils and extracts from the lubricants used for machinery. Improper disposal of the chemicals and heavy metals in these wastes, such as mercury, lead, cadmium and nickel, may result in environmental contamination. Besides the chemical wastes, paper and plastic packaging wastes are also generated in the process.

In managing the wastes generated, we appoint licensed contractors to properly collect and dispose of hazardous and non-hazardous wastes and recycle packaging materials. We also have a clear separation between chemical and non-chemical waste. Furthermore, all our staff have received proper training in correct separation, treatment, and disposal of such chemical waste.

In order to reduce the amount of chemical waste produced, we have transformed our production process technologically, upgraded our machinery, and used environmentally friendly raw materials.

Residential and Other Property Development

The primary sources of waste generation in our property development projects are construction and demolition wastes. To reduce such wastes, we seek to reuse and recycle them wherever possible. To achieve a reduction in waste output, our contractors have implemented management plans to guide waste disposal through effectively avoiding and reducing waste generation.

In Hong Kong, we avoid abortive works with careful design and planning to reduce construction waste. Timber planks will be reused whenever possible to lessen the production of waste materials.

In Canada, each of our contractors has implemented a construction waste management plan to reduce the amount of waste generated. The contractors are also responsible for the segregation of waste and planning for the recycling of materials.

Other than construction waste, chemical wastes such as paints and solvents are also generated during the construction process. The Group works closely with our contractors to ensure hazardous waste is properly managed and disposed. The handling of such chemical waste follows a management plan that complies with the relevant industry guidance and regulatory requirements.

3. ENVIRONMENT

Commercial Property Investment

Food waste and domestic waste from our guests are the two main categories of waste produced in our commercial property investment. By providing recycling bins, we encourage our guests to separate recyclables such as plastics, cans, glass bottles and paper from the general waste to reduce landfill waste. We have collaborated with a recycling partner to collect and properly process the recyclables. Besides, we continue to reduce the non-hazardous waste generated by introducing water dispensers, refillable toiletry bottles, and non-plastic bathroom amenities, fostering an eco-friendly and sustainable experience during their stay.

In the operation of our boutique investments, fluorescent light tubes, refrigerant tins containing compressed gas, and fire extinguishers are the main categories of hazardous waste generated. These materials are disposed of in accordance with proper disposal procedures to prevent environmental contamination. We are also targeting the replacement of all fluorescent light tubes within the next two years, as part of our environmental commitment.

Main Office

The main office of the Group produces a minimal amount of waste considering the nature of its operation. It does, however, also endeavour to minimise and correctly dispose of any waste generated. This is achieved through adopting electronic methods for communication instead of paper-based methods, providing recycling bins to collect used paper, plastic bottles and packaging materials. We also use double-sided printing when hardcopies are necessary and reuse single-sided printed paper.

3.2.2 Air Emissions

Watch Manufacturing

In our watch manufacturing process, air emissions mainly come from soldering, volatile organic solvents and lube oil, and metal dust from cutting machinery. We have ensured air ventilation is adequate and have appointed a third-party agency to undertake routine inspections of our exhaust emissions. The testing parameters include lead, tin and non-methane hydrocarbons, which comply with the relevant provincial standards.

Residential and Other Property Development

The nature of construction works leads to some inevitable air pollution, particularly in the form of air and dust pollution. As we employ third-party contractors, we do not have direct control over the operation of the construction sites. However, to minimise the air emissions from our construction sites, we undertake routine checks and work closely with our contractors to ensure that they comply with all relevant environmental protection laws and regulations.

At our construction sites, regular inspections are conducted to ensure that plants and machinery are properly maintained to minimise air pollution. Dust suppression practices such as water spraying and wheel-washing facilities are also in place to lower the impact of dust emissions on the surrounding environment. Depending on the location of the development project, we comply with local air pollution requirements such as the Air Pollution Control Ordinance in Hong Kong or the Air Quality Regulation guidelines in Ontario, Canada.

3.2.3 Other Emissions

Watch Manufacturing

To effectively manage the noise emission in our watch manufacturing operation, the noise level is tested regularly to ensure it meets the environmental protection and industry-specific standards.

Residential and Other Property Development

Coupled with construction waste and air pollution are the noise emission and wastewater discharge at the construction sites, which could negatively impact the surrounding environment if not properly managed. While we do not perform the construction activities ourselves, we work closely with our contractors to properly manage the noise and wastewater discharge over the construction of our properties.

To mitigate the impact of construction noise on the surrounding environment, our contractors have followed the time and date specifications of noise permits or other local regulations on construction works. We have also implemented silenced construction plants at our construction sites and will ensure that machinery is kept in optimum condition to minimise noise generation.

