ART GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 565)



2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to the long-term sustainability of the environment and communities in which it engages. Acting in an environmentally responsible manner, the Group endeavours to identify and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. This report is prepared by the Group in compliance with the Environmental, Social and Governance ("**ESG**") Reporting Code (the "**ESG Reporting Code**") set out in Appendix C2 to the Listing Rules. This report complies with the "comply or explain" provisions set out in the ESG Reporting Code for the year ended 30 June 2026 (the "**Reporting Period**") by making general disclosures on environmental and social information.

The corporate governance is the key to effective ESG management. The Board assumes the overall ESG responsibility and is committed to strong ESG performance. The Board holds meetings to assess the ESG risks; formulate the ESG strategies and policies and ensure the establishment and maintenance of effective internal control procedures on the ESG aspects of its business and operations. The Board also regularly discusses with the management to check the execution of strategies and policies and collect feedback from the stakeholders. Independent assessment organisation was also engaged to further evaluate the environmental aspect of the Group's business and operations. With such governance structure, the Board can effectively oversee ESG issues with both internal and external perspectives taken into consideration.

REPORTING PRINCIPLES

The Group has adhered to the following reporting principles in its preparation of the report:

Materiality: The Group has identified material ESG topics relevant to its development and operation through internal review and communication with stakeholders to understand their concerns and expectations.

Quantitative: The Group accounts for and discloses key performance indicators ("**KPIs**") in quantitative terms for proper evaluation of the effectiveness of ESG policies and actions.

Balance: The report aims to disclose data in an objective way, which aims to provide stakeholders with a balanced overview of the Group's overall ESG performances.

Consistency: The Group adopts consistent measurement methodology to achieve meaningful comparison of ESG performance over time whenever practicable. Any updates in the methods or KPIs used will be disclosed.

The Group further strengthened ESG reporting by expanding and prioritising group-wide efforts and activities on ESG. The Group is now reviewing, updating and refining its ESG-related issues to ensure the consistency of its policies, systems, processes and standards with global best practice and trends. As the ESG rating and disclosure guidelines evolve, the Group's disclosures will follow accordingly.

REPORTING BOUNDARIES

This ESG Report serves to provide details of the Company's ESG policies and initiatives of its major operating segment in People's Republic of China (the "**PRC**"), which is principally engaged in the property operating business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GOVERNANCE STRUCTURE

Board's oversight of ESG issues

The Board believes that good environmental conditions, social impact and governance structure are important to the Group's development. The Group should have a long-term strategic management mission and firmly believes that the positive realisation of ESG is the cornerstone of sustainable development. To achieve the Group's commitment to long-term operation and sustainable development, the Group adopts different guidance and monitoring system to ensure the operation is efficient and minimise the risk of operation. The Board regularly reviews the sustainability goals and policies and implements appropriate management measures to ensure that the Group keeps pace with the times and its commitment to sustainable development is not only the mission of an enterprise, but also a driving force for our success in market.

The Board has delegated the power of sustainability strategies development and policies implementation to the management. The management is responsible for executing projects, evaluating results, monitoring potential risks and reporting on performance.

ESG management approach and strategy for material ESG-related issues

To better understand the opinions and expectations of different stakeholders on the ESG issues, materiality assessment is conducted annually. The Group ensures various platforms and channels of communication are used to reach, listen and respond to its key stakeholders. Through communication with the stakeholders, the Group is able to understand their expectations and concerns. The feedbacks obtained allow the Group to make more informed decisions, and to better assess and manage the impacts of the business decisions.

The Group has evaluated the materiality for each of the ESG aspects through the following steps: (i) identification of ESG issues by the Group; (ii) key ESG areas prioritisation with stakeholder engagement; and (iii) validation and determining material ESG issues based on the results of communication with the stakeholders.

Taking these steps enhances the understanding of the expectations and concerns of the Group's stakeholders on various ESG issues, which enable the Board to plan the sustainable development direction to address material ESG-related issues in the future.

Progress review made against ESG-related goals and targets

ESG-related goals and targets have been set to provide a strategic direction for all operations, the progress is closely reviewed by the Company from time to time. Modification may be needed if the progress falls short of expectation and/or change of business operations.

The Group's sustainability target enables the Company to develop a realistic roadmap and focus on results of achieving the visions. The sustainability performance and progress made against the goals are reported annually to the Board for review at least annually.

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STAKEHOLDER ENGAGEMENT

Since the Group has shareholders and investors, government and regulatory agencies, employees, customers, suppliers and community members, as significant stakeholders, the Group during its business maintains communications with them to understand their view and meet their expectations. The Group strives to integrate ESG considerations in its daily property operations. Reducing and controlling emissions of gas and waste remains a top priority for the Group by having in place policies and indicators in specific areas to encourage waste reduction, recycling and sustainability.

The table below presents key stakeholders of the Group and how the Group communicates with them through a variety of communication channels:

Stakeholders	Expectations	Communication and response
Shareholders and investors	• Financial results • ESG performance	• Annual reports and interim reports • ESG reports and other public information
	• Corporate communication channels	• Regular information disclosures on Company website and emails
Government and regulatory agencies	• Compliance with laws and regulations	• Compliance operation and on-site inspections and checks
	• Corporate communication channels	• Annual reports, interim reports, ESG reports, emails and other public information
	• Compliance with environmental regulations	• Compliance of environmental policies and ESG reports
Employees	• Career development platform	• Promotion mechanism and performance evaluation
	• Corporate communication channels	• Meeting and emails
	• Safe working environment	• Providing trainings for employees and strengthen their safety awareness
Customers and tenants	• Corporate communication channels	• Company website, emails, customer support hotline, annual reports, interim reports, ESG reports, emails and other public information
	• Customer rights and interests protection	• Complaint handling mechanism, customer feedback forms
Suppliers	• Business ethics and credibility	• Performing the contracts according to law and regular review
	• Corporate communication channels	• Meeting and emails
Community members	• Community involvement	• Community activities participation, charity and social donation
	• Corporate communication channels	• Meeting and emails

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT *(Continued)*

The operations of the Group have impacts on various stakeholders while stakeholders have different expectations of the Group. Looking forward, the Group will continuously strengthen its communications with its stakeholders and extensively collect stakeholders' opinions on various ways that would lead to a more comprehensive materiality analysis. Meanwhile, the Group would also enhance the reporting principles in terms of quantitative, balance and consistency, and define the presentation of content and information of the report in a way which better conforms to stakeholders' expectations.

