



CTF SERVICES LIMITED

(Incorporated in Bermuda with limited liability)

Stock code: 659

Environmental, Social and Governance Report 2026



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INTRODUCTION

ABOUT CTF SERVICES

CTF Services Limited (“CTFS”) is a leading integrated services company with a diversified portfolio of market-leading businesses, operating primarily in Hong Kong and the Chinese Mainland. Listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 00659), the Company was rebranded in 2003 as NWS Holdings Limited and was renamed CTF Services Limited in November 2024 to reflect our strategic alignment with the Chow Tai Fook Group.

For further information on our key business strategies, operations, and financial performance, please refer to the CTFS Annual Report FY2026.

ABOUT THIS REPORT

This ESG report covers the performance of CTFS and our subsidiaries (together, “the Group”) for the financial year from 1 July 2025 to 30 June 2026 (“FY2026”). It is published alongside the CTFS Annual Report FY2026.

The report tracks progress against our ESG strategy, *Breakthrough 2050*, introduced in FY2024, and discloses performance on the material ESG issues identified through our stakeholder engagement process. The reporting content has been reviewed and approved by the Board of Directors (the “Board”) and the Environmental, Social and Governance Committee (the “ESG Committee”).

Reporting Boundaries and Scope

This report applies the financial control approach in accordance with the Greenhouse Gas (“GHG”) Protocol Corporate Standard. It covers CTFS’s corporate office and wholly owned principal subsidiaries across five business segments: Roads, Financial Services, Logistics, Construction and Facilities Management. Non-operating entities, including financing, investment holding, and property investment companies, are excluded. CTFS discloses relevant GHG Scope 3 emissions across our value chain that are material to the Group’s operations and where sufficient and reliable data are available for quantification.

Roads

The Group operates toll road expressways in the Chinese Mainland. In FY2026, the following three expressways were in scope:

- ◆ *Changliu Expressway (Hunan CTFS Expressway Co., Ltd.);
- ◆ Hangzhou Ring Road (Zhejiang CTFS Expressway Co., Ltd.); and
- ◆ Sui-Yue Expressway (Yueyang CTFS Expressway Management Co., Ltd.).

*Hunan CTFS Expressway was divested during the reporting period and classified as an asset held for sale in accordance with accounting requirements. Its performance for the relevant period remains included in the FY2026 ESG Report.

Financial Services

Chow Tai Fook Life Insurance Company Limited (“CTF Life”)¹ provides life insurance and wealth management products in Hong Kong.

¹ While CTF Life publishes its own sustainability disclosures, its performance data is consolidated within this report. Please refer to CTF Life’s website for further details.

Logistics

CTF Logistics operates premium logistics properties which are in Chengdu, Wuhan, Dongguan and East China. In FY2026, the Group expanded its logistics portfolio through the acquisition of four logistics assets. The newly acquired entities were consolidated from their respective acquisition dates, with their FY2026 performance included on a pro rata basis to 30 June 2026, as shown below.

Chengdu

- ◆ Chengdu Dasheng Logistics Co. Ltd.
- ◆ Jialong (Chengdu) Warehouse Co. Ltd.
- ◆ Jiaxin (Chengdu) Warehouse Co. Ltd.
- ◆ Chengdu Jiachao Warehouse Co. Ltd.
- ◆ Jiayao (Chengdu) Warehouse Co. Ltd.

Wuhan

- ◆ Wuhan Jiamai Warehouse Co. Ltd.

Dongguan

- ◆ Dongguan Humen Port Plastic Trading Co. Ltd. (11 December 2025 — 30 June 2026)

East China

- ◆ Changzhou Hilltop Supply Chain Management Co. Ltd. (30 January 2026 — 30 June 2026)
- ◆ Shanghai Gushui Smart Logistics Warehousing Co. Ltd. (23 January 2026 — 30 June 2026)
- ◆ Suzhou Greenland Platinum E-commerce Co. Ltd.
- ◆ Yuyao Hilltop Intelligent Supply Chain Technology Co. Ltd. (27 January 2026 — 30 June 2026)

Construction

- ◆ Hip Hing Construction Group provides construction services across public, commercial, and private sectors in Hong Kong. For the purposes of this report, data from Vibro (H.K.) Limited, a fellow subsidiary specializing in foundation and site investigation work, have been consolidated within this business segment.
- ◆ Hsin Chong Aster Building Services Limited provides electrical and mechanical (“E&M”) engineering services in Hong Kong.

Facilities Management

- ◆ Hong Kong Convention and Exhibition Centre (Management) Limited (“HML”) manages the day-to-day operations of the Hong Kong Convention and Exhibition Centre (“HKCEC”).
- ◆ Urban Parking Limited provides car park management services in Hong Kong.

The Group completed the disposal of its entire stake in the Free Duty business during the reporting period, resulting in a full exit from duty free-related investments. Data from Anway Limited and Sky Connection Limited have been retained in the historical FY2023 and FY2024 figures and the FY2023 baseline to maintain consistency and comparability of performance data over time.

Reporting Standards

This report is prepared in accordance with the ESG Reporting Code (“ESG Code”) set out in Appendix C2 of the Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited (“HKEX”).

The report also references the GRI Standards 2021 and HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and HKFRS S2 Climate-related Disclosures, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). HKFRS S1 and S2 are fully aligned with IFRS S1 and S2 issued by the International Sustainability Standards Board (“ISSB”).

In preparing the climate-related disclosures in this report, CTFS has applied the relevant requirements of HKFRS S1 and HKFRS S2 to fulfil the climate-related disclosure requirements under Part D of the ESG Code.

ESG Report Assurance

PwC was engaged to conduct a limited assurance engagement on certain identified consolidated sustainability information in accordance with International Standard on Assurance Engagements (“ISAE”) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

Separately, the Hong Kong Quality Assurance Agency (“HKQAA”) conducted an independent verification of the Scope 3 greenhouse gas emissions inventory. This verification provides limited assurance on the data consolidated based on financial influence over indirect emissions, in accordance with the Greenhouse Gas Protocol — Corporate Value Chain (Scope 3) Accounting and Reporting Standard and ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board.

The report and opinion of independent practitioners’ limited assurance are available on page 97 of this report.

Share Your Thoughts

We welcome your feedback on this report and our ESG strategy. Please share your views with us at esg@ctfs.com.hk.

In the event of any inconsistency between the English and Chinese versions of this report, the English version shall prevail.

MESSAGE FROM THE CHAIRMAN OF THE ESG MANAGEMENT TASK FORCE

Dear Stakeholders,

The business landscape continues to evolve at an unprecedented pace. Climate-related challenges, technological advancements, regulatory changes, shifting stakeholder expectations and changes in the global economy are reshaping how organizations operate, compete and create value. In this environment, sustainability is no longer a standalone agenda. It has become an integral part of how businesses build resilience, capture opportunities and position themselves for long-term success.

NAVIGATING CHANGE WITH PURPOSE

At CTFS, we recognize that creating sustainable value requires more than managing risks. It requires us to anticipate change, embrace new ways of thinking and make informed decisions that create positive outcomes for our stakeholders, communities and future generations. Over the past year, we have continued to deepen our understanding of the environmental and social issues most relevant to our business while further integrating ESG considerations into the way we govern, invest and operate. This enables us not only to respond to emerging challenges, but also to identify opportunities that support sustainable growth and long-term competitiveness.

EMBEDDING SUSTAINABILITY INTO OUR BUSINESS OPERATIONS

One of the clearest examples of this progress is our sustainable investment agenda. The deployment of remotely controlled tower cranes across construction projects, together with the growing use of on-site generated renewable energy at our warehouses, demonstrates how innovation and sustainability can work together to deliver tangible environmental, social and operational benefits.

During the year, we launched our Sustainability-Linked Finance Framework, providing a structured approach to aligning financing activities with our sustainability ambitions. As at 30 June 2026, green and sustainability-linked financing accounted for 45% of the Group's total debt portfolio.

We also continued to deploy capital in support of the low-carbon transition through strategic investments, including a battery energy storage system project in Finland that enhances renewable energy transition and supports grid reliability. Across our investment portfolio, the integration of ESG considerations contributed to a 12% reduction in the carbon footprint of CTF Life's investment portfolio compared with the FY2023 science-based target baseline year.

Together, these achievements demonstrate how sustainability is increasingly shaping both how we finance our business and how we invest for the future.

TURNING INNOVATION INTO OPPORTUNITY

Beyond managing risks, we are equally focused on capturing opportunities arising from technological advancement and the transition to a more sustainable economy. Across the Group, we are leveraging data, digital technologies and emerging tools, including artificial intelligence, to enhance operational efficiency and safety, strengthen decision-making and identify new sources of value creation. Whether through data-driven decarbonization planning, intelligent infrastructure monitoring or digital solutions that strengthen climate resilience, technology is enabling us to anticipate change, respond more effectively to evolving challenges and unlock opportunities for sustainable growth.

EMPOWERING OUR PEOPLE TO DRIVE IMPACT

Progress is only possible through the collective efforts of our people. Through leadership engagement, ESG capability-building initiatives and the Imp[ACT] Fund, we continue to foster a culture of collaboration, continuous learning and innovation. We believe meaningful and lasting impact is achieved when individuals across the organization are empowered to transform ambition into action and ideas into tangible results.

BUILDING FOR THE FUTURE

Achieving our first AAA rating in the Hang Seng Corporate Sustainability Index marks an important milestone in our sustainability journey. This recognition reflects the growing maturity of our ESG approach and the progress we have made in integrating sustainability considerations across our business.

It also reinforces our commitment to strengthening governance, embedding sustainability into business decision-making and delivering measurable outcomes. More importantly, our focus remains on translating sustainability ambitions into meaningful action that enhances business resilience, builds stakeholder trust, and supports long-term value creation.

As we look ahead, we remain committed to strengthening our resilience, embracing innovation and creating shared value for our stakeholders. Guided by our *Breakthrough 2050* vision, we will continue to turn insights into actions, innovations into outcomes and challenges into opportunities. By embedding sustainability into the decisions we make today, we are building a stronger, more future-ready organization while contributing positively to the communities and environments in which we operate.

Mr Jim Lam

Executive Director and Group Chief Operating and Financial Officer and
Chairman of the Environmental, Social, and Governance Management Task Force

FY2026 HIGHLIGHTS

ACT WITH INTEGRITY



Maintained zero reported instances of corruption, bribery, discrimination, harassment, customer data privacy breaches, conflict of interest, or money laundering through CTFS's whistleblowing and other reporting channels.

Introduced a **Group-wide mandatory fraud and misconduct risk assessment process** across all business units to strengthen the Group's proactive approach to fraud risk management and promotes consistent risk oversight.

Two trainings were conducted on the Anti-Fraud and Counter-Corruption Policy and Whistleblowing Policy to enhance internal awareness.

Enacted a **new Incident Response Policy and an Incident Response Checklist**, defining governance, roles, and response procedures for cybersecurity incidents.

Achieved our **first AAA rating, the highest rank of the rating scale** in the Hang Seng Corporate Sustainability Index Assessment, and obtained an "AA" ESG rating from MSCI².

ADVANCE WITH AGILITY



Formalized our **Sustainability-Linked Finance Framework**, aligned with the Sustainability-Linked Loan Principles 2025.

Total Sustainability-Linked Loans and Green Debt Financing amounted to **HK\$20.2 billion**, representing 45% of our total debt portfolio.

Projects supported by **Imp[ACT] Fund** continue to scale beyond pilot implementation, delivering measurable outcomes and long-term value.

EVOLVE SUSTAINABLY



Implemented a **Scope 3 Data Quality Assessment Process** to enhance the quality, accuracy, and reliability of emissions data.

Assessed the **GHG emissions profile of Hip Hing and HML**, the major contributors of the total GHG emissions of the Group, to highlight emission hotspots.

Completed **Climate Scenario Analysis** across our 4 business segments, including Construction, Facilities Management, Roads and Logistics.

Initiated **nature-related assessment** guided by recommendations of the TNFD.

Reduced our GHG emissions **by 17%** compared to FY2023.

Integrated **on-site renewable energy generation** into the Logistics segment's operations in FY2026, with the clean energy generated consumed on site.

Procured **13 GWh GECs** in FY2026, expected to enable **>4,400 tCO₂e of emission reductions** to support our decarbonization goals.

GROW AS ONE



Our **Lost Time Injury Rate** was **0.4** during the reporting period, surpassing our target of 3.0.

Our Lost Day Rate has further **decreased to 28.7 per 100 employees** (from 41.9 in FY2025), a result from our promotion of safety culture.

The **Average Training Hour** increased to **13 hours** per employee (from 11.7 in FY2025) during the reporting period.

CTFS's corporate office and business units, including **Corporate Office, CTF Life, Hip Hing and HML**, were recognised by leading industry and professional organizations for achievements in people and workplace, receiving awards such as the Human Resources Excellence Awards, Best Companies to Work for in Asia, Considerate Contractors Site Award Scheme awards, Hong Kong Occupational Safety & Health Awards, and the Gold Seal for Contribution to Sustainable Facility.

CREATE SHARED VALUE



CTF Services Charity Foundation Limited contributed **HK\$5.4 million** to support our communities.

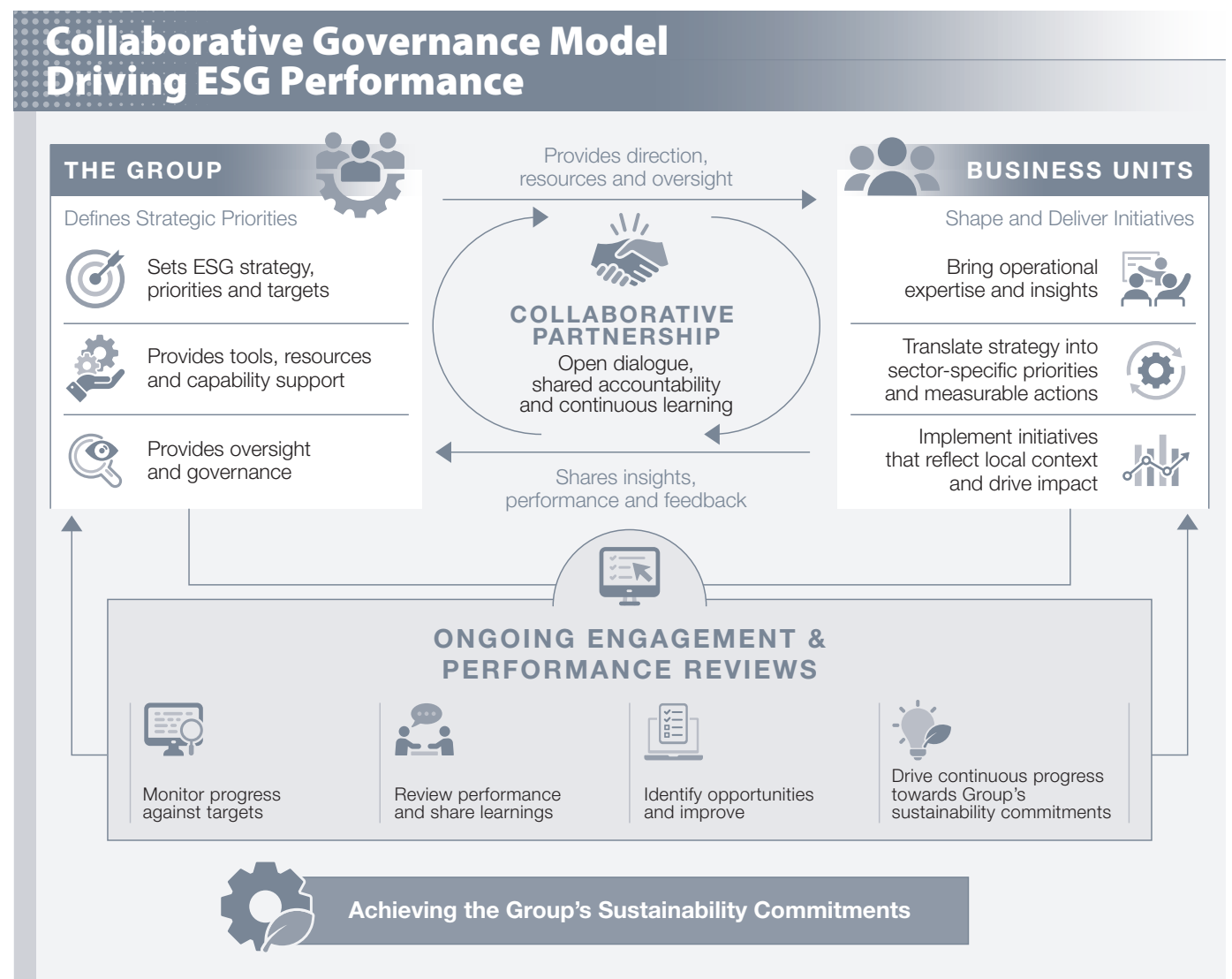
The CTFS Volunteer Alliance partnered with 5 non-governmental organizations to launch 25 activities in 2026 to celebrate its 25th anniversary. As of 30 June, 6 activities had engaged over 60 volunteers, contributing 300+ service hours and benefiting **more than 6,000 people**.

The Group upgraded **CTFS Volunteer Alliance Platform** for more efficient volunteer activity registration, communication and management.

The HKCEC was accredited with the **Gold Certification for MICE Venues by CrescentRating**, becoming the first convention and exhibition venue in Hong Kong to receive the highest level of certification for Muslim-friendly facilities.

² The use by CTF Services Limited of any MSCI Solutions LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of CTF Services Limited by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Breakthrough 2050 is CTFS’s overarching sustainability framework, which guides the Group’s long-term commitments around five core values. It operates as a collaborative governance model whereby the Group and business units jointly drive ESG performance. The Group defines strategic priorities and provides oversight and equips business units with the necessary tools and resources, while business units actively shape and deliver initiatives that reflect sector-specific priorities and measurable actions within their operational context. Through ongoing engagement and performance reviews, both levels work together to monitor progress and advance the Group’s sustainability commitments.



ESG GOVERNANCE

ESG and climate-related considerations are embedded across CTFS’s corporate governance framework through a collaborative structure with clear accountability and oversight mechanisms spanning the Board, Board Committees, and management. This integrated approach ensures that sustainability priorities are systematically incorporated into strategic decision-making, risk management, capital allocation, and business planning.

The Board holds overall responsibility for overseeing the Group’s sustainability strategy and ESG performance. To support effective oversight of evolving sustainability matters, the Board regularly receives training on ESG and climate-related topics, including emerging regulatory developments, market trends, and risk management practices. During the reporting year, the Board participated in a dedicated training session on climate scenario analysis and the integration of climate-related risks and opportunities into the Group’s Enterprise Risk Management (“ERM”) framework.

Supporting the Board, the ESG Committee oversees the implementation and progress of *Breakthrough 2050*, including the management of climate-related risks and opportunities, and regularly reports on progress to the Board. The Audit Committee oversees the effectiveness of the Group’s risk management and internal control systems, including the integration of ESG and climate-related risks into the ERM framework. Together, the two committees provide coordinated updates to the Board, enabling a holistic view of sustainability performance, emerging risks, and strategic opportunities.

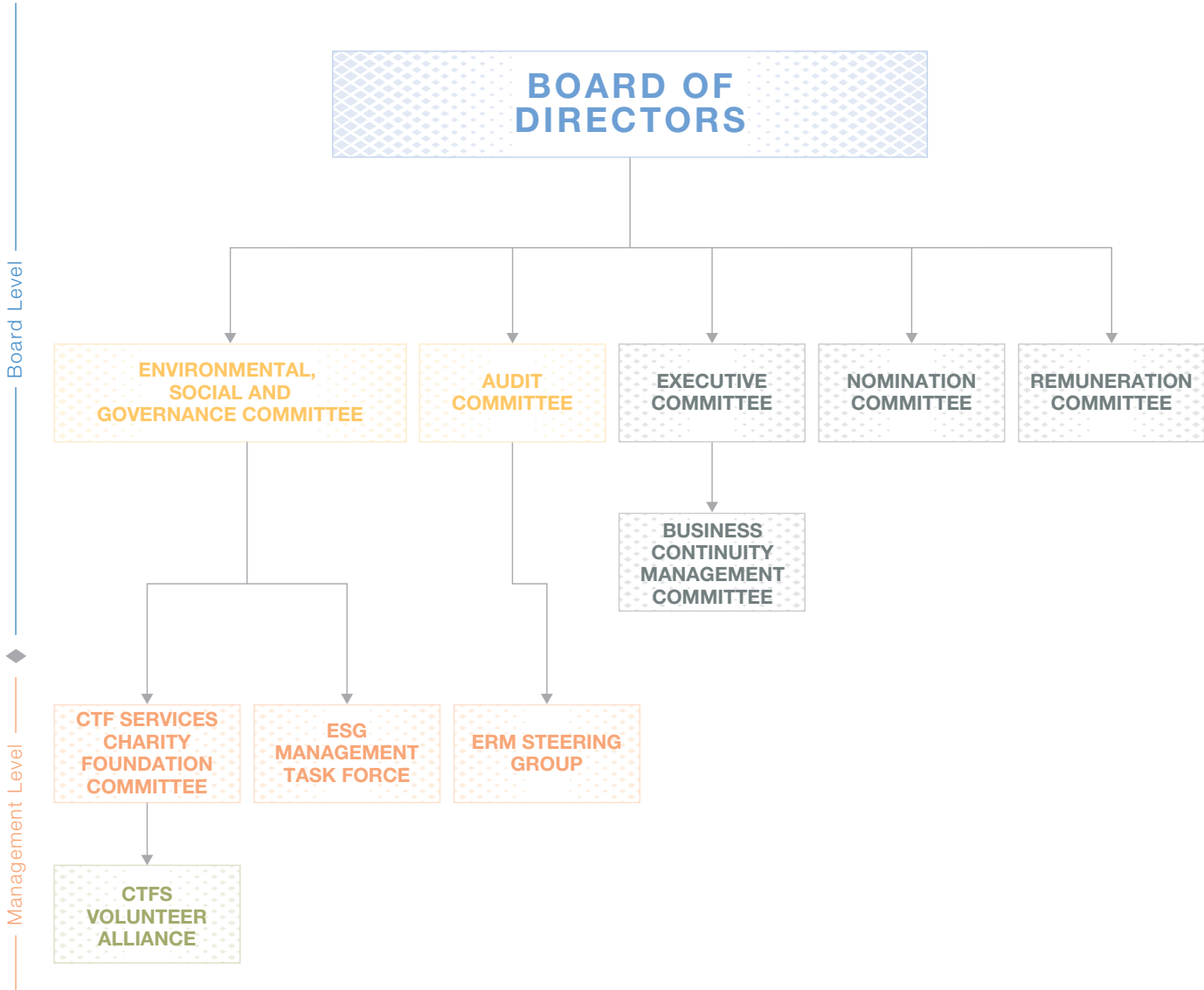
At management level, the ESG Management Task Force, chaired by the Group Chief Operating and Financial Officer and comprising of representatives from corporate functions and business units, drives the implementation of Board-approved strategy across the Group, while the ERM Steering Group provides parallel oversight of enterprise-wide risks.

	Management Level Meeting Attended/(No. of Meetings in FY2026)				
	Business Continuity Management Committee (2)	CTF Services Charity Foundation Committee (2)	Environmental, Social and Governance Committee (2)	ESG Management Task Force (4)	ERM Steering Group (2)
Mr Gilbert Ho (Group Co-Chief Executive Officer)	☑	☑	☑		
Mr Jim Lam (Group Chief Operating and Financial Officer)	☑	☑	☑	☑	☑
Mr Peter Tang (Group General Counsel and Company Secretary)	☑	☑	☑	☑	☑
Mr Huen Wong (Chairman of ESG Committee)		☑	☑		

* For detailed directors’ attendance at Board-Level Committee meetings, including the ESG Committee, please refer to the “Corporate Governance Report” in our Annual Report.

The table below sets out each governance body’s primary ESG and climate-related responsibilities.

Tier	Body	Primary ESG & Climate Responsibilities
Board Level	Board of Directors	◆ Holds ultimate accountability for the Group’s ESG strategy, climate-related matters, and overall ESG performance ◆ Reviews and approves ESG-related targets, policies, and disclosures
	Environmental, Social and Governance Committee	◆ Oversees the implementation of <i>Breakthrough 2050</i> and the Group’s ESG and climate strategy ◆ Endorses key sustainability and climate plans ◆ Provides recommendations to the Board on ESG-related matters
	Audit Committee	◆ Oversees the effectiveness of risk management and internal control systems ◆ Reviews ESG and climate-related risks within the ERM framework
	Executive Committee	◆ Oversees Group performance and provides strategic recommendations to the Board, including on sustainability-related matters
Management Level	ESG Management Task Force	◆ Chaired by the Group Chief Operating and Financial Officer ◆ Drives the implementation of ESG strategies, policies, and initiatives across the Group and business segments
	ERM Steering Group	◆ Chaired by the Group Chief Operating and Financial Officer ◆ Reviews principal and emerging risks, including ESG and climate-related risks, and monitors ERM implementation
	Business Continuity Management Committee	◆ Chaired by the Group Co-Chief Executive Officer and vice chaired by the Group Chief Operating and Financial Officer ◆ Guides business continuity planning with consideration of ESG and climate-related risks
	CTF Services Charity Foundation Committee	◆ Chaired by the Group Co-Chief Executive Officer ◆ Oversees philanthropic strategy and resource allocation



OUR ESG STRATEGY AND PROGRESS

Our Sustainability Vision

CTFS’s sustainability vision is to support our portfolio companies, value chains, and communities in the transition to a low-carbon, resilient economy. *Breakthrough 2050* translates this vision into action through five core values, each supported by defined targets and clear accountability at both Group and business unit levels.

Breakthrough 2050: Five Core Values and Targets

The five core values of *Breakthrough 2050* reflect the material ESG issues identified through our stakeholder engagement and materiality assessment processes. Each value is linked to specific targets tracked annually at both the Group and segment levels.

Five Core Values	Our Targets	FY2026 Progress
ACT WITH INTEGRITY Acting with integrity is our most important and inherent core value. It ensures fairness and a high level of ethical standards in our work. Integrity supports the growth of our business and helps nurture our long-term relationships.	Business Ethics and Anti-corruption ◆ Maintain zero convicted cases of corruption	Zero convicted cases of corruption ✔ on track
ADVANCE WITH AGILITY Being resilient and agile is ingrained in our culture. In this ever-changing world, we stay ready to turn challenges into opportunities to maintain our lead in the market.	Sustainable Finance and Investment ◆ 50% of bond and loan facilities from green financing by 2030	45% of bond and loan facilities were sourced through green financing (as at 30 June 2026) ✔ on track
EVOLVE SUSTAINABLY Building a more sustainable future for our next generation, communities, and businesses. We do this by incorporating new practices and innovations into the way we work every day.	Climate Change ◆ Reduce 50% GHG emissions by 2035 relative to 2023 levels and achieve net-zero emissions or at a sector level in eligible 1.5°C-aligned pathways by 2050	Achieved a 17% reduction of Scope 1 and 2 in GHG emissions compared to FY2023 ✔ on track
GROW AS ONE Empowering every team member is to excel at CTFS. We grow and share success as one.	Talent Attraction and Retention ◆ Rethink upskilling, embrace flexibility and deliver on purpose-driven work to build trust	Refer to the “ <i>Grow as One</i> ” section for FY2026 performance highlights and progress
CREATE SHARED VALUE Aspiring to tie our business success with social progress. Our goal is to create long-term value, not only for our shareholders but all stakeholders in the communities we serve.	Community Investment ◆ Support 40 scalable and self-sustaining community projects and solutions, both internally and externally between 2024 — 2030	Supported 7 community projects in FY2026 ³ ; 22 projects have been supported to date ✔ on track

³ The seven projects supported in FY2026 included three projects from the Imp[ACT] Fund and four community projects. For more details, please refer to the sections “Integrating ESG Practices into Every Aspect of our Business Through Innovation” and “Communities”.

CTFS’s business segments operate across distinct sectors and regulatory environments. Rather than applying a one-size-fits-all approach, the Group ESG team works closely with business units to translate *Breakthrough 2050* into sector-specific priorities, targets, and actions. In FY2026, the Group supported implementation through a series of initiatives designed to strengthen ESG data governance, risk management, and decarbonization planning, and project funding across business segments.

Area	Key FY2026 Initiative	Description of the Action	Business Segments	Relevant Sections
Governance	Materiality Assessment and Stakeholder Engagement	Strengthen the identification and prioritization of material sustainability matters through stakeholder engagement and assessment of their impacts on the Group and its stakeholders.	All Business Segments	<i>Materiality Assessment and Stakeholder Engagement</i>
	GHG Scope 3 Data Enhancement	Enhance the quality and reliability of Scope 3 emissions data through improved primary data collection and governance.	All Business Segments	<i>CTFS’s Net Zero 2050 Ambition</i>
Strategy	Sustainability-related Impacts, Risks, and Opportunities (“SIROs”) Management	Integrate sustainability-related impacts, risks and opportunities into business decision-making through structured assessment and engagement with business segments.	All Business Segments	<i>Sustainability-related Impacts, Risks, and Opportunities (“SIROs”) Discussions</i>
Risk Management	Climate Scenario Analysis and ERM Integration	Enhance climate risk management by conducting physical and transition risk assessments with business segments and integrating findings into the Group’s Enterprise Risk Management framework in line with TCFD recommendations.	Roads, Logistics, Construction, and Facilities Management	<i>Climate Scenario Analysis; Climate Risk Management</i>
	Nature-Related Risk and Opportunity Assessment	Advance nature-related risk and opportunity assessment by initiating the TNFD LEAP framework and completing the Locate phase to identify priority locations across operations and value chains.	Roads, and Construction	<i>Nature-Related Risks: TNFD LEAP Assessment</i>
Metrics and Targets	Construction Project Decarbonization Planning Tool	Support carbon-informed decision-making and decarbonization planning through the development of a predictive emissions forecasting tool for construction projects to identify carbon hotspots and future emissions trends.	Construction	<i>CTFS’s Net Zero 2050 Ambition</i>
Capacity Building	Imp[ACT] Fund 2026	Drive environmental and social impact across operations and value chains through the annual allocation of HK\$1 million to support sustainability initiatives and innovation.	All Business Segments	<i>Integrating ESG Practices into Every Aspect of Our Business through Innovation</i>
	Imp[ACT] Leader — Leadership Workshop	Strengthen ESG ownership and accountability across business segments through leadership workshops to review ESG priorities and co-develop bottom-up KPIs aligned with Group targets.	All Business Segments	<i>Investing in Our People</i>

The outcomes of these initiatives are reflected in the progress reported throughout this Report and continue to support the delivery of *Breakthrough 2050* across the Group.

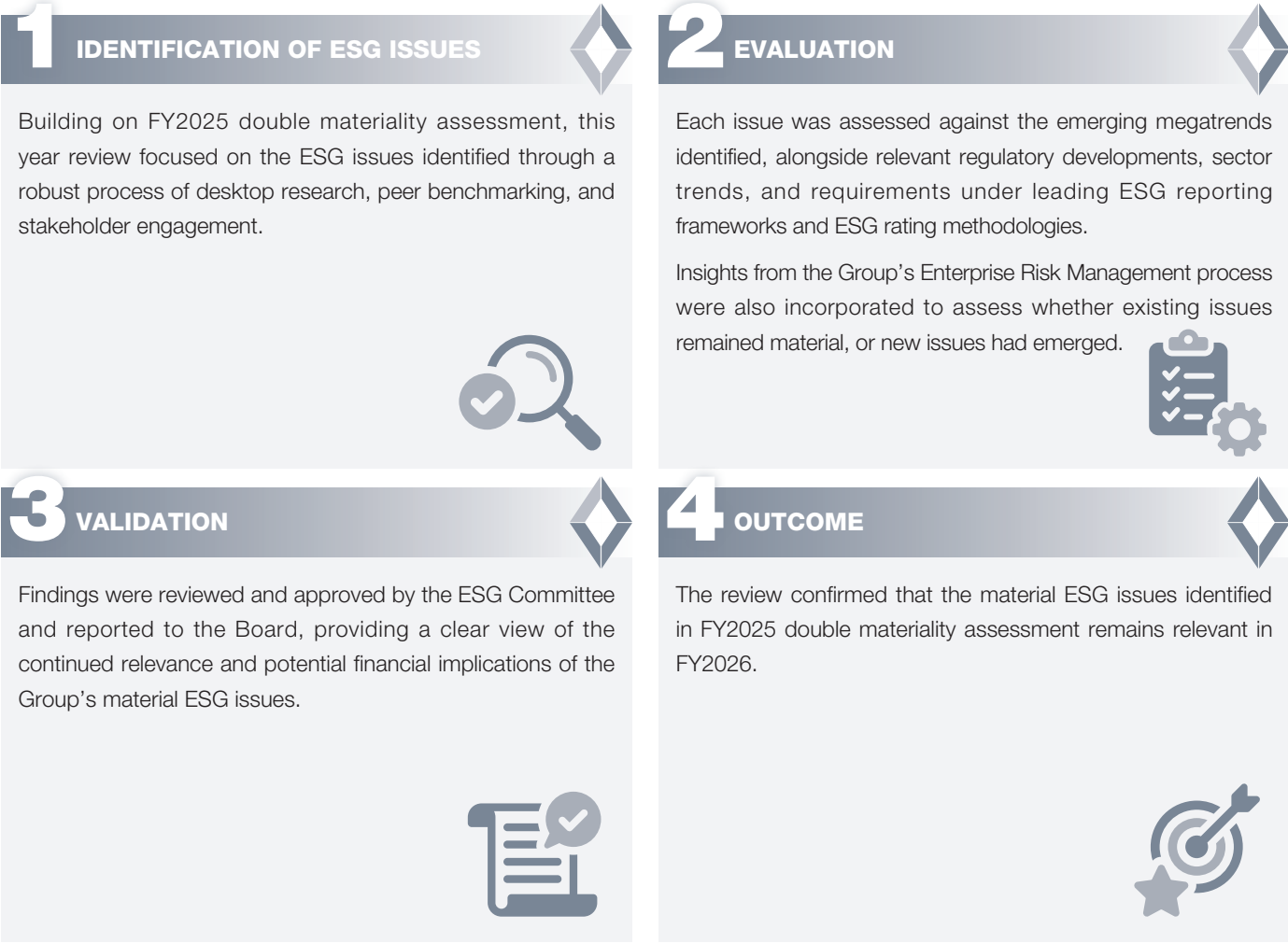
MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

Materiality Assessment Approach

CTFS identifies material ESG issues through regular stakeholder engagement and emerging sustainability trends analysis, ensuring our ESG strategy remains responsive to an evolving operating environment.

In FY2025, CTFS conducted a full double materiality assessment, evaluating both the financial materiality of ESG issues to the Group and the impact of the Group’s operations on the environment and society. This established a comprehensive baseline of material ESG issues that continues to inform our ESG strategy and disclosures.

In FY2026, as the Group’s business model and operating footprint remained substantially unchanged, CTFS conducted a targeted materiality review to validate the continued relevance of previously identified material issues in light of emerging megatrends, regulatory developments and evolving stakeholder expectations.



FY2026 ESG Issues Materiality Review



IDENTIFIED ESG MEGATRENDS SHAPING CTFS'S OPERATING ENVIRONMENT

CTFS's megatrend analysis considered developments across global, regional, national, and industry levels, complemented by a review of emerging issues affecting each business segment. These insights informed the assessment of the continued relevance of the Group's material ESG issues and sustainability-related priorities. The discussion of the material topics throughout this report is framed through the lens of the key megatrends shaping CTFS's operating environment.

1. AI OPPORTUNITIES AND RISKS

Artificial intelligence ("AI") adoption is rapidly transforming business operations, decision-making, customer engagement, and risk management across industries. While the adoption of AI presents significant opportunities to enhance efficiency, innovation and value creation, it also introduces evolving risks related to cybersecurity, data privacy, governance, and business ethics. These developments underscore the importance of maintaining robust technology governance, responsible AI practices, and strong cyber resilience across the Group.

2. CHINA'S FIFTEENTH FIVE-YEAR PLAN

China's Fifteenth Five-Year Plan sets national policy direction across areas relevant to the Group's operations, including the green economy transition, carbon neutrality, the digital economy, workforce transformation, and strategic industrial upgrading. As a Group with a significant presence in the Chinese Mainland and Hong Kong, these national priorities present both opportunities and challenges that are likely to shape the Group's long-term strategy, particularly in relation to decarbonization, sustainable finance, innovation, green growth, and talent development.

3. NATURE AND BIODIVERSITY DISCLOSURE

While CTFS's exposure to nature-related dependencies is generally lower than that of resource-intensive industries, evolving stakeholder expectations and disclosure requirements are increasing the importance of nature-related risk management across all sectors. As a result, understanding and managing nature-related impacts and dependencies within relevant operations and value chains is becoming increasingly important.

4. TALENT MARKET STRUCTURAL SHIFT

Labour markets are undergoing structural transformation driven by technological disruption, demographic shifts, skills shortages, and changing workforce expectations. As competition for critical talent intensifies, organizations are increasingly required to strengthen workforce capabilities, leadership pipelines, and employee value propositions. For CTFS, the ability to attract, develop, and retain future-ready talent will be critical to supporting digital transformation, fostering innovation, and sustaining long-term business growth.

5. TRANSITION FINANCE AND ADAPTATION

Sustainable, transition, and adaptation finance continue to gain momentum across the region, supported by evolving government policies and regulatory initiatives. Growing demand for capital to facilitate decarbonization and enhance climate resilience is expanding opportunities across industries. For CTFS, these may facilitate the mobilization of capital towards low-carbon and climate-resilient investments, accelerate decarbonization across our supply chain and broader business ecosystem, strengthen long-term resilience, competitiveness and value creation in the transition to a low-carbon economy.

6. CORPORATE GOVERNANCE REFORM

Recent regulatory reforms and evolving stakeholder expectations continue to raise the bar for corporate governance, with greater emphasis on board effectiveness, independence, director competencies, and oversight of emerging risks and opportunities. For CTFS, robust governance remains a critical enabler of long-term value creation, stakeholder trust, and organizational resilience.

SEGMENT-LEVEL TRENDS

Beyond these Group-wide and national-level megatrends, each business segment was assessed against sector-specific developments that could influence its ESG risk and opportunity profile. These developments ranged from carbon cost pass-through and modular construction adoption in our Construction segment, to AI-enabled underwriting in Financial Services, tightened building energy efficiency requirements in Facilities Management, smart mobility in Roads, and evolving solid waste policies in Logistics.

These segment-specific developments, together with the broader megatrends, informed the assessment of Sustainability-related Impacts, Risks and Opportunities presented in the following *SIROs Discussions* section.

Following the FY2025 materiality assessment and consideration of emerging megatrends, SIROs, CTFS determined that our material ESG topics remain relevant and appropriately prioritized. CTFS has aligned our material ESG topics with our core values to demonstrate how sustainability considerations are integrated into the Group's strategy, culture, and business operations. These topics continue to guide the Group's ESG strategy, management approach, and reporting priorities for FY2026. Further information on the management of these topics and the associated SIROs are provided in the following sections of this Report.

ACT WITH INTEGRITY	ADVANCE WITH AGILITY	EVOLVE SUSTAINABLY	GROW AS ONE	CREATE SHARED VALUE
- Business Ethics and Anti-Corruption - Corporate Governance - Cybersecurity and Information Security - Risk Management	- Sustainable Finance and Investment - Innovation and Digitalization	- Responsible Product and Services - Energy and Carbon Management - Climate Change - Waste Management and Circularity - Raw Materials and Natural Resources - Biodiversity and Land Use	- Talent Attraction, Retention and Development - Human Rights - Diversity and Inclusion - Health and Safety	- Customer Satisfaction and Engagement - Stakeholder Engagement and Partnerships - Supply Chain Management - Community Investment and Strategic Partnerships

Stakeholder Engagement

CTFS maintains ongoing dialogue with a broad range of stakeholder groups, including employees, investors, regulators, contractors, and communities. Through surveys, meetings, working committees, and community investment programmes, the Group gathers insights into stakeholder priorities and emerging sustainability issues. These insights inform our materiality assessment and support the ongoing refinement of our sustainability strategy, targets and disclosures.

Who We Engage	How We Engage	Key Purpose
Employees	Surveys, Townhalls, Internal Apps	Workforce insights
Investors	Meetings, Roadshows, IR Mailbox	Governance and performance
Suppliers & Contractors	Evaluations, Reviews, Meetings	Supply chain resilience
Communities	Community programmes, Partnerships	Social impact
Regulators & Industry Bodies	Meetings, Committees, Forums; Participation in Professional Organizations	Regulatory awareness

ESG RISK, CLIMATE AND BIODIVERSITY STRATEGY MANAGEMENT

Sustainability-related Impacts, Risks, and Opportunities (“SIROs”) Discussions

To align with HKFRS S1 and S2 disclosure requirements, this section identifies the SIROs arising from CTFS’s operations, stakeholders’ relationships, and value chain, and assesses how these could reasonably be expected to affect the Group’s business prospects, including our cash flows, access to finance, and cost of capital, over the short, medium and long term.

Each material issue is considered in the context of the megatrends set out in the preceding sections and reflects the areas where CTFS’s business segments are most significantly exposed.

In determining the time horizons for assessing SIROs, CTFS considers our strategic planning cycle, enterprise risk management processes, asset and liability profile, and the expected timeframe over which sustainability-related matters may affect the Group’s business prospects. Given the varying nature of sustainability topics, particularly climate-related risks and opportunities, longer assessment horizons are applied where impacts are expected to materialize beyond traditional business planning periods.