For wastewater discharge, our contractors have followed relevant local regulations and monitored the quality of wastewater discharge to avoid contamination of public drains. In Hong Kong, sedimentation tanks are used to treat the wastewater before discharge. In Canada, wastewater is pumped into a portable storage tank to prevent runoff into the municipal sewers.

3.2.4 Regulatory Compliance

During the reporting period, we were not aware of any non-compliance with laws and regulations relating to environmental emissions for our manufacturing factories, construction sites and operating properties including boutique investments.

3.3 CLIMATE CHANGE

The Group is aware of the effects of climate change, and it is crucial for us to respond to the climate change risks that may impact our business operations. We are committed to identifying, assessing and managing relevant climate-related risks and opportunities. Climate-related risks and opportunities are considered through the Group's existing Enterprise Risk Management ("ERM") framework. This process supports the Group in monitoring climate-related matters and considering appropriate measures to manage the potential impacts on its operations. The Group assesses climate-related risks and opportunities by evaluating their potential impacts and likelihood of occurrence, including physical and transition risks. The assessment considers internal operational information, business characteristics, regulatory developments, and industry references. Identified material climate-related risks are managed through the Group's ERM framework and reviewed periodically by the Board and management.

To ensure that the Group remains vigilant in managing climate-related factors and risks, we closely monitor our emissions and continuously review and implement various climate change risk management initiatives across our operations. Please refer to the previous chapters of "Use of Resources" and "Emissions" for further information on the initiatives we undertook to reduce our GHG emissions and mitigate the impact of climate change.

3. ENVIRONMENT

3.3.1 Climate-related Risks and Opportunities

For the purpose of assessing climate-related risks and opportunities, the Group defines the short term as one year, the medium term as two to five years and the long term as six to ten years, considering its business cycles and strategic planning periods. The climate-related risks and opportunities identified by the Group are summarised in the table below.

Type of risks	Risks and opportunities identified	Potential impacts	Short term (next reporting year)	Medium term (two to five years)	Long term (six to ten years)	Our response	Anticipated financial effects
Physical risks							
Acute risks	Increased frequency of extreme weather events such as typhoons and flooding	Extreme weather events have the potential to damage the integrity of the Group's property projects and assets, and could interrupt the Group's ability to deliver goods and services to our customers.	✓	✓		- We continuously review and implement climate change risk management initiatives across our operations. - The Group sources suppliers in different geographical locations to reduce the reliance on any single location that may be high-risk in facing extreme weather.	Increased capital expenditure and maintenance costs for asset reinforcement, repair and flood mitigation measures; increased operating costs for insurance premiums, emergency response and alternative logistics arrangements; and revenue loss arising from temporary interruption to construction, manufacturing or other business operations.
Chronic risks	Rising mean temperatures	Higher temperatures may increase energy consumption for air conditioning across our properties and offices, leading to increased GHG emissions and operational costs.			✓	We have installed double insulated glass window panels to minimise heat permeation into our buildings and implemented green roof designs leveraging plants to reduce environmental impact. LED lights and occupancy sensors are prioritised to reduce electricity usage.	Increased electricity and operating costs arising from greater cooling requirements; increased maintenance costs associated with the use of air-conditioning systems; and capital expenditure for energy-efficiency improvements.
Transition risks and opportunities							
Policy and Legal	Mandates on and regulation of existing products and services	Policy changes could potentially increase operational costs and legal risk. Stricter regulations on emissions and waste may require operational adjustments.		✓	✓	We closely monitor our emissions and have internal controls in place to ensure compliance with relevant environmental protection laws.	Increased operating and compliance costs for regulatory monitoring.

3. ENVIRONMENT

Type of risks	Risks and opportunities identified	Potential impacts	Short term (next reporting year)	Medium term (two to five years)	Long term (six to ten years)	Our response	Anticipated financial effects
Market (Opportunity)	Substitution of existing products and services with lower-emissions options	Transitioning to eco-friendly processes can reduce the existing environmental footprint and optimise resource consumption, presenting an opportunity for business improvement.		✓	✓	- The Group has introduced more eco-friendly product designs and processes in watch manufacturing, including upgrading machinery and using environmentally friendly raw materials. - The Group continues to enhance the environmental performance of its boutique investments through energy-efficient facilities. Our operational measures also include the ECO Housekeeping programme, closing certain rooms and floors during periods of low utilisation, and providing water dispensers, refillable toiletry bottles and non-plastic bathroom amenities.	Capital expenditure and implementation costs for adopting more environmentally conscious equipment, technologies and operating processes; and reduced energy, water, material and waste-management costs through improved resource efficiency.
Market	Increased stakeholder concern or negative stakeholder feedback	A failure to address sustainability concerns could lead to negative feedback from clients, employees, and investors, affecting the Group's reputation.		✓	✓	We endeavour to communicate openly and transparently with our stakeholders to ensure our ESG strategies meet their expectations.	Increased operating costs for stakeholder engagement, ESG reporting, professional support and improvements to environmental practices; reduced revenue or business opportunities resulting from lower customer confidence; and increased employee recruitment and retention costs.