CONTACT US

The Group values your feedback and opinions on sustainable development performance. You could provide valuable opinions on this ESG report or on the Group's performance of sustainable development as follow:

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31/F., Chinachem Century Tower
178 Gloucester Road, Wan Chai, Hong Kong
Fax: +852 2333 3560

MATERIALITY ASSESSMENT

To better understand the views and expectations of stakeholders on the ESG performance of the Group, materiality assessment is conducted annually to assess the importance of ESG issues to the stakeholders and to identify ESG related risks and opportunities. The Group considered the significance of all potential ESG issues by assessing their importance to the stakeholders and the Group through various communication approaches.

Qualified testing personnel of an experienced testing company in the PRC identified and selected ESG factors based on the operating conditions of the investment properties and then provided the quantitative information for the reporting of emissions. The testing equipment is kept in good working conditions, and it is checked and maintained regularly. The testing work is based on "Technical Guideline on Environmental Monitoring Quality Management"《環境監測品質管制技術導則》. The intensity of emissions and resource usage are calculated by using the total gross floor area of the investment properties.

In order to preserve a meaningful comparison, there was no material change to the methods or KPIs used by the Group in the years ended 30 June 2025 or 30 June 2026. The Group identified property operating business area to be included in the ESG report because it is the principal business activity of the Group.

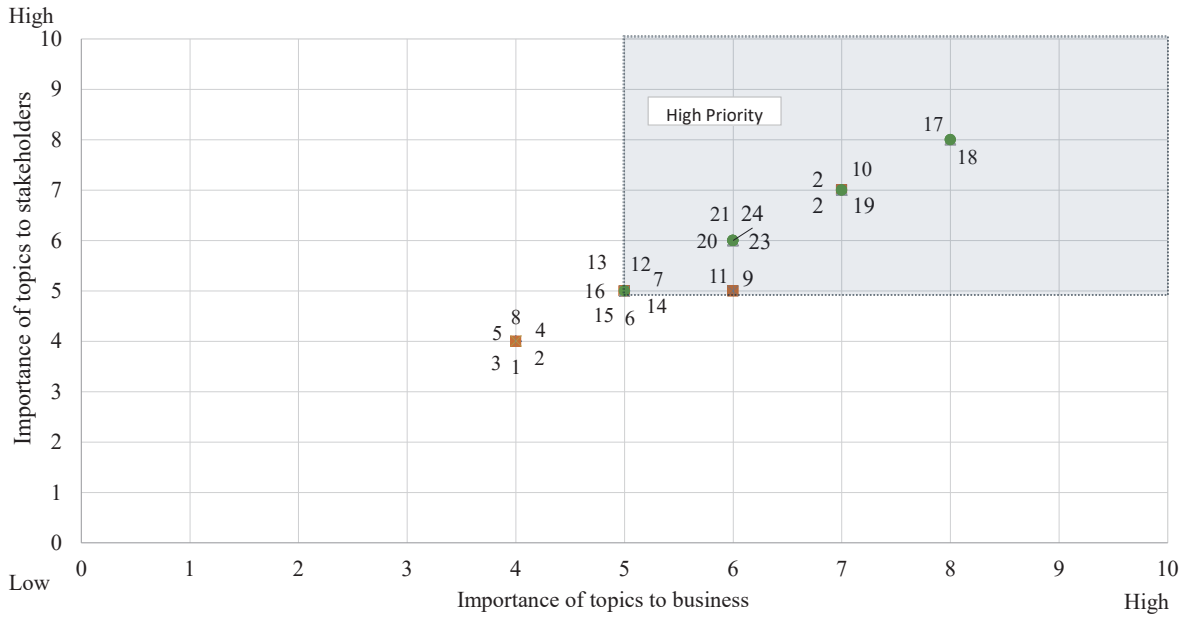
During the Reporting Period, the Group conducted a comprehensive materiality assessment, which involved interviews and surveys with internal and external stakeholders to identify "material issues" and reflect the environment, social and operational issues which have the most significant impacts on the Company's business and the relevant issues which are of concern to the stakeholders.

With reference to the scope of disclosure as required under the ESG Reporting Code, as well as taking into consideration its business features, the Group has identified and determined 24 issues covering greenhouse gas ("**GHG**") emission, energy consumption, employee welfare, occupational health and safety, training and development, supply chain management, customer privacy, anti-corruption, and community investment with respect to its business operation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT *(Continued)*

The Group's materiality matrix of ESG issues in the Reporting Period:



Environmental issues

1. Greenhouse gas emissions
2. Energy consumption and resource management
3. Water resources management
4. Waste management
5. Use of packaging materials
6. Impact on the environment
7. Climate change
8. Community contribution

Social issues

9. Occupational health and safety
10. Child labour
11. Forced labour
12. Training and development
13. Salaries and employee benefits
14. Diversity and equal opportunity
15. Talent attraction and retention
16. Anti-corruption

Operation issues

17. Supply chain management
18. Supplier evaluation and selection
19. Customer satisfaction
20. Customer privacy
21. Feedback and complaint handling
22. Product safety and quality
23. Intellectual property protection
24. Marketing and labeling

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL

The Group is committed to ensuring that environmental management should comply with laws and regulations. The Group aims to reduce the environmental impact and support sustainable development. The Group strictly follows all environmental laws set by Hong Kong and the PRC governments and other markets where it operates. The operations comply with regulations on air pollution, water pollution, waste pollution, toxic chemicals and environmental impact.