Time horizon definitions:

Short-term — <2 yearsMedium-term — 2-5 yearsLong-term — Beyond 5 years

Material Issue	Exposed Business Segments	SIROs Discussion	Time Horizon	Relevant Report Section
ACT WITH INTEGRITY				
Business Ethics and Anti-Corruption	Construction Roads Facilities Management Financial Services	Increasing regulatory expectations on business conduct, procurement integrity, customer protection and accountability require strong governance and compliance practices across the Group, particularly in regulated and government-facing businesses.	Short-term	Business Ethics and Anti-corruption
Corporate Governance	All Business Segments	Evolving governance expectations may increase regulatory and stakeholder scrutiny of board effectiveness, oversight and accountability. Strong governance supports informed decision-making, enhances investor confidence and contributes to long-term business resilience and access to capital.	Short-term	ESG Governance
Risk Management	All Business Segments	Geopolitical developments, economic uncertainty, technological disruption and emerging sustainability risks may affect business performance across CTFS’s operations and investments. Effective risk management strengthens organizational resilience, supports strategic decision-making and enables CTFS to identify and respond to emerging risks and opportunities.	Long-term	ESG Risk Management
Cybersecurity and Information Security	All Business Segments	Growing reliance on digital platforms, data and AI technologies increases exposure to cybersecurity, privacy and technology governance risks. Effective management of cyber and information security supports operational continuity, stakeholder confidence and responsible adoption of emerging technologies.	Short-term	Cybersecurity, Data Privacy, and Ethical AI
ADVANCE WITH AGILITY				
Sustainable Finance and Investment	Financial Services and CTFS Corporate Office	Evolving sustainable finance frameworks, investor expectations and transition-related considerations may influence CTFS’s access to capital and investment performance. Growing demand for sustainable financing and investment solutions presents opportunities to support portfolio resilience and long-term value creation.	Medium-term	Sustainable Finance and Investment
Innovation and Digitalization	All Business Segments	Advances in AI, automation and digital technologies are reshaping operating models across industries. Organizations that successfully adopt and govern these technologies may benefit from improved efficiency, safety, service quality and competitiveness, while delayed adoption may affect future growth and productivity.	Short-term	Integrating ESG Practices into Every Aspect of Our Business through Innovation



Material Issue	Exposed Business Segments	SIROs Discussion	Time Horizon	Relevant Report Section
EVOLVE SUSTAINABLY				
Climate Change	All Business Segments	Physical climate hazards and the transition to a low-carbon economy may affect operational resilience, project delivery, investment performance and regulatory compliance. Effective climate risk management and adaptation planning can enhance resilience while positioning CTFS to capture opportunities arising from growing demand for low-carbon and climate-resilient solutions.	Long-term	Climate Scenario Analysis Climate Risk Management
Energy and Carbon Management	Construction, Facilities Management, Financial Services and CTFS Corporate Office	Rising energy costs, carbon regulations and decarbonization expectations may influence operating costs and business competitiveness. Improvements in energy efficiency, emissions reduction and adoption of low-carbon solutions can support operational performance and long-term resilience.	Medium-term	CTFS's Net Zero 2050 Ambition
Responsible Product and Services	All Business Segments	Maintaining high standards of product quality, service reliability, responsible technology use and sustainable product offerings is increasingly important to customer trust, stakeholder expectations and regulatory compliance. Effective governance supports customer satisfaction and enables CTFS to capture opportunities arising from innovation, digital service delivery and growing demand for sustainable products and services.	Short-term	Sustainable Finance and Investment Strengthening Partnerships Across Our Value Chain
Waste Management and Circularity	Construction and Facilities Management	Increasing regulatory and stakeholder expectations regarding waste reduction and resource recovery may affect operational practices and compliance requirements. Circular economy initiatives can improve resource efficiency, reduce waste-related costs and enhance environmental performance.	Short-term	Managing Resources Sustainably
Raw Materials and Natural Resources	Construction, Roads and Facilities Management	Resource availability, material costs and increasing expectations regarding responsible sourcing and value chain decarbonization may influence operational efficiency, supply chain resilience and Scope 3 emissions performance. Strengthening supplier engagement, responsible procurement and resource efficiency initiatives can enhance long-term business continuity while supporting the reduction of emissions associated with purchased goods, services and other value chain activities.	Medium-term	Managing Resources Sustainably
Biodiversity and Land Use	Roads and Construction	Increasing regulatory and stakeholder focus on biodiversity and ecosystem protection is raising expectations for the management of nature-related impacts and dependencies. Proactive biodiversity management can strengthen environmental stewardship, support project delivery and improve resilience to evolving nature-related requirements.	Long-term	Managing Resources Sustainably



GROW AS ONE				
Talent Attraction, Retention and Development	All Business Segments	Demographic shifts, labour shortages and evolving workforce expectations may affect CTFS's ability to attract, retain and develop skilled employees across its business segments. Investment in workforce capabilities, employee wellbeing, training and career development supports organizational resilience, enhances workforce readiness for technological and industry changes, and contributes to long-term business performance.	Medium-term	Investing in Our People
Health and Safety	All Business Segments	Health and safety is a critical priority for CTFS, particularly within its Construction, Facilities Management and Roads businesses, where operational activities present elevated safety risks. Workplace incidents, occupational health risks and psychosocial factors may affect employee wellbeing, operational continuity, regulatory compliance and stakeholder confidence. Effective health, safety and wellbeing management, supported by technology, mental health initiatives and continuous improvement, helps protect employees and strengthen operational resilience.	Short-term	Prioritizing Health and Safety

Material Issue	Exposed Business Segments	SIROs Discussion	Time Horizon	Relevant Report Section
Diversity and Inclusion	All Business Segments	Diversity, equity and inclusion are increasingly important to attracting, retaining and developing talent in a competitive labour market, while supporting employee engagement and organizational effectiveness. Evolving stakeholder and regulatory expectations, including those relating to board diversity and equal opportunity, may influence workforce and governance practices. A diverse and inclusive workforce strengthens decision-making, innovation and long-term organizational resilience.	Medium-term	Fostering an Inclusive Culture for Our People
Human Rights	Construction	Human rights considerations for CTFS primarily relate to fair labour practices, equal opportunity, worker welfare and safe working conditions across our operations and value chain, particularly within Construction, where multi-layer contracting arrangements are common. Increasing stakeholder expectations and evolving regulatory requirements regarding labour practices, working conditions and responsible contractor management may expose CTFS to legal, operational and reputational risks if not effectively managed. Strong human rights practices support workforce wellbeing, strengthen stakeholder trust and contribute to a resilient and responsible supply chain.	Medium-term	Fostering an Inclusive Culture for Our People



CREATE SHARED VALUE

Stakeholder Engagement and Partnerships	All Business Segments	Strong stakeholder relationships and strategic partnerships are important to maintaining CTFS’s social license to operate, supporting business growth and creating long-term value. Evolving stakeholder expectations and inadequate engagement may result in reputational risks, reduced customer confidence, project delays or challenges in securing stakeholder support. Effective engagement enables CTFS to better understand stakeholder priorities, identify emerging risks and opportunities, and strengthen collaboration with customers, suppliers, regulators, industry associations and community partners to support sustainable business performance and innovation.	Long-term	Create Shared Value
Supply Chain Management	Construction and Facilities Management	Supply chain risks are particularly relevant to Construction and Facilities Management, where operations rely on extensive supplier and contractor networks. The sourcing of construction materials, food, consumables and outsourced services contributes significantly to value chain impacts and Scope 3 emissions. As expectations around responsible sourcing, decarbonization, and supply chain transparency continue to increase, stronger supplier engagement and sustainability integration can improve resilience, support emissions reduction efforts and enhance long-term operational performance.	Medium-term	Strengthening Partnerships Across Our Value Chain
Community Investment and Strategic Partnerships	All Business Segments	Community investment and strategic partnerships support CTFS’s social license to operate and strengthen relationships with employees, local communities and other key stakeholders. As stakeholder expectations regarding corporate citizenship and social impact continue to evolve, ineffective engagement or misaligned initiatives may reduce stakeholder trust and limit the Group’s ability to create shared value. Well-designed community programmes and collaborations can enhance social outcomes, strengthen stakeholder relationships and support long-term business sustainability.	Medium-term	Communities
Customer Satisfaction and Engagement	Financial Services and Facilities Management	Changing customer preferences, demographic shifts and digitalization are reshaping demand across CTFS’s businesses, particularly its business-to-consumer (“B2C”) operations. For CTF Life, evolving retirement needs, cross-boundary mobility and growing demand for personalized protection and wealth solutions are influencing customer expectations. As the exhibition and event market recovers, expectations around service quality, customer experience and operational agility are raised. HML understands and responds to these evolving needs that is important to maintaining customer satisfaction, competitiveness and long-term business growth.	Medium-term	Strengthening Partnerships Across Our Value Chain

Climate Scenario Analysis

Introduction

In FY2025, we revisited our climate-related financial risk assessment to deepen our understanding of climate vulnerabilities across our business portfolio, building on the initial assessment conducted for our Construction segment. This year, CTFS has expanded the assessment scope to three additional key business segments: Facilities Management, Logistics, and Roads. As these businesses are asset-based and operationally driven, with climate risks arising primarily through their physical assets, infrastructure and day-to-day operations, a consistent climate scenario analysis methodology could be applied across all four segments.

Unlike the Group’s asset-intensive operating businesses, CTF Life operates in the financial services sector, where climate-related risks and opportunities arise primarily through investment and financial exposures rather than physical operations. As a result, a sector-specific climate scenario analysis approach⁴ is applied to assess portfolio resilience and inform investment decision making. To further strengthen its climate risk management capabilities, CTF Life adopted MARS Climate, a BloombergNEF-powered transition risk assessment tool. The platform evaluates potential revenue risks and opportunities by analysing business activities, supply chain exposures, and geographic footprints under a range of climate scenarios developed by the Network for Greening the Financial System (“NGFS”). The insights generated support informed capital allocation decision-making and further enhances the climate resilience of the investment portfolio.

To maintain consistency and comparability across the Group, the same two contrasting climate scenarios used in previous assessment were applied: a Warming scenario (IPCC SSP5-8.5/NGFS Current Policies) and a Decarbonization scenario (IPCC SSP1-2.6/NGFS Net Zero 2050). This common scenario framework facilitates meaningful comparison across business segments and supports aggregation of climate-related insights at the Group level.

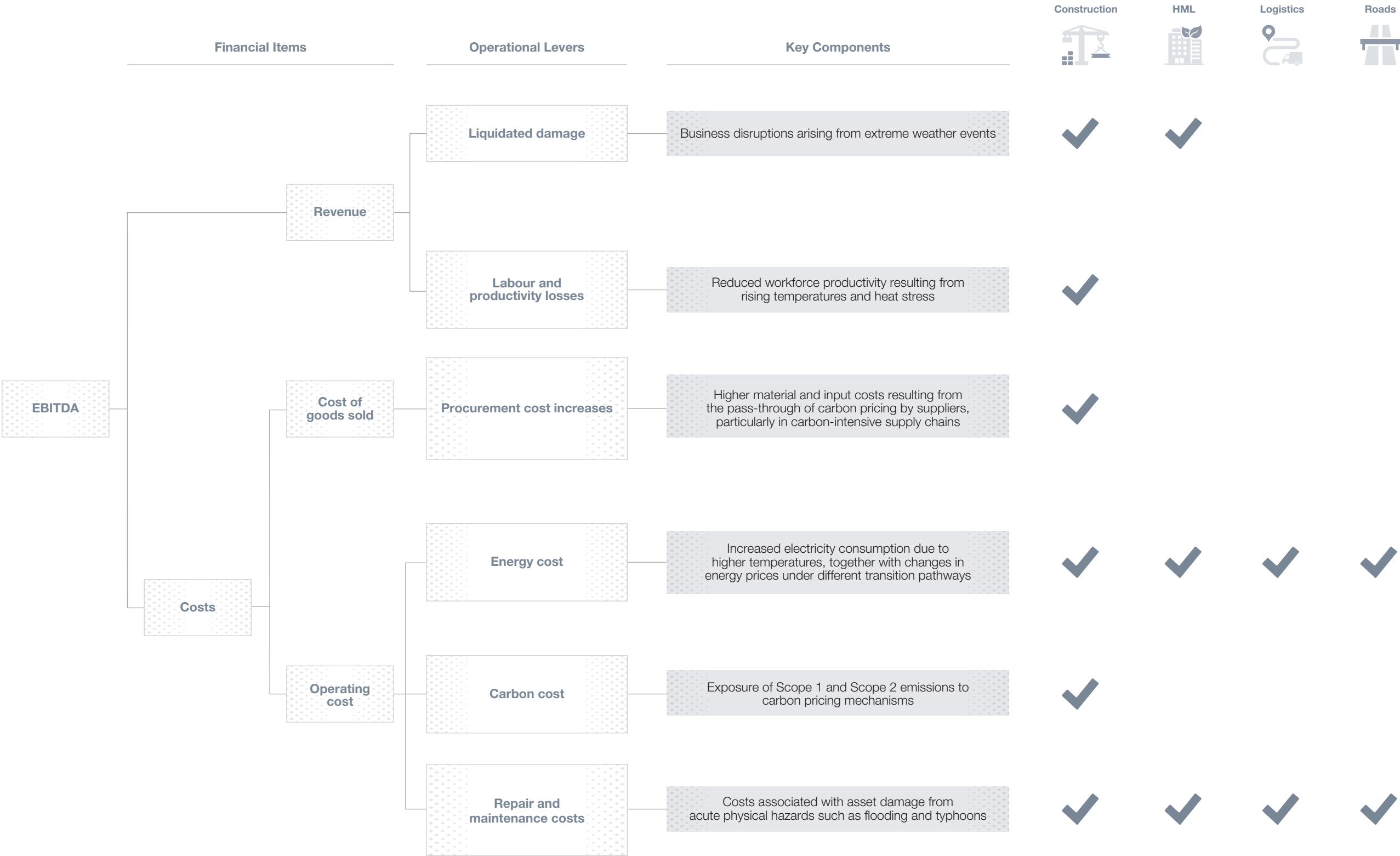
Scenario	 Warming Scenario (3°C to 5+°C warming by 2100)	 Decarbonization Scenario (1.5°C to 2°C warming by 2100)
	Physical Risk Scenario: IPCC SSP5-8.5 Transition Risk Scenario: NGFS Current Policies	Physical Risk Scenario: IPCC SSP1-2.6 Transition Risk Scenario: NGFS Net Zero 2050
Reference scenarios		
Overall trend	- Minimal climate cooperation; continued fossil fuel reliance → higher physical risk - Continuation of existing policies without enhancement → lower transition risk	- Immediate stringent climate policies; rapid clean technology deployment; rapid decarbonization and strong international cooperation → higher transition risk - Reduced frequency and severity of chronic and acute climate hazards → lower physical risk
GHG emission rise	Emissions continue rising at current rate	Emissions are aggressively mitigated, reaching net zero by 2050

The expanded scope reflects the Group’s commitment to advancing climate-related disclosures in line with the HKFRS S2 requirements. By increasing coverage across business segments and deepening the analysis of climate-related financial impacts, the assessment provides a more comprehensive understanding of the Group’s climate risk profile and supports informed strategic decision-making, risk management and capital allocation across the portfolio.

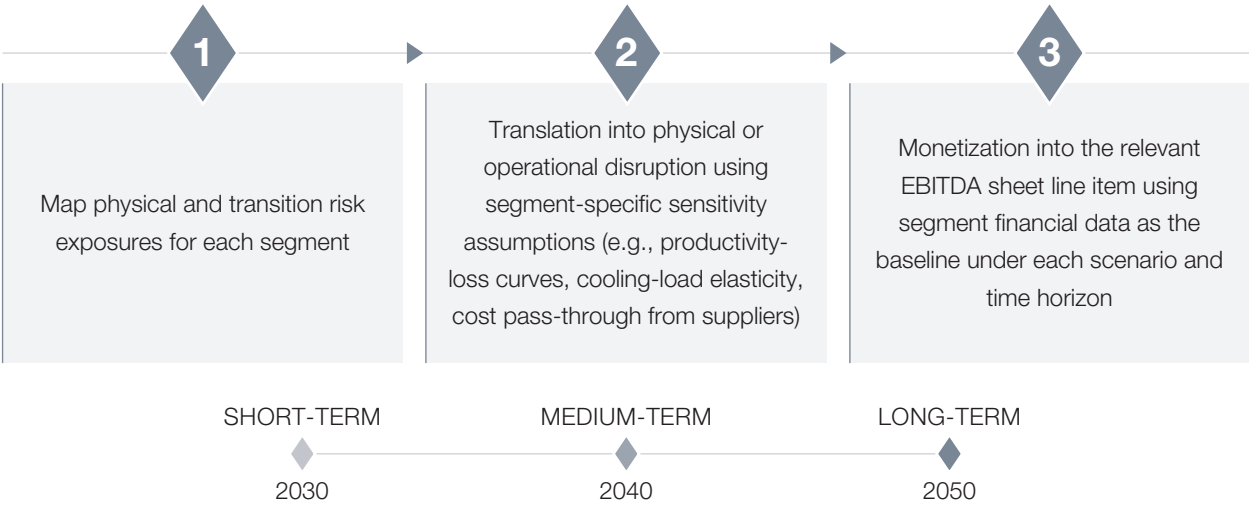
⁴ For further details of CTF Life’s climate scenario analysis and related disclosures, please refer to *CTF Life’s separate ESG disclosure*.

Methodology

The financial impact assessment follows a consistent impact-pathway framework across the four operating segments, translating climate-related physical and transition risks into potential impacts on the key Earnings Before Interest, Taxes, Depreciation, and Amortization (“EBITDA”) components through defined risk transmission channels. Each segment is assessed against this common framework, with only the channels deemed material to the relevant business unit incorporated into the analysis.



Quantification for each segment follows three steps:



Although the Group’s ERM framework typically assesses risk over a 12-month horizon, climate-related risks are evaluated over an extended rolling 60-month period to reflect their longer-term nature and the fact that climate-related impacts often emerge over multiple years. Consistent with this approach, the climate scenario analysis defines 2030, 2040, and 2050 as the short-, medium-, and long-term horizons, respectively. These horizons align with the Group’s risk management framework, key climate transition milestones under NGFS and IPCC scenarios, and the long-lived asset and investment profiles of CTFS’s infrastructure and asset-intensive businesses.

Segment Risk Exposure Profiles

CTFS CORPORATE OFFICE	Financed emissions and value chain exposure: A significant portion of climate-related risk arises indirectly through investee companies and external managed investments, elevating the importance of financed emissions management, portfolio stewardship and transition planning.
CONSTRUCTION	Outdoor workforce exposure: Construction activities are highly dependent on weather conditions, with rising temperatures, humidity, and extreme weather events potentially affecting labour productivity and project delivery. Long project contracts: Multi-year contracts may have limited flexibility to repriced costs arising from adverse weather conditions, material inflation, or climate-related policy changes. Carbon-intensive supply chain: The significant use of carbon-intensive construction materials exposes the segment to rising procurement costs associated with carbon pricing, embodied carbon requirements and green building regulations. Cascading disruption: Extreme weather events can simultaneously affect material production, logistics networks, and on-site construction activities, amplifying operational and financial impacts.

FACILITIES MANAGEMENT	Physical asset exposure: HKCEC’s waterfront location on reclaimed land increases its exposure to storm surges, typhoons, and extreme rainfall conditions. Energy-intensive operations: Rising temperatures may increase cooling demand and electricity consumption. Opportunities to reduce energy use may be limited as visitors’ and users’ comfort also need to be maintained. Event-related revenue sensitivity: Exhibitions, conferences, and banquets are vulnerable to disruption from typhoons and extreme weather, financial impacts could be brought by event cancellation and/or rescheduling.
LOGISTICS	Flood and storm vulnerability: Extreme rainfall and typhoons could cause water ingress, property damage and disruption to tenant operations. Asset owner obligations: Property owners typically bear responsibility for repair and remediation following climate-related damage, potentially resulting in higher maintenance and capital expenditure requirements.
ROADS	Infrastructure damage: Highway assets are vulnerable to flooding, landslides, and extreme rainfall, which may damage road surfaces, drainage systems, and service area facilities. Resilience and maintenance requirements: More frequent and severe weather events may increase inspection, maintenance, repair, and adaptation cost over time.
FINANCIAL SERVICES	Investment portfolio exposure: Climate-related physical and transition risks may affect the value, performance and resilience of invested assets across sectors, geographies, and asset classes. Regulatory and sustainable finance developments: Evolving climate disclosure requirements, sustainable finance regulations and stakeholder expectations may influence investment processes, product development, and portfolio management practices. Long-term investment horizon: As a long-term institutional investor, CTF Life considers how climate-related, economic and demographic trends may evolve over time and influence investment performance, portfolio resilience and long-term value creation.

Results and Key Findings

	Warming Scenario			Decarbonization Scenario		
	Short	Medium	Long	Short	Medium	Long
Physical						
Business disruption caused by heavy precipitations, typhoons, and heat stress	Low	Low	Medium	Insignificant	Low	Low
Labour productivity loss due to temperature rise	Low	Medium	High	Low	Medium	Medium
Increasing electricity use due to temperature rise	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant
Direct damage of floodings and typhoons on assets	Insignificant	Insignificant	Low	Insignificant	Insignificant	Insignificant
Transition						
Building material companies subject to carbon pricing mechanism, which may pass costs to CTFS	Insignificant	Insignificant	Insignificant	Low	Low	Insignificant
Change in energy usage structure due to introduction of carbon pricing	Opportunity	Opportunity	Opportunity	Insignificant	Opportunity	Opportunity
Company's GHG Scope 1 & 2 emissions subject to carbon pricing mechanism	Insignificant	Insignificant	Insignificant	Low	Low	Insignificant

Legend:

Financial Effect as % of Revenue Loss

High
> 1.5%

Medium
0.5 – 1.5%

Low
0.05 – <0.5%

Insignificant
< 0.05%

Financial Effect as % of Revenue Gain

Opportunity
< 0%

The scenario analysis identified varying levels of potential financial impact across the Group’s operating segments under both the warming and decarbonization pathways. To enable meaningful comparison while safeguarding commercially sensitive information, estimated impacts are presented as a percentage of revenue and categorized into four impact bands: High, Medium, Low, and Insignificant.

The assessment identified labour productivity loss arising from increasing heat stress in the Construction segment as the Group’s most significant physical climate risk. Rising temperatures may reduce workforce productivity, affect project delivery schedules, delay revenue recognition and constrain the capacity to undertake new projects. Under the warming scenario, where carries higher physical risk and lower transition risk, the financial impact is projected to increase progressively over time, reaching the High impact category (i.e. >1.5% of revenue) in 2050.

The most significant transition-related impact identified is associated with changes in the energy mix under the decarbonization scenario, which are expected to generate a modest financial benefit. As carbon pricing mechanisms and other transition measures alter the relative economics of different energy sources, business segments with significant energy consumption, particularly Construction and Facilities Management, may benefit from the gradual electrification of operations and favourable shifts in relative energy costs. The analysis indicates that, under the assumptions applied, these changes could partially offset transition-related cost pressures over time. The findings illustrate improvements and the Group’s broader climate transition objectives.

Key Assumption and Limitations

The scenario analysis is based on a number of key assumptions that should be considered when interpreting the results:

KEY ASSUMPTIONS

- Carbon price trajectories follow the NGFS Net Zero 2050 pathway under the decarbonization scenario and remain broadly stable under the warming scenario, consistent with the NGFS “Current Policies” trajectory.
- Heat-related labour productivity impacts are estimated using established heat stress response functions and assumed work-rest arrangements rather than site-specific empirical data.
- Insurance recoveries are assumed to remain broadly consistent with current coverage arrangements and do not reflect potential future changes in premiums, deductibles or coverage availability.
- Physical damage estimates are derived from available asset valuations and modelled vulnerability factors and may not fully reflect site-specific characteristics, such as asset condition, elevation, drainage capacity or existing protective infrastructure.
- Existing adaptation and control measures are incorporated where sufficient information is available; however, no additional future adaptation actions have been assumed.

LIMITATIONS

- CTF Life is assessed separately due to the different nature of its business activities. While this assessment focuses on climate-related risks and opportunities affecting the Group’s asset-based operating segments, CTF Life’s analysis is primarily centred on the climate resilience and transition exposure of its investment portfolio. Accordingly, the quantitative results presented in this section do not include CTF Life. Further details on CTF Life’s climate scenario analysis and related disclosures can be found in *CTF Life’s ESG Report*.
- The results represent the indicative ranges rather than precise forecasts and should be interpreted as directional estimates intended to support risk management, resilience planning and capital allocation decisions.
- As with all scenario analysis, outcomes are subject to uncertainty regarding future policy developments, technological advancement, market responses and climate conditions.

Management Actions and Next Steps

Business Segment	Actions and Next Steps
 CONSTRUCTION	◆ Strengthen heat stress management through site-level risk assessments, worker rest arrangements and targeted training. ◆ Progress electrification of construction equipment and evaluate broader deployment of Battery Energy Storage Systems to improve energy efficiency and reduce reliance on diesel-powered generators. ◆ Continue implementation of worker health and safety measures as described in the “<i>Prioritizing Health and Safety</i>” section.
 FACILITIES MANAGEMENT	◆ Invest in preventive maintenance including waterproofing and asset protection works at the HKCEC, integrating advanced IoT sensors to strengthen resilience against extreme weather. ◆ Maintain and execute the HKCEC typhoon response procedures to support event organizers when events are disrupted by severe weather. ◆ Monitor climate-related supply chain risks and evaluate opportunities to strengthen procurement resilience and business continuity.
 LOGISTICS AND ROADS	◆ Continue monitoring the impacts of extreme weather events and rising temperatures on infrastructure, facilities and operations. ◆ Incorporate climate resilience considerations into asset maintenance, inspection and capital improvement programmes to strengthen long-term operational reliability. ◆ Identify opportunities to improve energy efficiency and support the transition to a lower-carbon economy.

The findings have been shared with the relevant business units and incorporated into the Group’s ERM and Business Continuity Management processes to support the prioritization of climate resilience initiatives, targeted investments and risk mitigation measures. The results will also be presented to the Board-level ESG Committee to strengthen oversight of climate-related risks and opportunities and to inform future adaptation and investment decisions across the Group.

Climate Risk Management

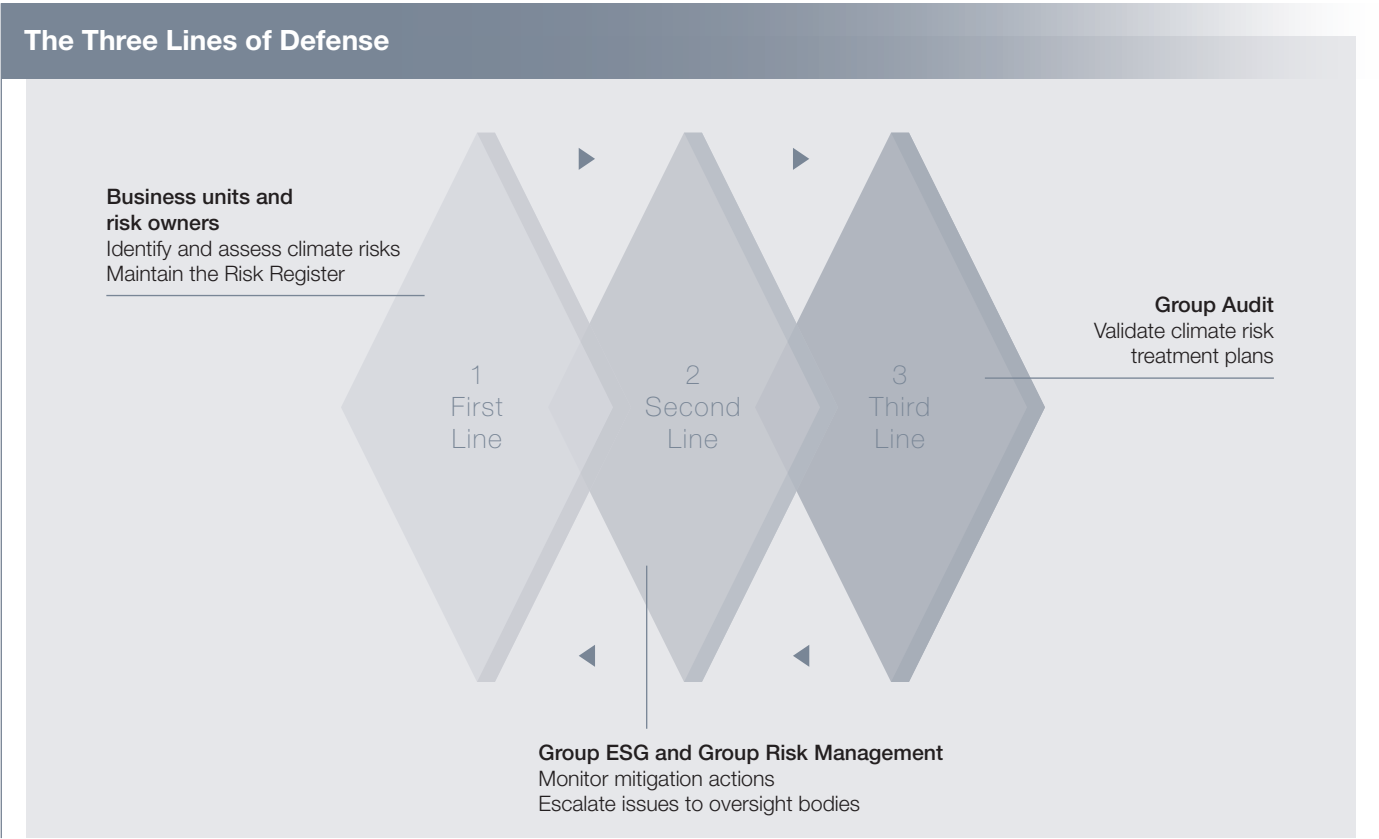
Climate-related risks are managed as an integral part of the CTFS’s ERM framework. The Group applies the same governance, assessment and monitoring processes used for other enterprise risks, supplemented by climate-specific methodologies that reflect the unique characteristics, uncertainties, and longer time horizons associated with climate-related risks.

In line with the TCFD framework, climate-related risks are categorized into physical risks and transition risks. Physical risks include acute risks, such as typhoons and floods, as well as chronic risks, including rising temperatures, sea level rise and changing precipitation patterns. Transition risks arise from policy, regulatory, technological, market and reputational changes associated with the transition to a low-carbon economy.

Both physical and transition risks are incorporated into the Group Risk Bank and captured in the Risk Registers of relevant business units, assigned risk owners, and assessed based on likelihood, impact, velocity, inherent and residual risk levels, and risk outlook. These risks are managed through the Group’s established risk response processes and are incorporated into risk monitoring, treatment validation and Key Risk Indicator (“KRI”) development where appropriate.

To better capture the long-term nature of climate-related risks, the Group applies a 60-month assessment horizon when evaluating climate-related risks, compared with the standard 12-month horizon used for other enterprise risks. This approach helps ensure that the potential impacts of these risks are not underestimated under the standard assessment timeframe. In addition, climate scenario analysis provides quantitative insights into their potential implications for business performance, financial position and cash flows over the short, medium and long term. The results are also incorporated into the ERM risk assessment process to support the evaluation, prioritization and management of climate-related risks.

Climate risk oversight follows a Three Lines of Defense model:



To strengthen resilience against climate-induced disruptions, CTFS operates a Group-wide BCM framework. Under this framework, business segments develop tailored business continuity plans, crisis communication protocols, and disaster recovery procedures aligned with the Group’s BCM strategy. These arrangements support preparedness for extreme weather events and other disruption scenarios, and facilitate the timely recovery of critical operations.

Nature-Related Risks: TNFD LEAP Assessment

In FY2026, CTFS began assessing nature-related dependencies, impacts, risks and opportunities in alignment with the recommendations of the Taskforce of Nature-related Financial Disclosure (“TNFD”). As an initial step, the Group applied the Locate and Evaluate phases of the TNFD’s Locate, Evaluate, Assess and Prepare (“LEAP”) approach, with Construction and Roads selected as the pilot segments given the direct interaction with land, natural resources, and surrounding ecosystems.



LOCATE	Using the Integrated Biodiversity Assessment Tool (“IBAT”), CTFS conducted a geospatial screening of pilot sites to identify whether operations were located within, adjacent to, or potentially connected with areas of biodiversity importance, including Protected Areas and Key Biodiversity Areas (“KBAs”) across the Chinese Mainland and Hong Kong. The screening identified specific sites that require further assessment, providing the basis for prioritizing subsequent nature-related analysis.
EVALUATE	CTFS mapped value-chain activities across upstream sourcing, direct operations and downstream activities for both pilot segments. Using the Exploring Natural Capital Opportunities, Risks and Exposure (“ENCORE”) tool, the Group reviewed the extent to which these activities depend on ecosystem services and contribute to nature-related impacts. The analysis indicated that the most significant nature-related dependencies and impacts are concentrated within upstream activities, particularly those associated with raw material extraction and processing.

Impacts (Pressure)				
		Disturbances (e.g. noise, light)	Emissions of toxic pollutants to water and soil	Emissions of nutrient pollutants to water and soil
CONSTRUCTION	Upstream	Very High	High	High
	Direct operation			
	Downstream			
ROADS	Upstream	Very High	High	High
	Direct operation			
	Downstream			

Dependencies on ecosystem services														
		Cultural services				Provisioning services		Regulating and maintenance services						
		Spiritual, artistic and symbolic services	Visual amenity services	Recreation-related services	Education, scientific and research services	Water supply	Global climate regulation services	Rainfall pattern regulation services	Soil and sediment retention services	Solid waste remediation	Water purification services	Water flow regulation services	Flood mitigation services	Storm mitigation services
CONSTRUCTION	Upstream	Very High	Very High	Very High		High	High	Very High	High		Very High	High	High	High
	Direct operation							Very High	High					
	Downstream									Very High				
ROADS	Upstream	Very High	Very High		Very High			Very High	High		Very High		High	High
	Direct operation		Very High											
	Downstream	Very High	Very High	Very High							Very High			

Legend: Very High High

The heatmaps above highlight the nature-related impacts and ecosystem service dependencies assessed as having high or very high significance across the Construction and Roads value chains based on the result from the ENCORE database outputs. The review indicates that the most significant nature-related impacts are concentrated within upstream activities, demonstrating a clear pattern that the most material nature-related impacts and dependencies are concentrated in the upstream value chain. In particular, both segments exhibit very high exposure to disturbances to nature, including land-use change, habitat alteration, noise and other environmental pressures arising from raw materials extraction and process activities.

The analysis also highlights a strong resilience on ecosystem services within the upstream value chain, including water supply, climate regulation, flood mitigation, storm protection, water purification and soil retention services. These ecosystem services support the availability of construction materials, infrastructure resilience and the continuity of operations.

These results provide an indicative view of potential nature-related risks and dependencies and do not reflect the effectiveness of the Group’s existing management systems, operational controls, or mitigation measures. Several of the identified high-risk areas have already been considered within the Group’s current environmental and operational management framework. Accordingly, the findings will be used to support a more detailed assessment during the Assess and Prepare stage, including a review of existing controls and the identification of any further actions required to strengthen risk management.

Next Steps

The pilot assessment represents an initial step in CTFS’s review of TNFD-aligned disclosures. The Group will continue to evaluate the applicability of the TNFD framework, further develop our understanding of nature-related issues across our businesses, and consider opportunities to expand the scope and depth of future assessments as methodologies, data availability and internal capabilities evolve.

ACT WITH INTEGRITY

OVERVIEW

Business ethics, anti-corruption and sound governance underpin CTFS's ability to operate responsibly and create long-term value. As a diversified group operating in regulated sectors, governance failures can carry material legal, financial and reputational consequences. Maintaining strong ethical standards and governance practices is central to sustaining stakeholder trust and business resilience.

OUR MANAGEMENT APPROACH

CTFS manages ethics and governance risks through an integrated *Ethics and Governance Risk Management Framework* comprising governance oversight, policies and standards, risk assessment process, internal controls, employee training, whistleblowing mechanisms, and ongoing monitoring and assurance activities tailored to its business activities. Particular focus is placed on anti-bribery, contractual integrity, conflict of interest management, customer protection and data privacy, reflecting the risk profile of its Construction and Financial Services businesses. The Group continues to strengthen our governance framework to support accountability, compliance and stakeholder confidence.

Certifications

Hip Hing maintained its certification to ISO/IEC 27001:2002, the international standard for Information Security Management Systems.



KEY UPDATES FROM FY2026

Zero reported

instances of specified misconduct through Group reporting channels



Group-wide fraud &

misconduct risk assessment introduced



Two trainings

on the Anti-Fraud and Counter-Corruption Policy and Whistleblowing Policy



New Incident Response Policy and Incident Response Checklist enacted



Our first AAA rating in the Hang Seng Corporate Sustainability Index, and obtained an **AA ESG Rating** from MSCI⁵



⁵ The use by CTF Services Limited of any MSCI Solutions LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of CTF Services Limited by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

POLICIES AND STANDARDS

At Group level, annual policy updates ensure compliance with regulations, address emerging risks, reflect organizational changes, improve clarity, promote awareness, and maintain consistency across our organization.

Policies	◆ Anti-Fraud and Counter-Corruption Policy	updated
	◆ Board Nomination and Diversity Policy	
	◆ Charitable Giving Policy	updated
	◆ Climate Change and Biodiversity Policy	updated
	◆ Conflict of Interest Policy	
	◆ Disclosure Policy for Inside Information	
	◆ Dividend Policy	updated
	◆ Enterprise Risk Management (“ERM”) Policy	
	◆ Environmental, Social and Governance Policy	
	◆ Governance Policy on Risk Management and Internal Control Systems	updated
	◆ Group Business Continuity Management Policy	updated
	◆ Health and Safety Policy	
	◆ Human Rights Policy	
	◆ Incident Response Policy	
	◆ Internal Audit Policy	
	◆ IT & Cyber Security Governance Policy	
	◆ Shareholders’ Communication Policy	
	◆ Supplier Code of Conduct	
	◆ Whistleblowing Policy	updated
	◆ Workforce Diversity Policy	updated
Guidelines	◆ Accounting Policies and Procedures Manual	
	◆ Enterprise Risk Management Procedure	updated
	◆ ESG Board Oversight Statement	
	◆ ESG Due Diligence Guideline for Investment	updated
	◆ Sustainable Office Guide	

BUSINESS ETHICS AND ANTI-CORRUPTION

At CTFS, ethical business conduct is fundamental to sustaining stakeholder trust and supporting long-term business resilience. Our business ethics and anti-corruption framework integrates governance, risk management and employee accountability to uphold the highest standards of integrity, prevent misconduct, and foster a corporate culture that values integrity, where employees are empowered to act responsibly and speak up and report when concerns arise.

Ethical Governance Framework

CTFS is committed to conducting our business with integrity, fairness, and accountability. The Group's Anti-Fraud and Counter-Corruption Policy serves as the foundation of our business ethics framework, extending beyond legal and regulatory compliance to safeguard stakeholder trust, and protect the organization from fraud, bribery, corruption and money laundering.

The policy applies to all directors, senior management and employees of CTFS and our subsidiaries. Relevant third parties, and associated companies and joint ventures are encouraged to maintain their own equivalent policies or adopt CTFS's framework.

Employees are required to uphold high ethical standards in all business dealings, and comply with all relevant laws and regulations, internal policies and control measures. Particular emphasis is placed on identifying and avoiding conflicts of interest.

Requirements and procedures are outlined in the Employee Handbook, including the Code of Conduct, while any actual or potential conflicts must be reported to their Department Head and the Human Resources Department for review. All disclosures and outcomes are documented to ensure transparency and accountability.

Fostering a Culture of Respect and Integration

The Group strictly prohibits unlawful discrimination or harassment on the basis of race, skin colour, religion, gender, sex, age, disability, family status or any other characteristic protected by law, as set out in the Employee Handbook. This extends to sexual harassment, whether verbal, physical or visual, by employees or business-related third parties.

Employees who experience or witness harassment can report the incident to their Department Head, Management, the Human Resources Department, or through the Group's whistleblowing channels. All reports are handled confidentially and investigated under established procedures, with protections in place against retaliation, victimization or unfair treatment for those raising concerns in good faith. Violations of the Code of Conduct may result in disciplinary action up to and including summary dismissal.

Building Ethics Awareness and Accountability

CTFS reinforces ethical conduct through structured and ongoing training programmes. Employees complete regular e-learning on the Whistleblowing Policy and Anti-Fraud and Counter-Corruption Policy, while the ERM induction course introduces risk management principles, daily risk responsibilities, ESG risk considerations and whistleblowing procedures.

In FY2026, the Group launched the "Integrity in Action" e-learning programme, which uses scenario-based case studies to strengthen employees' practical understanding of anti-corruption laws, regulations, and ethical decision-making in the workplace.

Strengthening Fraud and Misconduct Risk Management

To enhance proactive risk oversight, the Group introduced a mandatory internal fraud and misconduct risk assessment requirement across all business units during the second half of FY2026. As part of the regular risk register review process, business units are required to assess fraud and misconduct risks, regardless of inherent exposure levels, evaluate the adequacy of existing controls, and implement additional mitigation measures where residual risk exceeds acceptable thresholds.

By integrating fraud and misconduct risks into the broader ERM framework, CTFS strengthens our ability to identify emerging risks early, promote consistent risk oversight across operations, and reinforce accountability throughout the Group.

No instances

of corruption or bribery were reported to the CTFS whistleblowing channels in FY2026.



Financial Services

CTF Life is committed to maintaining the highest standards of professionalism, integrity, and customer-centric conduct across its insurance operations. The Company strictly complies with the Insurance Authority's regulations on ethical conduct for insurance intermediaries, ensuring that customers are treated fairly and their interests are safeguarded throughout the customer journey.

Anti-Money Laundering Governance

As a financial institution, CTF Life places strong emphasis on anti-money laundering ("AML"), counter-terrorist financing "CTF", and sanctions compliance. This commitment is supported by a robust governance and risk management framework, including annual reviews of the AML Policy and Enterprise-Wide Risk Assessment. The Compliance Department oversees AML- and sanctions-related matters and reports monthly to the Executive Committee, ensuring regular senior management oversight.

AML and sanctions responsibilities are assigned at the senior management level, with a designated Compliance Officer and Money Laundering Reporting Officer responsible for overseeing regulatory compliance, suspicious transaction reporting, and related control activities. Key AML metrics, emerging risks, and compliance incidents are regularly reviewed by senior management committees to support timely escalation and decision-making.

To maintain the effectiveness of its AML and sanctions control framework, CTF Life conducts periodic independent reviews through Internal Audit and, where appropriate, external assurance providers. The Company also leverages advanced automated transaction monitoring and customer risk-scoring systems to assess customer, geographic, product, and transactional risks, supporting a risk-based approach to financial crime prevention and detection.