The Group considers climate-related matters in its operational and supply chain planning, and manages identified climate-related risks through its existing operational measures, including resource-efficiency initiatives. Details of the relevant measures and progress during the reporting year are set out in section “Use of Resources”.

3. ENVIRONMENT

3.3.2 Greenhouse Gas (“GHG”) Emissions⁸

The Group is committed to mitigating climate change by reducing GHG emissions arising from its operations and improving energy efficiency across its business activities. To support this objective and drive continuous improvement in environmental performance, we have newly established a climate-related target to reduce our absolute Group-level total gross Scope 1 and 2 GHG emissions, expressed in carbon dioxide equivalent (“CO₂e”), by 3% in the next reporting year compared with the current reporting year baseline. The target applies to the Group’s operations within the reporting boundary and was established with reference to the Group’s operational circumstances, ongoing resource-efficiency initiatives, the industry reference information as well as the broader climate-related commitments and regulatory developments in the jurisdictions in which the Group operates.

Group-level ⁴	Unit	2026	2025
Total GHG emissions (Scope 1 and 2)	tonnes CO₂e	1,912	2,030
Scope 1 GHG emissions ⁹	tonnes CO ₂ e	184	182
Scope 2 GHG emissions (location-based) ¹⁰	tonnes CO ₂ e	1,728	1,848

During the reporting year, our total GHG emissions (Scope 1 and 2) were 1,912 tonnes CO₂e, representing a decrease of nearly 6% from 2,030 tonnes CO₂e in 2025. The reduction was driven by a combination of factors, including the lower electricity consumption in Mainland China, the divestment of properties in Hong Kong during the year, and the decarbonisation of the local electricity grid. Given that Scope 2 emissions account for more than 90% of our total GHG emissions (Scope 1 and 2), we will continue to implement energy-saving measures and other resource efficiency initiatives to reduce the carbon footprint across our operations. Please refer to the previous section “Use of Resources” of this Report for details of ongoing initiatives in support of our environmental commitment.

8 The Group’s Scope 1 and Scope 2 GHG emissions are calculated using the operational control approach in accordance with the GHG Protocol: Corporate Accounting and Reporting Standard. Our GHG inventory covers carbon dioxide (“CO₂”), methane (“CH₄”) and nitrous oxide (“N₂O”), which are reported in aggregate as carbon dioxide equivalent (“CO₂e”). There were no material changes to the Group’s measurement approach, inputs or assumptions during the reporting period.

9 Scope 1 emissions comprise direct emissions from sources owned or controlled by the Group. Emission factors for Scope 1 GHG emissions calculation are extracted from the following sources: 2006 IPCC Guidelines for National Greenhouse Gas Inventories, UK Government GHG Conversion Factors for Company Reporting 2026 published by the Department for Energy Security and Net Zero in the UK, and the customer-side carbon intensity data of towngas consumption published in Towngas ESG Report 2025.

10 Scope 2 emissions comprise indirect emissions from the generation of purchased electricity, towngas and heat consumed by the Group. Emission factors for Scope 2 GHG emissions calculation are extracted from the following sources: UK Government GHG Conversion Factors for Company Reporting 2026 published by the Department for Energy Security and Net Zero in the UK, 2025 Canada’s Emission factors and reference values published by Environment and Climate Change Canada, Government of Canada, the average emission factor of the national grid in 2023 announced by the Ministry of Ecology and Environment of the People’s Republic of China, the production-side emission factor of the electricity consumption announced by the Hong Kong Electric Company, and the production-side carbon intensity data of towngas consumption published in Towngas ESG Report 2025.

4. EMPLOYMENT AND LABOUR PRACTICE

We believe attracting and retaining talent is essential for the Group's long-term development. The Group abides by relevant laws and regulations throughout the recruitment and employment process and strives to provide a positive and safe work environment where our employees can grow. We also offer a competitive remuneration package and other additional benefits to reinforce our employees' sense of belonging.

4.1 RECRUITMENT AND EMPLOYEE BENEFITS

Talent Recruitment

The Group strives to create a fair and equal working environment for our employees. We are a proud equal-opportunity employer, and we welcome people from diverse backgrounds and skills. We also ensure that our employees are not discriminated against or harassed due to their gender, age, ethnicity, nationality, marital status, or religion.

To retain and motivate talent, the Group provides competitive remuneration packages to our employees for their contributions to the Group's growth and profitability. We apply a robust and transparent annual review process to ensure our remuneration packages accurately reflect our employees' contributions and performance.