During the Reporting Period, there were no incidents of non-compliance or grievances related to air and greenhouse gas ("**GHG**") emissions, water usage and discharges into land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

EMISSIONS

The Group has two major business sectors, namely the shopping mall and the industrial park.

Direct Air Emissions by the Shopping Mall

In accordance with the "Environmental Protection Law of the PRC"《中華人民共和國環境保護法》 and the "Regulations on the Administration of Environmental Protection of Construction Projects" 《建設項目環境保護管理條例》, the facilities for pollution prevention and control in the construction project must be designed, constructed and put into use at the same time as the main project. Pollution prevention and control facilities, such as "three simultaneous" concept, are considered as the effective measures to strictly control the new pollution sources and pollutant emissions and to curb the trend of environmental deterioration. During the project construction and operation period, the Group's pollution prevention and control measures strictly complied with the relevant regulations and standards of the PRC government.

During the Reporting Period, the Group's emissions were mainly from underground garage and automobile exhaust. From the understanding of the Group, after the real estate developer sets up an independent air supply and exhaust system in underground parking lot, the impact of automobile exhaust on the surrounding environment becomes minimal. Though the Group is only responsible for operating the underground garage, it also observes the status of the exhaust emissions from time to time.

Direct Air emission by the industrial park

The industrial park is managed by the Group and the major businesses of the industrial park are warehouses, light industry, such as plastic toys and textiles industry. The most polluting industry is shoe manufacturing. The Group closely monitors the business in the industrial park and ensures there is no toxic pollutant or pollutants that are beyond of the country's standard release from the industrial park. As at the date of the report, the Group does not receive any feedback about the pollution problem for the industrial park.

The Group mainly manages public area of the industrial park. Therefore, the major direct emission of the industrial park is from the car emission. It is because people travelling to work by private cars and there are many trucks to load and unload cargos. The Group noted that the electronic vehicles have become more popular. It also introduces the electronic trucks; the Group believes that in long term the air pollution will be improved due to more electronic vehicles.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EMISSIONS *(Continued)*

Indirect Air emission by the Group's tenants

In order to prevent the pollution caused by catering industry fumes on the atmospheric environment and living environment, the catering tenants of the Group, in accordance with the "Air Pollution Control Law of the PRC"《中華人民共和國大氣污染防治法》and "Catering Fume Emission Standards"《飲食業油煙排放標準》specially formulated by the Ministry of Environmental Protection of the PRC, installed fume purification facilities and implemented pollution prevention and control measures to achieve pollutant discharge standards. Fume purification facilities are installed and used by the catering tenants after inspection and approval by the organisations qualified by the PRC government. From the understanding of the Group, the specifications of the fume purification facilities follow the relevant standards, and the Environmental Protection Administrative Department is responsible for monitoring the implementation. The Group also monitors the status of fumes emissions in the catering shop units from time to time.

The Group also encourages the catering industry to reduce the fumes and suggests the catering industry to develop "smoke-free cuisine" as a part of the indoor installation. The Group also welcomes the public to monitor any restaurant that emits any oily cooking fumes and odour.

The manufacturers of the industrial park discharge air pollutants through an independent municipal pipeline system. Emission standards are clearly outlined in the tenancy agreements, requiring that all discharged air must remain below country pollution thresholds. Although the Group is unable to collect detailed emission data from each individual tenant, the Group's staff closely monitor emission pipe of the tenancy and measure the air quality around the industrial park.

In addition, the Group actively encourages public reporting of any concerns related to air emissions. To the best of the Directors' knowledge, there have been no complaints or government actions regarding air pollution from the industrial park.

Other air pollutants include nitrogen oxides ("**NOx**"), sulphur oxides ("**SOx**") and particulate matter ("**PM**"), which have adverse effects on the climate, ecosystems and air quality. The Group uses electric vehicles which have no vehicle fuel usage and mainly uses electric cooktops in the operation of restaurants; therefore no material emissions of NOx, SOx and PM were generated. The Group generates other air pollutants through town gas consumption in its operation.

The key environmental performance indicators of the Group's emissions in the Reporting Period are shown in the table below:

Gaseous emissions from the use of motor vehicles

Environmental Indicators	Unit	2026	2025
NOx *(Note 1)*	Tons	3.60	5.10
SOx	Tons	0.06	0.02
PM	Tons	0.26	0.38

Note 1: The emission factors used to calculate the NOx, SOx and PM are sourced from: (i) the Hong Kong Environmental Protection Department's ("**EPD**") EMFAC-HK Vehicle Emission Calculation model; and (ii) the United States Environmental Protection Agency's Vehicle Emission Modeling Software – MOBILE6.1. The assumption of 80% relative humidity, a temperature of 25 degrees Celsius, an average speed of 30kmh, and include running exhaust emissions only.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EMISSIONS *(Continued)*

GHG emissions from operation

Environmental Indicators *(Note 1)*	Unit	2026	2025
Direct emissions (Scope 1)	Tonnes of CO_2e	10.93	19.12
Energy indirect emissions (Scope 2) *(Note 2)*	Tonnes of CO_2e	19,642	15,424
Other indirect emissions (Scope 3)	Tonnes of CO_2e	160.08	6,209.12
Total GHG emissions	Tonnes of CO_2e	19,813.01	21,733.24
GHG emissions intensity *(Note 4)*	Tonnes of CO_2e/employee	121	209

Note 1: GHG emissions (direct and indirect) and its removal can be divided into the following three separate areas:

Scope 1: Direct GHG emissions from operations that are owned or controlled by the Group including combustion of fuels in motor vehicles controlled by the Group.