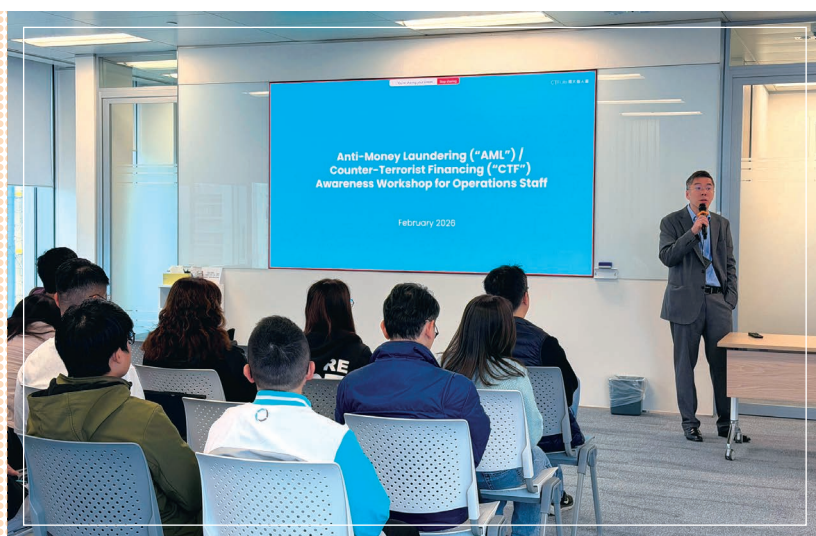
High-risk customer relationships, including politically exposed persons ("PEPs"), are subject to enhanced due diligence and ongoing monitoring. In addition to complying with Hong Kong regulatory requirements, CTF Life screens customers and transactions against relevant international sanctions regimes, including those imposed by the United Nations, Bermuda, the United Kingdom, the European Union and the U.S. Office of Foreign Assets Control ("OFAC").

Compliance Training

CTF Life reinforces ethical and compliance standards through a structured programme of mandatory training for employees, senior management, and the Board of Directors. During FY2026, CTF Life continued to strengthen compliance awareness and competency across all levels of the company, including a face-to-face AML Awareness Workshop delivered to Operations staff.

The compliance-related training programmes conducted during FY2026 included:

- ◆ Annual AML and Data Privacy Training for Operations staff
- ◆ Annual Refresher AML/CTF and Corporate Governance training for the Board of Directors
- ◆ Annual Refresher Corporate Governance Training for Senior Management Staff
- ◆ AML Awareness Workshop for Operations staff at Manager level and below
- ◆ Annual Compliance Refresher Training covering AML and anti-bribery content, mandatory for all staff
- ◆ ICAC Anti-Corruption webinar for all staff who had not attended the prior year's session



100%

of the targeted Operations staff (Manager or below) completed the AML/CTF Awareness Workshop

CTF LIFE MARKET CONDUCT COMMITTEE



WHY IT MATTERS

As an insurer, CTF Life’s reputation and regulatory standing are significantly influenced by intermediaries’ conduct when they promote, advise on and arrange insurance policies offered by the Company. Poor distribution practices, including mis-selling, inadequate disclosure, or non-compliance with regulatory requirements, can result in adverse customer outcomes, regulatory penalties, and loss of stakeholder trust. Effective oversight of intermediary conduct is therefore essential to ensuring Treating Customers Fairly (“TCF”), and maintaining responsible and compliant distribution practices.

HOW WE DID IT

CTF Life established the Market Conduct Committee (“MCC”) in September 2023 to provide oversight of intermediaries’ conduct in the promotion and sale of insurance products, and their interactions with policy holders and potential policy holders when carrying out regulatory activities. Establishment of MCC exemplified CTF Life’s intention to place customers at the heart of their operations and to incorporate the principle of TCF into their operating models and procedures. The MCC is responsible for setting conduct expectations, reviewing conduct-related management information, and overseeing the investigation and resolution of misconduct cases.

Key responsibilities include:

Reviewing customer complaints, disputes and internally identified conduct issues involving intermediaries	Determining and enforcing disciplinary measures where appropriate	Conducting root-cause analyses of misconduct
Reviewing the practices and standards for heightening corporate governance, controls and procedures	Providing targeted education and guidance to intermediaries to prevent recurrence	

Misconduct cases identified through complaints handling, compliance reviews or distribution channels are escalated to the MCC for assessment and action. The MCC considers each case from multiple functional perspectives and may determine customer remedies, disciplinary measures, regulatory or law enforcement reporting, and other corrective actions where appropriate.

The MCC reports directly to the Executive Committee, while regular conduct-risk updates are provided to the Operational Risk Management Committee to support broader risk oversight.

WHAT WAS THE OUTCOME

In FY2026:

24% reduction in substantiated misconduct cases from FY2025	41 cases reviewed and 20 disciplinary actions taken
5 improvement measures completed, including: - Split-case practices - Customer data integrity - Policy replacement disclosure - Premium payment protection - Agency leadership accountability	2 enhancement initiatives in progress - Anti-counterfeit cashier receipts - Undelivered customer correspondence management

Construction

Ethical business practices are fundamental to the Hong Kong construction industry, where integrity is a prerequisite for maintaining stakeholder trust and delivering sustainable business performance. Hip Hing is committed to setting a high industry benchmark by embedding integrity and ethical conduct across all aspects of its operations.

Integrity, one of Hip Hing’s six core values, is incorporated into annual staff appraisals and serves as a key behavioural expectation for all employees. As part of the onboarding process, new employees are required to complete an e-learning programme covering the Code of Conduct, Conflict of Interest Policy, Whistleblowing Policy and Cybersecurity guidelines. They must also complete mandatory training on “Corruption Prevention & Integrity Management” and submit a Declaration of Conflict of Interest.

To reinforce a strong culture of integrity and compliance, Hip Hing provides regular anti-corruption and ethics training for employees at all levels, including targeted seminars for management and supervisory personnel. The Company also participates in industry integrity initiatives and conducts ongoing capacity-building programmes to enhance awareness of corruption risks and evolving regulatory expectations. Through these measures, Hip Hing strengthens its corruption prevention framework, promotes ethical decision-making, and supports compliance with applicable laws and industry standards.

CYBERSECURITY, DATA PRIVACY, AND ETHICAL AI

Cybersecurity remains CTFS's priority, and we are committed to complying with applicable data protection laws, including Hong Kong's Personal Data (Privacy) Ordinance (Cap. 486) and Chinese Mainland's Personal Information Protection Law. No significant IT-related incidents or data breaches were reported during FY2026.

Policies, Governance and Framework

Data Protection and Privacy

CTFS has implemented Data Confidentiality and Protection policies to strengthen data-lifecycle governance and safeguard personal information, with a Privacy Policy Statement reflecting requirements in the jurisdictions where we operate. Hip Hing has maintained an ISO/IEC 27001:2022 Information Security Management System since 2020, ensuring its IT systems align with recognized international information security standards.

Cybersecurity and Information Security Management

Cybersecurity risks are managed through a structured incident-handling approach based on guidance from the National Institute of Standards and Technology ("NIST") Special Publication 800-61, covering preparation, detection and analysis, containment, eradication and recovery, and post-incident activities. A Security Operations Centre ("SOC") continuously monitors cybersecurity events and incidents across CTFS and its business units. In addition, annual penetration testing is conducted on all cloud-based custom-developed applications and on-premises servers, excluding Software-as-a-Service ("SaaS") solutions. To maintain robust cybersecurity standards and regulatory compliance, CTFS conducts regular IT audits and independent cybersecurity assessments performed by external experts.

To strengthen operational resilience, CTFS regularly reviews and updates our information security-related disaster recovery plan to protect IT systems against cyberattacks, data loss, service disruptions and damage to hardware, software or stored data, helping to safeguard confidentiality, integrity and availability of information.

CTFS also recognizes the importance of protecting intellectual property ("IP") and confidential business information. Policies and procedures are in place to mitigate IP-related risks, including the formal registration of IP rights and prompt escalation of suspected infringements for legal review and appropriate remedial action.

CYBERSECURITY INCIDENT RESPONSE PROCESS



WHY IT MATTERS

The increase in scale and sophistication of cyber threats present significant risks to business operation, sensitive information, and corporate reputation. Given CTFS’s diverse operations, managing cybersecurity risks consistently across multiple systems, business units and stakeholders is critical. A structured incident response capability is therefore fundamental to limiting business disruption and building lasting resilience against an evolving threat landscape.

HOW WE DID IT

In FY2026, CTFS introduced a new Incident Response Policy, supported by an Incident Response Checklist, to standardize the Group’s approach to identifying, containing and recovering from cybersecurity incidents. The Policy sets out clear governance arrangements, defined roles and responsibilities, and step-by-step procedures for responding to cybersecurity incidents, ensuring a consistent approach to incident handling across the Group.

CTFS’s incident response process follows a clear lifecycle:

1 Preparation

Cybersecurity preparedness is supported by a Group-wide governance framework with representation from business units and oversight by the board-level Executive Committee. Systems and applications are configured in accordance with Group IT and Cyber Security Governance Standards, while continuous monitoring, user activity logging, and perimeter controls, including firewalls and proxy servers, help safeguard systems from cyber threats.

2 Detection and analysis

Potential cybersecurity threats and vulnerabilities are identified through continuous monitoring of security logs, alerts, and intrusion detection systems across networks and devices level. Suspected incidents are promptly investigated, documented, and classified based on their nature, severity, and potential impact.

3 Containment, eradication and recovery

Once an incident is confirmed, affected systems are isolated to limit further impact while preserving evidence for forensic analysis. Recovery activities are then undertaken to restore systems securely, with control enhancements and configuration updates implemented to address identified vulnerabilities and prevent recurrence.

4 Post-incident activities

Following incident resolution, reviews are conducted to identify root causes, capture lessons learned, and determine improvements opportunities. Policies, procedures and controls updated to strengthen cybersecurity resilience and supporting ongoing preparation.

WHAT WAS THE OUTCOME

Achieved zero incidents

during the reporting period, reflecting the effectiveness of existing controls and monitoring processes.

Enhanced proactive cyber defense

through pre-emptive security alerting and vulnerability intelligence, enabling more timely identification and mitigation of security risks.

Strengthening Cyber Resilience at CTF Life



Governance

- ◆ Cybersecurity and information security risks are regularly reported to relevant management and risk governance committees, providing ongoing oversight of CTF Life's cyber resilience and data protection posture.
- ◆ CTF Life's cybersecurity governance framework supports alignment with the Hong Kong Insurance Authority's Guideline on Cybersecurity ("GL20"), which places accountability for cybersecurity risk management and controls at the board and senior management levels.
- ◆ The AI Council, authorised by the Exco, acts as the Group's governing body for AI strategy, risk oversight, responsible adoption, and workplace transformation.



Independent Assessment

- ◆ Completed an independent cybersecurity assessment against the requirements of HKIA's GL20 and The Bermuda Monetary Authority ("BMA")'s Cyber Risk Management Code of Conduct during FY2026.
- ◆ The assessment confirmed alignment of CTF Life's cybersecurity governance, policies, security controls and risk management processes with regulatory requirements.
- ◆ Enhancement opportunities identified through the assessment are being tracked through formal management action plans as part of CTF Life's continuous improvement programme.



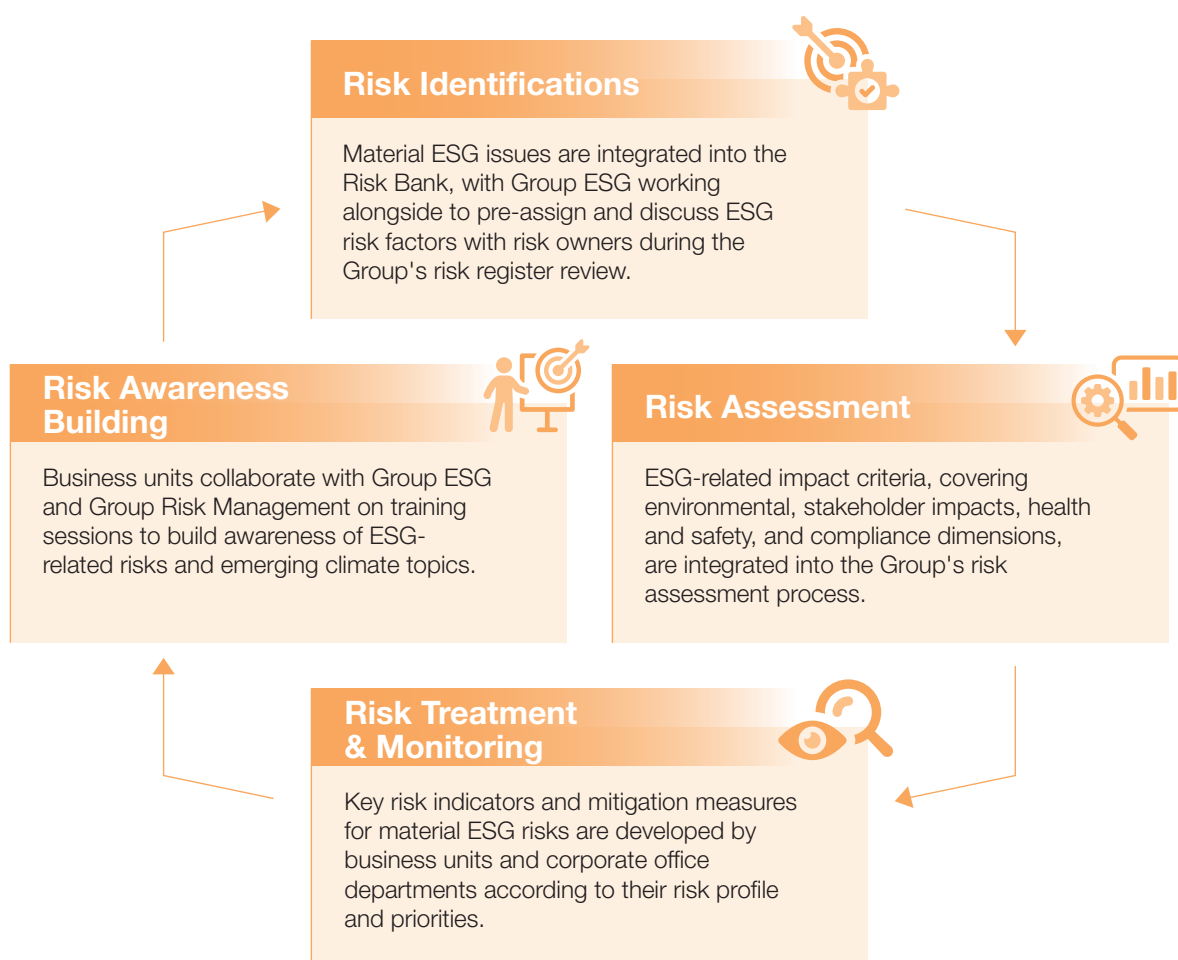
Incident Preparedness

- ◆ Conducted an end-to-end cybersecurity incident simulation exercise involving stakeholders from technology, business, risk and communications functions.
- ◆ Tested the Company's ability to detect, assess, contain, respond to and recover from cybersecurity incidents under realistic operating conditions.
- ◆ Incorporated lessons learned into incident response procedures and playbooks to further strengthen cyber resilience and preparedness.

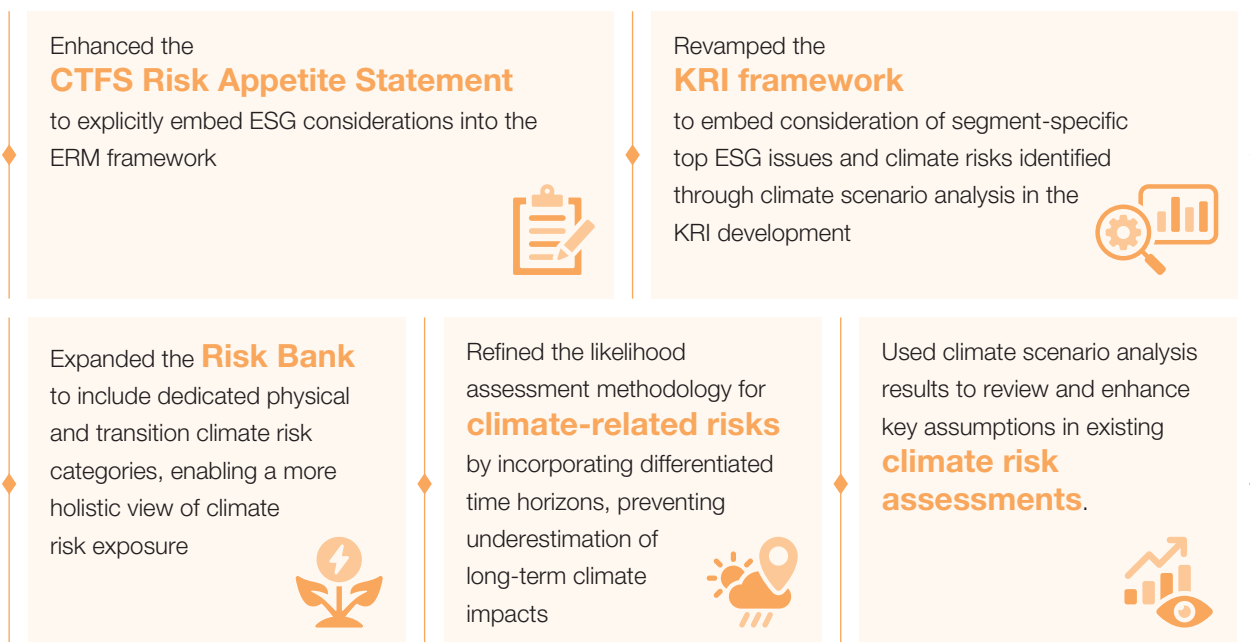
ESG RISK MANAGEMENT

ESG-related risks are identified through the Group's materiality assessment and managed within the Group's ERM framework, ensuring they are addressed with the same rigour as other strategic, operational, financial and compliance risks. ESG is not treated as a standalone risk category — ESG and climate-related factors are embedded across all risk dimensions and captured in the Group's Risk Bank, which records risk categories, risk details, potential risk consideration and associated ESG issues.

The Group manages ESG-related risk through four stages:



Key Enhancements in FY2026



For a detailed overview of the Group's ERM framework, please refer to the "*Risk Management Report*" in our Annual Report.

ENHANCING BUSINESS RESILIENCE

Climate change is increasing the frequency and severity of extreme weather events, including typhoons, floods and heatwaves. These events raise the risk of operational disruptions, which can affect CTFS's ability to deliver services and lead to financial and reputational impacts. Strengthening business resilience enables the Group to respond effectively to disruptions and maintain business continuity while minimizing impacts on stakeholders.

Governance and Policies

To oversee Business Continuity Management ("BCM"), CTFS established the BCM Committee in FY2024, chaired by the Group Co-Chief Executive Officer and the Group Chief Operating and Financial Officer. The Committee comprises representatives from business units and corporate functions and provides oversight and coordination of business continuity initiatives across the Group.

CTFS has also established a Group BCM Policy, which sets out the governance structure, crisis management arrangements, communication protocols, and methodologies for identifying, assessing and managing disruption risks. The policy provides a consistent framework for strengthening operational resilience and preparedness across the Group.

Awareness and Preparedness

The Group promotes resilience through proactive data collection, business impact analyses and disruption risk assessments to better understand critical business activities. The Group regularly tests and validates our business continuity and crisis management arrangements to assess preparedness and identify areas for improvement.

In FY2026, the Group conducted reviews of business impact analyses and disruption risk assessments across the corporate office and selected business units, identifying critical business activities, evaluating disruption scenarios and assessing business continuity readiness. The findings informed enhancement measures to further strengthen preparedness for climate-related and other operational disruptions.

◆◆◆ ADVANCE WITH AGILITY

OVERVIEW

CTFS operates in an era of rapid global transformation, shaped by advancements in AI, technological innovation, climate change, and evolving economic conditions, agility is essential to sustaining growth and long-term resilience.

As a diversified group, the transition to a low-carbon economy, accelerating digitalization, and rising stakeholder expectations are reshaping capital markets and redefining how business is financed and invested. Positioning the Group to capture emerging opportunities while managing associated risks is essential to sustaining competitiveness and long-term stakeholder value.

OUR MANAGEMENT APPROACH

CTFS adopts an agility-focused strategy built around two priorities: strengthening sustainable finance capabilities, and embedding innovation and digitalization across its business segments, tailored to the unique risk profile and operational requirements of each business.

The Group integrates ESG considerations into its financing decisions, investment processes and capital allocation strategies, supported by robust governance frameworks and independent verification. It also invests in advanced technologies, from AI-enabled tools to climate risk analytics, to strengthen operational efficiency, the reliability of sustainability data, and the capabilities of its people and business units to develop innovative solutions to evolving challenges.

KEY UPDATES FROM FY2026

Formalized our **Sustainability-Linked Finance Framework**, aligned with the Sustainability-Linked Loan Principles 2025.



Total Sustainability-Linked Loans and Green Debt Financing amounted to **HK\$20.2 billion**, representing 45% of our total debt portfolio (as at 30 June 2026).

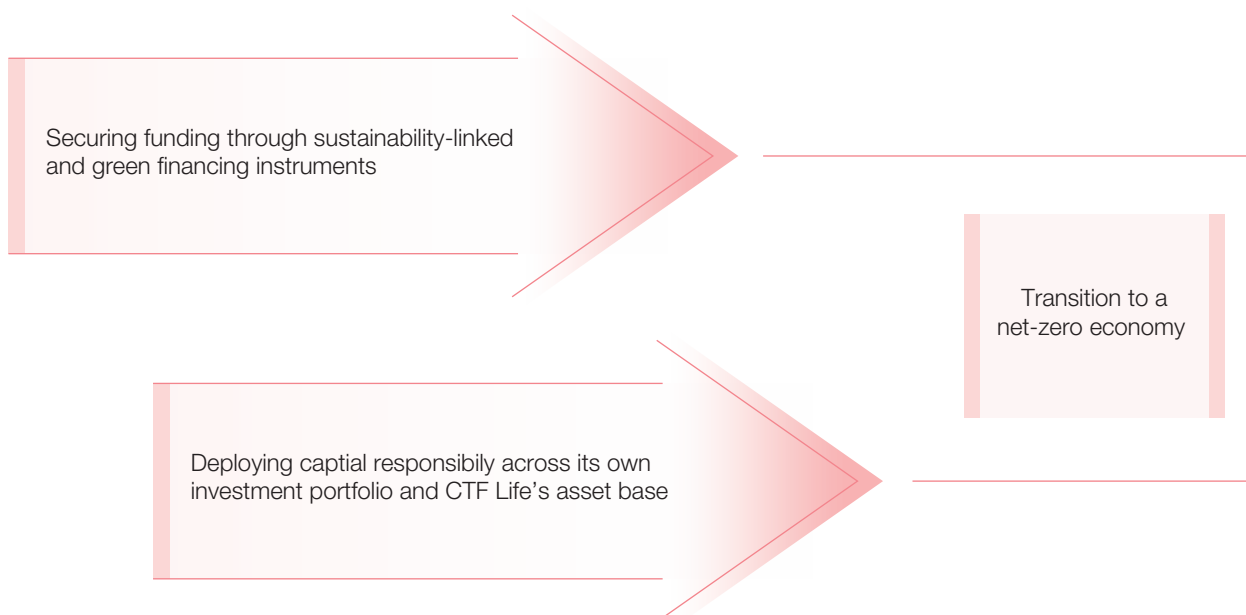


Projects supported by **Imp[ACT] Fund** continue to scale beyond pilot implementation, delivering measurable outcomes and long-term value.



SUSTAINABLE FINANCE AND INVESTMENT

The transition to a net-zero economy requires significant mobilization of capital to support companies and projects in their decarbonization journey. CTFS approaches sustainable finance from two key strategic drivers:



Both approaches are anchored in the Group's *Breakthrough 2050* ESG strategy and its ambition to achieve net-zero by 2050.

CTFS has set an ambitious target of financing 50% of its debt through sustainability-linked or green finance by 2030.



Sustainable Finance Framework and Governance

In FY2026, CTFS formalized this commitment through the launch of Sustainability-Linked Finance Framework, which was developed in alignment with the Sustainability-Linked Loan Principles 2025. Oversight of climate-related targets rests with the Board, while the ESG Committee and Audit Committee support the integration of climate-related considerations into governance, strategy and risk management processes.

The Framework is structured around three Key Performance Indicators (“KPIs”) that measure CTFS’s climate progress and determine the financial terms of its sustainability-linked instruments:

KPI	Focus	Baseline (FY2023)	Progress and Target
KPI 1 (Core)	Absolute Scope 1 and 2 GHG emissions reduction across all operating segments	84,365 tCO ₂ e	16% reduction by FY2026; 60% reduction by FY2035
KPI 2 (Core)	Coverage of primary Scope 3 (Category 15) data coverage of CTFS’s corporate office’s financed emissions	6.3%	Progressive annual increase; over 50% coverage by FY2031–2035
KPI 3 (Supplementary)	CTF Life portfolio coverage with SBTi-validated targets	14.7%	29.7% by FY2026; over 50% by FY2031–2035

To ensure credibility, CTFS obtained a Second Party Opinion confirming the Framework’s alignment with market principles and received a “Good” rating from Sustainable Fitch. CTFS has also committed to annual independent verification of its sustainability performance data.

Use of Proceeds

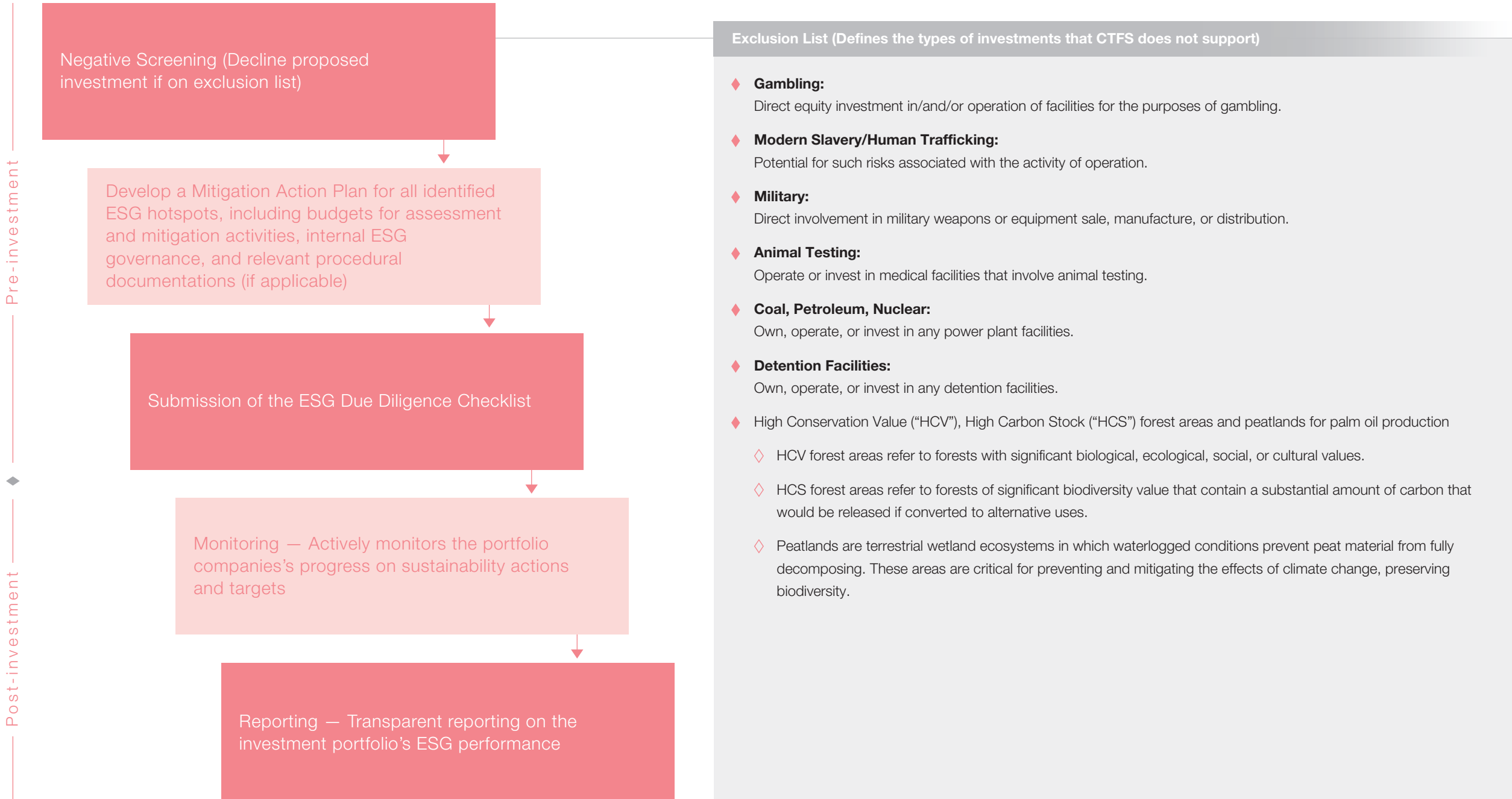
To advance our *Breakthrough 2050* ambitions, CTFS strategically allocates proceeds from green financing instruments to support relevant projects and activities to support the transition. During the year, proceeds from the Green Panda Bonds were used to support a range of eligible financing needs, including capital expenditure, refinancing of interest-bearing liabilities and working capital requirements. A portion of the proceeds was allocated to green logistics warehousing projects, supporting the Group’s broader transition and sustainability objectives.

Investing Responsibly

According to CTFS’s GHG inventory, Scope 3 emissions account for over 97% of the Group’s total emissions, with Category 15 (Investments) from both the Corporate Office and CTF Life representing the largest share. This underscores the importance of responsible investment and financing practices in supporting CTFS’s climate strategy and decarbonization ambitions.

Group-Level ESG Due Diligence for Direct Investments

CTFS Group has adopted an ESG Due Diligence Guideline for Investment, applied to all direct investments involving over 50% equity control, completed before any proposal reaches the Executive Committee. The process follows four sequential steps:



POWERING ENERGY TRANSITION — CTFS’S FIRST BATTERY ENERGY STORAGE SYSTEM

WHY IT MATTERS

As Europe accelerates the deployment of renewable energy, energy storage is becoming increasingly critical to maintaining grid reliability and enabling the integration of intermittent power sources, such as wind and solar. In the Nordic region, growing renewable energy capacity, combined with seasonal fluctuations in electricity supply and demand, is creating a growing mismatch between when renewable energy is generated and when it is consumed. This is driving demand for flexible storage solutions that can enhance grid stability, strengthen energy resilience and support the continued expansion of renewable energy infrastructure.

HOW WE DID IT

To help address this challenge, CTFS entered the European energy storage market for the first time through a partnership with Unisun Energy Services GmbH (“Unisun”), a global renewable energy solutions provider, to develop a Battery Energy Storage System (“BESS”) project in Finland.

Under the partnership in the first project, CTFS holds a 75% stake in the project while Unisun holds 25% and serves as technical lead, overseeing engineering design, construction management and operations. The project will have a total installed capacity of 30 MW/65.2 MWh and is scheduled to complete construction and begin operation in the 1st quarter of 2027.

WHAT WAS THE OUTCOME

The project reflects CTFS’s broader shift towards investments that support the low-carbon transition in line with our *Breakthrough 2050* commitment. Following the divestment of our fossil fuel investments, the Group has prioritized opportunities that contribute to the development of sustainable and future-ready energy infrastructure. CTFS regards our first Finland project as more than a financial investment, it marks an important step in the Group’s journey to support next-generation infrastructure for the AI era. As data centres and AI infrastructure drive unprecedented electricity demand across Europe, grid-scale storage is emerging as critical infrastructure, positioning this investment at the intersection of financial return and energy transition.

Project Snapshot

Location: Finland 	Capacity: 30 MW/ 65.2 MWh	Ownership: CTFS 75% Unisun 25%	Timeline: Operational Q1 2027	Partner: Unisun technical lead (engineering, construction, operations)
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How BESS Works

1

2

3

4

STORE

Excess renewable energy charges the battery

BALANCE

System monitors grid frequency and demand in real time

RELEASE

Stored power discharges within seconds when needed

RESULT

A stable grid with fewer outages and less wasted renewable energy

CTF LIFE — INVESTING FOR LONG-TERM VALUE AND IMPACT



WHY IT MATTERS

As a financial institution, CTF Life recognizes that climate-related risks can arise through its investment portfolio, particularly transition and physical risks affecting invested assets across different sectors and geographies. With Scope 3 investment emissions representing the largest share of CTF Life’s carbon footprint, integrating responsible investment practice and climate risk assessment into portfolio management is essential, fulfilling CTF Life’s fiduciary duty and supporting the Group’s *Breakthrough 2050* net-zero ambition.

HOW WE DID IT

Our Responsible Investment Approach

As the first non-listed Hong Kong insurer to sign the UN-supported Principles for Responsible Investment (PRI), CTF Life integrates ESG considerations throughout the investment lifecycle through its six-pillar Responsible Investment Standard:

Six-Pillar Approach to Responsible Investment



This framework guides investment decisions, supports effective risk management, and helps identify opportunities that contribute to long-term sustainable value creation.

Investment Due Diligence and Climate Risk Management

To translate its Responsible Investment Standard into practice, CTF Life applies a structured due diligence process across both direct investments and externally managed funds. The process incorporates financial, ESG and climate-related considerations to support informed investment decisions and portfolio resilience.

Bond Due Diligence

For individual Bond investments, a two-step due diligence approach is applied. This includes sector-level pre-screening to exclude controversial industries, followed by an environmental and climate assessment evaluating a target company’s ESG strategy, climate transition readiness, and carbon intensity relative to industry peers. These assessments are incorporated into investment recommendations alongside traditional financial and credit analyses.

Fund Due Diligence

For externally managed funds, CTF Life conducts a comprehensive review of the fund’s investment strategy, historical performance, portfolio composition, governance arrangements and risk management framework. This due diligence process helps ensure that external investment managers maintain robust governance and risk management standards.

The assessment also evaluates:

- ◆ Assets under management (“AUM”) and track record;
- ◆ Sector, geographic and asset allocation profiles;
- ◆ Exposure to restricted sectors, including coal, tobacco, and weapons;
- ◆ ESG policies and responsible investment practices;
- ◆ Stewardship and investee company engagement approaches;
- ◆ Climate-related risk and opportunity management; and
- ◆ Risk identification, monitoring and mitigation practices at both security and portfolio levels

Portfolio Climate Risk Assessment

To strengthen its understanding of potential climate-related impacts across the investment portfolio, CTF Life complements its investment due diligence process with portfolio-level climate risk assessments. Using the Bloomberg MARS Climate Risk Tool, CTF Life evaluates potential financial impacts under various NGFS climate scenarios.

In FY2025, this assessment found that combined estimated losses from physical and transition climate risks under the most adverse scenario represented approximately 3.39% of the modelled portfolio value. The assessment was revisited in FY2026, with results remaining broadly unchanged, providing assurance on the portfolio’s resilience under a range of future climate pathways.

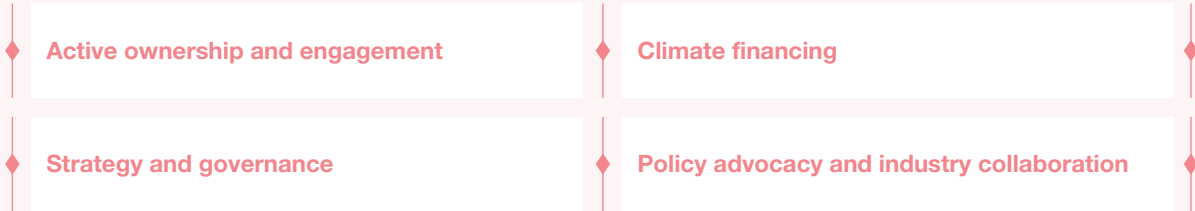
CTF LIFE — INVESTING FOR LONG-TERM VALUE AND IMPACT



Carbon Data Management

To support effective climate risk management, CTF Life has developed a proprietary tool to calculate financed emissions and the Partnership for Carbon Accounting Financials (“PCAF”) data quality scores across asset classes. Leveraging third-party emissions data, the tool enhances the accuracy and transparency of portfolio carbon assessments.

CTF Life regularly monitors portfolio carbon metrics and reports progress to senior management. To support alignment with a 1.5°C decarbonization pathway, CTF Life focuses on four key levers:



Investing for the Future

Alongside risk management, CTF Life seeks to direct capital towards opportunities that support the transition to a more sustainable and inclusive economy.

Key investment themes include:

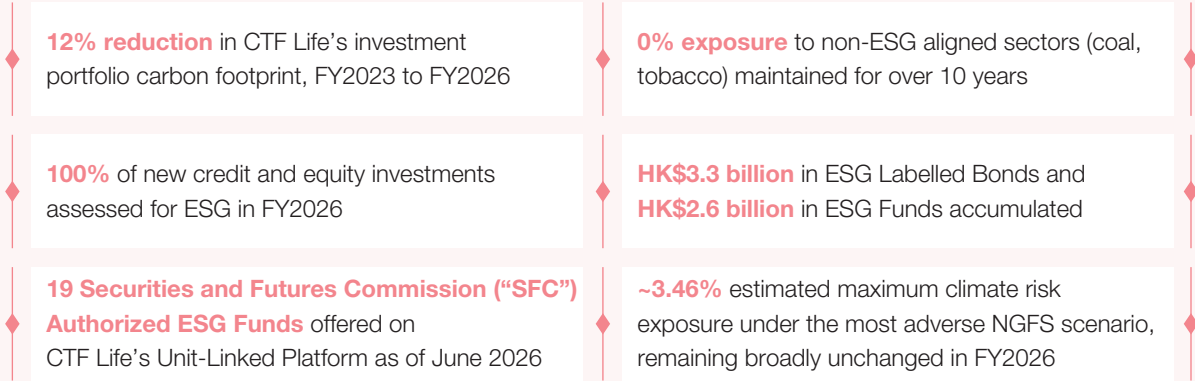
Green Transport and Clean Energy:

Supporting the transition to a low-carbon economy through investments in renewable energy generation across Europe and Oceania and emerging technologies within the hydrogen value chain that contribute to Hong Kong’s green transport roadmap.

The White Economy:

Supporting a more inclusive and resilient society through pharmaceutical innovation, healthcare technology, and elderly care solutions.

FY2026 Achievements



Portfolio Carbon Performance

		FY2024	FY2025	FY2026
Corporate Bonds	Financed Emissions (tCO ₂ e)	644,759	682,636	565,287
Listed Equity	Financed Emissions (tCO ₂ e)	56,843	87,574	101,588
Unlisted Equity	Financed Emissions (tCO ₂ e)	22,264	30,209	40,643
Sovereign Bonds	Financed Emissions (tCO ₂ e)	169,067	158,063	231,924
Carbon Intensity*	tCO ₂ e/HK\$m	13.1	12.0	9.9

* Carbon intensity is calculated by dividing total financed emissions by total exposure, which represents the amount of capital at risk across the various assets in a portfolio.

WHAT WAS THE OUTCOME

CTF Life continued to strengthen the integration of responsible investment principles and climate considerations across its investment activities during FY2026. Through disciplined due diligence, portfolio-level climate risk assessments and targeted investments in sustainable themes, the Company enhanced its ability to manage climate-related risks while supporting opportunities arising from the transition to a low-carbon and more inclusive economy.

The stability of climate risk assessment results and the continued reduction in portfolio carbon intensity demonstrate progress towards building a resilient, transition-aligned investment portfolio that supports both long-term investment performance and the Group’s *Breakthrough 2050* ambition.

INTEGRATING ESG PRACTICES INTO EVERY ASPECT OF OUR BUSINESS THROUGH INNOVATION

Imp[ACT] Fund: Empowering Employee-led Sustainability Innovation

The Imp[ACT] Fund has entered its third year as CTFS’s ESG innovation platform, empowering colleagues to address sustainability challenges through creativity, collaboration, and action. Supported by HK\$1 million in seed funding, the Fund serves as a catalyst for innovation, encouraging colleagues to explore emerging trends, challenge conventional thinking and develop scalable solutions that deliver meaningful business, environmental, and social value.

Key themes:

Key Themes	Key Focuses
 Carbon	Reducing greenhouse gas emissions, enhancing energy efficiency, and promoting the use of renewable energy sources
 Water	Improving water management systems and ensuring sustainable water usage across all operations
 Waste	Supporting waste reduction programmes, promoting recycling and circular economy practices and minimizing landfill use
 People	Enhancing the well-being and development of our employees, communities and partners

For Imp[ACT] Fund 2026, colleagues from across CTFS Group submitted eight innovative and actionable proposals designed to address business and sustainability priorities. Following a rigorous evaluation process, shortlisted teams presented their ideas to a judging panel comprising of senior management and external industry experts. The presentations demonstrated a strong understanding of key organizational and sustainability challenges, alongside practical and innovative solutions with the potential to deliver measurable impact.

Reflecting this year’s ESG theme “Redefining Impact: from Purpose to Performance”, the proposals showcased how purpose-driven initiatives can be translated into tangible outcomes.

The three winning projects are:

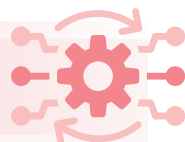
CHAMPION
IntelliHook: Smart Rotation Hook System by Hip Hing
1ST RUNNER UP
Remote Safe H-beam Cutting Robot by Vibro
2ND RUNNER UP
Nature-based Regenerative Landscaping Solution Service by HML



◆ Imp[ACT] Fund 2026 winners

Entering its third year, the Fund has seen projects from previous cycles progress beyond the pilot stage, generating tangible outcomes and cumulative benefits. The continued advancement of these initiatives underscores the Fund’s role in translating promising ideas into scalable solutions with long-term impact.

IMP[ACT] FUND 2025 CHAMPION UPDATE: DISTANT TOWER CRANE COMMAND SYSTEM



WHY IT MATTERS

Traditional tower crane operations require operators to work long hours in elevated cabins under physically demanding conditions. This challenging work environment presents both occupational safety risks and a growing talent shortage, as fewer young workers are entering the profession.

To address these challenges, Hip Hing developed the Distant Tower Crane Command System (“DTCCS”), an innovative remote operation platform that enables operators to control tower cranes safely from ground level. The system integrates low-latency communication networks, AI-driven safety features, and IoT sensors to enable ground-level, real-time crane control while enhancing operational safety, efficiency, and workforce sustainability.

HOW WE DID IT

Following the successful introduction of the system in 2024, the project continued to evolve through a series of development phases aimed at strengthening technical capabilities and supporting wider industry adoption.