Remuneration Package and Benefits

As an additional measure to reinforce our employees' sense of belonging and commitment, we offer our employees additional leave entitlements, including paid annual leave, sick leave, maternity leave and paternity leave.

We proactively support our staff's professional growth and encourage internal transfer and promotions where appropriate. The Group invests time and resources in employees' training and development to ensure our employees will have the breadth and depth of skills and knowledge to achieve the Group's business goals.

As a company, we are committed to retaining talent within the group and endeavour to promote within where we can. Promotion decisions would be made based on merit, efficiency and ability of the respective employee to ensure fairness.

Building up an Atmosphere of Trust

In order to build a harmonious workplace, the Group encourages open, honest two-way communication within our internal systems with staff at all levels regularly.

We have undertaken many methods to obtain feedback from our employees, not only to understand their concerns but also to determine where and how the Group could improve. The primary form of communication we draw upon is through our line managers, whom we encourage to hold regular briefings with their teams. These regular briefings consist of not only counselling, performance reviews, and career guidance, but also provide a periodic platform in which both the team leader and the team can voice concerns, seek clarification, or share best practices. In addition to these meetings, employees can also directly express any questions or concerns to management or human resources should that be necessary.

We seek to protect our employees' well-being by encouraging a healthy work-life balance. A wide range of staff events, including but not limited to New Year and Christmas lunches, are organised to foster a happy working environment and facilitate a strong sense of camaraderie and teamwork.

4. EMPLOYMENT AND LABOUR PRACTICE

Labour Standards

For employee management, the Group strictly adheres to all local labour laws and regulations, including but not limited to the Labour Law of the People's Republic of China, Provisions on the Prohibition of Using Child Labour and the Employment Ordinance of Hong Kong. We will promptly correct such deficiencies upon discovering any irregularity or failure to comply with such rules and regulations.

The Group abides by relevant laws and regulations prohibiting child and forced labour in all its operations. We perform stringent checking and control procedures in the onboarding process and have established mechanisms within the business structure to ensure that no underage labour is hired. For example, although we do not discriminate on age when processing prospective employees' applications, we ensure they are above the local legal employment age.

Furthermore, we respect human rights and ensure that all our employees are treated fairly and are not overworked. We encourage our staff to take regular breaks and rest days and enjoy all benefits and entitlements afforded to them through their employment agreements.

Employee composition (as at 31 March 2026)

Employee category		Number of employees	Turnover rate ¹¹
By gender	Male	80	26%
	Female	86	28%
By age group	Below 30	13	92%
	30-50	50	32%
	Above 50	103	17%
By geographical region	Hong Kong	137	28%
	Mainland China	19	37%
	Canada	10	0%
By employment type	Full-time	144	15%
	Part-time	22	Not applicable

Regulatory compliance

During the year under review, the Group was not aware of any non-compliance with laws and regulations relating to employment and child or forced labour.

¹¹ During the reporting period, the Group hired a significant number of part-time employees, leading to high turnover rates. In some employee categories, the headcount surpassed the year-end total, resulting in turnover rates exceeding 100%. These anomalies have been marked as "not applicable" in the data table.

4.2 HEALTH AND SAFETY

Creating a safe and well-supervised working environment is of utmost importance in our business units' day-to-day operations.

Watch Manufacturing

Although the manufacturing industry can present additional health and safety challenges, we pledge to foster a safe and healthy working environment for our staff. We strictly comply with local laws, regulations, and standards, including but not limited to the “Occupational exposure limits for hazardous agents in the workplace” and “Standards for drinking water quality” imposed by the Chinese government.

We continue to improve the health and safety in our operation and have implemented internal policies and referenced relevant best practices to conduct our businesses safely and socially responsibly.

To ensure the air quality in our operation, we conducted periodic indoor air quality monitoring and tracked the levels of the various chemicals used in our watch manufacturing. These chemicals include benzene, toluene, xylene, acetone, butanone and ethyl acetate.

Furthermore, we also conduct regular testing of our water to ensure that it is safe for consumption, and regularly monitor our machinery to ensure that there is an acceptable level of noise emission and ensure we do not cause excessive disturbance to our local community. We also provide protective masks and earplugs to protect our employees on the job.

To improve the health and safety awareness of our employees, we provide comprehensive training programmes that give them a thorough understanding of workplace risks and effective risk mitigation strategies. These include environmental, health and safety training, and first-aid courses provided by the Red Cross. Specialised training is tailored for watch manufacturing division employees, covering essential topics such as electrical safety, machinery operations, fire safety, environmental protection, hazardous chemical management, and personal safety.

We ensure the availability of first-aid kits throughout our workplace and closely monitor compliance with local health and safety regulations. In addition, we provide annual physical examinations to enable timely diagnosis and treatment of occupational health issues. In 2026, each watch manufacturing division staff member received 10 hours of environmental health and safety training.