Scope 2: Energy indirect emissions resulting from generation of purchased electricity that is consumed by the Group's including the controlled equipment or its operations within the physical building boundary for electricity purchased from power companies.

Scope 3: All other indirect GHG emissions that occurred outside the Group, including: Category#5: waste generated in operations and Category#6: business travel.

Note 2: The emission factor for Hong Kong based operations is set at 0.59 kg CO2/kWh and emission factor for PRC based operations is set at 0.5395 for Central China Power Grid, which is sourced from HK Electric Investments Sustainability Report 2025 and 2022 PRC Power Grid.

Reduction target of GHG emissions intensity

Environmental Indicators	Reduction Target	Baseline Year	Status
GHG emission intensity (Scope 1)	Reduce 5% by Year 2030	2025	In progress
GHG emission intensity (Scope 2)	Reduce 5% by Year 2030	2025	In progress

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EMISSIONS *(Continued)*

Sewage Discharges

With rain and sewage diversion system and the compliance of sewage treatment by the septic tank, the Group deals with waste water drainage by the municipal sewage pipe network in accordance with the sewage standards issued by the relevant PRC government departments. The real estate developer had built sewage outfalls for the purpose of sewage discharge in the shopping mall and in the industrial park, respectively. The quality of waste water discharged by the Group met the third standard of the "Integrated Wastewater Discharge Standard" 《污水綜合排放標準》(GB8978-1996) and B grade standard of the "Sewage into the City Sewer Water Quality Standard"《污水排入城市下水道水質標準》(CJ343-1996) before the waste water is transferred to the Wulongkou sewage treatment plant. The tenants of the industrial park installed independent municipal pipeline, the public area pipeline mainly discharges the rain which is unable to be measured. The Group has not received any incidents of non-compliance or grievances related to industrial water discharge. In addition, the staff monitors the surrounding of the industrial park to monitor any unlawful discharge or pipe leakage from time to time.

Waste Management

In the public areas of the shopping mall and the industrial park managed by the Group, the Group has set up waste sorting bins, handles the waste in a timely manner and maintains the sanitation around the collection bins. The Group centralises the wastes collected in the public areas of the shopping mall and the industrial park managed by it for disposal. According to the requirements of the government departments, the Group carries out the collection of wastes and their separation in the designated areas. These wastes are then transported to the municipal solid waste recycling station for unified disposal. Moreover, the following procedures are implemented: (i) an agreement was signed with a kitchen waste treatment company which is assigned by the Zhengzhou City Municipal Government; (ii) a domestic garbage dumping certificate was obtained; (iii) an agreement was signed with a disinfection and pesticide company for regular sterilisation of public areas and merchant shops; (iv) unified collection of merchant wastes at unified recycling station; and (v) uniform treatment of swill.

During the Reporting Period, the Group produced three types of non-hazardous waste, namely (i) construction waste in the shopping mall, such as renovation and decoration materials from tenants and promotion activities. The industrial park has not measured construction waste as the generated construction waste is disposed of by the tenants themselves; (ii) domestic waste in the shopping mall and the industrial park, such as packing materials and sundry items etc.; and (iii) kitchen waste in the shopping mall while a small amount of kitchen waste in the industrial park was included in the domestic waste and could not be counted separately. To the knowledge of the Directors, no hazardous waste is produced in the Group's operation.

The Group suggested all tenants try to Reduce, Reuse and Recycle (the "**3Rs**") the renovation and decoration materials. However, all tenants had their own design language; some new tenants might use the existing renovation and decoration materials. Furthermore, the Group makes a good classification of the waste and hands it over to the supplier for unified processing, strengthens publicity and guidance to stabilise tenants' business operations for reducing shop replacements, conducts online promotion activities, advocates low-carbon and green lifestyles, reduce the use of plastic products, such as disposable chopsticks and plastic bags and promote proper meal ordering for saving food and reducing waste.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EMISSIONS *(Continued)*

Waste Management *(Continued)*

The Group also recognises that tenant participation is crucial to reducing waste in the industrial park. The Group encourages tenants to consistently apply the 3Rs to minimise waste. Additionally, the Group is responsible for collecting waste from tenants in designated areas. In accordance with government department requirements, the Group conducts the collection and separation of wet and dry domestic waste in these designated areas. These wastes are then transported to the municipal solid waste recycling station for unified destruction. Furthermore, the following procedures are implemented: (i) obtaining a domestic garbage dumping certificate; (ii) signing an agreement with a disinfection and pesticides company for tenants; (iii) unified collection of merchant wastes at a unified recycling station; and (iv) uniform treatment of swill.

Wastes produced from operation

Environmental Indicators	Unit	2026	2025
Total non-hazardous waste	Tonnes	10,801	6,898
Non-hazardous waste intensity	Tonnes/employee	66	75
Total hazardous waste	Tonnes	–	–
Hazardous waste intensity	Tonnes/employee	–	–

Reduction target of intensity of non-hazardous and hazardous wastes produced

Environmental Indicators	Reduction Target	Baseline Year	Status
Non-hazardous waste produced intensity	Reduce 5% by Year 2030	2025	In progress
Hazardous waste produced intensity	Maintain minimal generation	2025	In progress

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Air Pollution Control Ordinance, Water Pollution Control Ordinance and Waste Disposal Ordinance and other applicable laws and regulations that have a significant impact relating to air and greenhouse gas emissions, discharging into water and land, generation of hazardous and non-hazardous waste of the Group during the Reporting Period. In addition, no non-compliance with relevant laws and regulations that resulted in significant fine or sanction has been reported in the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

USE OF RESOURCES

Electricity

Greenhouse gases emission is closely related to the consumption of energy, and the Group recognises that the main source of its energy consumption is electricity. The Group targets and encourages its tenants to put energy conservation practices in place and support global warming mitigation, such as turning off lights after office hours and using effective energy-saving light bulbs as far as possible. During the Reporting Period, the Group's electricity consumption consists of commercial electricity provided to investment properties and details of which are set out below.