Stage 1: System Development and Deployment (Completed)	The DTCCS was first designed in March 2024 and successfully passed the joint inspection in July 2024. The 1st generation of the DTCCS completed the functionality testing and commenced on-site operations, demonstrating the feasibility of remote-controlled tower crane operations in a live construction environment.
Stage 2: System Enhancement and Validation (Completed)	The team further refined and validated the systems operational performance, laying the foundation for future technological enhancements and broader implementation.
Stage 3: Advanced Visual Assistance Upgrade (Completed)	Completed in November 2025, this phase focused on improving operator situational awareness and control precision. Key enhancements included: ◆ Upgraded LiDAR-enabled geometric distance detection capabilities for more accurate obstacle recognition ◆ Advanced image distortion correction technology to eliminate camera distortion

Stage 4: Industry Standardization and Policy Development (Completed)

In collaboration with the Hong Kong University of Science and Technology and the Building Technology Research Institute (“BTRI”), the project team supported the Development Bureau’s technical circular on the adoption of construction robotics, including remote-controlled tower cranes. The team also contributed to the development of BTRI’s technical specifications for remote-controlled tower cranes, helping establish a framework for wider industry adoption.



Stage 5: Smart Lifting Device Development (In Progress)

The next phase focuses on developing a lifting device featuring a smart rotation hook system. By extending digital control beyond crane movement to load positioning, the innovation aims to address a remaining manual-handling safety risk associated with suspended-load operations and further improve construction site safety.

WHAT WAS THE OUTCOME

The DTCCS has progressed beyond its initial objective as an internal safety and productivity solution to become a catalyst for broader industry transformation.

Key achievements:

- ◆ Successful deployment of Hong Kong’s remote-controlled tower crane operating system in active construction projects.
- ◆ Contribution to two major government and industry technical standards, including the Development Bureau’s technical circular and BTRI’s technical specifications for remote-controlled tower cranes.
- ◆ Enhanced worker safety and operational efficiency through the adoption of AI, IoT and remote-operation technologies.
- ◆ Demonstrated the scalability of innovation, with a project that began as an internal initiative now influencing industry-wide practices and standards for construction robotics in Hong Kong.

The DTCCS exemplifies how the Imp[ACT] Fund supports the journey from innovative concept to real-world implementation, generating measurable business value while driving industry-wide progress and raising standards across the construction sector.

Embedding Technologies into Our Businesses

CTFS embeds innovation and digitalization as a continuous practice across our business units, ranging from smart construction technologies at Hip Hing, advanced building management systems at HML to manage electrical and mechanical services in the HKCEC, to intelligent road infrastructure across the Roads operations. CTF Life has also progressed a comprehensive digital transformation encompassing workplace productivity, customer-facing insurance services, and ESG data management and climate analytics.

CTF LIFE’S DIGITAL TRANSFORMATION JOURNEY



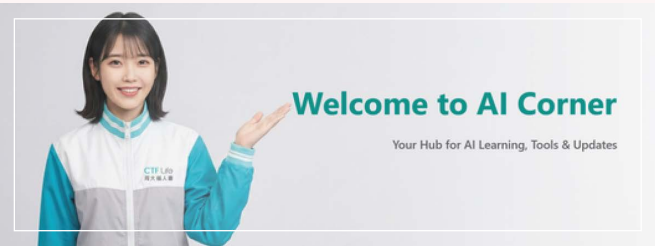
WHY IT MATTERS

As the insurance industry becomes increasingly complex and stakeholder expectations around efficiency, accessibility and climate resilience continue to rise, digital transformation has become essential to maintaining operational excellence and long-term competitiveness. CTF Life is embedding AI and digitalization across its operations, from internal processes, customer-facing services, climate risk modelling and ESG data management.

HOW WE DID IT

Internal Productivity and Operations:

CTF Life launched AI Corner, a dedicated SharePoint hub, providing employees with practical prompt templates, Microsoft Copilot learning resources and updates on AI initiatives across the Company. This is complemented by the “CTF Life AI Family”, a growing suite of internal AI assistants designed to enhance productivity and knowledge sharing. Example includes AI HR Buddy, which provides guidance on HR policies, benefits and related resources, and AI Risk Guard, which supports employees in navigating risk management information. AI Ambassador, the Company’s digital human for AI communications, further promotes AI awareness and adoption by sharing emerging AI developments, practical guidance and use cases across the organization.



Customer and Partner Experience: CTF Life has developed a suite of InsurTech platforms covering the full insurance lifecycle, providing customers, agents and broker partners 24/7 access to services. These include a digital sales platform supporting paperless policy applications, an online post-sales service platform for policy servicing transactions, digital tools that streamline agent recruitment and training, an integrated broker platform managing end-to-end sales and service activities, and an online insurance platform that enables customers to complete applications and manage policies conveniently.

ESG data management and Climate Analytics: To strengthen ESG data management and climate-related decision-making, CTF Life has digitalized the collection and reporting of environmental data through a cloud-based platform that support data submission, verification and performance tracking. The Company also leverages third-party carbon data and advanced climate analytics, including Bloomberg’s MARS Climate solution, to assess financed emissions and climate-related risks across its investment portfolio, supporting more informed management and investment decisions.

WHAT WAS THE OUTCOME

By embedding AI and digitalization across workplace productivity, customer-facing insurance services, ESG data management and climate risk modelling, CTF Life has strengthened both its operational efficiency and the credibility of its sustainability disclosures. As Bloomberg’s first global development partner for the MARS Climate solution, the Company is also contributing to the advancement of climate risk analytics, extending its digital transformation from an internal efficiency exercise into a contribution to the broader financial sector’s climate resilience capabilities.

EVOLVE SUSTAINABLY

OVERVIEW

As environmental and climate-related challenges continue to evolve, businesses play a critical role in supporting the transition to a low-carbon and climate-resilient future. In FY2026, growing stakeholder expectations, advancing sustainability disclosure standards and greater attention to climate, nature and value chain impacts reinforced the importance of embedding sustainability considerations into business strategy, operations and decision-making.

OUR APPROACH

Guided by *Breakthrough 2050*, CTFS is committed to integrating climate and environmental considerations into our strategy, operations and decision-making processes. We actively address climate change through risk assessments, adaptation planning and emissions reduction initiatives aligned with our net-zero ambition and science-based targets. Our approach focuses on improving energy efficiency, increasing renewable energy adoption and reducing GHG emissions, while advancing circularity, water stewardship, responsible resource management and biodiversity conservation across our businesses. Through these efforts, we aim to strengthen business resilience and contribute to the transition towards a more sustainable and low-carbon future.

Environmental-related certification

Construction	Facilities Management
◆ ISO 14001:2015 for Environmental Management System ◆ ISO 50001:2018 for Energy Management System	◆ ISO 20121:2024 Event Sustainability Management System ◆ “Good Class” under Environmental Protection Department’s Indoor Air Quality (“IAQ”) Certification Scheme for both the Administration Office and Executive Office at the HKCEC ◆ “Excellent Level” in Wastewi\$e Certificate, granted under the Hong Kong Green Organisation Certification scheme, administered by the Environmental Campaign Committee

KEY UPDATES FROM FY2026

Implemented a Scope 3 Data Quality Assessment Process to enhance the quality, accuracy, and reliability of emissions data 	Assessed the GHG emissions profile of Hip Hing and HML, the major contributors of the total GHG emissions of the Group, to highlight the emission hotspots. 	
Completed Climate Scenario Analysis across our 4 business segments, including Construction, Facilities Management, Roads and Logistics. 	Integrated on-site renewable energy generation into the Logistics segment's operations in FY2026, with the clean energy generated consumed on site 	
Reduced our GHG emissions by 17% compared to FY2023. 	Initiated nature-related assessment guided by recommendations of the TNFD. 	Procured 13 GWh GECs in FY2026, expected to enable >4,400 tCO₂e of emission reductions to support our decarbonization goals 

CTFS’S NET ZERO 2050 AMBITION

CTFS is committed to achieving net-zero emissions by 2050 through eligible 1.5°C-aligned pathways, with an interim ambition of reducing the Group’s GHG emissions by 50% by 2035, as set out in our *Breakthrough 2050* ESG strategy. This commitment is aligned with the Science Based Targets initiative (“SBTi”) standards. In FY2025, the near-term emission reduction targets of both Hip Hing and CTF Life were validated by SBTi.

From Ambition to Integration

CTFS’s decarbonization journey did not begin with our net-zero commitment. Rather, the commitment formalized and accelerated ongoing efforts to reduce emissions across the Group. Since receiving SBTi validation, our focus has been on strengthening governance, enhancing accountability, and embedding climate objectives more deeply into business operations and decision-making.

This section presents our full-year performance against our targets and how governance and performance management support progress towards our long-term commitment. Our *Breakthrough 2050* ESG strategy continues to guide these efforts, with FY2026 priorities focused on implementing climate-related KPIs and further integrating carbon considerations into financial planning and performance assessments.

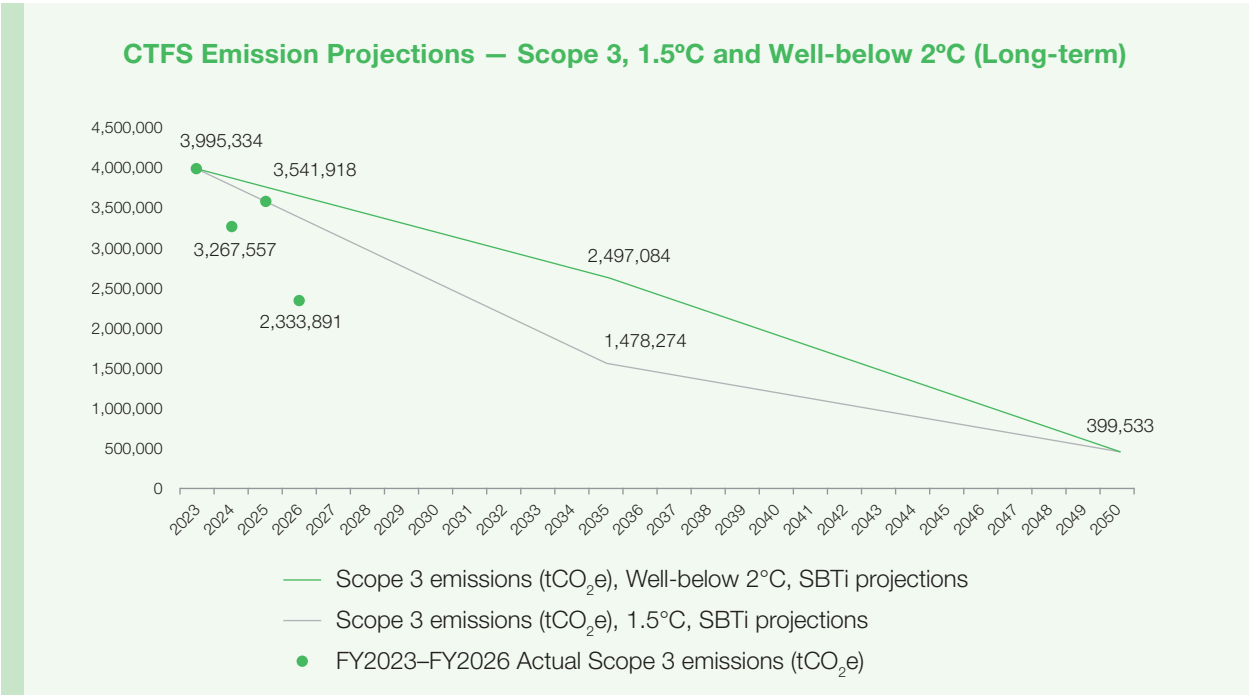
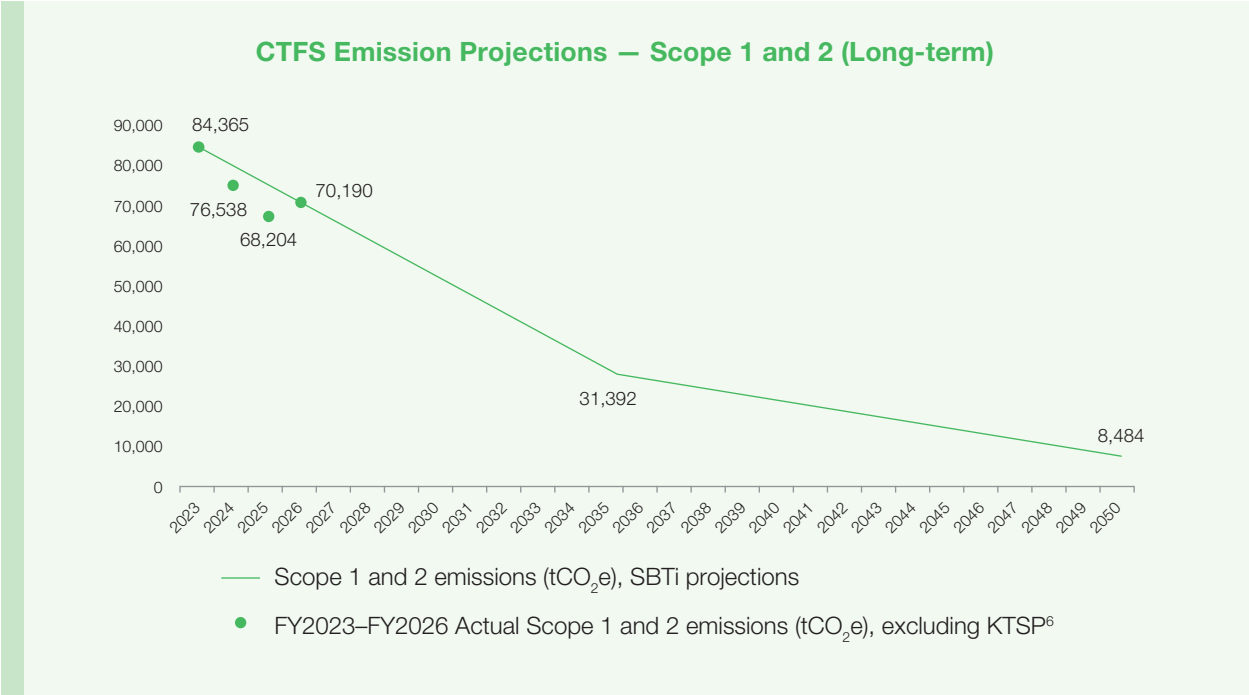
Performance against Targets

Business Units	Metrics	FY2023 Baseline	FY2026 Actual	Target	Progress against Target
CTF LIFE	Scope 1 & 2 GHG emissions (tCO ₂ e)	435	318	37.8% reduction by FY2029	Achieved 26.9% reduction
	Electricity generation sector portfolio GHG emissions (tCO ₂ e/MWh)	0.2674	0.1508	59% reduction by FY2029	Achieved 43.6% reduction
	% of invested value in its listed equity and corporate bond portfolio allocated to companies that set SBTi-validated targets	14.7	34.4	At least 44.8% by FY2029	Achieved 34.4%
HIP HING	Scope 1 & 2 GHG emissions (tCO ₂ e)	39,356	29,962	58.8% reduction by FY2034	Achieved 23.9% reduction
	Scope 3 GHG emissions from purchased goods and services (tCO ₂ e)	956,235	946,866	35% reduction by FY2034	Decreased 1.0%

* Scope 2 GHG emissions presented in this table are calculated using the market-based method, which accounts for the environmental attributes associated with purchased GECs.

Group Decarbonization Trajectory

The chart below compares the Group’s actual Scope 1 and 2 (market-based) and Scope 3 emissions performance with the FY2025 modelled SBTi pathway, providing a transparent view of progress and any variance from the Group’s long-term decarbonization trajectory.



⁶ Scope 1 and 2 emissions data exclude Kai Tak Sports Park in FY2024 and FY2025. Following the completion of the Kai Tak Sports Park project and its transition to operations in FY2025, the project no longer contributes to the Scope 1 and 2 emissions data from FY2026 onwards.

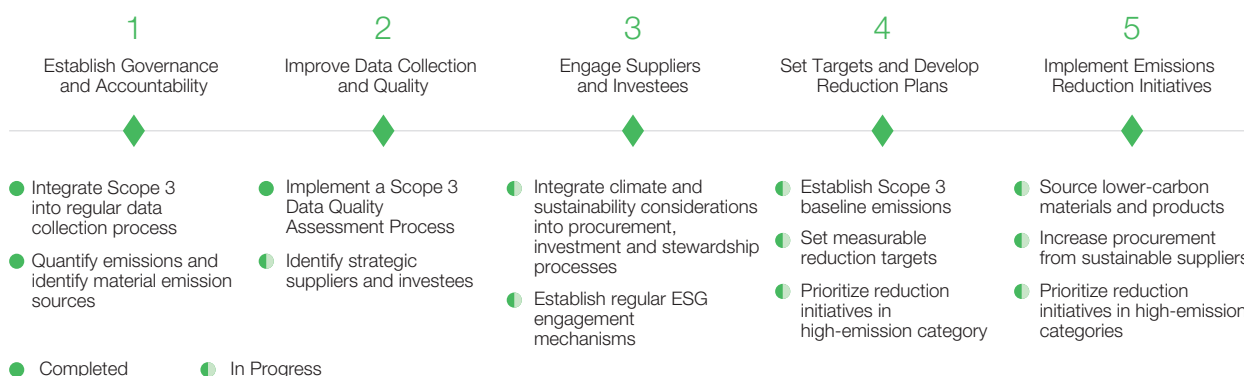
The preliminary emissions-reduction pathway for Group-level Scope 1, 2, and 3 emissions was developed using estimated FY2023 and FY2024 GHG emissions inventories and the SBTi target-setting tool for near-term and long-term targets. Based on CTFS's FY2023 baseline year and the near-term FY2035 target, to align with our net-zero trajectory the Group should aim to achieve an average annual reduction in Scope 1 and 2 emissions of 5% from 2023 to 2035, followed by a 2% annual reduction thereafter once the near-term target is achieved.

Scope 3 Data Maturity and Decarbonization Readiness

Scope 3 emissions account for approximately 97% of CTFS's total GHG inventory, with Category 1: Purchased Goods and Services, Category 3: Fuel- and Energy-related Activities, Category 5: Waste Generated in Operations, and Category 15: Investments identified as the Group's key emission hotspot categories. Improving data quality across these categories is essential to establishing credible baselines, tracking progress, and identifying the most effective decarbonization opportunities.



To progressively improve the quality, completeness, and reliability of Scope 3 emissions data by increasing the use of supplier and investee-specific primary data, strengthening data governance and collection processes, and reducing reliance on estimated data, thereby enabling credible reporting and effective decarbonization actions across the value chain.



Underpinning this roadmap is a data quality hierarchy that prioritizes verified supplier and investee emissions data, followed by unverified primary data and activity-based estimates derived from actual operational data, such as building size, fleet size, production output, or operational scale. Industry-average and spend-based estimates are used only where better-quality data are unavailable. Advancing up this hierarchy, while progressively reducing reliance on the two lowest tiers of secondary data, is central to CTFS's approach to enhancing the accuracy, credibility and decision-usefulness of its Scope 3 emissions inventory.

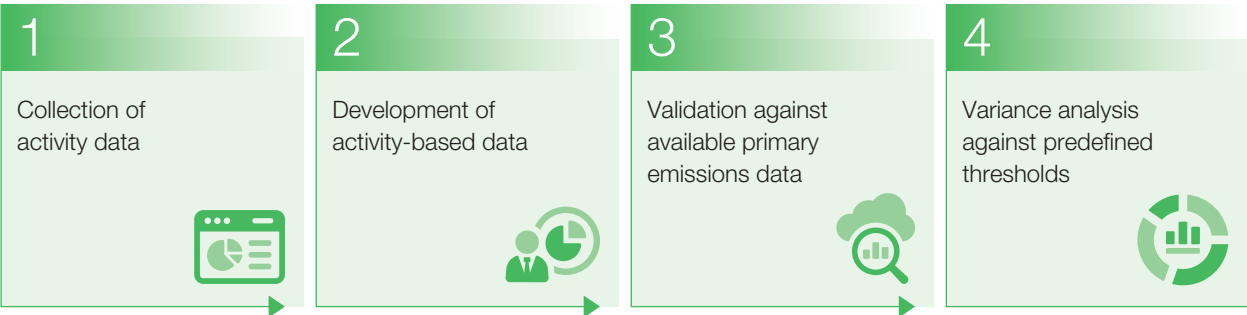
Data Quality Hierarchy

Primary	Tier 1: Verified Suppliers and Investees emissions data
	Tier 2: Suppliers and Investees emissions data (not externally verified)
	Tier 3: Activity-based emissions estimates derived from actual operational data (e.g., building size, vehicle fleet, production output, or operational scale) and calculated using industry-average energy and emission factors
Secondary	Tier 4: Emissions estimates based on industry-average data without entity-specific operational inputs
	Tier 5: Spend-based estimates derived from expenditure data

FY2026 Focus: Implementing a Scope 3 Data Quality Assessment Process

Following the establishment of Group-wide governance and the integration of Scope 3 emissions into regular reporting processes, CTFS’s strategic priority in FY2026 was to embed a structured Scope 3 Data Quality Assessment Framework across the Group. The objective was to systematically improve the quality, accuracy, and reliability of emissions data by validating estimates, increasing the use of activity-based and primary data, and identifying strategic suppliers and investees for future engagement.

The assessment framework applies to a consistent four-step methodology



This process enables CTFS to identify material emissions hotspots, prioritize engagement opportunities and establish a robust evidence base for target setting and reduction planning. This serves as a bridge between emissions measurement and management in supporting CTFS’s broader decarbonization roadmap.

During FY2026, three key initiatives were undertaken across the Group to apply this framework, improve the quality and granularity of Scope 3 emissions data, and enhance the robustness of disclosure and decision-making.

Hip Hing — Enhancing Project-level Carbon Visibility

To strengthen its understanding and management of carbon emissions across construction projects, Hip Hing and an external consultant developed a project-level carbon estimation and forecasting framework with ongoing support and facilitation from CTFS. Drawing on carbon, fuel consumption and operational activity data from 18 representative projects across five project categories and four construction stages, the initiative transformed historical project performance data into a practical evidence-based model for future developments.

Using a structured methodology of Measure, Analyze and Develop, the assessment established carbon baselines, analyzed emissions by project type, construction phase and source, and identified key emission drivers across fuel, electricity, waste, water consumption and construction materials. The resulting forecasting tool enables project teams to estimate both embodied and operational carbon emissions during the planning stage, providing greater visibility over potential carbon impacts before project execution.

The assessment revealed that embodied carbon is concentrated primarily in the substructure and main structural construction phases, with Scope 3 material emissions representing the largest share of the overall carbon footprint. Across the projects analyzed, reinforcement bar and concrete consistently emerged as the most significant emissions contributors. These insights provide a stronger data foundation for identifying emission hotspots, evaluating low-carbon design and material alternatives, and prioritizing decarbonization initiatives where they can deliver the greatest impact.

By integrating carbon considerations into project planning, design evaluation and construction decision-making, the tool enables more consistent and data-driven carbon assessments across Hip Hing's project portfolio. Project teams can assess reduction scenarios, forecast emissions and track established baselines, supporting more informed decisions throughout the project lifecycle.

Once fully implemented, the tool is expected to enhance Hip Hing's capability to forecast emissions, support low-carbon project delivery and accelerate the transition towards a lower-carbon construction portfolio. The initiative demonstrates how data-driven innovation can embed climate considerations into project delivery while supporting both Hip Hing's decarbonization roadmap and CTFS's broader sustainability and climate ambitions.

 18 Representative Projects	5 Project Categories	4 Construction Stages	1 Estimation Tool
	◆ MIC ◆ Non-MIC: Private Residential ◆ Non-MIC: Public Residential ◆ Non-MIC: Commercial ◆ Foundation	Phase I: Foundation & Site Preparation Phase II: Structural Construction Phase III: Interior Construction & System Phase IV: Finishing, Landscaping & Handover	◆ Scope 1 ◆ Scope 2 ◆ Scope 3: Material ◆ Scope 3: Waste ◆ Water
TOOL DEVELOPMENT APPROACH			
1 MEASURE Collect carbon and project data from representative projects and establish comparable carbon baselines.	2 ANALYSE Identify key emission drivers, evaluate project characteristics and validate assumptions across project categories.	3 DEVELOP Build a carbon estimation model that can be applied to future projects to support carbon forecasting and planning.	

HML — Identifying Emissions Hotspots

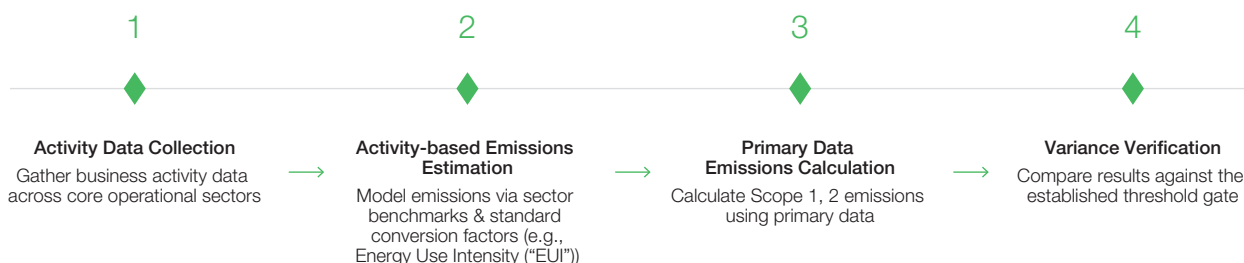
HML applied the same assessment methodology to procurement, one of its most material Scope 3 emissions sources. Rather than relying solely on expenditure-based estimates, HML mapped emissions at the product-category level to better understand the underlying drivers of its procurement footprint.

The assessment provide a clear basis for prioritizing supplier engagement and reduction measures, including increasing locally sourced products, and promoting lower-carbon alternatives and integrating carbon considerations into menu planning and procurement decisions.

CTFS Corporate Office — Strengthening Investees Emissions Estimation and Verification

To enhance the data quality of our investment portfolio, we collected investee-level activity data, such as production volumes, road length and warehouse floor area, and developed sector-specific, activity-based emissions estimates tailored to each investee’s business. Where primary data was available, such as fuel purchase logs, fleet utilization records and electricity consumption data, emissions were calculated directly from source information and compared against activity-based estimates. Significant variances exceeding internally defined threshold triggered further investigation and engagement with investees to validate assumptions and reconcile discrepancies.

This verification process enhanced the robustness of Category 15 disclosures and established a repeatable methodology for improving data quality across the investment portfolio. More importantly, it provides the analytical foundation for future investee engagement, target setting, and decarbonization discussions, supporting CTFS’s transition towards increasingly data-driven portfolio emissions management.



Strategic Outcome

- ◆ Systematically validate emissions estimates to improve the accuracy and reliability of Scope 3 emissions disclosures.
- ◆ Identify material emissions hotspots across operations, supply chains and investment portfolios to inform decarbonization priorities.
- ◆ Increase the use of primary and activity-based data while reducing reliance on secondary-data assumptions and estimates.
- ◆ Strengthen the robustness of the Group’s emissions inventory, enhancing transparency, credibility and decision-usefulness.
- ◆ Establish a stronger foundation for supplier and investee engagement, enabling more targeted emissions reduction initiatives, effective target-setting and progress towards CTFS’s long-term decarbonization objectives.



FY2026 SCOPE 3 DATA QUALITY OVERVIEW

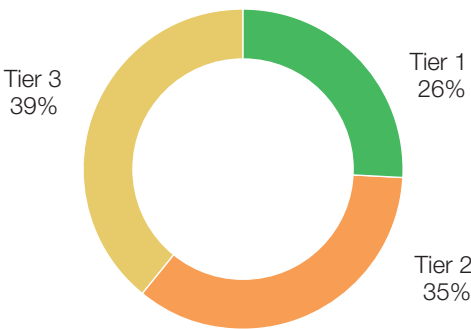
Approximately 61% of the Group’s Scope 3 emissions were calculated using higher-quality supplier-specific emissions data or physical activity-based data, while the remaining 39% were estimated using economic activity-based approaches.

The level of data maturity varies across business units, reflecting differences in business models and emissions sources. CTF Life recorded the highest use of supplier-specific emissions data, with such data accounting for 61.0% of its inventory. Hip Hing also demonstrated a relatively high level of data granularity, with 70.5% of emissions calculated using physical activity-based data.

CTFS Corporate Office and HML continue to estimate a portion of their emissions based on economic activity-based estimates, which account for 80.8% and 47.6% of their respective inventories. It is recommended that these business units further enhance the completeness of emissions disclosures and data quality through enhanced supplier engagement and the progressive adoption of more granular activity- and entity-level emissions data.

	Data Quality Tier	Data Types	Description	Emissions (tCO ₂ e)	Overall Sourcing Share (%)
Primary	Tier 1	Supplier-specific emissions data	Verified Suppliers and Investees emissions data and Suppliers and Investees emissions data (not externally verified)	614,525	26%
	Tier 2	Physical activity-based data	Activity-based emissions estimates derived from actual operational data (e.g., building size, vehicle fleet, production output, or operational scale) and calculated using industry-average energy and emission factors	824,207	35%
Secondary	Tier 3	Economic activity-based data	Emissions estimates based on industry-average data without entity-specific operational inputs and Spend-based estimates derived from expenditure data	895,159	39%
Group Total Scope 3				2,333,891	100%

Emissions Breakdown by Data Source (tCO₂e)



Decarbonization Strategies for Achieving Net Zero

Guided by our Environmental, Social and Governance Policy, CTFS integrates environmental and social considerations into the delivery of our products and services. Recognizing that climate change presents both risks and opportunities, CTFS is committed to reducing emissions across our operations, value chain and investment portfolio through innovation, operational excellence, responsible business practices, and collaboration.

CTFS Decarbonization Strategy

Decarbonise Operation	Decarbonise the Value Chain	Decarbonise Investments
◆ Electrification ◆ Low-carbon fuel ◆ Energy efficiency ◆ Renewable energy ◆ Renewable electricity procurement	◆ Sustainable procurement ◆ Low-carbon construction materials ◆ Supplier engagement	◆ Responsible investment ◆ Investment engagement
Strengthen Climate Data & Governance ◆ Scope 3 data quality enhancement ◆ Activity-based emissions estimation ◆ Primary data collection ◆ Emission verification 		

Construction

Hip Hing accounts for the largest share of Scope 1 emissions across CTFS’s operating segments and is among the largest contributors to Group-wide Scope 3 emissions, reflecting the fuel-, material- and equipment-intensive nature of construction activities. Recognizing this significant footprint, Hip Hing has been continuously advancing its decarbonization efforts through the progressive electrification of construction sites, the deployment of BESS to optimize energy use and reduce reliance on diesel generators, and increased use of lower-carbon fuels across its projects.

Building on these ongoing initiatives, this year Hip Hing further strengthened its understanding of where and how these emissions arise, laying the groundwork for two key actions: a granular site-level hotspot analysis across project types and construction phases, and the accelerated adoption of green concrete to address the material that this analysis identified as the largest source of embodied carbon.

Green Materials

Concrete is among the most carbon-intensive materials in construction due to the significant emissions associated with cement production. Hip Hing’s project-level emissions analyses have consistently identified concrete as one of the largest sources of embodied carbon across its portfolio. Hip Hing has continued to expand the use of green concrete, increasing the application of mixes containing supplementary cementitious materials (“SCMs”) and recycled aggregates to reduce the embodied carbon of conventional concrete mixes.



Recognizing that meaningful emissions reductions require systemic change rather than one-off material substitutions, Hip Hing is embedding lower-carbon concrete solutions into design, procurement and construction practices. By working closely with clients, consultants, suppliers and subcontractors, the company is promoting the wider adoption of green concrete as a standard project specification where technically and commercially feasible. This ongoing effort supports both the reduction of project-level embodied carbon and the broader transition towards a low-carbon built environment.

Facilities Management

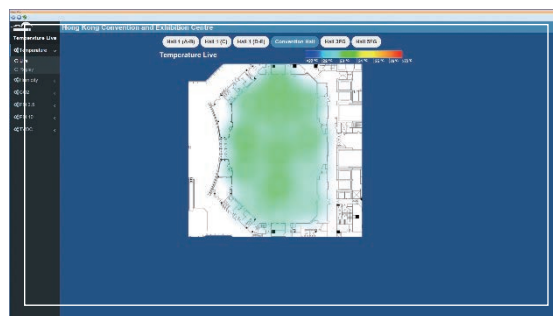
HML’s operations at the HKCEC generate the Group’s highest Scope 2 emissions across all business segments, reflecting the scale and energy requirements of operating a leading world-class convention and exhibition venue. Efficient building operations, such as air conditioning, lighting, and other building systems, are essential to delivering a comfortable, reliable, and high-quality experience for visitors, exhibitors and event organizers. Addressing these key emissions sources, HML has introduced a smart building management system to optimize energy performance and upgraded the HKCEC’s equipment with the latest energy efficient technology for building operations.

Building Management System

To address electricity as its most significant emissions source, HML has implemented a comprehensive Building Management System (“BMS”) to optimize the operations and energy performance of the HKCEC. This advanced control system integrates Heating, Ventilation, Air Conditioning (“HVAC”), lighting, plumbing, electrical, lift & escalator, and fire alarm systems into a centralized platform, enabling intelligent automation and real-time monitoring to improve operational efficiency and reduce energy consumption.

Complementing the BMS, HML has deployed Internet of Things (“IoT”) sensors to monitor indoor air quality and detect water leakages. Additionally, a Heat Map System has been introduced to visualize temperature distribution, allowing for data-driven adjustments that reduce energy consumption while maintaining visitor comfort.

Building on this technology foundation, HML is also strengthening its compliance readiness ahead of the tightening of Hong Kong's Buildings Energy Efficiency Ordinance, including reviewing and updating internal processes to ensure IT infrastructure upgrades comply with the latest building energy codes, preparing for future energy audit requirements, and enhancing the accuracy of energy and technical systems data ahead of new mandatory public disclosure requirements. Together, these measures ensure that HML's investment in smart building technology is matched by rigorous compliance and transparent reporting on its energy performance.



The Heat Map System displays real-time temperature distribution across the HKCEC

HML's Decarbonization Roadmap

Beyond the BMS, HML has established a Decarbonization Roadmap to reduce Scope 2 emissions through FY2030. The roadmap is being delivered through a structured pipeline of Energy Management Opportunity ("EMO") projects focused on improving the energy performance of the HKCEC. Upon 2026, HML completed more than 27 EMO projects covering HVAC system optimization, equipment upgrade and replacement, lighting efficiency improvements, and other building efficiency enhancements.

740,000 kWh Estimated Annual Energy Savings Generated in FY2026
27+ EMO projects completed upon 2026 together with our daily energy saving habits.



Financial Services

CTF Life’s emissions profile is characterized by a relatively small operational footprint from its offices and vehicle fleet, alongside substantially larger financed emissions associated with its investment portfolio. Reflecting this profile, CTF Life’s climate strategy focuses on reducing operational emissions through targeted efficiency measures and fleet electrification, while advancing the decarbonization of its investment portfolio in line with science-based pathways. Further details are provided in the *Sustainable Finance and Investment* section.

Operational Emissions (Scope 1&2)	Financed Emissions (Scope 3)
Fleet Electrification Two-thirds of company-owned vehicles have been converted to electric vehicles (“EVs”), with full fleet electrification targeted by FY2027. Renewable Electricity Established procedures to purchase and retire GECs in the Chinese Mainland. Green Buildings & Energy Efficiency 100% of office premises located in BEAM Plus, LEED or WELL-certified buildings. Energy Management Partnered with CLP to conduct an energy audit and identify additional energy-saving opportunities.	Portfolio Decarbonization Investment portfolio aligned with science-based decarbonization pathways. SBTi-Aligned Approach Leverages the SBTi as a guiding framework. Climate-Conscious Capital Allocation Supports companies demonstrating credible and measurable emissions reduction commitments. Sustainable Finance Strategy Further details are provided in the <i>Sustainable Finance and Investment</i> section.

Logistics

The Group invests in, owns and manages a portfolio of premium logistics assets across Hong Kong and the Chinese Mainland, providing modern warehousing facilities and professional property and operational management services to a diverse range of tenants and clients. As a portfolio of warehouse assets, the Logistics segment has a relatively modest direct emissions footprint compared to other business segments. However, its extensive rooftop space offers a meaningful opportunity to support the Group’s broader decarbonization efforts. Six of our logistics properties have received Grade 1 (3-Star) certification, the highest distinction under the Green Warehousing Certification programme of the China Association of Warehousing and Distribution, highlighting our dedication to sustainable development and operational excellence.

Roads

As a toll road operator, our Roads business plays a key role in supporting both decarbonization and climate resilience across the transportation network.

We are committed to developing safer, smarter, and more resilient road infrastructure that can withstand and adapt to climate-related challenges, including extreme rainfall, flooding, and landslides. Through intelligent traffic management, real-time monitoring, and proactive asset maintenance, we enhance network reliability while maintaining safe and efficient connectivity.

At the same time, we help reduce transport-related emissions by improving traffic flow, minimizing congestion, and investing in infrastructure that supports the adoption of electric and low-emission vehicles.

By integrating climate resilience with sustainable infrastructure development, we are strengthening the long-term performance of our road assets while contributing to a lower-carbon and more resilient transportation network.

LEVERAGING LOGISTICS ASSETS TO ACCELERATE ENERGY TRANSITION



WHY IT MATTERS

As an owner and manager of logistics assets across the Chinese Mainland and Hong Kong, CTF Logistics is well positioned to support the low-carbon transition by leveraging the extensive rooftop space across its warehouse portfolio. While warehouse operations have a relatively modest direct emissions footprint, the scale and characteristics of these assets create valuable opportunities to contribute to the Group's broader decarbonization ambitions through renewable energy generation.

In line with China's dual-carbon goals, CTF Logistics seeks to maximize the value of its assets by deployment of solar photovoltaic ("PV") systems across suitable rooftops. By generating renewable energy on-site, the segment can reduce reliance on grid electricity, lower operational emissions and enhance the resilience and reliability of energy supply for warehouse operations. These benefits support both the environmental performance of the portfolio and the long-term resilience of asset operations while contributing to the transition towards a low-carbon energy system.

HOW WE DID IT

To realize this opportunity, CTF Logistics incorporates sustainability considerations into its asset acquisition and management strategy. When evaluating potential investments, CTF Logistics assesses energy efficiency, green building features and opportunities for renewable energy generation, recognizing their potential to enhance both environmental performance and long-term asset value.

Reflecting this approach, four logistics warehouses acquired by the Group in East China and Wuhan were equipped with rooftop solar PV systems at the time of acquisition. These systems generate renewable electricity to support on-site operations, reducing reliance on conventionally generated grid electricity while enhancing the resilience and reliability of the facilities' energy supply.

WHAT WAS THE OUTCOME

1,362,500 kWh

renewable electricity generated

75%

of facility electricity demand supplied by on-site solar PV across four logistics warehouses in East China and Wuhan

Subject to local regulations and commercial arrangement, a portion of the renewable energy generated is exported back to the local grid, extending the benefits of the initiative beyond the warehouses themselves and supporting the wider adoption of renewable energy in the region. The initiative demonstrates how sustainability considerations in asset acquisition can create long-term environmental value while supporting the Group's broader decarbonization ambitions.



The rooftop solar PV system in East China

Looking ahead, CTF Logistics will continue to assess opportunities to expand renewable energy deployment across suitable assets within its portfolio, further enhancing the sustainability performance and resilience of its logistics facilities.

STRENGTHENING CLIMATE RESILIENCE THROUGH SMART INFRASTRUCTURE MONITORING

WHY IT MATTERS

Climate change is increasing the frequency and severity of extreme weather events, such as intense rainfall, flooding, and landslides, which can affect road safety, asset integrity, and network connectivity. To maintain a safe, reliable, and resilient transportation network, we are strengthening our ability to anticipate, monitor, and respond to climate-related risks through digital technologies and real-time data analytics.

HOW WE DID IT

We deploy smart monitoring solutions across critical infrastructure assets, integrating sensors, IoT connectivity, real-time monitoring, and advanced analytics to enable early risk detection, proactive maintenance, and timely intervention.

	What We Implemented	Climate Resilience Benefits
Slope Monitoring System	Deployed a 24/7 intelligent monitoring system capable of detecting millimetre-level ground displacement and issuing real-time alerts.	Enables early detection of slope instability and landslide risks, supporting timely interventions and reducing weather-related disruptions.
Bridge Structural Health Monitoring	Installed sensors to continuously monitor bridge pier tilt, vibration, and movement, creating a digital health record throughout the asset lifecycle.	Strengthens bridge resilience through early warning capabilities, continuous condition assessment, and data-driven maintenance planning.
Intelligent Traffic Management System 2.0	Expanded monitoring coverage from 5 km to 10 km and introduced microwave radar technology for reliable vehicle detection under adverse weather conditions.	Improves traffic flow, incident response, and operational resilience during heavy rain, poor visibility, and other challenging conditions.



The dashboard of the Intelligent Traffic Management System

WHAT WAS THE OUTCOME

Through these initiatives, we are enhancing the resilience of our road network by improving our ability to predict, monitor, and manage climate-related risks. The use of real-time monitoring, intelligent analytics, and automated alerts supports safer operations, more reliable infrastructure performance, and better-informed maintenance decisions, helping our assets adapt to a changing climate while safeguarding road users and communities.