We have no injuries to report from our watch manufacturing business during this reporting period.

Residential and Other Property Development

Similar to our watch manufacturing business, property development presents additional health and safety challenges and requirements that we are committed to meeting. As we outsource most aspects of our construction work, we actively communicate and collaborate with our vendors to develop and implement new initiatives to improve health and safety performance.

The Group only works with external vendors that align with our standards of good reputation and health and safety. We encourage our external vendors to strive for zero-accident goals for all construction projects by facilitating regular meetings and inspections. We have also implemented a compulsory temperature check at the entrances of all our construction sites.

4. EMPLOYMENT AND LABOUR PRACTICE

Commercial Property Investment

In order to effectively lower our risks and ensure the safety of our staff and guests in the commercial property investment, we have captured all of our health and safety procedures and protocols in our Staff Handbook, which provides detailed guidance on how to approach any work-related injuries or health and safety-related challenges should they arise.

We ensure our staff receives robust and up-to-date health and safety training to maintain safety standards and encourage health and safety awareness in our commercial property investment. One of the trainings we conducted is regarding fire safety to equip our staff with the skills needed to respond in the unlikely event of a fire.

We have also established clear protocols for how our staff should respond to a health and safety emergency. For example, our employees are required to immediately notify the front desk of the exact location of the smoke and fire and attempt to extinguish the fire with the nearest available fire extinguisher, provided that such action does not endanger oneself or others. Emergency services will be contacted when our commercial property investment cannot control an emergency.

During the reporting period, there was a total of 1 work-related injury from our commercial property investment which resulted in 3 lost days.

Occupational health and safety statistics in 2026

Work-related fatality in the past three years (from FY2024 – FY2026)	0 person
Work-related injuries in 2026	1 person
Lost days due to work-related injuries in 2026	3 days

Regulatory compliance

During the year under review, the Company was not aware of any non-compliance with laws and regulations relating to occupational health and safety.

4.3 DEVELOPMENT AND TRAINING

The Group strongly believes our people’s professional growth is essential to our business’s growth. We continue to provide quality training for our employees to develop and advance their careers in the Group.

Our onboarding process for new staff includes a comprehensive understanding of the Group’s structure and policies. To ensure our skilled staff members are professionally trained and suitably qualified, we have formulated training courses tailored to different business operations. For example, employees who work at our watch manufacturing business will receive the relevant safety training relating to the role (such as machinery safety). At the same time, the staff in our commercial property investment receive English language and communication training to enhance service quality, along with essential training in information security.

4. EMPLOYMENT AND LABOUR PRACTICE

Employee training statistics (as at 31 March 2026)

Employee category		Average hours trained	Percentage of employees trained
By gender	Male	7	31%
	Female	4	17%
By employee rank	Management	8	48%
	Non-management	5	19%

4.4 ANTI-CORRUPTION

The Group is committed to achieving and maintaining the highest possible standards of openness, integrity and accountability. We attach great importance to anti-corruption and compliance with applicable laws in the relevant jurisdictions and regulations.

We have a zero-tolerance policy against any form of bribery or corruption and require our staff to follow and adopt our high standards of integrity and ethics in both the internal and external aspects of their roles. In addition, our Code of Conduct (“Code”) and Staff Handbook also set out professional and ethical standards, such as the importance of avoiding conflict of interest and safeguarding confidential information, for our employees to observe in all business dealings. During the year, 66 hours of training were provided to our employees to refresh their understanding on anti-corruption and bribery.

All directors and employees of the Company are required to avoid any situation that may involve a conflict between their personal interests and the Company’s best interests. They are always obliged to promote the Company’s best interest. If a conflict of interest arises or is likely to arise, the staff involved must promptly report to his or her supervisor or the Company’s Audit and Risk Management Committee.

Directors and employees are responsible for safeguarding any confidential information they can access. No confidential information regarding the Company should be discussed with anyone outside the Company except where disclosure is needed to enable the Company to carry on its business.

Any employee contravening the Company’s Code is liable to disciplinary action. Depending on the nature of the incident, misconduct may result in a verbal warning, written warning, or dismissal. We will report the offence to the appropriate authorities in certain situations. In addition, anti-corruption training is provided to management and general staff to raise their awareness regarding anti-corruption topics and build a culture of integrity.

Regulatory compliance

During the year under review, the Group was not aware of any material breach of laws and regulations relating to bribery, extortion, fraud, and money laundering.

5. PRODUCT RESPONSIBILITY

The Group aims to deliver quality products and services that bring value to our customers. We have formulated various policies and quality control initiatives to manage and monitor our product quality and safety.