Henan Electricity Company Zhengzhou Branch provides commercial electricity to the Group's investment properties. The charges of electricity usage in office, public facilities such as landscape area, public access etc. are borne by the Group while tenants of each commercial unit bear their own costs based on independent measurement by each of meters.

The Group responded to the call of the state by actively participating in the Zhengzhou City Power Sales Platform jointly organised by the Zhengzhou City Municipal Government and the National Development and Reform Commission. A power sales agreement was signed by the Group which in turn benefits the Group by reducing electricity costs and saving energy. Furthermore, the Group has cooperated with the implementation of the document issued by the Zhengzhou City Municipal Government, namely, the "Encourage electricity consumption for large-sized businesses and enterprises, and reduce electricity consumption costs".

The Group strengthens publicity and guidance to increase the awareness of energy saving and consumption reduction to tenants, to choose energy-saving equipment and facilities, and turn off all lighting after office hours for reducing ineffective lighting. Furthermore, the Group reasonably arranges the operation of elevators and other equipment based on the opening hours of the shopping mall, adjusts the operation and temperature of air-conditioning based on weather conditions and the temperature inside the shopping mall, as well as the installation of transparent curtains at the entrances and exits to ensure lower energy consumption and appropriate temperature in the shopping mall. The industrial park is equipped with solar panels for power supply, which are mainly concentrated on the roofs of buildings, and photovoltaic power generation is mainly used for commercial electricity consumption.

Natural gas

The real estate developer installed 5 boilers in the shopping mall to provide heating to office and public areas during the Reporting Period. These boilers were functioned by natural gas which was supplied by Zhengzhou Vanguard Natural Gas Holdings Co., Ltd. and the heating cost was borne by the Group.

During the Reporting Period, the heating was turned on and turned off when the investment properties were opened were closed respectively. The flow of natural gas is determined by the weather through adjusting the size of valves. The Group continues to strive to lower the costs by enhancing the energy use efficiency, adjusts the heating time and flow rate according to the weather conditions and the temperature inside the shopping mall, cuts off the heating in time before closing the shopping mall and installs cotton curtains at the entrances and exits to use less energy while ensuring that the temperature inside the shopping mall is appropriate. The Group also welcomes the public to report any leakage of the windows and doors to prevent any further heat loss in shopping mall.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

USE OF RESOURCES *(Continued)*

Water consumption

Zhengzhou Tap Water Investment Holdings Co., Ltd. provides urban water for commercial use in office and public facilities such as public restrooms. Such water fee is borne by the Group while tenants of each commercial unit bear their own water fee based on independent measurement by each of meters. The water fee includes the sewage charge paid to the government.

The Group did not have any issue in sourcing water that is fit for purpose. For the sake of hygiene and good service quality, the Group enhances the water use efficiency for the shopping mall and the industrial park and continues to strive to lower water consumption through the policies below. In long term, the Group will install all water-efficiency equipment in all restrooms such as automatic faucet. The Group also collects rain drops as grey water for gardening to achieve water saving. Secondly, the Group increased the posting of "Water Conservation" signage in the shopping mall and the service counters broadcast water conservation promotion from time to time to improve the awareness of water conservation for customers and tenants. Finally, the Group also monitors water meter, and water pipe, to prevent any water leakage and abnormal water usage.

The Group noticed that the new energy vehicle is becoming more popular in the future as the PRC government polices to promote the use of new energy vehicles. As the shopping mall installs new energy vehicle charging piles in parking lots, the customers may use charging piles to charge the new energy vehicles. The Group believes that the use of electricity may remain the same or increase in the future.

Relevant consumptions from operations

Resources consumed	Unit	2026	2025 *(Note 1)*
Energy consumption			
Electricity consumption	kWh	36,405,037	25,460,000
Total energy consumption	kWh	39,751,842	26,467,808
Energy consumption intensity	kWh/employee	242,389	254,498
Natural Gas	M^3	322,001	94,306
Water consumption			
Water consumption	M^3	266,305	128,000
Water consumption intensity	M^3/employee	1,624	1,231

Note 1: The data has been restated for unified comparison.

The Group's business activity is property operating business, no significant packaging materials were recorded during the Reporting Period.

Reduction target of resources consumption

Environmental Indicators	Reduction Target	Baseline Year	Status
Energy consumption intensity	Reduce 5% by Year 2030	2025	In progress
Water consumption intensity	Reduce 5% by Year 2030	2025	In progress

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

THE ENVIRONMENT AND NATURAL RESOURCES

The Group strictly abides by the requirements of the relevant environmental protection laws and regulations, departmental regulations and local regulations during the implementation of large-scale marketing and promotional activities. Equipment used in these activities is all made from environmentally friendly materials and there is no pollution such as waste smoke, waste water, waste garbage and noise. No pollution accidents and no illegal activities such as violation of pollution discharge regulations or environmental pollution have occurred. The major pollutant business is shoe manufacturers in the industrial park. All of the shoe manufacturers are equipped with environmental protection equipment, and air emissions can only be discharged after being treated by environmental protection equipment.