MANAGING RESOURCES SUSTAINABLY

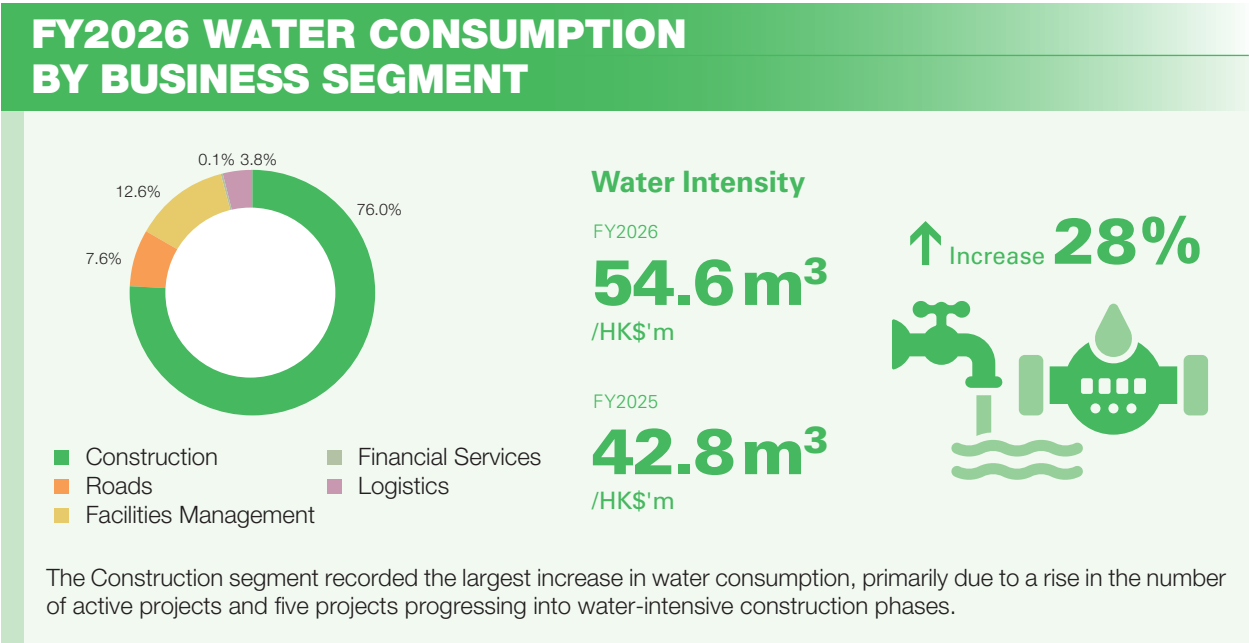
CTFS is committed to reducing our ecological footprint and safeguarding biodiversity as part of our broader environmental responsibility. This commitment is embedded in our corporate policies and guidelines, which integrate biodiversity considerations and circular economy principles into business operations and decision-making.

Reducing Our Water Footprint

Water is an essential natural resource, and responsible water stewardship remains an important component of our environmental management approach. While the Group’s operations generally have a relatively modest reliance on water compared with more water-intensive industries, we recognize that climate change, urbanization, and economic growth continue to place increasing pressure on water resources across the Greater Bay Area.

As a diversified business group operating across the region, we seek to manage water use responsibly, monitor water-related risks, and identify opportunities to improve water efficiency where practicable. Through ongoing monitoring and conservation efforts, we aim to support the sustainable use of water resources and strengthen operational resilience.

	FY2026	FY2025
Water intensity	54.6 m³/HK\$m	42.8 m³/HK\$m



Hip Hing, Roads, and HML accounted for the majority of the Group’s water consumption during FY2026. The increase in overall water consumption compared with the previous year was primarily driven by several major construction projects undertaken by Hip Hing, where site conditions limited opportunities for water recycling. Despite this increase, the Roads and HML businesses continued to reduce water consumption through ongoing water-saving initiatives and operational efficiency measures.

Driving Water Efficiency Across Our Operations

Business	Initiative	Impact
Hip Hing	Installed on-site water replenishment and wastewater treatment systems across construction sites to enable the reuse of treated water for non-potable applications, such as vehicle washing and floor cleaning.	Reduces freshwater consumption and supports more efficient water use in construction activities.
Roads	Implemented water conservation measures at the West Lake Service Area, including a greywater recycling and wastewater treatment system capable of processing up to 800 tonnes of water daily for road cleaning and toilet flushing, as well as a rainwater harvesting pond for landscape irrigation.	Conserves approximately 48,000 m³ of water annually, equivalent to the annual water consumption of around 400 households. The facility was selected as one of the Ministry of Transport’s inaugural “Water-Saving Station” demonstration sites.
HML	Enhanced water efficiency through the installation of water-efficient fixtures in renovated guest washrooms and lower-flow flushing valves. Deployed smart floor-scrubbing robots to optimize cleaning operations.	Urinal flushing valves achieved Water Efficiency Grade 1 certification under the Water Efficiency Labelling Scheme. Smart cleaning equipment reduces water consumption for floor cleaning by approximately 80% while maintaining service standards.

We will continue to strengthen water stewardship across our businesses by enhancing water-use monitoring, promoting the adoption of water-efficient technologies, and engaging suppliers on responsible resource management practices. Through continuous improvement and collaboration, we aim to support the responsible use of water resources while contributing to the long-term sustainability and resilience of our operations.

Mitigating Biodiversity Impacts

We recognize that our operations are primarily situated within built and urban environments, where business activities may have direct and indirect impacts on the natural environment and local ecosystems. As a responsible operator, we are committed to balancing our operational needs and environmental stewardship by minimizing our environmental footprint and supporting urban biodiversity.

Going beyond project-level Environmental Impact Assessments (“EIA”), we have undertaken a TNFD-aligned screening assessment to better understand our nature-related dependencies, impacts, risks and opportunities across both our operations and value chain. The assessment enables us to take a broader and more strategic view of our interactions with nature, identify priority areas for action, and integrate nature-related considerations into our decision-making and risk management processes.

TURNING ENGAGEMENT INTO ENVIRONMENTAL ACTION

CTFS transforms stakeholder participation into a meaningful connection with nature. Instead of a conventional event souvenir, participants in selected ESG initiatives may receive a digitally traceable tree, demonstrating how engagement can create lasting environmental impact.

~1,000 trees planted for 3 CTFS ESG engagements such as Evolve Conference

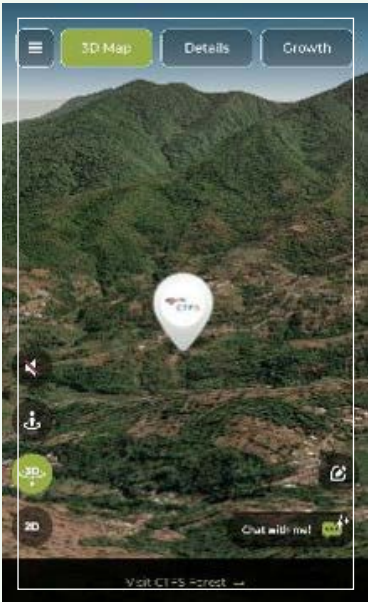


7.8 tonnes of CO₂ sequestered to date



250 tonnes estimated lifetime CO₂ sequestration





◆ The online tree tracker provides information such as tree height, real-time weather, and biodiversity of the area

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REPLACING HARD BARRIERS WITH LIVING ONES ALONG THE CHANGLIU EXPRESSWAY

WHY IT MATTERS

Expressways that traverse ecologically sensitive areas can fragment habitats and disrupt the natural corridors that wildlife and vegetation rely on for movement, dispersal and ecological connectivity. Conventional roadside infrastructure, such as steel and plastic fencing, can create additional barriers within these landscapes, contributing to habitat fragmentation and weakening ecosystem resilience.

HOW WE DID IT?

To reduce biodiversity impacts while maintaining operational functionality, our Roads business adopts nature-based solutions that integrate native vegetation into roadside infrastructure. By replacing hard barriers with living barriers using locally established native species, we aim to restore ecological connectivity, enhance slope stability and create solutions that are better aligned with the surrounding environment.

Along the Changliu Expressway in Hunan, our Roads business replaced sections of conventional steel and plastic roadside fencing with living barriers of native grass species already established along the corridor.

SINCE MAY 2026

employee volunteers have planted approximately



40 metres

of *Saccharum arundinaceum* (斑茅草) to re-establish continuous vegetation cover along the roadside.



WHAT WAS THE OUTCOME

The initiative has re-established continuous vegetation cover along sections of the expressway, helping to reduce the ecological breaks created by conventional hard fencing and improve habitat connectivity. The use of deep-rooted native grass species also contributes to slope stabilization and erosion control, enhancing the resilience of roadside ecosystems.

In addition to these biodiversity benefits, replacing metal fencing with living barriers helps address recurring damage associated with material salvage and theft, reducing maintenance requirements while creating roadside infrastructure that is better integrated with the surrounding landscape.

Encouraging Circularity and Waste Management

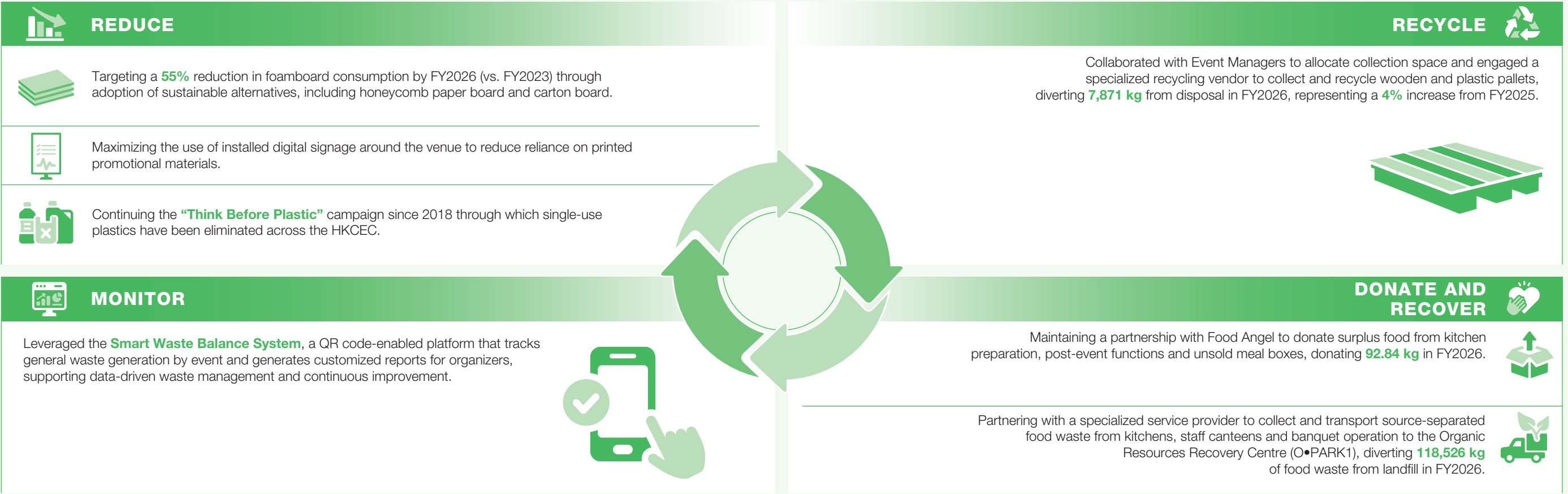
As demand for resources continues to increase, advancing circularity and effective waste management is critical to reducing environmental impacts and supporting sustainable development. At CTFS, we are committed to embedding circular economy principles across our operations by following the waste management hierarchy principles and prioritizing waste avoidance, reduction, recycling and responsible recovery wherever practicable.

CREATING A CIRCULAR EVENT ECOSYSTEM AT THE HKCEC

WHY IT MATTERS

As Asia’s premier Meetings, Incentives, Conventions and Exhibitions (MICE) venue, the HKCEC generates substantial volumes of waste across event lifecycles and daily operations. Contributors include waste generated throughout the event lifecycle, from exhibition booth construction and dismantling materials, promotional materials and packaging waste, to food waste from catering operations and wooden pallets used for logistics and freight handling. Without deliberate intervention, these waste streams place pressure on landfill capacity and represent missed opportunities to recover value through reuse, recycling and donation. Reducing waste at the source and diverting it from landfill are therefore central to HML’s environmental performance and its role as a responsible venue operator.

HOW WE DID IT?



HIP HING MATERIAL MANAGEMENT APP

Hip Hing promotes circularity in construction through its Material Management App (“MMA”), a self-developed cloud-based platform that facilitates the reuse of surplus construction and demolition (“C&D”) materials across projects and sites. By enabling the effective exchange and redistribution of reusable materials, the initiative helps:



Minimize construction waste



Reduce embodied carbon emissions



Enhance resource efficiency throughout the project lifecycle



In FY2026



147 tonnes

of C&D materials were reused through the MMA.

GROW AS ONE

Overview

Our people are central to our long-term success and value creation. As a diversified Group operating across multiple business segments, we recognize that attracting, developing and retaining talent, while prioritizing employee wellbeing, is essential to sustaining operational performance, and strengthening stakeholder trust. These efforts are critical to building a resilient workforce and supporting continued growth.

OUR MANAGEMENT APPROACH

We adopt a people-centric approach focused on three priorities: investing in our people, prioritising health and safety, and fostering an inclusive workplace culture. This approach is tailored to the unique workforce characteristics and operational risks of each business segment.

We invest in employee learning, leadership development, and career progression opportunities to build a capable and future-ready workforce. We also implement robust health and safety management systems, particularly in higher-risk operations, such as Construction, to protect employees and promote a safe working environment. At the same time, we cultivate an inclusive workplace culture that values diversity, encourages collaboration and supports employee engagement, wellbeing, and a sense of belonging.

Business Unit	International Certification
Hip Hing	Certified to ISO 45001:2018 , the international standard for Occupational Health and Safety (“OH&S”) Management Systems.

KEY UPDATES FROM FY2026

0.4

Lost Time Injury Rate
against our target of
≤3.0



Lost Day Rate

decreased to

**28.7 per
100 employees**

from 41.9
in FY2025



Average Training Hour

increased to

**13 hours
per employee**

from 11.7
in FY2025



**Industry
recognition**

for people and
workplace excellence
across the corporate
office and
business units



INVESTING IN OUR PEOPLE

Building a talented and adaptable workforce is fundamental to our long-term success. We are committed to attracting, developing and retaining talent, promoting employee wellbeing, and equipping employees with the skills and capabilities needed to thrive in their roles.

As workforce expectations and skill requirements continue to evolve, particularly with the growing adoption of AI technologies, we proactively adapt our learning and development strategies to prepare employees for the future of work. We monitor the effectiveness of our people initiatives through annual staff appraisals and discussions and biennial employee engagement surveys, which help us gather employee feedback and drive continuous enhancement of our wellbeing, learning, and development programmes.

Finding the Right Talent

We seek individuals with the skills, ambition and innovative mindset needed to contribute to our diverse businesses. Through outreach initiatives, career fairs and industry engagement programmes, we connect with students, graduates and experienced professionals to cultivate a strong and sustainable talent pipeline.



STRENGTHENING TALENT PIPELINE THROUGH GROUP COLLABORATION

We leverage the collective strength of the Chow Tai Fook Group ecosystem to enhance our employer brand and attract talent across our diverse businesses. As part of the Group's presence at the Global Talent Summit's CareerConnect Expo 2026 (the "CareerConnect Expo"), Hip Hing and CTF Life joined fellow Group entities in supporting Hong Kong Talent Engage to showcase the breadth of career opportunities available across the wider Chow Tai Fook Group.

Through direct engagement with students, professionals and international talent, we highlighted the unique career pathways, development opportunities and workplace cultures offered by our businesses, while demonstrating the advantages of being part of a diversified corporate group. The event also provided a valuable platform to strengthen our talent pipeline, expand our reach to prospective international candidates, and support our efforts to build a diverse and future-ready workforce.



Hip Hing representatives engaging with prospective talent at the CareerConnect Expo.



Mr Chris Sun Yuk-han, JP, Secretary for Labour and Welfare, visited the CTFE booth at the CareerConnect Expo, highlighting the importance of collaborative efforts to attract and develop local and international talent.

In FY2026, CTFS organized a Group-wide Internship Programme in collaboration with education institutions and through an employee-benefit initiative that extended internship opportunities to the family members of our employees. Around 20 young talents, many of whom were family members of our employees, were placed across various business units, including CTFS Corporate Office, CTF Life, Hip Hing, HML, and Kai Tak Sports Park, gaining valuable exposure to the Group's diverse operations.

Beyond their daily responsibilities, interns engaged with industry leaders, participated in community initiatives, and took part in experiential learning activities. Supported by dedicated mentors, interns developed practical skills, broadened their industry knowledge, and established valuable professional networks.



Group-wide Internship Programme Graduation Ceremony



Interns visited Kai Tak Sports Park to learn about the business operations

To further develop early-career talent, Hip Hing's Graduate Programme supports approximately 100 graduates annually on their journey towards becoming professionally qualified engineers. Through rotational placements, structured mentorship, regular feedback and clear defined career development pathways, the programme fosters graduates' professional growth while strengthening the Company's pipeline of future engineering talent.

CTF LIFE+ CASE COMPETITION —
EMPOWERING FUTURE TALENT THROUGH FINANCIAL INCLUSION AND SOCIAL INNOVATION

WHY IT MATTERS

Financial literacy gaps among underserved communities remain a persistent social challenge in Hong Kong. At the same time, many young people are increasingly seeking meaningful opportunities to develop professional skills while creating positive social impact. Through CTF Life+ Case Competition, CTF Life aims to bridge these needs by cultivating purpose-driven talents and encouraging youth-led innovations that advance financial empowerment and inclusion for vulnerable groups.

HOW WE DID IT

In FY2026, CTF Life launched its first “Financial Empowerment • Life Companion” case competition under its flagship youth programme, CTF Life+. The initiative was designed to cultivate future talent while generating innovative solutions to address financial literacy and inclusion challenges faced by underserved communities.

LEARN

ESG and social innovation sharing sessions led by industry experts and leaders

CREATE

Teams collaborated with CTF Life mentors to refine their ideas and develop innovative, impact-driven solutions to address financial inclusion challenges

Ten finalist teams presented their proposals at the Grand Pitch Day, where three winning solutions were selected for their innovation, feasibility and potential social impact

EXPERIENCE

Throughout the process, participants gained hands-on industry exposure through internship at CTF Life

WHAT WAS THE OUTCOME

The programme provided a platform for university students to apply social innovation and design-thinking principles to real-world financial inclusion challenges. Through mentorship, industry engagement and collaborative problem-solving, participants developed practical solutions aimed at enhancing financial literacy and empowerment among underserved communities. The programme culminated in the Grand Final on 7 February 2026, where finalist teams presented their proposals to a judging panel comprising professional representatives from the ESG, finance and education sectors.



Through CTF Life+, CTF Life will continue to foster future-ready talent by providing opportunities for mentorship, experiential learning and industry engagement. By empowering young people to develop innovative solutions to societal challenges, the programme supports both talent development and the advancement of financial inclusion across the wider Hong Kong community.

10 finalist teams

9 universities represented

HK\$50,000

cash prize for the champion team, plus an opportunity for seed funding to launch their project

3 winning proposals recognized across Champion, First Runner-up and Second Runner-up categories, with the remaining also recognized with the Excellence Award

Rank	Institutions	Solution
Champion	HKU & CUHK	Chairs for the Elderly — empowering elderly and youth volunteers through a sustainable, feasible concept
First Runner-up	CityU, HKU SPACE & HKBU	The Gold Athlete Programme — an innovative, audience-focused approach with real-life application
Second Runner-up	HKUST & CityU	Second Life Passport — leveraging Group resources with strong execution detail

Supporting Employee Wellbeing

CTFS is committed to fostering a supportive and inclusive workplace where employees can thrive both professionally and personally. Through competitive benefits, family-friendly policies and flexible work arrangements, the Group seeks to enhance employee wellbeing, support diverse family needs and promote long-term workforce engagement.

Enhancing Family-Friendly and Inclusive Workplace Practices

CTFS Corporate Office provides a comprehensive suite of benefits that promotes employees’ physical, financial and family wellbeing throughout different life stages. Going beyond statutory and traditional employment benefits, we offer inclusive healthcare coverage, enhanced retirement benefits, flexible work arrangements, and opportunities for personal and professional development, helping employees balance their professional responsibilities and personal commitments.

What We Prioritize	How We Support Our People
Inclusive Healthcare and Family Wellbeing	Family-inclusive medical coverage for spouses (including legally recognized same-sex spouses), children, dependants and non-working parents, supported by medical check-ups and wellness benefits.
Holistic Employee Wellbeing	Flexible Wellness Programme allowing employees to choose benefits that best support their physical, mental and recreational wellbeing.
Financial Resilience	Enhanced retirement benefits with employer contributions of up to 10% based on years of service and voluntary MPF options to support employees’ long-term financial wellbeing and retirement planning.
Work-Life Integration	Family Care Leave, enhanced leave provisions and flexible working hours.
Career Growth and Employee Protection	Learning and development opportunities, career progression support, insurance protection and overtime compensation for eligible employees at specific roles.

Recognizing the diverse needs of employees across the Group, each business unit offers benefit programmes and flexible arrangements tailored to its operational requirements and workforce demographics, while maintaining alignment with the Group’s overarching people and wellbeing principles.

FOSTERING CONNECTION THROUGH “SUMMER VIBE”



WHY IT MATTERS

Strong workplace relationships are essential to a collaborative, engaged and supportive culture. Guided by CTFS’s core value of “Grow as One”, Summer Vibe 2025 was designed to bring employees, families and friends together, creating opportunities to build connections across teams and departments beyond the workplace. By encouraging social interaction and prioritising well-being, the programme helped foster a greater sense of belonging within the CTFS Corporate Office.

HOW WE DID IT

From July to September 2025, CTFS organized Summer Vibe 2025, a series of engagement activities that catered to different interests and lifestyles. The programme featured a Kick-off Party, Movie Day, Wellness Day with rubber band exercises and health assessments, a Sports Fun Day at Joypolis, and a Mahjong and Sake Night.

To further promote active living and cross-team interaction, Adventure Fridays returned from July to September 2025, allowing employees to apply for a half-day off on Fridays to participate in sports and physical activities with colleagues from different departments. Employees were also encouraged to join the Fitness Challenge, earning Balance points in recognition of their commitment to a healthy lifestyle.

WHAT WAS THE OUTCOME

By combining social, wellness and recreational activities, Summer Vibe 2025 provided multiple opportunities for employees and their loved ones to connect throughout the summer. The initiative strengthened relationships across teams, encouraged greater cross-department engagement, and reinforced a culture of care, well-being and inclusivity. Through these shared experiences, employees built stronger connections with one another, contributing to a more united and supportive workplace that truly reflects the spirit of “Grow as One”.



Sports Fun Day at Joypolis



Wellness Day at the office

Supporting Our People to Learn and Grow

Investing in employee development is central to CTFS's people strategy. Through targeted learning and development programmes, we empower employees to strengthen their capabilities, advance their careers and excel in their roles. Regular training needs assessments help ensure our programmes remain relevant, practical and aligned with evolving business needs and workforce expectations.

Nurturing Talent

New employees across CTFS are welcomed through Orientation introducing the Company's Mission, Vision and Values. Our training initiatives further keep employees and leaders informed of emerging trends and industry developments relevant to their roles.

CTFS Training and Development Focuses

	Description	Approach
 Capacity Building	Strengthens employees' knowledge and core competencies to support effective performance in their current roles.	Provides training across wide range of topics, including sustainability, IT, business strategy, corporate culture, as well as legal and regulatory matters.
 Career Development	Prepares employees to take on greater responsibilities and navigate increasingly complex challenges as they progress into leadership positions.	Implements leadership development programme, supported by regular performance reviews to identify, develop, and retain future leaders.
 Leadership Training	Enhances leaders' self-awareness, leadership effectiveness and ability to maximize their strengths while achieving their career aspiration.	Delivers a Transformational Leadership Training Programme that fosters a shared leadership language, common goals and consistent behaviours to strengthen engagement, performance and talent retention.

Building Communication and People Management Skills

Department Heads and People Managers from CTFS Corporate Office participated in a Dominance, Influence, Steadiness and Compliance ("DISC") Workshop to enhance self-awareness, strengthen communication skills, and improve people management through adopting more effective interaction styles to support workplace performance.



Developing Strategic Leadership Capability

To strengthen leadership capability, 24 leaders across the CTFS Corporate Office and business units were nominated to participate in the Ivey Asia Leadership Certificate Programme, which is tailored for professionals who are on track for more complex strategic responsibility within the organizations.

Beyond Group-wide initiatives, CTFS's business units complement the training framework with specialized learning and development programmes tailored to their operational needs and professional requirements. For example, Hip Hing provides structured development pathways for employees at different career stages, including Project Management Development Programmes for professional staff, Project Management Trainee Programmes for graduates, and capability-building programmes for frontline employees. These are supported by mentorship opportunities, job rotations and professional qualification development, as well as financial assistance for higher education and continuous professional development, helping employees build both technical expertise and leadership capabilities throughout their careers.

Embedding ESG Accountability Through Goal Setting and Performance Reviews

ESG considerations are embedded into our performance management cycle through both goal setting and performance reviews. Employees are required to align their individual and departmental objectives with the Group's strategic priorities, including sustainability-related goals, and their performance is assessed against these commitments throughout the appraisal process. By integrating ESG considerations into goal setting and evaluation, we strengthen accountability, encourage responsible business practices, and support the delivery of positive outcomes for our stakeholders and communities.

CTF LIFE: EMPOWERING GROWTH THROUGH ITS GROW VALUE



WHY IT MATTERS

In today’s competitive talent market, employees seek more than a career. They want opportunity to grow, make meaningfully contributions and fulfil their potential. CTF Life’s employer value proposition is anchored in its “GROW” value, comprising of Grow as One, Respect, Ownership and Work Ethic. CTF Life creates an environment where employees are empowered to take ownership of their development while benefiting the wider Chow Tai Fook Group ecosystem. Through structured development opportunities for both new managers and emerging leaders. CTF Life is cultivating a strong leadership pipeline and fostering a culture of continuous growth and excellence.

HOW WE DID IT

To strengthen leadership capabilities across different career stages, two flagship annual development programmes were introduced to support both new managers and high-potential talent.

Programme	Target Audience	Purpose	Outcome
Effective People Manager Programme	First-time and existing managers	Equip managers with the core people leadership capabilities needed to lead teams, foster engagement and drive performance.	Empowers colleagues to step confidently into people leadership roles and lead teams more effectively.
New Horizons Programme	Emerging leaders and high-potential talent	Broaden perspectives, build future-ready capabilities and strengthen the ability to create business and societal impact.	Accelerates leadership growth and prepares participants for greater strategic responsibilities.



Effective People Manager Programme



New Horizons Programme

These programmes support employees in taking ownership of their professional development while leveraging opportunities, networks and insights across the wider Chow Tai Fook Group ecosystem.

WHAT WAS THE OUTCOME

- 24 managers participated in the Effective People Manager Programme
- 32 high-potential employees joined the New Horizons Programme

Through these programmes, participants strengthened their leadership, communication and strategic thinking capabilities while expanding their professional networks and exposure to diverse business perspectives. The initiatives also fostered a stronger learning culture and enhanced readiness for future leadership opportunities, helping ensure a sustainable pipeline of talent to support the organization’s continued growth.

Average Training Hours Per Employee by Category

Training		FY2026	
Average Training Hours per Employee		No. of hours	13.0
Average Training Hours per Employee (by Gender)	Male	No. of hours	11.6
	Female	No. of hours	16.2
Total Training Hours by Type of Training	Anti-corruption	No. of hours	2,889
	Corporate culture	No. of hours	16,984
	Environmental protection	No. of hours	640
	Occupational health and safety	No. of hours	17,201
	Professional development	No. of hours	28,306

HK\$10,000 Annual Education Subsidy

To support continuous learning and professional development, eligible CTFS Corporate Office employees are entitled to an annual education subsidy of up to **HK\$10,000**. The subsidy covers seminars, conferences, training and courses, relevant to employees' job duties and responsibilities, conducted by government authorities, professional bodies or recognized educational institutes. It also covers professional membership fees, relevant to the employee's roles, recognized by professional boards of the industry.

CTFS GROUP: EMPOWERING IMPACT THROUGH ESG CAPACITY BUILDING

WHY IT MATTERS

Achieving CTFS's *Breakthrough 2050* requires more than ambition. It calls for leadership, collaboration and accountability across the Group's diverse businesses.

Under our collaborative ESG governance model, the Group provides strategic direction, resources and platforms for engagement, while business units take ownership of implementation within their respective operating contexts. Building the capabilities to translate ESG commitments into practical actions is therefore critical to achieving meaningful and lasting impact.

HOW WE DID IT

Throughout FY2026, CTFS adopted a multi-level approach to ESG capacity building, developing leadership capabilities through progressive learning, collaboration and action-oriented experiences.

Tier	Objective	Initiative	How It Builds ESG Capability
Tier 1: Align	Build a shared understanding of CTFS's sustainability vision and priorities.	Evolve Conference 2025	Connected more than 300 leaders and external experts through panel discussions and workshops, fostering a common ESG language, strengthening leadership commitment and identifying opportunities for collaboration across businesses.
Tier 2: Engage	Sustain momentum through continuous learning and knowledge exchange.	Monthly Fireside Chats	Created regular opportunities for business units to learn from experts and peers on emerging ESG topics, encouraging knowledge sharing, cross-business dialogue and the exchange of practical solutions.
Tier 3: Apply	Translate ESG concepts into practical business applications.	Imp[ACT] Fund Capacity Building	Through site visits and workshops, participants explored real-world solutions in biodiversity, circular economy, responsible sourcing, workplace wellbeing and sustainable construction, helping bridge the gap between strategy and implementation.
Tier 4: Activate	Empower leaders to implement solutions and create measurable impact.	ESG Offsite and Imp[ACT] Fund	Through the ESG Offsite and the establishment of the Imp[ACT] Leaders network, CTFS empowered sustainability champions across its businesses to turn learning into action. Imp[ACT] Leaders and ESG Coordinators were equipped with the knowledge, networks and tools to drive ESG initiatives through strategic planning, cross-functional collaboration and project development. Complementing these efforts, the Imp[ACT] Fund provided funding and sponsorship for high-potential ESG initiatives, enabling leaders to pilot, implement and scale innovative solutions that deliver both operational excellence and sustainability impact.



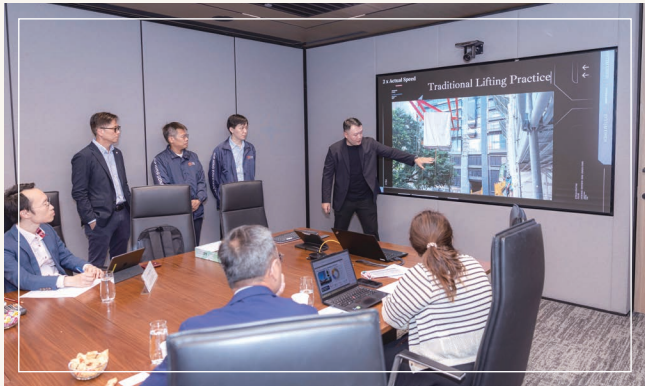
Evolve Conference 2025
CTFS's flagship ESG event to explore how organizations can create sustainable value by turning purpose into performance.



Monthly Fireside Chat
Monthly Fireside Chats connect business unit representatives and external experts to exchange insights on emerging ESG topics and practical solutions.



ESG Offsite 2026
Imp[ACT] Leaders, ESG Coordinators and business representatives came together to align priorities and strengthen collaboration for greater ESG impact.



Imp[ACT] Fund 2026
The HK\$1 million Imp[ACT] Fund empowers colleagues to pilot innovative solutions that create business, environmental and social value.

CTFS GROUP: EMPOWERING IMPACT THROUGH ESG CAPACITY BUILDING

Imp[ACT] Fund 2026 — Capacity Building



Visit 1: Tsui Ping River Green Corridor
Participants explored biodiversity enhancement and placemaking initiatives through a visit to the revitalized Tsui Ping River Green Corridor.



Visit 2: Distant Tower Crane Command System
Participants gained insights into innovative approaches to construction efficiency and workplace safety through a demonstration of the Distant Tower Crane Command System.



Visit 3: Responsible Sourcing and Workplace Wellbeing
Participants explored responsible sourcing practices and wellness-oriented workplace design through interactive learning sessions.



Visit 4: T-Park and WEEE-Park
Participants learned about circular economy solutions through visits to T-Park and WEEE-Park, showcasing waste-to-energy and e-waste treatment technologies.

WHAT WAS THE OUTCOME

300+ participants at Evolve Conference 2025	45 Imp[ACT] Leaders appointed as sustainability champions	HK\$1 MILLION allocated through the Imp[ACT] Fund to three ESG projects	17 ESG training and engagement sessions delivered during FY2026	1,230+ employee participations in ESG learning and capacity-building initiatives
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Through this structured, multi-layered approach to capacity building, CTFS equipped employees with the knowledge, networks and practical experience needed to embed sustainability into decision-making and day-to-day operations. By fostering cross-business learning and empowering sustainability champions, the Group strengthened its ability to identify opportunities, scale good practices and accelerate ESG progress across its portfolio.

PRIORITIZING HEALTH AND SAFETY

Protecting the health, safety and wellbeing of employees remains a core priority across CTFS's diverse business operations. Following heightened regulatory scrutiny and stakeholder expectations across the construction sector this year, CTFS reinforced our approach to occupational safety and health ("OSH") at both Group and business unit levels.

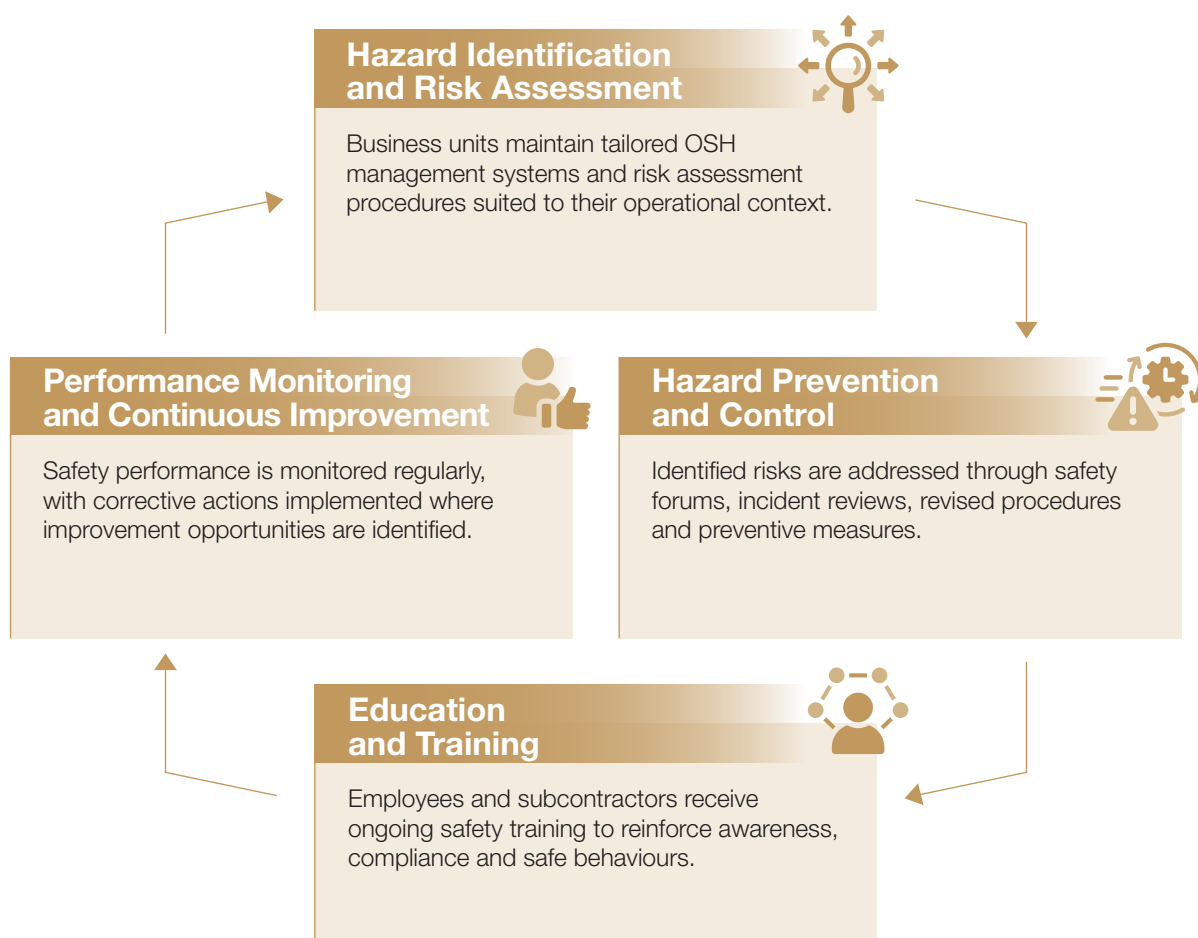
Governance and Standards

CTFS manages workplace health and safety through its OSH management system, integrating health and safety considerations into the Group's ERM framework. The Group aligns our approach with the International Labour Organization's Guidelines on Occupational Safety and Health Management Systems, the Occupational Safety and Health Ordinance (Cap. 509), and the Companies Ordinance (Cap. 622).

Guided by the Group's Health and Safety Policy, business units have established a robust hierarchy of control to identify, address, prevent and investigate workplace hazards, extending safety oversight across operations, suppliers and sub-contractors.

Risk Management Approach

CTFS applies a continuous, four-stage approach to managing workplace health and safety risks across our business units:



HML: Strengthening Safety Through Training, Preparedness and Innovation

To foster a strong safety culture across the HKCEC, the Safety and Emergency Preparedness Committee (“SEPC”) meets monthly to review OSH incidents, assess emerging risks, and strengthen safety procedures. Supporting this governance framework, employees completed specialized certifications and training in boiler and pressure vessel operations, electrical and gas safety, and kitchen fire safety awareness. These initiatives enhance hazard identification, emergency response capabilities, and operational compliance, helping to maintain high standards of workplace safety across the HKCEC.

Complementing these efforts, HML continues to leverage technology to enhance workplace and visitor safety. Portable, sensor-equipped “A.I. Speakers” have been deployed at major escalators across the HKCEC, automatically triggering safety announcements when visitors are detected. This targeted, real-time approach helps deliver safety messages when and where they are most relevant, while enabling more efficient deployment of manpower for crowd management. Together with ongoing training, emergency preparedness initiatives, these smart safety initiatives reinforce HML’s commitment to maintaining a safe environment for employees, visitors, and other stakeholders.

Hip Hing: Embedding Safety Through a Four-Stage Risk Management Approach

Given the dynamic nature of construction activities carried out at a construction site, providing and maintaining a high standard of occupational safety and health is a fundamental policy of Hip Hing. The OSH management system has achieved ISO 45001:2018 standard and accredited certification, aligning its safety practices with international recognized occupational health and safety management standards.

To maintain full compliance with the Factories and Industrial Undertakings (Safety Management) Regulation and the Code of Practice on Safety Management, Hip Hing adopts a comprehensive approach to managing workplace health and safety risks. The approach encompasses risk identification and assessment, risk evaluations to determine that the appropriate preventive and protective controls are in place, and undergoing task launching briefing and safety training to drive continuous improvement throughout project delivery.

Risk Management Stage	How Hip Hing Applies the Approach
 Hazard Identification and Risk Assessment	Applying Job Hazard Identification (“JHI”) and Dynamic Risk Assessment (“DRA”) techniques; the 4M1E framework (“Man, Machine, Materials, Method and Environment”); site inspections and AI-enabled monitoring to identify workplace safety and health hazards to take prompt actions for rectification.
 Hazard Prevention and Control	- Adopting 4S System to eliminate and control potential safety and health hazards; implementing advanced technologies to enhance safety and health performance; - Enhancing worker behavioural monitoring through HH Connect and upgrading fire safety measures to reduce and control risks.
 Education and Training	- Mandating Task Launching Briefings to communicate construction methods and work sequences to relevant work crews; - Providing seven-hour Safety Culture and Safety Behaviours training for frontline supervisory staff and subcontractor representatives; conducting three-hour Business Partners Safety Workshops for subcontractor senior management; and maintaining ongoing engagement to strengthen safety awareness, competency and accountability across the workforce and supply chain.
 Performance Monitoring and Continuous Improvement	- Monitoring safety performance of colleagues and workers through HH Connect; conducting Panel Meetings to review incidents and determine appropriate actions where parties fail to fulfil their duties and responsibilities; - Sharing lessons learned from incidents across the construction industry; and engaging stakeholders to strengthen safety awareness and continuous improvement.

Hazard Identification and Risk Assessment: Technology-Enabled Safety Innovation

To strengthen hazard identification and improve risk visibility across construction sites, Hip Hing continues to invest in digital and AI-enabled safety technologies. These tools support the early detection of potential hazards, enabling more proactive intervention before incidents occur.

HH Connect and the Central Management Platform

Since 2023, Hip Hing's proprietary app-based safety system, HH Connect, has enhanced individual workers' safety awareness through a scoring, training and reward mechanism that tracks workplace safety behaviour. As of October 2025, HH Connect had over 96,000 registered workers, with around 10,000 workers actively managed under its safety scoring system across Hip Hing-managed construction sites.

Integrated with the Centralized Management Platform, HH Connect consolidates worker registration, individual safety performance scoring, adverse weather and health notifications, safety alerts, and training and appointment scheduling into a single system supporting all projects.

10,000 workers

actively managed under HH Connect's scoring system across Hip Hing-managed construction sites



Robotic Safety Patrol and AI-Enabled Monitoring

Building on the launch of Hong Kong's first multimodal AI-powered robotic safety dog in 2025, Hip Hing's "Safety Copilot" continues to autonomously patrol construction sites, conducting 360-degree scans and detecting hazards, such as equipment misplacement and structural defects. Its capabilities are complemented by AI camera monitoring of lifting zones, smart electrical cabinet locks and wearable devices that track workers' health indicators in real time, creating a more connected and proactive approach to site safety.

Central Monitoring Centre

To further strengthen oversight across its project portfolio, Hip Hing commenced test operations of the Hip Hing-Vibro Central Monitoring Centre in October 2025. The Centre consolidates site monitoring data, including AI-powered camera surveillance deployed across multiple sites, enhancing visibility of site conditions and supporting timely identification of potential risk.

By combining real-time data, behavioural insights and AI-enabled hazard detection, these technologies strengthen Hip Hing's ability to identify risks earlier, enhance safety oversight and support timely intervention. This integrated approach is helping the Company shift from reactive inspections towards more proactive and preventive site safety management.

HAZARD PREVENTION AND CONTROL: STRENGTHENING FIRE SAFETY ON CONSTRUCTION SITES



WHY IT MATTERS

Fire safety is a critical dimension of construction site management, particularly in high-rise developments where fire incidents can pose significant risks to workers, subcontractors, and project community. In response to heightened public and regulatory attention on construction safety, Hip Hing strengthened its fire safety framework during the year, reinforcing its commitment to safeguarding workers and preventing fire-related incidents across its construction sites.

HOW WE DID IT

In alignment with the Fire Services Department’s Circular No. 2/2024 on fire safety for high-rise buildings under construction, Hip Hing embeds fire protection requirements into subcontract tenders and enforces them rigorously on-site. Hip Hing’s enhanced fire safety framework focuses on three areas: prevention, site discipline, and emergency preparedness.