5.1 SECURING PRODUCTS AND SERVICES QUALITY

Watch Manufacturing

The Group is rigorously managing the quality specifications and quality assurance in our production processes. We are also committed to creating quality products and have obtained the ISO9001 certification for our watch manufacturing business.

Our projects are subjected to the following quality control testing:

- A series of inspections from parts to final products, regarding their appearance, packaging, specification, brand logo, etc., are conducted on a sampling basis; and
- If any defects are identified, the relevant product will be returned to the production house for assessment, with the reason for the defect investigated and recorded.

Customer feedback is crucial in helping us to understand their needs and enabling us to continue improving the quality of our products and services.

Residential and Other Property Development

We seek consultations from experts in all stages of all our property development projects. We approach each property design by considering the perspectives of those who will be the users at the end of the project. This point of view allows us to consider the practical outcomes of the designs we make during the construction process.

We simultaneously strive for supreme quality in the building of our properties as well as adhering to local health and safety laws, regulations and guides. We encourage a company-wide culture in which everyone is responsible for making every workday healthy and safe.

The Group places high importance on managing the marketing and business development phase. In Hong Kong, we strictly abide by relevant regulations and guidelines such as the “Residential Properties (First-hand Sales) Ordinance” and the self-regulatory regime of the Real Estate Developers Association of Hong Kong. We employ third-party external property agents to assist in our properties’ marketing and business development phase. Although we outsource this aspect of the process, we work closely with these agents to ensure that their activities align with our policy. For example, the communication methods and content used by these agents must adhere to our standards and provide an accurate illustration of our projects. We also provide training to our employees in Canada to ensure compliance with the Personal Information Protection and Electronic Documents Act (PIPEDA), focusing on safeguarding personal information.

Commercial Property Investment

Our commercial property investment applies a strict set of guidelines regarding the processing and protection of our guests' data. We comply with applicable legal requirements relating to collecting, processing, disclosing, and using personal data to ensure that our guests' data is kept safe and secure.

To promote awareness and responsibility among our employees, we have implemented regular training sessions focused on customer privacy and information security. These programmes are designed to educate our employees on the importance of cybersecurity and the potential threats to our information assets. Relevant guidelines are also provided in our Staff Handbook for employees' further clarification, alongside our incident response plans. Additionally, we have organised cybersecurity awareness training for new joiners to ensure a well-informed and vigilant workforce.

We also perform daily backups of all our systems and regularly conduct recovery drills to ensure we can effectively respond to system interruptions or cyberattacks. By integrating these practices into our operations, we strive to protect guest data and maintain the trust of our clientele. Our approach to data security is designed to provide a secure and reliable environment for our guests.

Regulatory compliance

During the year under review, the Company was not aware of any non-compliance with laws and regulations relating to our products and services. The Group respects intellectual property rights and requires employees to comply with applicable laws and internal requirements relating to the use of intellectual property.

5.2 SUPPLY CHAIN MANAGEMENT

We use the services of many vendors and contractors through our different businesses, and it is very important to us that they also uphold high standards of safety, care and ethics. The Group regularly monitors and evaluates our suppliers' performance and implements different initiatives to enhance and manage our product quality. When selecting our suppliers, we consider price, quality, reputation, integrity and reliability amongst other factors, but we also analyse each supplier's ESG performance as well as their health and safety standards. We appoint suppliers and service providers based on strict ethical standards, which enhance the confidence of our customers. We hold our vendors to the same high ethical standards that we set for our staff.

During the reporting period, there are a total of 294 suppliers, of which 262 were located in Hong Kong and Mainland China.

5. PRODUCT RESPONSIBILITY

Watch Manufacturing

Our watch manufacturing business relies on numerous suppliers to support our production and assembling of high-quality watches. To manage our supply chain effectively and efficiently, we have developed and implemented a number of policies to monitor and constantly improve our processes. Regular monitoring and evaluation are carried out to ensure the performance of our suppliers meets the Group's standards of ethics, health and safety and quality.

Residential and Other Property Development

The Group only works with reputable suppliers and has long-term partnerships with major contractors in Hong Kong to uphold our high standards of quality, ethics, environmental protection, and health and safety. For the year under review, we were not aware of any material violations regarding health and safety by our contractors.

Commercial Property Investment

Our commercial property investment also employs a variety of contractors that are also measured against high standards of quality, ethics, environmental protection and health and safety. The Group adopts a comprehensive set of procurement and tender procedures to ensure that related activities are carried out in a fair and transparent manner. Our procurement policies and procedures adhere to the following principles:

- There should be a genuine need for the goods and services;
- At least two to three quotations should be considered unless the required item is classified as a sole supply item;
- The procurement process should comply with relevant laws; and
- Adequate management controls should be undertaken to prevent and detect bribery, fraud or other malpractices in the process of procurement and tendering.