Marketing and promotional activities

1. In the large-scale marketing and promotional activities, only environmentally-friendly materials and equipment are used while dangerous goods such as fireworks and firecrackers that generate waste smoke and waste gas are restricted to be used.

2. Audio and lighting are strictly in compliance with the relevant requirements of national policies. There are qualified personnel to always control and monitor the volume decibels. Lighting is also controlled and prohibited from shining in residential areas. After nine o'clock in the evening, the audio and lighting must be turned off to avoid light pollution and noise pollution.

3. After completion of these activities, activity materials and domestic garbage are disposed of properly to reduce environmental pollution.

4. Materials used for supporting and fixing stage construction are recyclable and environmentally-friendly. Most materials are aluminum or steel, which are also easy to recycle.

5. The Group uses utility model patents at design and production, of which, the environmentally-friendly exhibition construction system adopts advanced process structure and patented advertising board basic materials. This can eliminate the use of glue, paint, medium density fiberboard and other traditional materials in the entire exhibition booth construction process. Consequently, the process is close to zero pollution, and the materials can be recycled.

6. The Group advocates a paperless and environmentally-friendly office by sending documents electronically, using draft paper rationally and when printing documents for internal use, trying to minimise the headers, footers, line spacing, word spacing and font size of the file contents.

Industrial park operation

1. The Group gives the handout to the tenants to encourage them to follow the 3Rs. To reduce unnecessary wastes.

2. The Group also sets up the recycle bin in public area. It allows the tenants to dispose of the recycled material such as metal, paper, glass and plastic. The Group will arrange for recycle service to recycle the waste.

3. The Group also monitors the air pollution.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

THE ENVIRONMENT AND NATURAL RESOURCES *(Continued)*

Ecological environment

The Group has arranged green area in the shopping mall and the industrial park to improve the ecological environment.

During the Reporting Period, the Group not only kept preserving the original green area, but it also increased some potted plants, and maintained and pruned them regularly.

RESPONDING TO CLIMATE CHANGE

During the Reporting Period, the Group has not been affected by extreme climate significantly. Major issues related to extreme climate, such as heavy rains, earthquakes, hail, flooding, landslide etc. may affect the Group in the future. The Board is mainly responsible for overseeing the strategies of climate impact of the Group and the Board can also seek external professional if needed. In addition, the PRC government introduced the National Carbon Market and 碳排放權交易管理暫行條例 aimed at reducing carbon emission in the PRC. In long term, the PRC aims for Net Zero Carbon emission in 2060.

In the view of the Board, it is not expected to have a significant impact on the Group in short term (less than 5 years). However, in medium to long term (more than 5 years), the Group may face to increase the cost pressure as the area increases to adopt the "carbon tax" in low carbon production area.

The Group notices the extreme weather may have an impact on the business operation such as extreme cold or extreme hot weather. The Group also notices the extreme weather events are more frequent in the future.

In August 2025, Zhengzhou experienced heavy rainfall which led to significant flooding across the region. The Group closely monitored the weather conditions and promptly followed government directives, including mandatory suspension of production, business operations, classes, public transport, and group outdoor activities. As a result of these precautionary measures, no injuries or property damage were reported within the Group. This incident demonstrates the effectiveness of the Group's current policies in managing extreme weather events. Although the flooding did have a temporary impact on business operations, the Group's swift response helped minimise disruption and ensure the safety of staff and assets.

In order to assess the impact of climate-related risks and opportunities on the Group's operations, the Group seeks various international initiatives related to sustainability and climate change, identified three major climate risks and opportunities, and actively formulated solutions through discussions among the Board.

The Board noticed that climate change and managing its associated risk and opportunities may impact on the sustainability and success of the business. In addition, the Board will also take into account the environmental and climate change impacts when considering any new business adopted in the future.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RESPONDING TO CLIMATE CHANGE *(Continued)*

The Board classified two types of risks related to climate change, namely the physical risk and transition risk, which are shown as follows:

Physical risk: The Board noticed that the increase in intensity of extreme climate may cause different damage to the shopping mall and the industrial park (such as broken windows, damage glass doors and flooding in the shopping mall); the result may disruptions to business operations and loss of revenue. In addition, the tenants may not renew the leasing contract as operation impact.

Transition risk: There is more government policies related to the emission regulation and use of resources in future (such as using more energy efficient equipment and reducing air pollution emissions). It may increase operating costs, shifting customer preference for environmental-friendly building may cause pressure and costs.

The Board also noticed that the rising temperature in future also causes heat waves and extreme cold weather. The shopping mall and industrial park need to increase using higher levels of energy to maintain a comfortable room temperature for the customers. Therefore, it may increase the operational cost, increase use of electricity and increase greenhouse gas emission.

The Group focuses on the opportunities and challenges brought by climate change to the enterprise and will continue to disclose climate-related information. Based on the disclosure frameworks of Task Force on Climate-related Financial Disclosures ("**TCFD**") and the International Sustainability Standards Board ("**ISSB**"), the Group has established a climate change management system covering four aspects: governance, strategy, risk management, and metrics and targets, and has integrated climate change response policies and measures into daily operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RESPONDING TO CLIMATE CHANGE *(Continued)*

Potential impacts of physical risks on the Group and mitigation measures

Risk category	Description of risk	The potential business/ financial impact of relevant risk	Time horizon	Mitigation measures
Extreme weather	Infrastructure and facilities damaged by extreme weather	• Cause different damage to the shopping mall and industrial park (such as broken windows, damaged glass doors and flooding in the shopping mall and the industrial park).	Short, Medium, Long	• Replace the glass with the harder tempered glass prevents glass from breaking easily. • Prepare Flood Prevention System such as sandbags and fences.
Rising average temperature	Rising average temperature caused by climate change	• The shopping mall and the industrial park need to increase using higher levels of energy to maintain a comfortable room temperature to the customers.	Medium, Long	• Install the solar shade in window to reflect the heat and control the indoor temperature to reduce the use of electricity. • Use equipments with low power consumption as much as possible.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RESPONDING TO CLIMATE CHANGE *(Continued)*