Preventing Fire at the Source

To minimize fire risks before they arise, Hip Hing strengthened preventive controls across construction sites by:

- ◆ Extending enhanced fire safety requirements to basement-level works, in addition to existing controls for ground and podium levels
- ◆ Prohibiting the use of combustible Styrofoam materials. Any non-combustible alternatives require approval from General Manager and procurement through approved vendors
- ◆ Equipping fire patrol teams with thermal detectors to identify hotspots and overheating risks before they escalate into incidents

Enforcing Site Discipline

Recognizing that safe behaviours are essential to fire prevention, Hip Hing strengthened site control through:

- ◆ A comprehensive no-smoking policy, enforced through a demerit points system and seven-day site access suspension for offenders

- ◆ Dedicated storage lockers at site entrances to prevent smoking materials from being brought onto construction sites
- ◆ Restrictions on battery and equipment charging, which are only permitted in designated, indoor areas visible to security personnel
- ◆ Mandatory use of fire-retardant materials for scaffolding netting and external wall protection materials
- ◆ Strictly prohibition of unauthorized open flames and on-site debris burning

Preparing for Emergencies

To enhance emergency response capabilities, Hip Hing implemented additional safeguards, including:

- ◆ Providing at least one designated escape route at approximately every 40 metres during structural construction
- ◆ Deploying suspended automatic dry powder fire extinguishers in unattended areas, enabling rapid fire suppression without requiring power, water supply or alarm-system connectivity

WHAT WAS THE OUTCOME

By strengthening controls across prevention, site discipline and emergency preparedness, Hip Hing has built a more comprehensive, multi-layered fire safety framework across its construction sites. The enhanced measures improved fire risk management, reinforced compliance with evolving industry requirements and strengthened protection for workers, subcontractors and site operators.

EDUCATION AND TRAINING: SUBCONTRACTOR SAFETY CERTIFICATION PROGRAMME



Construction safety depends on a shared commitment from both main contractors and subcontractors. To strengthen safety awareness, risk management capabilities and accountability across its contractor workforce, Hip Hing Group introduced a mandatory certification programme for subcontractor managers.

WHY IT MATTERS

Most construction accidents are preventable and often stem from inadequate supervision, ineffective communication or failures to identify and manage risks in a timely manner. Recognizing the important role subcontractor managers play in influencing site safety culture and frontline behaviours, Hip Hing sought to embed safety accountability directly into subcontractor management practices.

HOW WE DID IT

Delivered weekly at Hip Hing’s head office, the certification programme covers subcontractor managers across all trades, including structural works, plastering, fitting-out, and electrical and mechanical works. Each seven-hour session combines case studies, role-playing exercises, group discussion, and written assessments.

Participants are trained in site safety foundations, Dynamic Risk Assessment techniques, and the 4M1E framework, equipping them with the knowledge and tools to identify hazards, assess risks and implement appropriate control measures.

From June 2025, only certified subcontractor managers are authorized to perform site management duties at Hip Hing and Vibro projects. Certification is awarded upon successful completion of the assessment and remains valid for four years.

WHAT WAS THE OUTCOME

17 workshops conducted by end of May 2025	600+ subcontractor managers trained and certified by end of May 2025	4 years certification validity period	7 hours per workshop session (approximately 30 participants per session)
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By linking site access directly to demonstrated safety competency, the programme reinforces a shared safety culture from senior management down to frontline workers, strengthening supervision, risk awareness and reinforces accountability throughout Hip Hing and Vibro’s contractor ecosystem.

Performance Monitoring and Continuous Improvement: Industry Collaboration on Site Safety

Recognising that continuous improvement in construction safety requires industry-wide collaboration, Hip Hing actively participates in platforms that facilitate knowledge sharing, promote best practices and advance safety standards across the construction sector.



Hip Hing and Vibro Safety and Health Forum 2025

More than 600 government officials, industry leaders and business partners gathered at the Hip Hing and Vibro Safety and Health Forum 2025 to exchange insights and explore ways to strengthen construction site safety and foster a stronger safety culture.



Swire Properties Projects Safety Forum 2025

Hip Hing shared its experience in safety innovation, including its robotic safety dog and Distant Tower Crane Command System, with over 160 industry professionals at Swire Properties' inaugural Projects Safety Forum 2025, contributing to industry-wide efforts to advance the goal of zero harm.

FOSTERING AN INCLUSIVE CULTURE FOR OUR PEOPLE

Cultivating a diverse, equitable, and inclusive workplace is fundamental to CTFS's long-term resilience. We are committed to upholding the rights of our workforce, ensuring equal opportunity, and fostering a culture where every employee is treated with dignity, fairness, and respect — regardless of age, gender, ethnicity, or any other aspect of diversity.

As part of the hiring approach, hiring managers complete mandatory training on identifying and countering unconscious bias before conducting interviews. Candidates are assessed solely on academic qualifications, technical knowledge, and competency level, with remuneration for qualified candidates benchmarked against current market rates.

We have set the following diversity-related targets across the Group and regularly monitor, review and reports on its progress.

CTFS's Commitment

50:50 gender balance and aims at ensuring no gender is overrepresented by more than 20% (excluding construction)
At least 1 representative of each gender in senior management



Our Policy Framework

Our approach to diversity, equity and inclusion is underpinned by a robust policy framework that guides our employment practices and workplace culture.

Policy/Commitment	Description
Human Rights Policy	Aligns with the principles of the United Nations Global Compact (“UNGC”) and outlines our commitment to respecting internationally recognized human rights. The policy is available on our corporate website.
Equal Opportunities Policy	Included in the Employee Handbook, this policy affirms our commitment to treating all employees with dignity, fairness and respect, regardless of age, gender, ethnicity or any other aspect of their identity.
Workforce Diversity Policy	Establishes the Group’s approach to fostering workforce diversity and advancing equal opportunities throughout the employee lifecycle.
Racial Diversity and Inclusion Charter for Employers	As a signatory, CTFS is committed to promoting inclusive and non-discriminatory employment practices.
Supplier Code of Conduct	Sets expectations on ethical conduct, anti-discrimination, labour practices and human rights across the extended supply chain.

Upholding Human Rights and Labour Standards

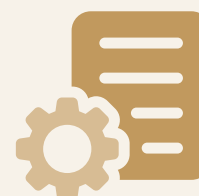
CTFS is committed to upholding internationally recognized human rights and maintaining fair and ethical labour practices across its operations. The Group strictly complies with applicable laws relating to employment, forced labour, child labour and human trafficking in all jurisdictions where it operates.

0 instances

of non-compliance with illegal labour and human trafficking laws

0 reported

incidents of non-compliance with diversity and anti-discrimination policies



The Group also safeguards employee privacy by managing employment-related personal data in accordance with the Personal Data (Privacy) Ordinance (Cap. 486, Laws of Hong Kong), ensuring the confidentiality, integrity and appropriate handling of employee information.

Employees can raise concerns through structured grievance mechanisms, including anonymous reporting channels outlined in the Employee Handbook. CTFS also respects employees’ rights to freedom of association and collective representation. To promote awareness and reinforce expectations relating to human rights, workplace conduct and inclusion, the Group communicates regularly with employees and other stakeholders through training programmes, engagement initiatives and educational campaigns.

◆◆◆ CREATE SHARED VALUE

OVERVIEW

CTFS's businesses, from construction sites and toll roads to insurance products and exhibition venues, are deeply connected to the communities and value chains they serve. As a diversified Group, our long-term success depends on trusted customers relationships, resilient supplier partnerships, and thriving communities. Our ability to create long-term value depends on creating value that is shared among stakeholders. This approach underpins our social license to operate and strengthens enduring relationships across our value chain.

OUR MANAGEMENT APPROACH

CTFS creates shared value through two complementary layers: strengthening the relationships that sustain our core business with customers, suppliers and business partners, and investing in the communities where we operate, each tailored to the nature and reach of our individual business segments.

Within our core business, we place customers at the heart of everything we do, building lasting relationships through products and services designed to meet their needs and through structured feedback and complaint-resolution processes that turn customer input into continuous service improvement.

We maintain internationally recognized management system to support consistent quality and service excellence across our operation.

Business Unit	International Certification
Hip Hing	Certified to ISO 9001:2015 , the international standard for Quality Management Systems.
HML	Certified to ISO 20121:2024 , the international standard for Event Sustainability Management Systems, supporting the sustainable delivery of events at the HKCEC.

We work closely with suppliers and contractors to raise standards on quality, ethics and sustainability, recognizing that a more resilient and capable supply base creates long-term value for both CTFS and our partners across the value chain.

We also collaborate closely with a diverse network of business partners, including industry associations and academic institutions, to address challenges that are too complex for any single organization to solve alone, amplifying our impact and advancing solutions that benefit both society and the industries in which we operate.

Beyond the relationships that sustain our core business, CTFS extends shared value into the communities where we operate. This is achieved primarily through the CTF Services Charity Foundation, complemented by community investment and social impact initiatives led by individual business units, extending the positive contribution of our business beyond economic value creation.

KEY UPDATES FROM FY2026

HK\$5.4 million
community contribution by the CTF Services Charity Foundation

300+ service hours and **benefit 6,000+ people**
through the VA25 Community Partnership Programme

Upgraded
CTFS Volunteer Alliance digital platform

Hong Kong's first
convention and exhibition venue to receive CrescentRating's highest level of certification for Muslim-friendly facilities

STRENGTHENING PARTNERSHIPS ACROSS OUR VALUE CHAIN

The following sections detail how CTFS builds, strengthens, and sustains long-term value through meaningful engagement and collaboration with customers, suppliers and business partners.

Customers

CTFS places customers at the heart of everything we do, building lasting relationships through products and services designed to meet evolving customer needs. Our customer base spans both business and individual customers, reflecting a portfolio that is predominantly B2B in nature while also including consumer-facing businesses, such as CTF Life and HML. Across these relationships, we respond to structural shifts, including Hong Kong’s ageing population and rising demand for sustainable, responsible consumption, by delivering solutions that create tangible value for the customers we serve.

Customer Need	Our Response
CTF Life	
Protection and wealth management needs across different life stages	Continued to offer a comprehensive range of protection and wealth management solutions through a family-centric approach, supporting customers from childhood and family milestones to retirement.
Ageing population and the growing silver economy	Introduced the GBA MediAccess Outpatient Insurance Plan for customers travelling, relocating or retiring in the Greater Bay Area, promoting a family doctor model through partnerships within the Chow Tai Fook ecosystem.
Longer life expectancy and retirement planning	Introduced lifelong withdrawal features across selected products to provide regular income streams for retirement living and medical expenses, alongside an extended premium holiday benefit for customers diagnosed with critical illnesses.
Growing demand for sustainable investment products	Launched a water-themed ESG fund investing in companies supporting the protection and efficient use of water resources, enabling customers to align long-term savings with sustainability priorities.

Customer Need	Our Response
HML	
Growing demand for sustainable dining experiences	Increased procurement from local suppliers of produce, herbs and edible flowers by 18%, supporting local agriculture and enhancing the dining experience.
Growing demand for sustainable food choices	Expanded sustainable banquet menu offerings and increased the availability of responsibly sourced seafood, including lobster, scallops, salmon and cod, supporting responsible seafood sourcing and marine ecosystem protection.
Growing demand for sustainable events and venues	Offered greener venue solutions through sustainable event and catering services, incorporating responsible sourcing, waste reduction initiatives and environmentally conscious event management practices to support events with lower eco-impact.



CUSTOMER COMPLAINT RESOLUTION & REMEDIATION

Customer feedback is actively gathered and managed through a structured engagement process, enabling the timely handling of service feedback and sales conduct matters while supporting continuous service improvement. CTF Life is dedicated to the principle of “Treating Customers Fairly” by resolving complaints promptly and transparently, using customer feedback to identify improvement opportunities and enhance service quality.

WHAT WE DO	WHAT WE’VE DELIVERED	KEY RESULTS AND INDICATORS
Establish clear escalation and triage processes, with visibility for high-risk or regulator referred cases Ensure effective complaint management and remediation across all service areas Maintain full case records with assigned follow-up ownership to drive timely resolution	Run regular complaint governance meetings to track progress and enforce accountability Apply root cause analysis and service gap logging to address recurring issues and drive long term fixes Embed complaint insights into SOPs and service training	Regulators’ positive feedback on our investigation process and resolution approach Reduced complaint resolution time and increased cross-team ownership Lower recurrence of complaints in areas where corrective measures were implemented

Suppliers

A resilient, responsible supply chain benefits both CTFS and the suppliers and contractors on whom we depend. It strengthens reliability across our operations while helping our partners raise their own standards. As a diversified business, CTFS is exposed to various supply chain risks including extreme weather events, geopolitical uncertainties, cyber threats and material shortages, making close collaboration with suppliers essential to long-term operational resilience.

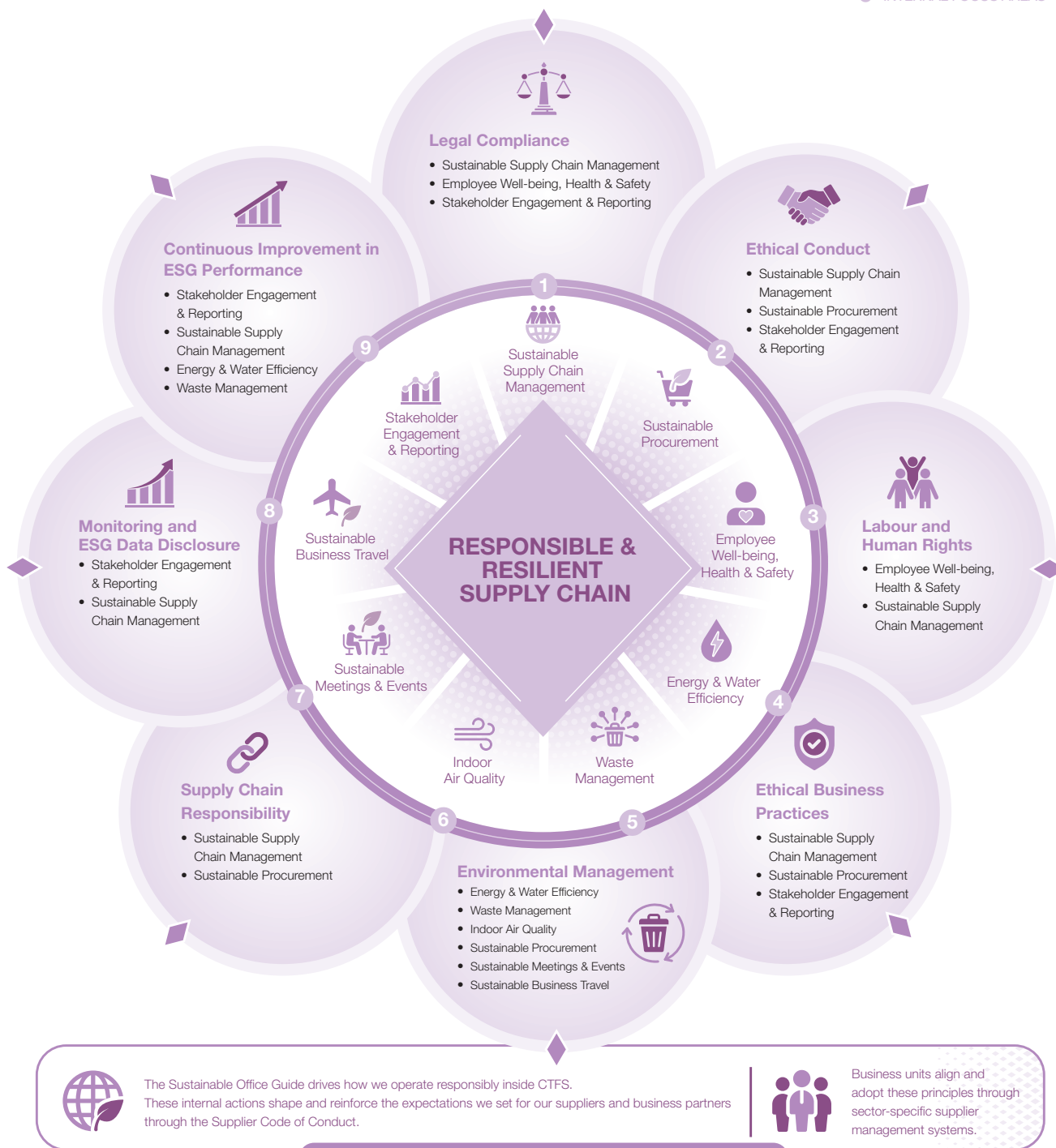
Supplier management is governed by our Supplier Code of Conduct and the Sustainable Office Guide, which combines the previously separate Sustainable Procurement Guide and Supply Chain Management Guide. Business units are responsible for aligning their supplier management systems with these principles and adopting sector-specific requirements and controls that reflect the nature, risks, and regulatory expectations of their respective industries.

CTFS promotes responsible business practices through a dual-policy framework. The Sustainable Office Guide governs internal operations and procurement processes, while the Supplier Code of Conduct sets minimum ESG expectations for suppliers and other supply chain partners. These policies embed sustainability considerations throughout supplier selection, management, monitoring and continuous improvement activities.

 External	 Internal																	
Supplier Code of Conduct Setting Standards for Our Supply Chain	Sustainable Office Guide Embedding ESG in Our Operation																	
Establishes the core principles of responsible business conduct for all suppliers, contractors, vendors, service providers, and other supply chain partners.	Provides practical guidance for integrating sustainability into CTFS Group’s office operations and procurement practices, enhancing resource efficiency, workplace well-being, and continuous improvement.																	
Core Principles: <table><tr><td>Legal Compliance</td><td>Ethical Conduct</td><td>Labour and Human Rights</td><td>Ethical Business Practices</td></tr><tr><td>Environmental Management</td><td>Supply Chain Responsibility</td><td>Monitoring and ESG Data Disclosure</td><td>Continuous Improvement in ESG Performance</td></tr></table>	Legal Compliance	Ethical Conduct	Labour and Human Rights	Ethical Business Practices	Environmental Management	Supply Chain Responsibility	Monitoring and ESG Data Disclosure	Continuous Improvement in ESG Performance	Key Focus Areas: <table><tr><td>Energy & Water Efficiency</td><td>Waste Management</td><td>Indoor Air Quality</td></tr><tr><td>Employee Well-being, Health and Safety</td><td>Sustainable Supply Chain Management, e.g. Integrate ESG in supplier management and monitoring and audit</td><td>Sustainable Procurement, e.g. Choose sustainable products and work with responsible suppliers</td></tr><tr><td>Sustainable Meetings and Events</td><td>Sustainable Business Travel, e.g. prioritize virtual meetings and lower-carbon travel</td><td>Stakeholder Engagement and Reporting</td></tr></table>	Energy & Water Efficiency	Waste Management	Indoor Air Quality	Employee Well-being, Health and Safety	Sustainable Supply Chain Management, e.g. Integrate ESG in supplier management and monitoring and audit	Sustainable Procurement, e.g. Choose sustainable products and work with responsible suppliers	Sustainable Meetings and Events	Sustainable Business Travel, e.g. prioritize virtual meetings and lower-carbon travel	Stakeholder Engagement and Reporting
Legal Compliance	Ethical Conduct	Labour and Human Rights	Ethical Business Practices															
Environmental Management	Supply Chain Responsibility	Monitoring and ESG Data Disclosure	Continuous Improvement in ESG Performance															
Energy & Water Efficiency	Waste Management	Indoor Air Quality																
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Sustainable Meetings and Events	Sustainable Business Travel, e.g. prioritize virtual meetings and lower-carbon travel	Stakeholder Engagement and Reporting																
Collaborate for a responsible and resilient supply chain																		
 Strengthen supply chain resilience and reliability	 Promote ethical and responsible business practices	 Reduce environmental impacts and use resources efficiently	 Enhance workplace well-being and safety	 Drive continuous ESG improvement and transparency														

Responsible and Resilient Supply Chain Management

◆ EXTERNAL PRINCIPLES
● INTERNAL FOCUS AREAS



HML Integrates Sustainability Considerations into Procurement Decisions

Environmental-related purchases, such as green printing and recycled materials, undergo enhanced technical evaluation that balances vendor capability, track record, and cost, rather than relying solely on the lowest bid. Vendor performance is subsequently assessed through post-service reviews, with formal accountability measures applied where performance standards are not met.

Procurement Risk Management

Our procurement risk management approach integrates ESG considerations throughout the supplier engagement lifecycle to identify, assess and manage sustainability-related risks associated with procured products and services. Potential procurement risks and corresponding mitigation measures are tracked through our Risk Register, which is regularly reviewed and updated to reflect the evolving sustainability trends and risk indicators, including cost, quality, supplier performance, and alternative availability. This supports timely intervention, informed decision-making, and enhanced procurement risk oversight.

1. SUPPLIER DUE DILIGENCE

Prior to engagement, suppliers undergo assessments covering areas such as regulatory compliance, financial stability, technical capabilities, sustainability performance, product quality and past references where appropriate. This helps ensure that suppliers meet our operational, quality and sustainability expectations before onboarding.



2. PROCUREMENT EVALUATION AND SELECTION

Procurement decisions are based on a balanced assessment of quality, reliability, capability, sustainability performance and value, rather than cost alone. At HML, for example, procurement activities involving environmental attributes, such as green printing services or recycled materials, are subject to enhanced technical evaluation criteria that consider suppliers' sustainability track record and technical expertise alongside pricing considerations.



3. PERFORMANCE MONITORING AND REVIEW

Following engagement, supplier performance is monitored through ongoing evaluations, post-service reviews and feedback mechanisms to assess service quality, delivery performance and compliance with agreed requirements. These reviews support continuous monitoring of procurement-related risks and supplier performance.



4. ESCALATION AND CORRECTIVE ACTION

Where performance gaps or non-conformities are identified, formal escalation and accountability procedures are implemented to facilitate corrective actions and drive continuous improvement. This helps manage third-party risks while strengthening operational resilience and service quality.



Business Partners

CTFS engages with a diverse network of business partners, including government bodies and policy institutions, industry associations and international trade platforms. Through active participation in industry dialogues, knowledge sharing, and collaborative initiatives, we contribute insights on key challenges and emerging trends shaping our sectors. These engagements strengthen our organizational capabilities, foster innovation and support the advancement of industry standards and sustainable business practices across the broader ecosystem.



SHARING INNOVATION, SHAPING THE INDUSTRY

WHY IT MATTERS

As Hong Kong’s construction industry faces growing pressure to improve productivity, accelerate digitalization and achieve decarbonization targets, industry-wide learning and collaboration are essential to accelerating the adoption of innovative practices and technologies. Hip Hing believes that innovation delivers greater value when it is shared beyond individual projects to support industry advancement. By engaging policymakers, public sector leaders, industry practitioners and technology innovators, the Company helps promote best practices, accelerate technology adoption and contribute to the sector’s long-term transformation.

HOW WE DID

Building Public Sector Capability

For the third consecutive year, Hip Hing was invited as a practitioner expert to the Development Bureau’s Project Delivery Capability Programme (“PDCP”), a flagship training initiative for mid- to senior-level public works officials delivered by The Hong Kong Polytechnic University.

Drawing on its experience from the Kai Tak Sports Park project, Hip Hing shared practical insights into digital commissioning and handover processes, as well as lessons learned from its enterprise-wide digital transformation journey. Through this platform, the Company contributed directly to enhancing digital capability and innovation awareness within Hong Kong’s public infrastructure sector.



Showcasing Innovation and Best Practices

In June 2026, Hip Hing hosted a 12-member delegation from the Ministry of Housing and Urban-Rural Development and the Department of Housing and Urban-Rural Development of Guangdong Province at its Caroline Hill Road project sites.

The visit highlighted the Company’s application of Modular Integrated Construction (“MiC”) and Multi-trade Integrated Mechanical, Electrical and Plumbing (“MiMEP”) technologies to improve engineering efficiency and support carbon reduction objectives. Delegates also witnessed the debut demonstration of Hip Hing’s proprietary remote rotation hook technology for crane operation, showcasing the Company’s latest advancements in construction safety and productivity.



Advancing Industry and Technology Dialogue

Hip Hing also participated in the Hong Kong Trade Development Council’s Global Tech Summit 2025, joining contractors, technology providers and industry leaders to explore the opportunities and challenges presented by artificial intelligence and emerging technologies.

The discussions focused on how innovation can reduce manual labour, improve safety performance and enhance efficiency in high-risk and repetitive construction activities, helping to shape conversations on the future direction of construction technology.



WHAT WAS THE OUTCOME

Through these engagements, Hip Hing strengthened knowledge exchange across government, industry, and technology communities while promoting the practical application of innovative construction solutions. The Company contributed to developing future public infrastructure leaders, received positive recognition from visiting officials from the Chinese Mainland for its green building and occupational safety practices, and helped advance industry-wide discussion on digitalization, automation and sustainable construction. These efforts further reinforced Hip Hing’s position as a trusted knowledge partner and innovation leaders within the construction sector.

Contributed to developing future public infrastructure leaders



Positive recognition from visiting Mainland officials for its green building and occupational safety practices



Helped advance industry-wide discussion on digitalization, automation and sustainable construction



Reinforced Hip Hing’s position as a trusted knowledge partner and innovation leaders



For further information on our trade association memberships, please refer to the *Awards and Memberships* section.

Communities

CTFS seeks to create shared value not only through the relationships that support its core business, but also through targeted investment in the communities where it operates. Through the CTF Services Charity Foundation (“the Foundation”), the Group works with charitable partners to direct resources towards programmes that expand opportunity, strengthen support networks and address longer-term community challenges.

Key updates in FY2026



Recognition

Caring Company Recognition
by Hong Kong Council of Social Service



- CTFS: 23rd consecutive years
- Members Companies (including CTF Life, Hip Hing, Vibro, HML and Urban Parking): 15 or 20 years+

Hong Kong Volunteer Award 2025
co-organized by the Home and Youth Affairs Bureau and the Agency for Volunteer Service



- CTFS: Outstanding Corporate Award/Gold Award (Volunteer Hours)
- Hip Hing & Vibro: Bronze Award (Volunteer Hours)

Governance of Community Investment

CTFS’s community investments are guided by a group-wide Charitable Giving Policy, which governs charitable donations, non-commercial sponsorships, and selected volunteering initiatives undertaken by the Group and its business units. The Policy establishes a consistent and transparent framework for assessing and approving community investments, ensuring alignment with the Foundation’s objectives, the Group’s values and applicable legal and regulatory requirements.

All proposed community investment initiatives are subject to due diligence and review procedures. These include assessment of beneficiary eligibility, governance and accountability practices, reputational considerations, the intended use of funds, and compliance with relevant internal policies, including the Group’s Anti-Fraud and Counter-Corruption Policy. This framework supports responsible decision-making, promotes transparency and accountability, and helps ensure that community investments deliver meaningful and sustainable social impact.

While CTFS actively engages with government agencies, industry associations and other stakeholders to support positive and social and industry outcomes, the Group does not make direct political donations.

Further details on the governance of charitable contribution are available in the Group’s [Charitable Giving Policy](#). Information on the Group’s affiliations and industry memberships can be found in the *Awards and Memberships* section.

GOVERNANCE AND OVERSIGHT



The Foundation is overseen by the CTF Services Charity Foundation Committee, comprising director-level representatives from CTFS. The Committee provides strategic direction and governance oversight for the Group’s community investment initiatives.

Members List of the CTF Services Charity Foundation Committee	
Mr Gilbert Ho, Executive Director and Group Co-CEO, CTFS	Chairman
Mr Jim Lam, Executive Director and Group COFO, CTFS	Member
Mr Peter Tang, Group General Counsel and Company Secretary, CTFS	Member
Mr Huen Wong, INED, CTFS	Member

OVERVIEW OF FLAGSHIP PROGRAMMES IN FY2026

Through programmes supported by the CTF Services Charity Foundation, CTFS’s community investment strategy is guided by three pillars, **Empower for Change**, **Build for Support** and **Drive for the Future**, reflecting the Group’s commitment to expanding opportunities, strengthening community resilience and addressing long-term societal challenges.

DIVERSITY HUB

DIVERSITY HUB

多元文化匯館

BY CHRISTIAN ACTION

基督教勵行會

Christian Action

In partnership with Christian Action

The programme enhances the employability of ethnic minority youths aged 16–24 through structured training, workplace exposure and career development opportunities. By connecting participants with employers and the wider community, it promotes social mobility and workplace inclusion in Hong Kong.

10 Workshops

Enhance wellbeing and promote upward mobility

16 On-the-job Training Sessions

Advisory support and practical experience

41 Docent Tours

Exposure & learning beyond the classroom

6 Career Exploration Activities

Industry exploration and career guidance

15 Placement Opportunities

Job placement and career advancement

1 Experiential Day Camp

Teamwork and personal development

6 Employer Training Sessions

Workplace inclusion

Ethnic minority youths gain hands-on workplace exposure and career insights through the Diversity Hub programme.

SENeration

善學慈善基金

Sheen Hok Charitable Foundation

In partnership with Sheen Hok Charitable Foundation

To support Special Educational Needs (“SEN”) students aged 15-18 in mainstream secondary schools by fostering a more inclusive and SEN-friendly school environment. The programme provides tailored training in career planning, interpersonal skills and personal development, while connecting students with mentors, schools and community partners to broaden their future education and career opportunities.

WHO WE REACHED TOGETHER

49 SEN Students

from 15 schools

15 Schools

participated

22 Corporate Mentors

recruited to provide guidance and support

51 School Ambassadors

supported

90 Parents & Teachers

involved

WHAT WAS THE OUTCOME

12 Activities

Promoting peer support, inclusion and mutual understanding

7 Sessions

Enhancing interpersonal skills and mental wellbeing

4 Workshops for Parents & Teachers

Strengthening capacity to support SEN students’ development

6 Career Exploration Sessions

Broadening exposure to industries

SENeration participants strengthened social and interpersonal skills through interactive activities.

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SUPPORT FOR ELDERLY WITH EMIGRANT CHILDREN: COMMUNITY HELPER



In partnership with Hong Kong Christian Service

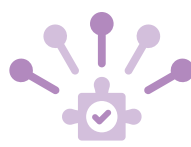
To support elders aged 60 or above who reside in Kwun Tong and Sham Shui Po, who may be experiencing emotional distress due to their children emigrating overseas, by strengthening their connection with the community through emotional support groups, community engagement activities and opportunities for personal growth and role transformation.

Reducing feelings of loneliness, enhancing social connectedness and fostering a stronger sense of purpose and self-worth for elders whose children have emigrated overseas



37 Community Activities and Exploration Programmes

Bringing elders together through engaging activities and new experiences



37 Volunteer Activities and Home Visits

Offering companionship and community support



Mentorship Programme Established

Connecting elders through shared experiences and support



The "Left-Behind Elderly Care Day" raised awareness of the needs of older adults with emigrant children through interactive activities and exhibitions, alongside the release of the 2026 Survey on the Situation and Service Needs of Left-Behind Elderly.

NEW INITIATIVE OF SPORTS EXPERIMENTAL WORKSHOP FOR CARER



In partnership with Hong Kong Young Women's Christian Association

Empowering caregivers through innovative sports experiences, peer engagement, and volunteer opportunities to build a more inclusive community.

4 Newly Emerged Sports introduced to service centres across 3 districts



20 CTFS Volunteer Alliance Members trained as game assistants



45 Sports Activities Completed



311 new care givers registered to the carer support network.



20 CTFS Volunteers were trained as teaching assistants and provide support in the upcoming activities.

VOLUNTEER ALLIANCE AND EMPLOYEE ENGAGEMENT

TOGETHER WE GROW: CELEBRATING 25 YEARS OF VOLUNTEERISM AND COMMUNITY IMPACT

WHY IT MATTERS

CTFS delivers community impact not only through funding, but also through the active involvement of its employees via the CTFS Volunteer Alliance (“VA”). For 25 years, the Volunteer Alliance has provided a platform for employees to contribute their time, skills and expertise to communities in need.

In FY2026, CTFS celebrated the 25th anniversary of the Volunteer Alliance under the theme “**Together We Grow — 25 Years of Impact, A Future of Service**”, reaffirming its commitment to strengthening community connections, fostering a culture of volunteerism and creating lasting social impact.

HOW WE DO IT

To commemorate the Volunteer Alliance’s 25th anniversary, CTFS launched the **VA25 Community Partnership Programme**, engaging employees in the selection of charitable partners and community initiatives through a Group-wide voting exercise.

Five non-governmental organizations were selected to collaborate with CTFS in delivering a series of volunteer activities throughout the year.

5 NGOs selected by employees to partner with



協康會
HEEP HONG SOCIETY



香港基督教服務處
HONG KONG CHRISTIAN SERVICE
全人關心 卓越創新
care for all excel in all



Focused on Key Community Needs

Elderly and Community Support



Children and Family Support



Support People in Need



CTFS launched a series of 25 signature volunteer activities in partnership with five community partners from March to December 2026, aiming to create positive social impact, celebrate the contributions of volunteers and strengthen a culture of volunteerism across the Group.

To further cultivate a volunteering culture, CTFS appointed 11 Volunteer Care Leaders to champion employee participation and launched a Special Volunteer Award Programme to encourage employees to dedicate their time and services during the Volunteer Alliance’s 25th anniversary year.

VA25 Special Volunteer Recognition Scheme

Recognition

25th Anniversary
Special Pin and VA
Anniversary Celebration
Luncheon



Matching Donations

Adjusted the service hour requirement, enabling more volunteers to join the matching donation programme and expand its community impact



Voucher Rewards

Rewarding volunteers with exclusive vouchers for their time and commitment



WHAT WAS THE OUTCOME

Volunteer Engagement & Leadership Growth

VA25 Community Partnership Programme
As at 30 June 2026

11
Volunteer Care Leaders



150
New registered volunteers



6
Activities completed



300+
Service Hours

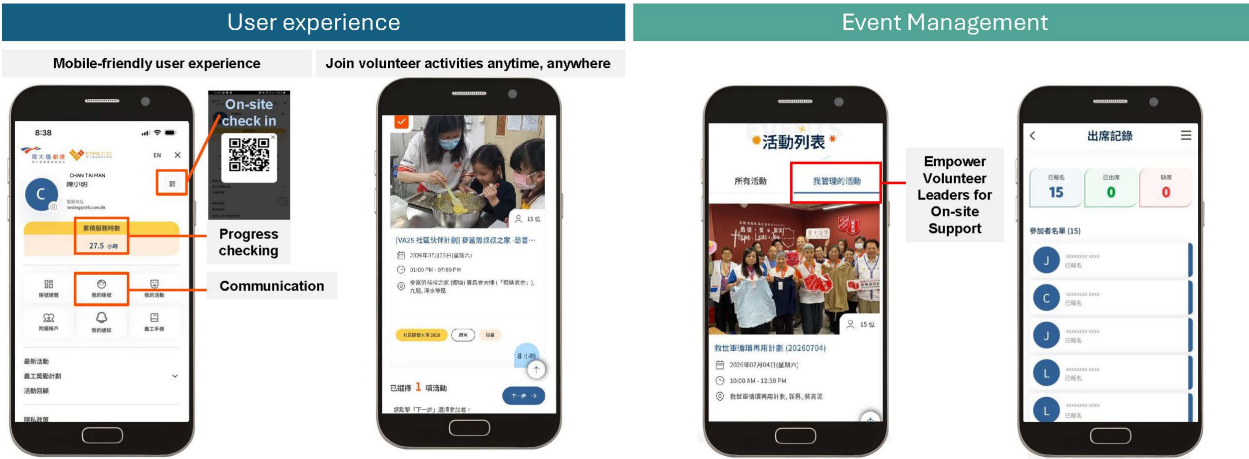


6,110+
Beneficiaries



Empowering Colleagues and Expanding Community Connections through Technology

CTFS believes that technology can play an important role in strengthening employee engagement and broadening the reach of volunteerism. In FY2026, the Group upgraded the **CTFS Volunteer Alliance Platform**, a mobile-enabled volunteering management system that serves as a central hub for volunteer registration, event management, communication and impact tracking. By providing employees with a seamless and accessible digital experience, the platform makes it easier for colleagues across business units to discover volunteering opportunities, connect with community partners and participate in activities aligned with the Group’s community investment priorities.



The platform integrates ESG principles into volunteer management while digitalising the end-to-end volunteer journey.

Environment	Social	Governance
Fully digitalized volunteer management, including event registration, QR code check-in, service records, e-certificates issuance, volunteer recognition, and reward redemption for eligible volunteers.	- Introduced volunteer reward management, service-hour tracking and digital badges. - Increased volunteer engagement and motivation through personalized rewards and recognition. - Empowered volunteer leaders to use the mobile app to support volunteer activities and on-site coordination.	- Implemented QR code attendance tracking to enhance the accuracy and traceability of volunteer service records. - Digitalized allowance redemption with backend record keeping, improving transparency and accountability in administration and finance.

By leveraging technology to streamline volunteer management and improve impact measurement, the CTFS Volunteer Alliance Platform supports more effective programme governance while enabling employees to contribute meaningfully to the communities in which the Group operates.

Volunteering in Action Across Our Business

Across the Group, our business units leverage their expertise, resources and stakeholder networks to create meaningful impact in the communities we serve. Together with our employees, volunteers and community partners, we support a wide range of initiatives, from nurturing future talent and promoting health and wellbeing to strengthening food assistance programmes, and caring for vulnerable groups. These collective efforts reflect our commitment to creating shared value, fostering social inclusion and building resilient communities where support is needed most.

250+

volunteers enrolled in activities via the new volunteer platform
(1 November 2025 to 30 June 2026)



CTF Life volunteers and their children partnered with The Salvation Army to visit 40 elderly households in Tai Po, sharing festive gifts, warm conversations and Chinese New Year blessings.



Jointly organized by the Hip Hing — Vibro Volunteer Team and the Hong Kong Young Women's Christian Association ("YWCA"), the annual Cantonese Opera Show welcomed over 1,000 elderly citizens, offering them a joyful cultural experience and fostering stronger community connections.



HML and Food Angel co-organized a Chinese New Year charity lunch for around 200 elderly guests and donated 300 boxes of Chinese New Year puddings to support families during the holiday period.



CTF Services Charity Foundation strengthens community capacity through haircut training and emerging sports programmes, equipping volunteers and service users with practical skills and opportunities to support and serve their communities.



Partnering with Food Angel, CTFS volunteers shared birthday and festive celebrations with low-income elderly participants, bringing companionship, joy and community support.



Volunteers partnered with Feeding Hong Kong to sort and pack food donations for redistribution to those in need.



29 volunteers from our Group are contributing to the success of the 15th National Games in Hong Kong as Volunteer Leaders and Event Volunteers.



The Group volunteers support festive volunteer activities distributing donated gifts and care packs to elderly and vulnerable groups.



HML committed to a year-long food sponsorship with Food Angel, providing 300 special dim sum meal sets each month.



HML co-organized a Jello Cake DIY workshop with Little Life Warrior Society for a group of 20 Little Life Warriors and their care takers.

Appendix 1

Independent Practitioners' Limited Assurance



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INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON CTF SERVICES LIMITED'S IDENTIFIED CONSOLIDATED SUSTAINABILITY INFORMATION

To the board of directors of CTF Services Limited

Limited assurance conclusion

We have conducted a limited assurance engagement on the identified consolidated sustainability information of CTF Services Limited (the "Company"), and its subsidiaries (collectively "the Group") included in sections "*Environmental Performance Data Table*" and "*Social Performance Data Table*" of the Environmental, Social and Governance ("ESG") Report for the year ended 30 June 2026 ("the 2026 ESG Report") identified with a ✓ and listed in Appendix I in this report ("Identified Sustainability Information").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information is not prepared, in all material respects, in accordance with the criteria as explained in the 2026 ESG Report under the sections "*Reporting Boundaries and Scope*", "*Environmental Performance Data Table*" and "*Social Performance Data Table*".

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE 3000 (Revised)), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), and, in respect of the greenhouse gas statement, International Standard on Assurance Engagements 3410, Assurance engagements on greenhouse gas statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board (the "IAASB").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under these standards are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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Our firm applies International Standard on Quality Management 1 issued by the IAASB, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Identified Sustainability Information

The directors of the Group are responsible for:

- The preparation of the Identified Sustainability Information in accordance with the criteria applied as explained in the 2026 ESG Report under the sections “*Reporting Boundaries and Scope*”, “*Environmental Performance Data Table*” and “*Social Performance Data Table*”;
- Designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of the Identified Sustainability Information, in accordance with the criteria applied as explained in the 2026 ESG Report under the sections “*Reporting Boundaries and Scope*”, “*Environmental Performance Data Table*” and “*Social Performance Data Table*”, that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Identified Sustainability Information

Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Practitioner’s responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Identified Sustainability Information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Group’s use of the Criteria applied as explained in the 2026 ESG Report under the sections “*Reporting Boundaries and Scope*”, “*Environmental Performance Data Table*” and “*Social Data Performance Table*” as the basis for the preparation of the Identified Sustainability Information.