In screening new suppliers, we prioritise vendors holding ISO certifications as part of our environmental and social evaluation criteria. Also, we conduct annual evaluations of both new and existing suppliers and contractors. If any suppliers or contractors are found to be non-compliant, contracts will not be awarded to them. The Group will continue to develop and implement a range of initiatives to enhance the assessment and monitor the ESG performance of our suppliers across all business operations.

The Group is committed to operating as a responsible citizen, actively supporting people in need and contributing to society. We encourage our employees to be active and generous members of our society through donations and participation in local events and programmes.

A. THE EXCHANGE'S ESG REPORTING CODE INDEX

(I) Mandatory Disclosure Requirements

		Sections/Remarks
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	2.1
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	1.4 2.4
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	1.2

A. THE EXCHANGE'S ESG REPORTING CODE INDEX

(II) “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3.2
KPI A1.1	The types of emissions and respective emissions data.	While we are not able to directly measure the total air emission, we ensure compliance to the relevant air emission level limits set by regulatory bodies.
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous waste has not been identified as material to the Group's operations, given the negligible volume generated. The Group complies with applicable local requirements on hazardous waste handling and disposal and will review the feasibility of disclosing relevant data in future reporting periods.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Non-hazardous waste is not a material ESG aspect of the Group, as it is not considered significant to the Group's operations. The Group complies with applicable local waste disposal requirements and will continue to review the feasibility of relevant data disclosure in future reporting periods.
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	3.2-3.3

A. THE EXCHANGE'S ESG REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
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.	3.2 Currently hazardous and non-hazardous wastes are not considered material to the Group and we have yet to collect and consolidate relevant information. We will continue to review and disclose further information as appropriate in the future.
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	3.1
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	3.1 Due to year-on-year fluctuations in the Group's business scale, revenue and employee headcount, intensity-based metrics may not be appropriate for reflecting the Group's actual energy and water consumption performance. The Group is exploring an appropriate and consistent denominator, and currently focuses on monitoring absolute energy and water consumption, with intensity indicators to be reviewed in future reporting periods.
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.1 Please refer to the remark for KPI A2.1.
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	3.1

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Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
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.	3.1 There is no issue in sourcing water that is fit for purpose during the reporting period.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging material is not a material ESG aspect of the Group.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	3.1-3.2
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.1-3.2

A. THE EXCHANGE'S ESG REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4.1
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	4.1
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	4.1
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.2
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.2
KPI B2.2	Lost days due to work injury.	4.2
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.2

A. THE EXCHANGE'S ESG REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Sections/Remarks
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Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.3
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.3
KPI B3.2	The average training hours completed per employee by gender and employee category.	4.3

Aspect B4: Labour Standards

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1

Operating Practices

Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.2
KPI B5.1	Number of suppliers by geographical region.	5.2
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.2

A. THE EXCHANGE'S ESG REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.2
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.2
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5.1
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	During the reporting year, the Group was not aware of any products sold or shipped that were subject to recalls for health and safety reasons.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	The Group was not aware of any material product- or service-related complaints during the reporting year.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.1
KPI B6.4	Description of quality assurance process and recall procedures.	5.1
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.1

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Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
Aspect B7: Anti-corruption		
General Disclosure	Information on:	4.4
	(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.	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	4.4
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.4
		The Group encourages employees to report any suspected misconduct, bribery, fraud, corruption or conflicts of interest to their supervisor or the Company's Audit and Risk Management Committee. Reported matters will be reviewed by the appropriate management personnel and follow-up actions will be taken where necessary.
KPI B7.3	Description of anti-corruption training provided to directors and staff.	4.4
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.	6
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6
		No monetary donations were made during the reporting period. The Group continued to support local communities through non-monetary community engagement initiatives.

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(III) Climate-related Disclosures

Reference Paragraphs	Sections/Remarks
(I) Governance	
Paragraph 19	An issuer shall disclose information about: 2.1-2.2
	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:
	(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;
	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;
	(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and

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Reference Paragraphs	Sections/Remarks
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|---|--|
| <ul style="list-style-type: none"> (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: <ul style="list-style-type: none"> (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions. | |
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(II) Strategy

Climate-related risks and opportunities

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| Paragraph 20 | <p>An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <ul style="list-style-type: none"> (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. | 3.3 |
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A. THE EXCHANGE'S ESG REPORTING CODE INDEX

Reference Paragraphs	Sections/Remarks
Business model and value chain	
Paragraph 21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). 3.3

A. THE EXCHANGE'S ESG REPORTING CODE INDEX

Reference Paragraphs	Sections/Remarks
Strategy and decision-making	
Paragraph 22 An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	3.3 The Group has not established a formal climate-related transition plan as at the end of the reporting year and will continue to review the need for such a plan having regard to its business operations and relevant regulatory developments.
Paragraph 23 An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	3.1, 3.3