Potential impacts of transition risks on the Group and mitigation measures

Risk category	Description of risk	The potential business/ financial impact of relevant risk	Time horizon	Mitigation measures
Policy and Legal	Stricter regulations on carbon emissions globally and regionally, and stricter regulations on energy efficiency	• Due to total volume control requirements of government, the Group may need to purchase carbon rights through carbon market transactions to reduce emissions in the future; and the price of carbon emissions per tonne may increase year by year, resulting in cost pressure on the Group. • The PRC government targets 2060 to achieve carbon neutrality. There will be more regulations on carbon emission.	Short, Medium, Long	• Understand/ participate in carbon trading market. • Reduce the high emission and low efficiency equipments in a long run.
Technology	Cost to transition to lower emission technology	• The Group incurs cost to replace more green equipments.	Short, Medium, Long	• The Group replaces the major green equipments until the old equipments ends up with service or close to end of service.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RESPONDING TO CLIMATE CHANGE *(Continued)*

Opportunities brought by climate change to the enterprise

Opportunity category	Description of opportunities	Potential benefits of relevant opportunity on business and/or financial	Time horizon	Opportunity initiative management
Resource Efficiency	Environmentally friendly practices can streamline operations and reduce waste	• Improving resource efficiency can reduce operating costs, including optimising the use of energy resources, thereby increasing profit margins	Medium, Long	• Improve energy and water usage efficiency and reduce the environmental footprint of operation
	Reduce the cost of the energy	• The Group uses the green equipments or follows suggestions of environmental policies such as recommended room temperature of air conditioners in the PRC to reduce the cost of the energy	Medium, Long	• The Group keeps on monitoring the environmental policies and green equipments and will adopt the policies and equipments if suitable for our business
Reputation	Reputation of the Group as to provide safe places to customers and tenants	• The customers are more willing to shop in the safe place, and the tenants are willing to renew the leases as less impact on the extreme weather condition	Medium, Long	• Increase the number of left-behind personnel on duty 24 hours to ensure that the sewage pump on site can be used normally • Set up water barriers and flood control sandbags at the ramp entrance to prevent the parking lot from being flooded • Check the roof drainage system regularly to ensure smooth flow • Always pay attention to weather reports released by official departments

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RESPONDING TO CLIMATE CHANGE *(Continued)*

Risk Management

We continuously focus on the sustainable development of the enterprise, utilising scenario analysis to assess the risks and opportunities brought by climate change, enabling us to promptly identify issues and implement effective response measures. Climate scenario analysis is a forward-looking assessment method that helps enterprises identify potential climate risks and opportunities by simulating future evolutionary paths under different economic development models and energy use scenarios. This method provides a scientific basis for our decision-making, assists in formulating effective climate response plans, and enhances the enterprise's resilience to climate change. For physical risk assessment, we refer to the Intergovernmental Panel on Climate Change ("**IPCC**") and select Representative Concentration Pathway ("**RCP**") 2.6 and 8.5 as baseline scenarios. Under the RCP 2.6 scenario, it assumes that governments, industry chains, and all sectors of society can drive fundamental changes in production and consumption models through comprehensive measures such as legislative constraints and global carbon pricing, significantly reducing GHG emissions and ultimately limiting global temperature rise to within 1.5ºC. Under the RCP 8.5 scenario, governments, industry chains, and relevant institutions fail to implement sufficient and effective policies and measures, leading to a continuous rise in GHG emissions, resulting in global average temperatures rising by over 4ºC or more by 2100.

Risk category	Description of risk	Climate scenario	Probability of occurrence	Impact severity	Impact duration
Extreme weather	Infrastructure and facilities damaged by extreme weather	RCP2.6	Medium	Medium	Short, Medium, Long
		RCP8.5	High	Medium	Short, Medium, Long
Rising average temperature	Rising average temperature caused by climate change	RCP2.6	Medium	Low	Long
		RCP8.5	Medium-High	Low	Long

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RESPONDING TO CLIMATE CHANGE *(Continued)*

Risk Management *(Continued)*

For transition risk assessment, we adopt the International Energy Agency ("**IEA**")'s "Net Zero Emissions by 2050 Scenario" ("**NZE 2050**") and the "Stated Policies Scenario" ("**IEA SPS**") as the baseline analysis framework. The NZE 2050 scenario simulates a rapid decarbonisation pathway adopted by the international community to achieve the 1.5ºC control target, expecting the global energy system to reach net-zero emissions by 2050. The IEA SPS scenario considers only the impact of specific policies currently implemented or announced by governments, expecting the global average temperature rise to far exceed the 1.5ºC control target.