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- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the Identified Sustainability Information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Identified Sustainability Information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Identified Sustainability Information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Identified Sustainability Information by:
 - Making inquiries of the persons responsible for the Identified Sustainability Information on the process for collecting and reporting the Identified Sustainability Information.;
- Evaluated whether all information identified by the process to identify the information reported in the Identified Sustainability Information is included in the Identified Sustainability Information;
- Evaluated the appropriateness of quantification methods and reporting policies;
- Evaluated the methods for developing estimates;
- Performed analytical procedures on the Identified Sustainability Information;
- Performed substantive assurance procedures on the Identified Sustainability Information; and
- Evaluated the disclosure and presentation of the Identified Sustainability Information in the Group's 2026 ESG Report.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 24 September 2026

Environmental Key Performance Indicators (KPIs)			
Category	Indicator(s)	Unit	From 1 July 2025 to 30 June 2026
1. Energy Consumption	Total energy consumption	GJ	699,165
	Total energy consumption	MWh	194,212
	Green Electricity Certificates (GECs)	GJ	46,868
2. Greenhouse Gas (GHG) Emissions	Scope 1 GHG emissions	Tonnes CO ₂ e	24,721
	Scope 2 GHG emissions (location-based)	Tonnes CO ₂ e	48,456
	Scope 2 GHG emissions (market-based)	Tonnes CO ₂ e	45,469
	Total GHG emissions (scope 1 & 2) (location-based)	Tonnes CO ₂ e	73,177
	Total GHG emissions (scope 1 & 2) (market-based)	Tonnes CO ₂ e	70,190
	Procured carbon offset	Tonnes CO ₂ e	408
3. Water Consumption	Municipal water used	m ³	1,480,452
4. Waste	Total chemical waste disposed	Tonne	0.85
	Total non-hazardous waste to landfills	Tonne	106,619
5. Materials Recycled	Inert C&D materials (to public fill facility)	Tonne	1,195,698
	Reuse of C&D material	% of construction waste reuse	92
	Total materials recycled	Tonne	1,243,094

Social Key Performance Indicators (KPIs)			
Category	Indicator(s)	Unit	From 1 July 2025 to 30 June 2026
1. Workforce	Total number of employees	Number	5,066
	Total workforce by gender — Male	Number	3,513
	Total workforce by gender — Female	Number	1,553
	Employment type — Full-time	Number	5,021
	Employment type — Part-time	Number	45
	Employment type — Full-time, Male	Number	3,483
	Employment type — Full-time, Female	Number	1,538
	Employment type — Part-time, Male	Number	30
	Employment type — Part-time, Female	Number	15
	Contract type — Permanent	Number	4,624
	Contract type — Fixed-term/temporary	Number	442
	Contract type — Permanent, Male	Number	3,200
	Contract type — Permanent, Female	Number	1,424
	Contract type — Fixed-term/temporary, Male	Number	313
	Contract type — Fixed-term/temporary, Female	Number	129
	Seniority — Operational Staff	Number	3,373
	Seniority — General Staff	Number	644
	Seniority — Assistant Manager	Number	300
	Seniority — Manager and Senior Manager	Number	554
	Seniority — Assistant General Manager and above	Number	195
	Seniority — Operational Staff, Male	Number	2,470
	Seniority — Operational Staff, Female	Number	903
	Seniority — General Staff, Male	Number	367
	Seniority — General Staff, Female	Number	277
	Seniority — Assistant Manager, Male	Number	188
	Seniority — Assistant Manager, Female	Number	112
	Seniority — Manager and Senior Manager, Male	Number	378
	Seniority — Manager and Senior Manager, Female	Number	176
	Seniority — Assistant General Manager and above, Male	Number	110
	Seniority — Assistant General Manager and above, Female	Number	85
	Age group — Under 30	Number	738
	Age group — 30–50	Number	2,809
	Age group — Over 50	Number	1,519

Social Key Performance Indicators (KPIs)			
Category	Indicator(s)	Unit	From 1 July 2025 to 30 June 2026
1. Workforce	Total number of leavers	Number	668
	Leavers by gender — Male	Number	475
	Leavers by gender — Female	Number	193
	Turnover rate	%	13
	Turnover rate by gender — Male	%	9.4
	Turnover rate by gender — Female	%	3.8
	Turnover rate by region — Hong Kong	%	12.4
	Turnover rate by region — Chinese Mainland	%	0.7
	Turnover rate by region — Others	%	0
	Turnover rate by age — Under 30	%	2.1
	Turnover rate by age — 30–50	%	5.5
	Turnover rate by age — Over 50	%	5.5
	Total new hires	Number	845
	New hires by gender — Male	Number	608
	New hires by gender — Female	Number	237
	New hires rate	%	17
	New hires rate by gender — Male	%	12.0
	New hires rate by gender — Female	%	4.7
	New hires rate by region — Hong Kong	%	15.8
	New hires rate by region — Chinese Mainland	%	0.9
	New hires rate by region — Others	%	0.0
2. Health and Safety	Total hours worked	Number	13,959,416
	Work-related lost-time injuries (sick leave >0 days)	Number	27
	Work day lost due to work-related injuries	Number	2,002
	Lost-day rate	Per 100 employees	28.7
	Lost-time injury rate (LTIR)	Per 100 employees	0.4
	Work-related fatalities for employees	Number	1
	Work-related fatality rate	%	0
	Accident Rate (Hip Hing Only)	%	6.5

Social Key Performance Indicators (KPIs)			
Category	Indicator(s)	Unit	From 1 July 2025 to 30 June 2026
3. Training	Average training hours per employee	Number	13.0
	Average training hours per employee — Male	Number	11.6
	Average training hours per employee — Female	Number	16.2
	Training hours — Anti-corruption	Number	2,889
	Training hours — Corporate culture	Number	16,984
	Training hours — Environmental protection	Number	640
	Training hours — Occupational health and safety	Number	17,201
	Training hours — Professional development	Number	28,306
	Average training hours by seniority — Operational Staff	Number	9.9
	Average training hours by seniority — General Staff	Number	17.4
	Average training hours by seniority — Assistant Manager	Number	16.8
	Average training hours by seniority — Manager	Number	19.7
	Average training hours by seniority — Senior Manager	Number	17.7
	Average training hours by seniority — Assistant General Manager and above	Number	30.6
4. Parental leave	Employees who took parental leave — Male	Number	48
	Employees who took parental leave — Female	Number	35
	Employees returned to work after parental leave ended — Male	Number	46
	Employees returned to work after parental leave ended — Female	Number	30
	Return-to-work rate — Male	%	96
	Return-to-work rate — Female	%	86
5. Community	Number of volunteer service hours	Number	16,932
	Dollar value of monetary contribution of CTF Services Charity Foundation	HK\$ million	5.41



VERIFICATION OPINION

Scope and Objectives

Hong Kong Quality Assurance Agency (“HKQAA”) has been commissioned by CTF Services Limited (“CTFS”) to conduct an independent verification of the Greenhouse Gases (“GHG”) Scope 3 emissions inventory (“Emissions Inventory”) for the period of 1 July 2025 to 30 June 2026. The aim of this verification is to provide a limited assurance on the data consolidated in the Emissions Inventory compiled by CTFS based on the financial influence over its indirect emissions against the requirements of “The Greenhouse Gas Protocol — Corporate Value Chain (Scope 3) Accounting and Reporting Standard”.

Based on the preparation of the “Scope 3 Inventory and Emission Calculations” by CTFS in accordance with the criteria of GHG Protocol, an opinion was concluded by the verification team from the verification activities, including:

- Offsite verification with the aid of Information Communication Technology (ICT) of the scope 3 GHG emission data associated to various categories defined in GHG Protocol; and
- Desktop review for documentation and supporting evidence.

Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. The process included the assessment of:

- reporting boundaries selected;
- quantification methodology and emission factors used;
- integrity of the historical activity data used;
- accuracy and completeness of the GHG calculations; and
- conformance with the requirements of the GHG Protocol.

For Category 1: Purchased goods and services, the assessment covered emissions attributable to the procurement and subletting records for Hip Hing and Vibro Group. HKQAA reviewed the data sources from sampled contracts, data quality and calculation methodology of quantity or spent based being applied to the associated GHG emissions estimation.

For Category 15: Emissions from Investments, the assessment covered emissions attributable to the investee companies in which CTFS Group holds direct equity interests. HKQAA reviewed the data sources, data quality and calculation methodology applied to the financed emissions estimation. The calculation covered 28 identified financed emissions contributors based on their revenue contribution during the reporting year. Meanwhile the emissions data for 6 contributors were obtained directly from selfdeclarations of investees through an online survey, and the emissions data for 2 contributors were sourced from the publicly available ESG reports. For the remaining contributors, emissions were estimated using a revenue-based proxy methodology. HKQAA reviewed the appropriateness of the data sources, estimation approach and key assumptions applied in the calculation.

Integrity and accuracy of the aggregated data was tested by tracing the sampled data to its sources. The underlying processes for data collection, aggregation, estimation, calculation and internal checking were reviewed and undergone reliability test. Materiality threshold of 10% was adopted for this verification. HKQAA verification team did not partake in the GHG data preparation process.

Conclusion

The total Scope 3 GHG emissions of CTF Services Limited for the period of 1 July 2025 to 30 June 2026 was summarized as follows:

GHG Emissions – GHG Protocol	Tonnes CO ₂ e
Scope 3 Indirect GHG emissions including categories:	
1. Purchased goods and services	946,866
Hip Hing Group	946,866
15. Emissions from Investments	1,149,416
CTF Life	939,442
CTFS (Corporate Office)	209,974
Total (Scope 3 – Categories 1 & 15)	2,096,282

Signed on behalf of Hong Kong Quality Assurance Agency:

Verifier:



Verifier: Tommy Lo

Date of Issuance: 17 September 2026

Head of Audit:



Head of Audit: Connie Sham

Hong Kong Quality Assurance Agency
19/F., K. Wah Centre, 191 Java Road, North Point, Hong Kong
Contact detail www.hkqaa.org

Introduction:

HKQAA has been commissioned by CTF Services Limited (“CTFS”, address: 21/F NCB Innovation Centre, 888 Lai Chi Kok Road, Cheung Sha Wan, Kowloon, Hong Kong) for the verification of selected categories of its indirect Scope 3 Greenhouse Gas emissions in accordance with GHG Inventory in the form of “Scope 3 Inventory and Emission Calculations” covering scope 3 GHG emissions of the reporting period 1 July 2025 to 30 June 2026.

Roles and responsibilities:

CTFS is responsible for the organization’s GHG information system including the calculation and determination of GHG emissions information and the reported GHG emissions. The HKQAA verification team is responsible for providing an independent GHG verification opinion on the GHG Inventory provided by CTFS for the reporting period.

HKQAA has conducted a third-party independent verification of the provided GHG Inventory against the requirements of GHG Protocol from July to September 2026. The verification was based on the verification scope, objectives and criteria as agreed between CTFS and HKQAA. There was no relationship between HKQAA and CTFS that would affect the impartiality of HKQAA for the verification service.

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a limited level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process covered the criteria set in the GHG Protocol.

Detail of the Scope:

- The reporting boundaries were established including the identification of scope 3 emissions associated with the CTFS’s financial influence over its indirect GHG emissions.
- Title or description activities: Verification of Scope 3 GHG Emissions Inventory (1st July 2025 to 30th June 2026) for CTFS
- Tangible and intangible infrastructure assets, activities, technologies, financial investments and indirect processes of the organization for the following categories:
 1. Purchased goods and services (for Hip Hing)
 15. Emissions from Investments for CTFS Group (Corporate Office) and CTF Life
- GHG sources, sinks and/or reservoirs included: GHG sources as presented in the “Scope 3 Inventory and Emission Calculations” of CTFS

- Types of scope 3 GHGs included: CO₂e, where CH₄, N₂O, NF₃, SF₆, HFCs and PFCs are not in significant amount or without sufficient estimation information.
- The data and information supporting the GHG Inventory were hypothetical, projected and/or historical in nature.

Conclusion:

CTFS provided the GHG Statement in the form of “Scope 3 Inventory and Emission Calculations” report prepared in accordance with the requirements of the GHG Protocol. The GHG information for the reporting period, indicating total Scope 3 indirect greenhouse gas emissions of 2,096,282 tonnes of CO₂ equivalent for selected Categories 1 and 15, was verified by HKQAA to a limited level of assurance (within 10%), consistent with the agreed verification scope, objectives and criteria.

HKQAA adopted a risk-based approach for the verification. Our examination includes an assessment of evidence relevant to the amounts and disclosures relating to CTFS’s reported GHG emissions.

Based on the verification processes and procedures performed, nothing has come to our attention that the GHG Statement in the form of “Scope 3 Inventory and Emission Calculations” prepared by CTFS; i) is not materially correct and is not a fair representation of GHG data and information for the reporting period, and ii) has not been prepared in accordance with GHG Protocol on GHG quantification, monitoring and reporting.

Based on the verification results, the verification team concluded that it is materially correct and is a fair representation of the GHG data and information for the reporting period at limited level assurance.

In the event of any discrepancy between the English and Chinese versions of this verification statement, the English version shall prevail.

Appendix 2

Flagship Community Projects Approved in FY2026

\$

≤HK\$200,000

\$\$

>HK\$200,000 — ≤HK\$600,000

\$\$\$

>HK\$600,000

Pillar	Empower for Change and Build for Support
Project Partner	Heep Hong Society
Project Name	<i>Guiding Glows</i>
Project Period	1 August 2026 — 31 July 2027
Funding Amount	\$\$\$
Project Overview	The programme aims to support and empower non-Chinese speaking families with SEN children in Hong Kong. The project seeks to build a sustainable support ecosystem through three key components: (1) establishing a one-stop, multilingual online resource hub for long-term access; (2) training community trainers to amplify impact; and (3) nurturing peer-led support networks.
Inputs	◆ 8 train-the trainer workshops ◆ 80 individual consultations ◆ 10 child assessment ◆ 8 family outings ◆ 16 social stories workshops ◆ 4 sensory integration workshops
Outputs	◆ Customized online resource hub: Provide free-to-access, multilingual online resource hub with knowledge and practical tools supporting ethnically diverse families with SEN children. ◆ Culturally-inclusive Online Resources: Include videos on culturally inclusive social stories and at-home occupational therapy training. ◆ Train-the-trainer workshops: Provide customized training workshops for professionals and build their capacity to work with ethnic minority families with SEN children. ◆ Early intervention for children with special needs: Offer a supportive network to encourage ethnic minority parents to promptly arrange assessments for their children so they can access early intervention and developmental support.
Outcome	◆ Establish a long-lasting support network for local and non-Chinese speaking families, providing easy access to culturally adapted online resources and practical training materials. ◆ Enhance awareness and strengthen the capabilities of frontline professionals in supporting ethnically diverse families with children with SEN. ◆ Promote and encourage early intervention for children with SEN within ethnically diverse communities.
Alignment with SDGs	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS

Pillar	Empower for Change and Build for Support
Project Partner	Christian Action
Project Name	<i>Diversity Hub — Phase II</i>
Project Period	May 2026 — April 2027
Funding Amount	\$\$\$
Project Overview	This programme aims to provide structured training for ethnic minority (“EM”) youth aged 16–24, supporting their upward mobility. Building on the success of Phase I, Phase II will continue to support alumni from the previous cohort while expanding the programme to include marginalized youth and introduce new digital skills training. In addition to youth development, the programme offers long-term support through an alumni initiative that goes beyond the typical six-month duration of similar market programmes. A series of engagement activities with local communities and employers will also be organized to foster a more inclusive society in Hong Kong.
Inputs	◆ >200 EM youths trained ◆ 5 workshops and seminars conducted for 75 participants from different corporate partners ◆ >1,000 public visitors reached through >45 cultural tours at the EM Museum
Outputs	◆ Support the Development of Underprivileged EM Youths: Provide a comprehensive training platform with workshops on interpersonal communication, public speaking, future skills training, and career exploration. ◆ Unleash the Potential of EM Youths: Empower trained EM youths to engage in volunteer activities and internships, encouraging them to explore diverse career opportunities. ◆ Long-Term Support for EM Youths and Their Families: Introduce wellbeing and mentorship programs for personal development. ◆ Promote Diversity and Inclusion in the Community: Organize events and seminars for the local community and employers to foster diversity and inclusion.
Outcome	◆ Empower EM youths and special groups to achieve upward mobility. ◆ Promote EM inclusion in the workplace. ◆ CTFS colleagues will inspire EM youths with industry knowledge and career planning advice. ◆ Success of the pilot programme could enhance CA’s partnerships, ensuring sustainability of EM youth training. ◆ Establish a long-term supportive network for EM youths and families.
Alignment with SDGs	4 QUALITY EDUCATION 10 REDUCED INEQUALITIES

Pillar	Build for Support
Project Partner	Tung Wah Group of Hospitals
Project Name	<i>Co-creating Better Lives Program</i>
Project Period	April 2026 — March 2027
Funding Amount	\$\$\$
Project Overview	The project seeks to improve the overall quality of life of grassroots families through providing healthy and nutritious meals, enhancing living conditions with pest control and home-cleaning services, and offering skills and vocational training to strengthen their employability, empowering them to become active members of the community who can support and uplift those around them. The project aims to build social capital and strength the community's support network.
Inputs	◆ 120+ underprivileged residents of To Kwa Wan will benefit from the project ◆ 10 service users will be engaged in preparing 1,440 nutrition meals for students within 9 months ◆ 80 home-cleaning training sessions and 80 pest control training sessions will be arranged for 16 service users ◆ 40+ training sessions will be arranged for 24 service users ◆ 2 bazaars will be organized to showcase participants' learning outcomes and provide opportunities for them to present their products and business ideas ◆ A community helper database of 50+ people will be developed to support future community initiatives
Outputs	◆ Nutritious Meals Support for Students: Recruit service users, especially stay-at-home mothers, to prepare nutritious meals for students. ◆ Improvement of Living Conditions: Provide service users with pest control and home-cleaning training, who can apply their skills by supporting other community members in need. ◆ Empowerment of Service Users: Enhance participants' skills through a series of occupation- and interest-based trainings. Two bazaars will be organized to showcase their learning outcomes and arrange possible job training opportunities.
Outcome	◆ This project serves as a pilot initiative for the Community Living Room, transforming participants' skills into social capital and enabling them to strengthen both self-help and mutual-help capabilities within the community. ◆ Establishing a sustainable support network for the Community Living Room. Trained participants will continue to take part in activities organized by Tung Wah Group of Hospitals and engage in ongoing volunteer work, contributing to long-term community support and engagement.
Alignment with SDGs	

Pillar	Build for Support
Project Partner	Methodist Centre
Project Name	Softmeal Chef on Wheels Skills Enhancement Program
Project Period	1 August 2026 — 30 September 2027
Funding Amount	\$\$\$
Project Overview	This project aims to address the intertwined challenges of population ageing, dysphagia related malnutrition, and service gaps in community based elder care, while simultaneously creating meaningful employment pathways for grassroots women through 4 interconnected initiatives.
Inputs	Care Food and Softmeal Training Programs 40 home care assistants will complete basic household service training 4 sessions covering swallowing health, dysphagia risks, nutrition principles, IDDSI compliance, recipe design, and hands-on cooking practice Master Trainer “Train-the-trainer” Programs 10 experienced home care assistants and training course instructors trained 3 training sessions on care food and soft meals to equip participants to become seed trainers for future programs. In-Home Softmeal Pilot Service 80 sessions of delivering in-home softmeal cooking services to elders with swallowing difficulties by trained home care assistants Methodist Centre Prime Kitchen Enhancement 2 training sessions dedicated for 15 MC Prime Kitchen staff (Chefs and kitchen assistants) 30 hours of operation support, guidance & programme evaluation - Equipment enhancement (including cooker-blenders, choppers, and thermal storage)
Outputs	Upskilling Care Assistants: Enhancing the ability of care assistants to care for people, especially elders, who are experiencing dysphagia through educational training sessions. Enhance Training Capacity: Provide training to experienced home care assistants on care food and softmeal so that they can lead future trainings on the subject. Improve Wellbeing of Elderly: Delivering in-home softmeal cooking services to elders with swallowing difficulties. Upgrading Production Capacity of Methodist Prime Kitchen: Provide new equipment and training to NGO staff to produce IDDSI-compliant texture-modified meals for home care assistants and service users, transforming the kitchen into a shared community resource where members can prepare and access softmeals.
Outcome	- Enhance employment prospects and economic resilience of home care assistants, many of whom are grassroots women, by providing specialized training on dysphagia care. - Provide 6,000 servings of safe softmeals during project period to improve health outcomes and quality of life of elders with dysphagia. - Upgrade daily production at Methodist Prime Kitchen from 300 conventional modified meals to 400 IDDSI L4–6 meals, and a replicable operating model aligned with Methodist Centre’s services. - Strengthen community care capacity through creating a sustainable and scalable care food model, which is embedded within Methodist Centre’s services and supported by cross-sector partnerships.
Alignment with SDGs	3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS

Appendix 3

Data Summary

The ESG performance data presented in this table covers the reporting period from 1 July 2025 to 30 June 2026 (“FY2026”) for CTF Services Limited (“CTFS”) and our subsidiaries (the “Group”).

Environmental Performance Data Table^{1,2,3}

Parameter	Unit	FY2024	FY2025	FY2026
Air Emissions				
Nitrogen oxide (NO _x)	Tonne	1.63	1.78	0.81
Sulphur oxide (SO _x)	Tonne	0.006	0.006	0.01
Particulate matters (PM)	Tonne	0.13	0.15	0.07
Energy Consumption				
Diesel	Gigajoules (GJ)	124,653	144,529	133,834
Biodiesel	Gigajoules (GJ)	195,065	173,952	206,871 ⁴
Unleaded petrol	Gigajoules (GJ)	11,452	11,224	11,865
Liquefied petroleum gas	Gigajoules (GJ)	676	457	155 ⁵
Electricity	Gigajoules (GJ)	323,164	328,047	325,239
Towngas	Gigajoules (GJ)	15,904	15,483	15,048
On-site generated renewable energy consumed	Gigajoules (GJ)	/	/	6,154 ⁶
Total energy consumption	Gigajoules (GJ)	670,914	673,692	699,165 ⁴
	MWh	186,514	187,286	194,212 ⁴
Total energy consumption intensity	GJ/HK\$m	25.4	27.7	25.7
On-site generated renewable energy for feed-in tariff	Gigajoules (GJ)	38	43	39 ⁷
Green Electricity Certificates (GECs)	Gigajoules (GJ)	0	53,701	46,868 ⁸

Methodology

- (i) Emission factors used for calculation of air emissions related with road are based on the Hong Kong Environmental Protection Department’s (EPD) EMFAC-HK Vehicle Emission Calculation model and the United States Environmental Protection Agency’s (USEPA’s) Vehicle Emission Modeling Software — MOBILE6.1. PM emission refers to respirable suspended particles (PM10).

¹ The majority of figures are rounded to a whole number, with decimals used where appropriate.

² Environmental performance data excludes Kai Tak Sports Park in FY2024 and FY2025. Following the completion of the Kai Tak Sports Park project and its transition to operations in FY2025, the project no longer contributes to the reported environmental performance data from FY2026 onwards.

³ The amount of revenue used to calculate intensities denote revenues of the Group.

⁴ The increase in biodiesel consumption in FY2026 is attributed to increased construction sites of Hip Hing.

⁵ The decrease in liquefied petroleum gas usage in FY2026 is attributed to the completed LPG gas phase out in the canteens of Hangzhou Ring Road.

⁶ In FY2026, the on-site generated renewable energy was consumed from the Roads and Logistics.

⁷ The scope covers only the grid-connected solar panels installed on the rooftop of the HKCEC. As the installed renewables fall under Hong Kong’s feed-in-tariff scheme, the energy generated does not offset the Group’s overall energy usage.

⁸ CTF Services Limited purchases GECs in the Chinese Mainland market based on the regulations set out by the National Energy Administration (“NEA”). During the reporting year, 13,019 MWh was purchased and fully retired by 30 June 2026.

- (ii) Energy conversion factors of different fuel types are referenced from Greenhouse Gas Inventory Guidance: Direct Emissions from Stationary Combustion Sources, January 2016, published by USEPA and HKEX Appendix 2: Reporting Guidance on Environmental KPIs. The following conversion factors are used to standardize the units to Gigajoules (GJ): biodiesel (0.036 GJ/L), Diesel (0.039 GJ/L), Unleaded petrol (0.035 GJ/L), Liquefied petroleum gas (0.049 GJ/kg), Electricity (0.0036 GJ/kwh), On-site generated renewable energy for feed-in tariff (0.0036 GJ/kwh) and Towngas (0.048 GJ/unit).

Parameter	Units	FY2024 ⁹	FY2025	FY2026
Greenhouse Gas (GHG) Emissions				
Scope 1 GHG Emissions¹⁰				
Scope 1 GHG emissions	Tonne CO ₂ e	28,284	26,131	24,721 [↓]
Scope 2 GHG Emissions¹¹				
Scope 2 GHG emissions (location-based)	Tonne CO ₂ e	58,568	62,037	48,456 [↓]
Scope 2 GHG emissions (market-based)	Tonne CO ₂ e	58,568	57,247	45,469 [↓]
Total scope 1 & 2 GHG Emissions				
Total GHG emissions (Scope 1 & 2) (location-based)	Tonne CO ₂ e	86,852	88,168	73,177 [↓]
Total GHG emissions (Scope 1 & 2) (market-based)	Tonne CO ₂ e	86,852	83,378	70,190 [↓]
Total scope 1 & 2 GHG Emissions Intensity				
Total GHG emissions (Scope 1 & 2) intensity (location-based)	Tonne CO ₂ e/HK\$m	3.3	3.6	2.7
Total GHG emissions (Scope 1 & 2) intensity (market-based)	Tonne CO ₂ e/HK\$m	3.3	3.4	2.6
Scope 3 GHG Emissions				
Category 1 — Purchased Goods and Services ¹²	Tonne CO ₂ e	842,601	664,654	946,866
Category 15 — Emissions from Investments	Tonne CO ₂ e	2,155,428	2,142,128	1,149,416 ¹³
Carbon Offsets				
Procured carbon offset ¹⁴	Tonne CO ₂ e	1,532	1,647	408 [↓]

⁹ FY2024 and FY2025 data included the Kai Tak Sports Park project, which was a major contributor to GHG emissions. The decrease in FY2026 GHG emissions was primarily attributable to the completion of the Kai Tak Sports Park project in FY2025. As the project was no longer included in the FY2026 reporting scope, reported emissions decreased significantly compared with the previous year.

¹⁰ Scope 1 emissions include direct emissions from fuels combusted in sources under the in-scope business segments

¹¹ Scope 2 emissions include indirect emissions from purchased electricity and town gas consumed by the in-scope business segments and was consolidated on a location- and market-based basis in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

¹² Applicable to Hip Hing only.

¹³ Applicable to CTFS (Corporate Office) and CTF Life. The variance compared to FY2025 is caused the enhanced data quality of Scope 3 Category 15 data in FY2026 by increasing the use of primary data from CTF Services Limited's investment portfolio.

¹⁴ Hip Hing Group has initiated a programme to offset carbon emission from the fossil fuel consumption of its construction equipment since FY2021. The amount of carbon offset procured covers the fuel consumption throughout each financial year.

Methodology

The Group's Scope 1, 2, and 3 Greenhouse Gas emissions were calculated with reference to the GHG Protocol Corporate Accounting and Reporting Standard and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Revised Edition) (Commercial, Residential or Institutional Purposes) in Hong Kong, 2010 Edition published by the Environmental Protection Department and the Electrical and Mechanical Services Department of Hong Kong Government, which includes carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

- (i) For Scope 1, emission factors adopted for diesel, unleaded petrol liquified petroleum gas are from How to Prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs published by HKEX. For Towngas, emission factor adopted is 2.553 kgCO₂e per unit of Towngas as provided by The Hong Kong and China Gas Company Limited Environmental, Social and Governance Report 2025.
- (ii) For Scope 2 of Hong Kong operations, emission factors adopted for purchased electricity are 0.58 kgCO₂e/kWh and 0.34 kgCO₂e/kWh as provided by HK Electric Investments Sustainability Report 2025 and CLP Sustainability Report 2025 respectively, subject to the location of operation. The emission factor adopted for Towngas is 0.534 kgCO₂e per unit of Towngas as provided by The Hong Kong and China Gas Company Limited Environmental, Social and Governance Report 2025.
- (iii) For Scope 2 of Chinese Mainland operations, the emission factor adopted for purchased electricity for Scope 2 GHG emissions (location-based) is 0.5306 kgCO₂e/kWh, while the emission factor adopted for purchased electricity for Scope 2 GHG emissions (market-based) is 0.6096 kgCO₂e/kWh, which is referenced from The Ministry of Ecology and Environment of the People's Republic of China.
- (iv) For Scope 2 GHG emissions market-based, all procured GECs by the Group in FY2026 were allocated to our operations powered by Hong Kong China Light & Power Company (CLP). Accordingly, only these operations benefited from contractual instruments under the market-based Scope 2 GHG emissions calculation, while emissions from other locations were calculated using the applicable residual emission factors noted above.
- (v) For Scope 3 GHG emissions, the Group calculated emissions using a combination of supplier-specific and investment-specific emission data (where available), activity-based data, and spend-based data, in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Parameter	Unit	FY2024	FY2025	FY2026
Water Consumption¹⁵				
Municipal water used	m ³	1,275,616	1,040,447	1,480,452 ¹⁶
Water intensity	m ³ /HK\$m	48.3	42.8	54.6
Wastewater direct discharge ¹⁷	m ³	1,001,991	800,938	1,155,993
Waste				
Hazardous Waste Disposed				
Chemical waste (liquid) ¹⁸	Tonne	2.2	0	0
Chemical waste disposed (solid)	Tonne	0.37	0.60	0.85
Total chemical waste disposed	Tonne	2.57	0.60	0.85 ¹
Non-Hazardous Waste Disposed				
Total C&D waste generated ¹⁹	Tonne	772,985	1,257,710	1,344,741
General waste to landfills (Exclude Hip Hing Group)	Tonne	4,764	4,340	4,531
C&D waste to landfills (Only Hip Hing Group)	Tonne	37,423	38,160	75,114
C&D waste to sorting facility	Tonne	41,050	23,240	26,974
Total non-hazardous waste to landfills	Tonne	83,237	65,740	106,619 ¹
Total non-hazardous waste intensity	Tonne/HK\$m	3.15	2.70	3.93

¹⁵ Figure excludes water consumption at Corporate Office of CTFS and Hsin Chong Aster Building Services Limited as floor-level submetering is not available at its office premises.

¹⁶ The increase in municipal water consumption was primarily attributable to the nine additional active construction projects managed by the Hip Hing Group compared with the previous reporting year.

¹⁷ For all Logistics operations, CTF Life, Changliu Expressway, Hangzhou Ring Road and Sui-Yue Expressway, it was assumed 100% municipal water usage was directly discharged as wastewater. For Hip Hing Group, 20% of water consumption is estimated to be recycled for on-site reuse. For HML, the wastewater discharge amount was the actual data recorded in the sewage discharge bills.

¹⁸ The weight of chemical waste (liquid) is converted by using the density figure 1.0 kg/liter from the Australian Hazardous Waste Data and Reporting Standard 2017 revision.

¹⁹ "Total C&D waste generated" is the summation of "C&D waste to landfills (Only Hip Hing Group)", "C&D waste to sorting facility", "Inert C&D waste (to public fill facility)", "Inert C&D waste (reused by Material Management App)" and "Inert C&D materials (to alternate disposal ground)".

Parameter	Unit	FY2024	FY2025	FY2026
Materials Recycled				
Inert C&D materials (to public fill facility)	Tonne	693,583	1,143,537	1,195,698 ⁱ
Inert C&D materials (reused by Material Management App)	Tonne	3	264	147
Inert C&D materials (to alternate disposal ground)	Tonne	926	52,510	46,808
Food waste	Tonne	140	117	119
Cooking oil ²⁰	Tonne	4.7	5.0	4.3
Paper	Tonne	182	225	240
Plastics bottles	Tonne	22.8	37.3	41.1
Aluminium cans	Tonne	1.4	1.3	0.7
Glass bottles	Tonne	36.6	17.5	36.7
Total materials recycled	Tonne	694,900	1,196,714	1,243,094 ⁱ
Reuse of C&D materials ²¹	%	90	95	92 ⁱ

²⁰ The weight of cooking oil is converted by using the density figure 918.31kg/m3 from the EPA Mandatory Reporting Rule Subpart-C.

²¹ Reuse of C&D materials is calculated as the summation of "Inert C&D materials (to public fill facility)", "Inert C&D materials (reused by Material Management App)", and "Inert C&D materials (to alternate disposal ground)", divided by the "total C&D waste generated".

Social Performance Data Table

Parameter		Unit	FY2024	FY2025	FY2026
Workforce					
Total Number of Employees		No. of employees	4,921	4,936	5,066 [√]
By Gender	Male	No. of employees	3,230	3,405	3,513 [√]
	Female	No. of employees	1,691	1,531	1,553 [√]
By Employment Type	Full-time employees	No. of employees	4,873	4,884	5,021 [√]
	Part-time employees	No. of employees	48	52	45 [√]
By Contract Type	Permanent employees	No. of employees	4,771	4,601	4,624 [√]
	Fixed-term/temporary employees	No. of employees	150	335	442 [√]
By Seniority	Operational Staff	No. of employees	3,516	3,287	3,373 [√]
	General Staff	No. of employees	478	633	644 [√]
	Assistant Manager	No. of employees	262	278	300 [√]
	Manager and Senior Manager	No. of employees	487	541	554 [√]
	Assistant General Manager and above ²²	No. of employees	178	197	195 [√]
By Age Group	Under 30 years old	No. of employees	821	776	738 [√]
	30-50 years old	No. of employees	2,677	2,706	2,809 [√]
	Over 50 years old	No. of employees	1,423	1,454	1,519 [√]
Total New Hires ²³		No. of employees	938	876	845 [√]
New Hire Rate ²⁴		%	19	18	17 [√]
Total Number of Leavers ²⁵		No. of employees	918	946	668 [√]
Turnover Rate ²⁶		%	19	19	13 [√]

²² Assistant General Manager and above includes remunerated directors from Board of Directors, CEOs, COO & CFO.

²³ The definition of Total New Hires covers permanent employees only.

²⁴ New Hire Rate is calculated as the Total New Hires divided by the Total Number of Employees.

²⁵ Total Number of Leavers covers permanent employees only and includes both voluntary and involuntary leavers as of 30 June of the respective year.

²⁶ Turnover Rate is calculated as the Total Number of Leavers divided by Total Number of Employees.

Parameter		Unit	FY2024	FY2025	FY2026
Health and Safety					
Total Hours Worked ²⁷	Employees	No. of hours	10,913,608	14,226,007	13,959,416 [✓]
Work-related Lost-time injuries (Sick Leave > 0 day)	Employees	No. of case	34	33	27 [✓]
Workday Lost due to Work-related injuries ²⁸	Employees	No. of days	2,616.5	2,981.0	2,002 [✓]
Lost-day Rate ²⁹	Employees	per 100 employees	47.9	41.9	28.7 [✓]
Lost-time Injury Rate ("LTIR") ³⁰	Employees	per 100 employees	0.6	0.5	0.4 [✓]
Work-related Fatalities	Employees	No. of cases	0	1	1 ^{✓31}
	Contractors	No. of cases	3	0	1 ³²
Work-related Fatality Rate ³³	Employees	%	0	0	0 [✓]
Occupational Diseases	Employees	No. of cases	0	0	0
Accident Rate ^{34, 35}	Employees and Contractors	%	/	/	6.5 [✓]
Training					
Average Training Hours per Employee ³⁶		No. of hours	11.2	11.7	13.0 [✓]
Average Training Hours per Employee (by Gender) ³⁷	Male	No. of hours	10.3	10.5	11.6 [✓]
	Female	No. of hours	13.1	14.4	16.2 [✓]
By Type of Training	Anti-corruption	No. of hours	1,670	2,769	2,889 [✓]
	Corporate culture	No. of hours	13,518	15,150	16,984 [✓]
	Environmental protection	No. of hours	966	449	640 [✓]
	Occupational health and safety	No. of hours	17,291	13,614	17,201 [✓]
	Professional development	No. of hours	21,792	25,863	28,306 [✓]
Average Training Hours Completed per Employees (By Seniority) ³⁸	Operational Staff	No. of hours	9.6	9.6	9.9 [✓]
	General Staff	No. of hours	15.3	14.4	17.4 [✓]
	Assistant Manager	No. of hours	15.9	15.1	16.8 [✓]
	Manager	No. of hours	13.9	17.1	19.7 [✓]
	Senior Manager	No. of hours	13.9	15.0	17.7 [✓]
	Assistant General Manager and above	No. of hours	18.00	20.2	30.6 [✓]

²⁷ Total Hours Worked is calculated by multiplying the Total Number of Employees by the number of paid working hours stipulated in their respective employment contracts.

²⁸ Number of Workday Lost due to Work-related Injuries is calculated based on the total calendar days (consecutive or otherwise) for which work-related injuries or work-related ill health occurred, excluding statutory holidays, which aligns with the Hong Kong Labour Department's definition and is also adopted for the business segments in the Chinese Mainland, including roads operations and logistics operations.

²⁹ Lost-day Rate represents the number of Workday Lost due to Work-related Injuries per 100 employees per year. It is calculated as the total number of Workday Lost due to Work-related Injuries divided by the Total Hours Worked and multiplied by 200,000. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

³⁰ LTIR represents the number of work-related Lost-time injuries per 100 employees per year. It is calculated as the Number of Work-related Lost-time Injuries divided by the Total Hours Worked and multiplied by 200,000. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

³¹ A bamboo scaffolder who fell from a bamboo scaffold while carrying out scaffolding works at the project site on 2 November 2025 was certified dead following the accident.

³² A rigger who was struck by a water tank during unloading operations at a project site on 12 January 2026 was conveyed to hospital by ambulance and was certified dead later that day.

³³ Work-related Fatality Rate is calculated as the number of Work-related Fatalities divided by the Total Number of Employees.

³⁴ Accident Rate for the year is calculated as the total number of reportable accidents divided by the total number of employees and contractors and multiply by 1000.

³⁵ Accident Rate includes data from Hip Hing only and has been reported since FY2026.

³⁶ Average Training Hours per Employee for the year is calculated as the total number of training hours divided by the total number of employees.

³⁷ Average Training Hours per Employee by Gender for the year is calculated as the total number of training hours divided by the total number of employees by respective gender.

³⁸ Average Training Hours Completed per Employee by Seniority for the year is calculated as the total number of training hours completed by respective seniority divided by the total number of employees by respective seniority.

Social Performance Detailed Breakdown

Parameter		Unit	Male	Female
Workforce				
By Employment Type	Full-time employees	No. of employees	3,483 ^v	1,538 ^v
	Part-time employees	No. of employees	30 ^v	15 ^v
By Contract Type	Permanent employees	No. of employees	3,200 ^v	1,424 ^v
	Fixed-term/temporary employees	No. of employees	313 ^v	129 ^v
By Seniority	Operational Staff	No. of employees	2,470 ^v	903 ^v
	General Staff	No. of employees	367 ^v	277 ^v
	Assistant Manager	No. of employees	188 ^v	112 ^v
	Manager and Senior Manager	No. of employees	378 ^v	176 ^v
	Assistant General Manager and above	No. of employees	110 ^v	85 ^v
New Hires				
By Gender		No. of employees	608 ^v	237 ^v
Rate by Gender ³⁹		%	12.0 ^v	4.7 ^v
New Hires Rate by Geographical Region ⁴⁰	Hong Kong	%	15.8 ^v	
	Chinese Mainland	%	0.9 ^v	
	Others	%	0.0 ^v	
New Hires by Age Group ⁴¹	Under 30 years old	No. of employees	158	71
	30-50 years	No. of employees	278	123
	Over 50 years old	No. of employees	172	43
New Hires Rate by Age Group ⁴²	Under 30 years old	%	4.5	
	30-50 years	%	7.9	
	Over 50 years old	%	4.2	

³⁹ New Hires Rate by Gender is calculated as the number of New Hires by respective gender divided by the Total Number of Employees.
⁴⁰ New Hires Rate by Geographical Region is calculated as the number of New Hires in the corresponding region divided by the Total Number of Employees.
⁴¹ New Hires by Age Group and Turnover by Age Group data points have been newly added in this reporting year. For transparency and comparison purposes, FY2025 data is as follows for New Hires by Age Group: Under 30 years old (228), 30-50 years (426), and >50 years old (222); and Turnover by Age Group: Under 30 years old (186), 30-50 years (431), and >50 years old (329).
⁴² New Hire Rate by Age Group is calculated as the number of New Hires by respective age group divided by the Total Number of Employees.

Parameter		Unit	Male	Female
Turnover				
Leavers By Gender		No. of employees	475 [✓]	193 [✓]
Turnover Rate by Gender ⁴³		%	9.4 [✓]	3.8 [✓]
Turnover Rate by Geographical Region ⁴⁴	Hong Kong	%	12.4 [✓]	
	Chinese Mainland	%	0.7 [✓]	
	Others	%	0.0 [✓]	
Turnover by Age Group	Under 30 years old	No. of employees	72	36
	30-50 years	No. of employees	189	90
	Over 50 years old	No. of employees	214	67
Turnover Rate by Age Group ⁴⁵	Under 30 years old	%	2.1 [✓]	
	30-50 years	%	5.5 [✓]	
	Over 50 years old	%	5.5 [✓]	
Parental Leave				
Employees who took Parental Leave		No. of employees	48 [✓]	35 [✓]
Employees returned to work after Parental Leave ended		No. of employees	46 [✓]	30 [✓]
Return-to-work Rate by Gender ⁴⁶		%	96 [✓]	86 [✓]
Community				
Contributions	Time Donation	No. of hours	16,932 ^{✓47}	
	Monetary Donation	HK\$'m	5.41 ^{✓48}	

⁴³ Turnover Rate by Gender is calculated as the number of Leavers by respective gender divided by the Total Number of Employees.

⁴⁴ Turnover Rate by Geographical Region is calculated as the number of Leavers in the corresponding region divided by the Total Number of Employees.

⁴⁵ Turnover Rate by Age Group is calculated as the number of Leavers by respective age group divided by the Total Number of Employees.

⁴⁶ Return-to-work Rate by Gender is calculated as the number of Employees returned to work after Parental Leave ended divided by the number of Employees who took Parental Leave by respective gender.

⁴⁷ The total number of volunteer service hours includes the contributions from employees and accompanying non-employees, as well as the commute time to and from the volunteering sites.

⁴⁸ The Donation is solely contributed from the CTF Services Charity Foundation Limited.