A. THE EXCHANGE'S ESG REPORTING CODE INDEX

Reference Paragraphs		Sections/Remarks
Financial position, financial performance and cash flows		
Current financial effect		
Paragraph 24	An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	During the reporting year, the Group incurred certain expenditures and operating costs in connection with measures undertaken to manage climate-related risks. As these expenditures and costs were not significant and were managed as part of the Group's existing business operations, they were not separately identified from the overall budget and operating costs. Accordingly, their financial effects could not be separately quantified.
Anticipated financial effect		
Paragraph 25	The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	3.3 Qualitative information is provided for the reporting year, as the Group is continuing to develop the data and methodologies required to reliably quantify the anticipated financial effects of climate-related risks and opportunities.

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Reference Paragraphs

Sections/Remarks

Climate resilience

Paragraph 26

An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:

- (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:
 - (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;
 - (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and
 - (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;

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The Group did not conduct climate-related scenario analysis during the reporting year due to limitations in data availability and the current stage of development of its assessment methodology. The Group will continue to develop its climate resilience assessment approach and methodology for conducting climate-related scenario analysis, taking into account its operational needs.

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

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Reference Paragraphs	Sections/Remarks
<i>(III) Risk Management</i>	
Paragraph 27	3.3
An issuer shall disclose information about:	There have been no changes regarding the risk management processes the Group uses compared with the previous reporting period.
(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	
(v) how the issuer monitors climate-related risks; and	
(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

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Reference Paragraphs		Sections/Remarks
<i>(IV) Metrics and Targets</i>		
Greenhouse gas emissions		
Paragraph 28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	3.3

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Reference Paragraphs	Sections/Remarks
Paragraph 29	
An issuer shall:	3.3
(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	The Group has not disclosed its Scope 3 greenhouse gas emissions for the reporting year due to limitations in data availability and reliability. The Group will continue to enhance its data collection processes and consider disclosing Scope 3 emissions when reliable data becomes available.
(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	The Group disclosed its location-based Scope 2 GHG emissions for the reporting year. There is no contractual instrument in place to manage the energy we have purchased.
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	

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Reference Paragraphs		Sections/Remarks
Climate-related transition risks		
Paragraph 30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	The Group has identified certain assets and business activities that may be exposed to climate-related transition risks arising from regulatory, market and technological changes, and physical risks arising from typhoons, flooding and rising temperatures. Details of the identified risks, their potential impacts and the Group's responses are set out in section "Climate-related Risks and Opportunities". The Group is continuing to develop the data and methodology required to quantify the amount and percentage of assets or business activities exposed to these risks. Accordingly, quantitative information under Paragraphs 30 and 31 is not disclosed for the reporting year. The identified risks are managed through the Group's existing risk management measures. Based on the Group's assessment for the reporting year, the identified climate-related risks were not considered to have an immediate material effect on the Group's ability to continue as a going concern.
Climate-related physical risks		
Paragraph 31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Please refer to the remark for Paragraph 30.

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Reference Paragraphs		Sections/Remarks
Climate-related opportunities		
Paragraph 32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group has identified changing customer preferences towards products, properties and services with improved environmental performance as a climate-related opportunity. Related initiatives are integrated into the Group's existing manufacturing, property-related and boutique investment operations. As the associated assets, revenue and business activities are not separately identified or accounted for on a standalone basis, the Group is currently unable to quantify the amount and percentage aligned with this opportunity. The Group will continue to review the materiality of such climate-related opportunities and the availability of relevant data and will enhance its quantitative disclosure in future reporting years where appropriate.
Capital deployment		
Paragraph 33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group allocates financial resources to climate-related initiatives through its annual budgeting process. As the related capital expenditure and operating costs are included in the budgets of the relevant business units and are not separately tracked, the Group is unable to quantify the aggregate amount for the reporting year. The Group will continue to review the materiality and reporting of such expenditure in future reporting years.

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Reference Paragraphs		Sections/Remarks
Internal carbon prices		
Paragraph 34	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Group does not currently apply an internal carbon price in decision-making.
Remuneration		
Paragraph 35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group has not currently integrated climate-related performance measures into remuneration policy.
Industry-based metrics		
Paragraph 36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group will review the relevance of industry-based metrics that are associated with our business, and may expand the suite of disclosed indicators in future reporting periods.

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Reference Paragraphs	Sections/Remarks
Climate-related targets	
Paragraph 37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.
Paragraph 38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.

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The Group's targets and the methodology for setting the target have not been validated by a third party currently.

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Reference Paragraphs	Sections/Remarks
Paragraph 39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance. 3.3
Paragraph 40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).