Appendix 4

Awards and Memberships

Company	Award/Membership	Organizer
CTFS Group	Asia Pacific Enterprise Awards — Corporate Excellence Category	Enterprise Asia
	CTgoodjobs Best HR Awards 2025	CTgoodjobs
	1. Best Family-Friendly Employment Policy Award — Grand	
	2. Best Family-Friendly Employment Policy Award — Triple Crown	
	3. Top Workplace Companies Award — Grand	
	ERB Manpower Developer Award Scheme — Super MD Award (10th consecutive year)	Employees Retraining Board (“ERB”)
	Golden Kunpeng China Financial Value Ranking 2025 — Best IR Company	Hong Kong Commercial Daily and Global Commercial Newspapers Union
	HKMA Sustainability Award 2025 — Distinction (Large Organization Category)	The Hong Kong Management Association (“HKMA”)
	HKIRA 12th Investor Relations Awards 2026	Hong Kong Investor Relations Association
	1. Best IR Company	
	2. Best IR by CFO	
	3. Best IR Team	
	4. Best Investor Presentation Material	
	Hong Kong Corporate Governance & ESG Excellence Awards 2025 — ESG Excellence Award (Category 5: Others & GEM Companies)	Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University
	Hong Kong Volunteer Award 2025	The Home and Youth Affairs Bureau and the Agency for Volunteer Service
	1. Outstanding Corporate Award	
	2. Corporate & Non-Commercial Organization (Volunteer Hours) — Gold Award	
	HR Excellence Award 2025/26	Hong Kong Institute of Human Resource Management
	1. Employee Benefits Award — Excellent	
	2. Family-Friendly Practices Award — Elite	
	3. Best Workplace Award — Good Practice	
	4. Employee Happiness Award — Good Practice	
	Jinge Awards — ESG Excellence IR Team	GuruClub
	Listed Company Awards of Excellence	Hong Kong Economic Journal
	Outstanding Listed Company Awards	The Hong Kong Institute of Financial Analysts and Professional Commentators

Company	Award/Membership	Organizer
	The Caring Company Scheme 2024/25 — 20+ Caring Company	The Hong Kong Council of Social Service
	TVB ESG Awards 2025 1. Best in ESG Report 2. ESG Environmental Innovative Technology Award 3. ESG Social Innovative Technology Award	TVB
	2026 Asia (Ex-Japan/ANZ) Executive Team Survey 1. Most Honored Company 2. Best Company Board 3. Best CEO 4. Best CFO 5. Best IR Professional 6. Best IR Program 7. Best IR Team 8. Best ESG	Extel (formerly known as Institutional Investor)
	The Caring Company Patron's Club 2026/27 — Coral Member	The Hong Kong Council of Social Service
	Corporate Member	Business Environment Council
	Full Member	The Chamber of Hong Kong Listed Companies
	IR Pledge	Hong Kong Investor Relations Association
	Member	Hong Kong General Chamber of Commerce
	Best Companies to Work for in Asia (5th consecutive year)	HR Asia
	Bloomberg Businessweek Financial Institutions 1. Excellence Performer — Environment Sustainability and Protection (2nd consecutive year) 2. Outstanding Performer — ESG Sustainability of the Year (2nd consecutive year)	Bloomberg Businessweek/Chinese Edition
CTF Life	ESG Achievement Awards 2024/2025 — Outstanding ESG Awards 2025 (Non-Listed Company) — Platinum Award (4th consecutive year)	Institute of ESG & Benchmark
	GBA Insurance Awards — HK & Macau 1. Outstanding Environmental, Social and Governance Award (2nd consecutive year) 2. Outstanding Talent Training and Development Award (Corporate/Team)	Metro Finance
	Good MPF Employer for 6 Years Running	Mandatory Provident Fund Schemes Authority

Company	Award/Membership	Organizer
	Hong Kong Business Technology Excellence Awards 2024 — Data — Insurance	Hong Kong Business Magazine
	Hong Kong Green and Sustainable Finance Awards 2025 — Pioneering Organization in ESG Disclosure Enhancement	Hong Kong Quality Assurance Agency
	Hong Kong Green and Sustainability Contribution Awards 2026 — Notable Organization in Promoting ESG Disclosure Enhancement	Hong Kong Quality Assurance Agency
	Hong Kong Insurance Awards 2025 — Most Innovative Product/Service Award (Health) — Top 3 Finalist	The Hong Kong Federation of Insurers (organizer) and South China Morning Post (co-organizer)
	HR Excellence Awards 2025/2026 — Grand Award of Talent Management (Organizational Category) — Elite Award	Hong Kong Institute of Human Resource Management
	Human Resources Excellence Awards 2025 1. Excellence in HR Change Management 2. Excellence in Learning & Development	Human Resources Online
	IFPHK Financial Education and ESG Leadership Awards 2025 1. Corporate Financial Education & ESG Leadership — Gold Award (8th consecutive year) 2. Best Corporate Financial Education & ESG Leadership of the Year (3rd consecutive year)	Institute of Financial Planners of Hong Kong (“IFPHK”)
	Outstanding ESG Enterprises Recognition Scheme 2025 1. Prestigious ESG Accomplishment of the Year 2. Outstanding ESG Environmental Performance Awards 3. Outstanding ESG Social Performance Awards 4. Outstanding ESG Corporate Governance Performance Awards 5. ESG Commendation Awards	Sing Tao News Corporation Limited and The Hong Kong Polytechnic University
	The Caring Company Scheme 2024/25 1. 20+ Caring Company 2. Caring Performance Recognition — Advanced Performance	The Hong Kong Council of Social Service
	Charter Member	Hong Kong Management Association
	Signatory	Principles for Responsible Investment
	Signatory	HKFI Insurance Industry Climate Charter

Company	Award/Membership	Organizer
Hip Hing	Carbon Smart Construction Site Labelling Scheme: Carbon Smart Eligible project	Hong Kong Construction Association, Development Bureau, Environmental Protection Department, Hong Kong Green Building Council, and the Real Estate Developers Association of Hong Kong
	Hong Kong Green Awards 2025 — Project Management (Large Corporation) — Gold	Green Council
	The Caring Company Scheme 2024/25 — 20+ Caring Company	The Hong Kong Council of Social Service
	The 24th Hong Kong Occupational Safety & Health Award 1. Gold 2. Silver 3. Bronze	Occupational Safety and Health Council
	TVB ESG Awards 2025 — ESG Special Recognition Award	TVB
	31st Considerate Contractors Site Award Scheme 1. Gold 2. Silver 3. Bronze 4. Merit	Development Bureau and the Construction Industry Council
	Silver Member	Green Council
	Silver Patron Member	Hong Kong Green Building Council
HML	Accredited MICE Venue Rating Certificate 2025 — Gold	CrescentRating
	Final Platinum rating under the BEAM Plus Existing Buildings (EB) Version 2.0 Comprehensive Scheme	Hong Kong Green Building Council Limited
	1. Food Wise Eateries Scheme — Diamond Class (Congress Plus & Harbour Kitchen) 2. Food Wise Eateries Scheme — Gold Class (The Atrium Chinese Restaurant) 3. Indoor Air Quality Certificate 2026–2027 — Good Class (Administrative Office & Executive Office)	Environmental Protection Department
	Happiness-at-work Promotional Scheme 2025	Promoting Happiness Index Foundation
	Hazard Analysis and Critical Control Point (HACCP) & Good Hygiene Practices (GHPs) — General Principles of Food Hygiene (CXC 1-1969, latest revised 2022) — Congress Plus & Harbour Road Café	SGS Hong Kong Limited

Company	Award/Membership	Organizer
	- Hong Kong Green Organisation - Energywi\$e Certificate — Excellent Level - Wastewi\$e Certificate — Excellent Level - IAQwi\$e Certificate — Good Level	Environmental Campaign Committee
	Hong Kong Green and Sustainability Contribution Awards 2026 - Management Award for Net-Zero Contribution — Visionary Blueprint towards Net-Zero - Gold Seal for Contribution to Sustainable Facility — Promote Health and Hygiene - Gold Seal for Contribution to Sustainable Facility — Promote Environmental Protection - Gold Seal for Contribution to Sustainable Facility — Promote Barrier-free Facilities - Gold Seal for Contribution to Sustainable Facility — Promote Barrier-free Services - Gold Seal for Contribution to Sustainable Facility — Promote Community Caring - Pioneer Gold Seal for Contribution to Livable City Living (Promote Halal-friendly Community) — Promote Halal-friendly Venue	Hong Kong Quality Assurance Agency
	iRecycle ESG Award 2026 - iRecycle Sustainability Silver Award by Green Procurement Amount - Three Consecutive Sustainability Award on Green Procurement	iRecycle Charity Foundation
	Outstanding ESG Enterprises Recognition Scheme 2025 - Prestigious ESG Accomplishment of the Year - ESG Commendation Certification - Outstanding ESG Corporate Governance Performance Award - Outstanding ESG Environmental Performance Award - Outstanding ESG Social Performance Award	Sing Tao News Corporation Limited
	TDM Travel Trade Excellence Awards 2026 - Meeting & Conferencing Property of the Year — Hong Kong - Diversity and Inclusion Initiative of the Year — Hong Kong	Travel Daily Media (TDM)
	The Caring Company Scheme 2024/25 20 Years Plus Caring Company Logo - Leading Performance recognition in Large Enterprises Category	The Hong Kong Council of Social Service
	The Quality Tourism Services (QTS) Scheme Congress Plus 2026 Outstanding QTS Merchant Awards — Bronze Award - Recognised as a Quality Merchant by HKTB for 25 consecutive years	Hong Kong Tourism Board

Company	Award/Membership	Organizer
	1. The Racial Diversity & Inclusion Employers Award Scheme 2025 — Inclusive Workplace Award — Bronze	Equal Opportunities Commission
	2. Universal Design Award Scheme 2024/25 — Special Recognition Award & Gold Award (HKCEC)	
	3. Universal Design Award Scheme 2024/25 — Silver Award (Congress Plus)	
	6th Annual World MICE Awards — Hong Kong's Best Convention Centre 2025	World MICE Awards
	2025 Hong Kong Top Service Brand Awards	Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong
	Carbon Neutrality (Waste Reduction) Charter	Environmental Protection Department
	Charter on External Lighting	Environment Bureau
	Charter on Food Wise Hong Kong Campaign	Environmental Protection Department
	Dim It Charter	Friends of the Earth
	Good Employer Charter	Labour Department
	Full Member	Hong Kong Exhibition and Convention Industry Association
Roads	Five-Star Service Area — Five-Star Rating — West Lake Service Area	Zhejiang Provincial Department of Transportation, People's Republic of China
	Highway Service-Area "Water-Saving Station" — West Lake Service Area	Highway Bureau, Ministry of Transport, People's Republic of China
	LEED Platinum Certification — West Lake Station North District Building (Note) — Platinum	U.S.Green Building Council
Logistics	Green Warehousing Certification — Grade 1 (3-star) 1. Chengdu Dasheng Logistics Co., Ltd. 2. Jialong (Chengdu) Warehouse Co., Ltd. 3. Jiabin (Chengdu) Warehouse Co., Ltd. 4. Chengdu Jiachao Warehouse Co., Ltd. 5. Jiayao (Chengdu) Warehouse Co., Ltd. 6. Wuhan Jiamai Warehouse Co., Ltd.	China Association of Warehousing and Distribution

Appendix 5

GRI Standards and HKEX Content Index

GRI STANDARDS AND HKEX CONTENT INDEX

CTFS has adopted the Hong Kong Stock Exchange's (HKEX) Environmental, Social and Governance Reporting Code (the Reporting Code), including the "comply or explain" provisions set out in Part C of the Reporting Code. CTFS's climate-related disclosures for FY2026 have been prepared in compliance with HKFRS S2 and Part D of the ESG Reporting Code (for details, please refer to [HKFRS S2 Content Index](#)).

Statement of use CTF Services Limited has reported the information cited in this GRI content index for the period 1st July 2025 to 30th June 2026 with reference to the GRI Standards.

GRI 1 version GRI 1: Foundation 2021

GRI 2: General Disclosure 2021

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
The organization and its reporting practices				
2-1	Organizational details			<i>About CTF Services</i>
2-2	Entities included in the organization's sustainability reporting			<i>Reporting Boundaries</i>
2-3	Reporting period, frequency and contact point			<i>About this Report</i>
2-4	Restatements of information			There was no restatement of information in FY2026
2-5	External assurance			<i>Appendix 1: Assurance Report</i>
2-6	Activities, value chain and other business relationships			<i>About this Report;</i> <i>Reporting Boundaries</i>
Activities and workers				
2-7	Employees	KPI B1.1	Total workforce by gender, employment type, age group	<i>Appendix 3: Data Summary</i>
2-8	Workers who are not employees			<i>Appendix 3: Data Summary</i>
Governance				
2-9	Governance structure and composition			<i>ESG Governance;</i> <i>Annual Report 2026</i>
2-10	Nomination and selection of the highest governance body			<i>Annual Report 2026</i>
2-11	Chair of the highest governance body			<i>Annual Report 2026</i>
2-12	Role of the highest governance body in overseeing the management of impacts			<i>ESG Governance</i>
2-13	Delegation of responsibility for managing impacts			<i>ESG Governance</i>
2-14	Role of the highest governance body in sustainability reporting			<i>About this Report;</i> <i>ESG Governance</i>

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
2-15	Conflicts of interest			<i>Policies and Standards; Annual Report 2026</i>
2-16	Communication of critical concerns			<i>Business Ethics and Anti-corruption</i>
2-17	Collective knowledge of the highest governance body			<i>ESG Governance; Investing in Our People</i>
2-18	Evaluation of the performance of the highest governance body			<i>Annual Report 2026</i>
2-19	Remuneration policies			<i>Annual Report 2026</i>
2-20	Process to determine remuneration			<i>Annual Report 2026</i>
2-21	Annual total compensation ratio			<i>Annual Report 2026</i>
Strategy, policies and practices				
2-22	Statement on sustainable development strategy			<i>Message from Chairman of the ESG Management Task Force</i>
2-23	Policy commitments			<i>Policies and Standards; Investing in Our People; Fostering an Inclusive Culture for Our People</i>
2-24	Embedding policy commitments			<i>Business Ethics and Anti-corruption; Investing in Our People; Fostering an Inclusive Culture for Our People; Strengthening Partnerships Across Our Value Chain</i>
2-25	Processes to remediate negative impacts			<i>Business Ethics and Anti-corruption; Strengthening Partnerships Across Our Value Chain</i>
2-26	Mechanisms for seeking advice and raising concerns			<i>Business Ethics and Anti-corruption</i>
2-27	Compliance with laws and regulations			<i>Business Ethics and Anti-corruption</i> There were no violations of regulations in FY2026, same as FY2025.
2-28	Membership associations			<i>Appendix 4: Awards and Memberships</i>

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
Stakeholder engagement				
2-29	Approach to stakeholder engagement			Stakeholder Engagement
2-30	Collective bargaining agreements			Fostering an Inclusive Culture for Our People

GRI 3: Material Topics 2021

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
3-1	Process to determine material topics			Materiality Assessment Approach
3-2	List of material topics			Materiality Assessment Approach
HKEX Mandatory Disclosure Requirements				
		Governance Structure	A statement from the board containing the following elements: (1) a disclosure of the board’s oversight of ESG issues; (2) the board’s ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer’s businesses); and (3) how the board reviews progress made against ESG related goals and targets with an explanation of how they relate to the issuer’s businesses.	ESG Governance
		Reporting Principles	(1) Materiality (2) Quantitative (3) Consistency	Reporting Standards
		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	Reporting Boundaries

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
Economic				
GRI 201: Economic Performance 2016				
3-3	Management of material topic	General Disclosure B7	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	<i>Business Ethics and Anti-Corruption; Investing in Our People</i>
201-1	Direct economic value generated and distributed	KPI B8.2	Resources contributed (e.g. money or time) to the focus area	<i>Annual Report 2026; Overview of Flagship Programs in FY2026</i>
201-2	Financial implications and other risks and opportunities due to climate change			<i>Climate Scenario Analysis</i>
GRI 203: Indirect Economic Impacts 2016				
3-3	Management of material topic			<i>Annual Report 2026; Create Shared Value</i>
203-1	Infrastructure investments and services supported			<i>Annual Report 2026; Create Shared Value</i>
203-2	Significant indirect economic impacts			<i>Create Shared Value</i>
GRI 204: Procurement Practices 2016				
3-3	Management of material topic			<i>Strengthening Partnerships Across Our Value Chain</i>
GRI 205: Anti-corruption 2016				
3-3	Management of material topic	General Disclosure B7	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	<i>Business Ethics and Anti-corruption</i> There were no reported cases of non-compliance that had a material impact on the Group in FY2026.
205-1	Operations assessed for risks related to corruption			<i>Business Ethics and Anti-corruption</i>
205-2	Communication and training about anti-corruption policies and procedures	KPI B7.3	Description of anti-corruption training provided to directors and staff	<i>Business Ethics and Anti-corruption</i>
205-3	Confirmed incidents of corruption and actions taken	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	<i>Business Ethics and Anti-corruption</i>
		KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	<i>Business Ethics and Anti-corruption</i>

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
Environment				
GRI 301: Materials 2016				
3-3	Management of material topic	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.	Managing Resources Sustainably
			Policies on minimizing the issuer’s significant impact on the environment and natural resources	
		KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	We did not collect this data. The use of packaging material is not material to the Group.
GRI 302: Energy 2016				
3-3	Management of material topic	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.	CTFS’s Net Zero 2050 Ambition
			Policies on minimizing the issuer’s significant impact on the environment and natural resources	
302-1	Energy consumption within the organization	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)	Appendix 3: Data Summary
302-3	Energy intensity			Appendix 3: Data Summary
302-4	Reduction of energy consumption	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	CTFS’s Net Zero 2050 Ambition
GRI 303: Water and Effluents 2018				
3-3	Management of material topic	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.	Managing Resources Sustainably
			Policies on minimizing the issuer’s significant impact on the environment and natural resources	
303-1	Interactions with water as a shared resource	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	Managing Resources Sustainably
				There were no problems encountered in sourcing water in our operations in FY2026.
				Fresh water used by the Group’s operations is sourced locally from the respective municipalities that are considered adequate and fit for purpose.

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
		KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	<i>Managing Resources Sustainably</i>
303-2	Management of water discharge-related impacts			<i>Managing Resources Sustainably</i>
303-4	Water discharge			<i>Appendix 3: Data Summary</i>
303-5	Water consumption	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	<i>Appendix 3: Data Summary</i>
GRI 304: Biodiversity 2016				
3-3	Management of material topic	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials. Policies on minimizing the issuer's significant impact on the environment and natural resources	<i>Nature-Related Risks: TNFD LEAP Assessment; Managing Resources Sustainably</i>
304-2	Significant impacts of activities, products and services on biodiversity	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	
GRI 305: Emissions 2016				
3-3	Management of material topic	General Disclosure A1, A3	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Policies on minimizing the issuer's significant impact on the environment and natural resources	<i>CTFS's Net Zero 2050 Ambition</i> There were no reported cases of non-compliance that had a significant impact on the Group in FY2026.
305-1	Direct (Scope 1) GHG emissions	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	<i>Appendix 3: Data Summary</i>
305-2	Energy indirect (Scope 2) GHG emissions			<i>Appendix 3: Data Summary</i>
305-3	Other indirect (Scope 3) GHG emissions			<i>Appendix 3: Data Summary</i>

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
305-4	GHG emissions intensity	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	<i>Appendix 3: Data Summary</i>
305-5	Reduction of GHG emissions	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	<i>CTFS's Net Zero 2050 Ambition</i>
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	KPI A1.1	The types of emissions and respective emissions data	<i>Appendix 3: Data Summary</i>
GRI 306: Waste 2020				
3-3	Management of material topic	General Disclosure A1, A3	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Policies on minimizing the issuer's significant impact on the environment and natural resources	<i>Managing Resources Sustainably</i> There were no reported cases of non-compliance that had a significant impact on the Group in FY2026.
306-1	Waste generation and significant waste-related impacts			<i>Managing Resources Sustainably</i>
306-2	Management of significant waste-related impacts	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	<i>Managing Resources Sustainably</i>
306-3	Waste generated	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	<i>Appendix 3: Data Summary</i>
		KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	<i>Appendix 3: Data Summary</i>
306-4	Waste diverted from disposal			<i>Appendix 3: Data Summary</i>
306-5	Waste directed to disposal			<i>Appendix 3: Data Summary</i>

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
Social				
GRI 401: Employment 2016				
3-3	Management of material topic	General Disclosure B1	Information on the policies and 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	<i>Investing in Our People</i> There were no reported cases of non-compliance related to employment that had a material impact on the Group in FY2026.
401-1	New employee hires and employee turnover	KPI B1.2	Employee turnover rate by gender, age group and geographical region	<i>Appendix 3: Data Summary</i>
401-3	Parental leave			<i>Appendix 3: Data Summary</i>
GRI 403: Occupational Health and Safety 2018				
3-3	Management of material topic	General Disclosure B2	Information on the policies and 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.	<i>Prioritizing Health and Safety</i> There was 0 reported case of non-compliance related to health and safety that had a material impact on the Group in FY2026. Please refer to the Social Performance Data Table for more information.
403-1	Occupational health and safety management system			<i>Prioritizing Health and Safety</i>
403-2	Hazard identification, risk assessment, and incident investigation			<i>Prioritizing Health and Safety</i>
403-3	Occupational health services			<i>Prioritizing Health and Safety</i>
403-4	Worker participation, consultation, and communication on occupational health and safety			<i>Prioritizing Health and Safety</i>
403-5	Worker training on occupational health and safety	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	<i>Prioritizing Health and Safety</i>
403-6	Promotion of worker health			<i>Investing in Our People</i>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			<i>Prioritizing Health and Safety</i>
403-9	Work-related injuries	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	<i>Appendix 3: Data Summary</i>
		KPI B2.2	Lost days due to work injury	<i>Appendix 3: Data Summary</i>
403-10	Work-related ill health			<i>Prioritizing Health and Safety;</i> <i>Appendix 3: Data Summary</i>

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
GRI 404: Training and Education 2016				
3-3	Management of material topic	General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	<i>Investing in Our People</i>
404-1	Average hours of training per year per employee	KPI B3.1	The percentage of employees trained by gender and employee category	<i>Appendix 3: Data Summary</i> <i>Investing in Our People.</i>
		KPI B3.2	The average training hours completed per employee by gender and employee category	<i>Appendix 3: Data Summary</i>
404-2	Programs for upgrading employee skills and transition assistance programs			<i>Investing in Our People</i>
GRI 405: Diversity and Equal Opportunity 2016				
3-3	Management of material topic	General Disclosure B1	Information on the policies and 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	<i>Fostering an Inclusive Culture for Our People</i> There were no reported cases of non-compliance related to employment that had a significant impact on the Group in FY2026.
405-1	Diversity of governance bodies and employees	KPI B1.1	Total workforce by gender, employment type, age group and geographical region	<i>Appendix 3: Data Summary</i>
GRI 406: Non-discrimination 2016				
3-3	Management of material topic	General Disclosure B1	Information on the policies and 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	<i>Fostering an Inclusive Culture for Our People</i>
406-1	Incidents of discrimination and corrective actions taken			There were no reported cases of non-compliance related to discrimination that had a significant impact on the Group in FY2026.

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
GRI 408: Child Labor 2016				
3-3	Management of material topic	General Disclosure B4	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	<i>Fostering an Inclusive Culture for Our People;</i> <i>Strengthening Partnerships Across Our Value Chain</i>
408-1	Operations and suppliers at significant risk for incidents of child labor			<i>Fostering an Inclusive Culture for Our People;</i> <i>Strengthening Partnerships Across Our Value Chain</i>
		KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	<i>Fostering an Inclusive Culture for Our People;</i> <i>Strengthening Partnerships Across Our Value Chain</i>
		KPI B4.2	Description of steps taken to eliminate such practices when discovered	<i>Fostering an Inclusive Culture for Our People;</i> <i>Strengthening Partnerships Across Our Value Chain</i>
GRI 409: Forced or Compulsory Labor 2016				
3-3	Management of material topic	General Disclosure B4	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	<i>Fostering an Inclusive Culture for Our People</i>
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor			<i>Fostering an Inclusive Culture for Our People;</i> <i>Strengthening Partnerships Across Our Value Chain</i>
GRI 413: Local Communities 2016				
3-3	Management of material topic	General Disclosure B8	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	<i>Create Shared Value</i>
413-1	Operations with local community engagement, impact assessments, and development programs			<i>Overview of Flagship Programs in FY2026</i>
413-2	Operations with significant actual and potential negative impacts on local communities			<i>Sustainability-related Impacts, Risks, and Opportunities ("SIROs") Discussions</i>
		KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	<i>Overview of Flagship Programs in FY2026</i>
		KPI B8.2	Resources contributed (e.g. money or time) to the focus area	

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
GRI 416: Customer Health and Safety 2016				
3-3	Management of material topic			<i>Strengthening Partnerships Across Our Value Chain</i>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			There were no concluded cases of regulatory non-compliance regarding health and safety impacts of products and services that had a material impact on the Group in FY2026.
GRI 417: Marketing and Labeling 2016				
3-3	Management of material topic	General Disclosure B6	Information on the policies and 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	<i>Business Ethics and Anti-corruption</i> There were no concluded cases of regulatory non-compliance regarding product responsibility that had a material impact on the Group in FY2026.
417-1	Requirements for product and service information and labeling			We adhere to the Trade Descriptions Ordinance (Cap. 362) and relevant legislation. Our marketing and sales approach aligns with applicable laws and labelling mandates, with dedicated personnel reviewing marketing materials to ensure accuracy and prevent any misleading information.
417-2	Incidents of non-compliance concerning product and service information and labeling			There were no concluded cases of regulatory non-compliance regarding product and service information and labeling that had a material impact on the Group in FY2026.
417-3	Incidents of non-compliance concerning marketing communications			There were no concluded cases of regulatory non-compliance regarding marketing communications that had a material impact on the Group in FY2026.
GRI 418: Customer Privacy 2016				
3-3	Management of material topic	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	<i>Cybersecurity, Data Privacy, and Ethical AI</i>
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			There were no concluded cases of regulatory non-compliance regarding customer privacy that had a material impact on the Group in FY2026.

GRI Standards	Description	HKEX ESG Code	Description	Report Section/Remarks
Supply Chain Management				
		General Disclosure B5	Policies on managing environmental and social risks of the supply chain	<i>Strengthening Partnerships Across Our Value Chain</i>
		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	<i>Strengthening Partnerships Across Our Value Chain</i>
		KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	<i>Strengthening Partnerships Across Our Value Chain</i>
		KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	<i>Strengthening Partnerships Across Our Value Chain</i>
Product Responsibility				
		General Disclosure B6	Information on the policies and 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	<i>Business Ethics and Anti-corruption;</i> <i>Strengthening Partnerships Across Our Value Chain</i> There were no concluded cases of regulatory non-compliance regarding product responsibility that had a material impact on the Group in FY2026.
		KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	There were no recalls concerning the provision and use of products and services for safety and health reasons in FY2026.
		KPI B6.2	Number of products and service related complaints received and how they are dealt with	<i>Strengthening Partnerships Across Our Value Chain</i> The Group received a total of 1,011 complaints in relation to product and services during FY2026.
		KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	<i>Cybersecurity, Data Privacy, and Ethical AI</i>
		KPI B6.4	Description of quality assurance process and recall procedures	<i>Create Shared Value</i> Recall procedures are not material to the Group's operations.

Appendix 6

HKFRS S1 and S2 Reference Table

We strive to provide information about our sustainability-related risks and opportunities that facilitates the decision-making of our investors. This year, we have mapped our sustainability- and climate-related disclosures to the HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and HKFRS S2 Climate-related Disclosures issued by HKICPA, which came into effect in August 2025. The HKFRS S1 and S2 are fully aligned with the IFRS Sustainability Disclosure Standards.

Relevant information can be found in the specified section of the CTFS ESG Report 2026.

HKFRS S1 Reference Table

Governance

HKFRS S1 Requirements	Description	Report Section/Remarks
HKFRS S1.26 The objective of sustainability-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee sustainability-related risks and opportunities.		
HKFRS S1.27 To achieve this objective, an entity shall disclose information about:		
HKFRS S1.27(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:	ESG Governance
	(i) How responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body (s) or individual(s);	
	(ii) 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 sustainability-related risks and opportunities;	
	(iii) How and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities;	
	(iv) How the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity’s strategy, our decisions on major transactions and our risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	
	(v) How the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities, and monitor progress towards those targets (paragraph 51), including whether and how related performance metrics are included in remuneration policies.	
HKFRS S1-27(b)	Management’s role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities, including information about:	
	(i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	ESG Governance
	(ii) Whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	ESG Risk Management

Strategy

HKFRS S1 Requirements	Description	Report Section/Remarks
Sustainability-related risks and opportunities		
HKFRS S1-30 The entity shall disclose information that enables users of general purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s prospects. Specifically, the entity shall		
HKFRS S1-30(a)	Describe sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s prospects;	Sustainability-related Impacts, Risks, and Opportunities (“SIROs”) Discussions; Climate Scenario Analysis
HKFRS S1-30(b)	Specify the time horizons — short, medium or long term — over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur; and	
HKFRS S1-30(c)	Explain how the entity defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	
Business model and value chain		
HKFRS S1-32 An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of sustainability-related risks and opportunities on the entity’s business model and value chain. Specifically, the entity shall disclose:		
HKFRS S1-32(a)	A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity’s business model and value chain; and	Materiality Assessment Approach; Sustainability-related Impacts, Risks, and Opportunities (“SIROs”) Discussions
HKFRS S1-32(b)	A description of where the entity’s business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities or types of assets).	
Strategy and decision making		
HKFRS S1-33 An entity shall disclose information that enables users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:		
HKFRS S1.33(a)	How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in our strategy and decision-making;	Our ESG Strategy and Progress
HKFRS S1.33(b)	The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information; and	
HKFRS S1.33(c)	What trade-offs between sustainability-related risks and opportunities that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community).	Sustainable Finance and Investment
Financial position, financial performance and cash flows		
HKFRS S1-35 Specifically, an entity shall disclose quantitative and qualitative information about:		
HKFRS S1-35(a)	How sustainability risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	Materiality Assessment Approach; Sustainability-related Impacts, Risks, and Opportunities (“SIROs”) Discussions Limited quantitative information is currently available as these effects are not yet separately identifiable with sufficient precision. The Company is continuously enhancing its assessment approach and disclosure processes to improve the reporting of sustainability-related financial effects in future periods.
HKFRS S1-35(b)	Sustainability-related risks and opportunities identified in paragraph 35(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;	The Company has not identified any sustainability-related risks or opportunities that are expected to give rise to a material adjustment to the carrying amounts of assets and liabilities in the next reporting period.

HKFRS S1 Requirements	Description	Report Section/Remarks
HKFRS S1-35(c)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities, taking into consideration: (i) its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans the entity is not contractually committed to; and (ii) its planned sources of funding to implement its strategy; and	<i>Sustainable Finance and Investment</i>
HKFRS S1-35(d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	<i>Sustainable Finance and Investment</i>
Resilience		
HKFRS S1-41	An entity shall disclose information that enables users of general purpose financial reports to understand its capacity to adjust to the uncertainties arising from sustainability-related risks. An entity shall disclose a qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon. When providing quantitative information, an entity may disclose a single amount or a range.	<i>Sustainability-related Impacts, Risks, and Opportunities (“SIROs”) Discussions</i>
Risk management		
HKFRS S1-44 To achieve this objective, an entity shall disclose information about:		
HKFRS S1-44(a)	The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks, including information about: (i) The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes); (ii) Whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks; (iii) How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria); (iv) Whether and how the entity prioritizes sustainability-related risks relative to other types of risk; (v) How the entity monitors sustainability-related risks; and (vi) Whether and how the entity has changed the processes we use compared with the previous reporting period;	<i>ESG Risk Management</i>
HKFRS S1-44(b)	The processes the entity uses to identify, assess, prioritize and monitor sustainability-related opportunities; and	
HKFRS S1-44(c)	The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring sustainability-related risks and opportunities are integrated into and inform the entity’s overall risk management process.	
Metrics and targets		
HKFRS S1.46 An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity’s prospects:		
HKFRS S1-46(a)	Metrics required by an applicable HKFRS Sustainability Disclosure Standard; and	<i>Appendix 3: Data Summary</i>
HKFRS S1-46(b)	Metrics the entity uses to measure and monitor: (i) That sustainability-related risk or opportunity; and (ii) Its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets we are required to meet by law or regulation.	<i>Our ESG Strategy and Progress; Sustainability-related Impacts, Risks, and Opportunities (“SIROs”) Discussions</i>

HKFRS S1 Requirements	Description	Report Section/Remarks
HKFRS S1.50 Disclosure of information about metrics which have been developed by the entity.		
HKFRS S1-50(a)	How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than HKFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source;	PwC was engaged to conduct a limited assurance engagement on certain data as indicated in the <i>Appendix 3: Data Summary</i> . HKQAA was engaged to conduct a limited assurance engagement on material Scope 3 emissions. Some specific metrics are currently not validated by a third party. We will consider seeking third party validation in coming years.
HKFRS S1.50(b)	Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as a red, amber, green — or RAG — status);	
HKFRS S1.50(c)	Whether the metric is validated by a third party and, if so, which party; and	
HKFRS S1.50(d)	The methods used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made.	
HKFRS S1.51 An entity shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation. For each target, the entity shall disclose:		
HKFRS S1.51(a)	The metric used to set the target and to monitor progress towards reaching the target;	Our ESG Strategy and Progress
HKFRS S1.51(b)	The specific quantitative or qualitative target the entity has set or is required to meet;	
HKFRS S1.51(c)	The period over which the target applies;	
HKFRS S1.51(d)	The base period from which progress is measured;	
HKFRS S1.51(e)	Any milestones or interim targets;	
HKFRS S1.51(f)	Performance against each target and an analysis of trends or changes in the entity’s performance; and	
HKFRS S1.51(g)	Any revisions to the target and an explanation for those revisions.	

HKFRS S2 Reference Table

Governance

HKFRS S2 Requirements	Description	Report Section/Remarks
HKFRS S2-6 To achieve this objective, an entity shall disclose information about:		
HKFRS S2-6(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 entity shall identify that body(s) or individual(s) and disclose information about:	
	(i) How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions, and other related policies applicable to that body(s) or individuals(s);	ESG Governance
	(ii) 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;	
	(iii) How and how often the body(s) or individual(s) is informed about climate-related risks;	
	(iv) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity 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; and	
	(v) How the body(s) or individual(s) oversee the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	
HKFRS S2-6(b)	Management’s role in the governance processes, controls and procedures used to monitor, manage, and oversee climate-related risks and opportunities, including information about:	
	(i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	ESG Governance
	(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.	Climate Risk Management; ESG Risk Management

Strategy

HKFRS S2 Requirements	Description	Report Section/Remarks
HKFRS S2-9 Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand:		
HKFRS S2-9(a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects;	Climate Scenario Analysis; CTFS’s Net Zero 2050 Ambition
HKFRS S2-9(b)	The current and anticipated effects of those climate-related risks and opportunities on the entity’s business model and value chain;	
HKFRS S2-9(c)	The effects of those climate-related risks and opportunities on the entity’s strategy and decision-making, including information about its climate-related transition plan;	
HKFRS S2-9(d)	The effects of those climate-related risks and opportunities on the entity’s financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity’s financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity’s financial planning; and	
HKFRS S2-9(e)	The climate resilience of the entity’s strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity’s identified climate-related risks and opportunities.	Climate Scenario Analysis; Enhancing Business Resilience
Climate-related risks and opportunities		
HKFRS S2-10 An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects. Specifically, the entity shall:		
HKFRS S2-10(a)	Describe the climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects;	Climate Scenario Analysis; Climate Risk Management
HKFRS S2-10(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	
HKFRS S2-10(c)	Specify, for each climate-related risk and opportunity the entity 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	
HKFRS S2-10(d)	Explain how the entity defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	
Business model and value chain		
HKFRS S2-13 An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity’s business model and value chain. Specifically, the entity shall disclose:		
HKFRS S2-13(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity’s business model and value chain; and	Climate Scenario Analysis
HKFRS S2-13(b)	A description of where in the entity’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

HKFRS S2 Requirements	Description	Report Section/Remarks
Strategy and decision making		
HKFRS S2-14 An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:		
HKFRS S2-14(a)	Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:	
	(i) Current and anticipated changes to the entity’s business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);	Sustainable Finance and Investment; CTFS’s Net Zero 2050 Ambition; Managing Resources Sustainably
	(ii) Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications);	Climate Scenario Analysis; CTFS’s Net Zero 2050 Ambition
	(iii) Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains);	CTFS’s Net Zero 2050 Ambition; Strengthening Partnerships Across Our Value Chain
	(iv) Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity’s transition plan relies; and	CTFS’s Net Zero 2050 Ambition
	(v) How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets.	
HKFRS S2-14(b)	Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	Sustainable Finance and Investment
HKFRS S2-14(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	CTFS’s Net Zero 2050 Ambition
Financial position, financial performance and cash flows		
HKFRS S2-15 An entity shall disclose information that enables users of general purpose financial reports to understand:		
HKFRS S2-15(a)	The effects of climate-related risks and opportunities on the entity’s financial position, financial performance and cash flows for the reporting period (current financial effects); and	Climate Scenario Analysis
HKFRS S2-15(b)	The anticipated effects of climate-related risks and opportunities on the entity’s financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity’s financial planning (anticipated financial effects).	
HKFRS S2-16 Specifically, an entity shall disclose quantitative and qualitative information about:		
HKFRS S2-16(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	We have not identified any climate-related risk or opportunity that carries a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities reported in the financial statements within the next annual reporting period.
HKFRS S2-16(b)	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	
HKFRS S2-16(c)	How the entity 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:	Climate Scenario Analysis
	(i) Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	
	(ii) Its planned sources of funding to implement its strategy; and	
HKFRS S2-16(d)	How the entity 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 (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	

HKFRS S2 Requirements	Description	Report Section/Remarks
Climate Resilience		
HKFRS S2-22(a)	The entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand:	Climate Scenario Analysis; Sustainable Finance and Investment
	(i) The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis;	
	(ii) The significant areas of uncertainty considered in the entity's assessment of climate resilience;	
	(iii) the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including: (1) The availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities; (2) The entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and (3) The effect of the entity's current and planned investments in climate-related mitigation, adaptation, and opportunities for climate resilience; and	
HKFRS S2-22(b)	How and when the climate-related scenario analysis was carried out, including:	Climate Scenario Analysis
	(i) Information about the inputs the entity used, including: (1) Which climate-related scenarios the entity used for the analysis and the sources of those 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 risk; (4) Whether the entity used, among, its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) The time horizons the entity used in the analysis; and (7) What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis).	
	(ii) The key assumptions the entity made in the analysis, including assumptions about: (1) Climate-related policies in the jurisdictions in which the entity operates; (2) Macroeconomic trends; (3) National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources); (4) Energy usage and mix; and (5) Developments in technology; and	
	(iii) The reporting period in which the climate-related scenario analysis was carried out.	
Risk management		
HKFRS S2-25 To achieve this objective, an entity shall disclose information about:		
HKFRS S2-25(a)	The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks, including information about:	Climate Scenario Analysis; Climate Risk Management
	(i) The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	
	(ii) Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;	
	(iii) How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	
	(iv) Whether and how the entity prioritizes climate-related risks relative to other types of risks;	
	(v) How the entity monitors climate-related risks; and	
	(vi) Whether and how the entity has changed the processes it uses compared with the previous reporting period;	
HKFRS S2-25(b)	The processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	
HKFRS S2-25(c)	The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	

Metrics and targets

HKFRS S2 Requirements	Description	Report Section/Remarks
HKFRS S2-28 To achieve this objective, an entity shall disclose:		
HKFRS S2-28(a)	Information relevant to the cross-industry metric categories;	Our ESG Strategy and Progress; CTFS's Net Zero 2050 Ambition; Appendix 3: Data summary
HKFRS S2-28(b)	Industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry; and	
HKFRS S2-28(c)	Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	
Climate-related metrics		
HKFRS S2-29 An entity shall disclose information relevant to the cross-industry metric categories of:		
HKFRS S2-29(a)	Greenhouse gas emissions — the entity shall: (i) Disclose the absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO₂ equivalent, classified as: (1) Scope 1 greenhouse gas emissions; (2) Scope 2 greenhouse gas emissions; and (3) Scope 3 greenhouse gas emissions; (ii) 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 an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions; (iii) Disclose the approach it uses to measure its greenhouse gas emissions including: (1) The measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions; (2) The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (3) Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (iv) For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: (1) The consolidated accounting group (parent and its consolidated subsidiaries); (2) Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying HKFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries); (v) For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users’ understanding of the entity’s Scope 2 greenhouse gas emissions, and; (vi) For Scope 3 emissions disclosed in accordance with paragraph 29(a)(i)(3) and with reference to paragraphs B32-B57, disclose: (1) The categories included within the entity’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); and (2) Additional information about the entity’s Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity’s activities include asset management, commercial banking or insurance;	Appendix 3: Data Summary We are in progress of improving the methodologies and processes to calculate disaggregated emissions for future disclosure.
HKFRS S2-29(b)	Climate-related transition risks — the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	Climate Scenario Analysis
HKFRS S2-29(c)	Climate-related physical risks — the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	
HKFRS S2-29(d)	Climate-related opportunities — the amount and percentage of assets or business activities aligned with climate-related opportunities;	
HKFRS S2-29(e)	Capital deployment — the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	Climate Scenario Analysis; Sustainable Finance and Investment
HKFRS S2-29(f)	Internal carbon prices — the entity shall disclose: (i) An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and (ii) The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions;	We are currently not applying a carbon price in decision-making and will explore the potential of adoption in the coming years.

HKFRS S2 Requirements	Description	Report Section/Remarks
HKFRS S2-29(g)	Remuneration — the entity shall disclose:	
	(i) A description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)); and	We are currently not factoring climate-related considerations into executive remuneration and will explore the potential of adoption in the coming years.
	(ii) The percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations.	
Climate-related targets		
HKFRS S2-33 An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each climate-related target, an entity shall disclose:		
HKFRS S2-33(a)	The metric used to set the target;	CTFS's Net Zero 2050 Ambition
HKFRS S2-33(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
HKFRS S2-33(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);	
HKFRS S2-33(d)	The period over which the target applies;	
HKFRS S2-33(e)	The base period from which progress is measured;	
HKFRS S2-33(f)	Any milestones and interim targets;	
HKFRS S2-33(g)	If the target is quantitative, whether it is an absolute target or an intensity target; and	
HKFRS S2-33(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
HKFRS S2-34 An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:		
HKFRS S2-34(a)	Whether the target and the methodology for setting the target has been validated by a third party;	These are currently not validated by a third party as no specific guideline applicable for conglomerate business; Hip Hing and CTF Life near-term targets are SBTi-validated.
HKFRS S2-34(b)	The entity's processes for reviewing the target;	CTFS's Net Zero 2050 Ambition
HKFRS S2-34(c)	The metrics used to monitor progress towards reaching the target;	
HKFRS S2-34(d)	Any revisions to the target and an explanation for those revisions.	N/A
HKFRS S2-36 For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose:		
HKFRS S2-36(a)	Which greenhouse gases are covered by the target.	CTFS's Net Zero 2050 Ambition
HKFRS S2-36(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	
HKFRS S2-36(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.	
HKFRS S2-36(d)	Whether the target was derived using a sectoral decarbonization approach.	
HKFRS S2-36(e)	The entity'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 CTFS shall disclose information including:	CTFS's Net Zero 2050 Ambition; Appendix 3: Data Summary
	(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 for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	