Risk category	Description of risk	Climate scenario	Probability of occurrence	Impact severity	Impact duration
Policy and Legal	Regulations tending to be stricter	NZE 2050	High	Medium-High	Short, Medium
		IEA SPS	Medium	Low	Medium, Long
Technology	Cost to transition to lower emission technology	NZE 2050	High	Medium-High	Medium, Long
		IEA SPS	Low	Low	Short

The Group regularly identifies, analyses, assesses, and addresses climate-related risks that may affect business operations and financial performance, and conducts constant management and supervision to maintain resilience and sustainable development capabilities in response to climate change. To conduct more effective management targeting climate-related risks, we have established a mechanism for identifying and overseeing climate-related risks, forming a climate risk management process of Identify risks – Assess impacts – Formulate strategies – Supervise and improve.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RESPONDING TO CLIMATE CHANGE *(Continued)*

Risk Management *(Continued)*

Risk procedures	Specific details
Identify risks	• Identify physical and transition risks that may impact business operations and financial status by collecting and analyzing climate risk-related information, such as actual climate change conditions, updates to policies and regulations, and market trends
Assess impacts	• Based on the concerns of internal and external stakeholders, combined with industry practices and own operational status, analyse the potential impact of various climate-related risks on key areas of business operations, and prioritise them to allocate resources more effectively and rationally
Formulate strategies	• Based on assessment results, formulate targeted response plans for different categories of risks, integrate corporate culture and business development to form climate response strategies. Incorporate climate risk management and response measures into daily operations, and rehearse response arrangements during disasters through simulated scenarios to ensure employees can respond effectively to emergencies
Supervise and improve	• Establish a dynamic monitoring mechanism to regularly review changes in climate risks and the execution of climate strategies to ensure the effective implementation of response measures • Regularly collect feedback and understand the regulatory requirements of operating locations, and continuously optimize risk management processes to enhance climate adaptability and resilience against climate change

Metrics and Targets

The Group has the strategic "Dual Carbon" target of achieving carbon peaking by 2030 and carbon neutrality by 2060. The Group realises that the key to long-term enterprise development lies in maintaining foresight and operational resilience while addressing climate change. We annually conduct comprehensive statistical analysis of GHG emissions and energy consumption to provide a scientific basis for green development, and consider our own business development and climate change trends to assess the risks and opportunities brought by climate change, thereby formulating short-term, medium-term and long-term carbon reduction strategies and targets.

The Group has actively launched energy conservation and emission reduction initiatives to reduce energy and resource consumption during office and operational processes, thereby reducing GHG emissions and waste generation. We continuously monitor various indicators related to climate risks, including direct GHG emissions (Scope 1), indirect GHG emissions (Scope 2), and other indirect GHG emissions (Scope 3), to provide actual data support for addressing climate change. The Group will continuously assess and monitor GHG emissions within its business value chain and optimise relevant data statistics and analysis to ensure compliance with regulatory and disclosure requirements.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RESPONDING TO CLIMATE CHANGE *(Continued)*

Metrics and Targets *(Continued)*

We have disclosed short-term, medium-term and long-term climate-related risks and opportunities. Regarding the amount and percentage of assets or business activities vulnerable to climate-related risks, as well as those aligned with climate-related opportunities, we do not currently have relevant quantitative data, but we will continue to refine our reporting content.

If regions globally continue to strengthen regulations on corporate carbon emissions, future carbon pricing or carbon taxes may increase indirect costs. We have not currently applied internal carbon pricing in decision-making, but we will continue to monitor changes in carbon pricing policies across operating regions. Furthermore, the Group has not offset emissions by purchasing carbon credits, but will continue to assess whether there is a need to purchase carbon credits in the future.

The Group has established a sound management remuneration system and will consider linking sustainability metrics with management performance.

Based on business materiality and industry practices, the Group discloses relevant emissions, GHG emissions, and resource usage, but has not adopted industry-based metrics related to business models and activities as our quantitative metrics. Although our targets are not derived from cross-industry metrics and industry-based metrics, we will regularly review the effectiveness of our climate change response measures based on scientific data and update our response strategies, thereby continuously strengthening our resilience to climate change.

SOCIAL

Employment

The Group complies with and implements the relevant laws and regulations of the PRC including, the Labour Law of the People's Republic of China《中華人民共和國勞動法》(the "**Labour Law**"), "Recruitment Management Approach" (招聘管理辦法), "Pay Management Approach" (薪酬管理辦法), "Attendance Management Approach" (考勤管理辦法) and "Promotion Management Approach" (晉升管理辦法) in respect of recruitment, employment, working hours and resignation without any violation of the Labour Law to date. The Group sets grassroots positions with equal pay and provides employees from top level to bottom level with standard welfare. The Group establishes a fair and impartial promotion mechanism to ensure there is no discrimination or bias on age, sex, geographical location etc. at the time of employment. Moreover, the employment laws and regulations, including the Employment Ordinance《僱員條例》(Chapter 57 of the Laws of Hong Kong) and the Mandatory Provident Fund Schemes Ordinance《強制性公積金計劃條例》(Chapter 485 of the Laws of Hong Kong) are applied to the employees in Hong Kong. During the Reporting Period, the Group has complied with policies and relevant laws and regulations regarding remuneration, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and termination of employment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL *(Continued)*

Employment *(Continued)*

The number of employees and the distribution on demographics as at 30 June 2026 have been depicted as below:

Employee distribution	Unit	2026	2025
By gender			
Male	number	108	59
Female	number	56	45
By age group			
Under 45 years old	number	109	76
Over 45 years old	number	55	28
By employment type			
Full-time	number	164	104
Part-time	number	–	–
By geographical region			
Hong Kong	number	6	10
Zhengzhou	number	154	65
Other locations of the PRC	number	4	29

During the Reporting Period, the Group's employee turnover rate by categories is as follows:

Employee turnover rate	Unit	2026	2025 *(Note 2)*
Total turnover	number	47	10
Turnover rate	%	29	10
By gender *(Note 1)*			
Male	%	28	3
Female	%	33	18
By age group *(Note 1)*			
Under 45 years old	%	31	9
Over 45 years old	%	24	11
By geographical region *(Note 1)*			
Hong Kong	%	16	–
Zhengzhou	%	30	11
Other locations of the PRC	%	–	10

Note 1: Employee turnover rate is calculated based on the number of employees who ceased employment in specified category during the Reporting Period divided by the total number of employees in specified category.

Note 2: The data has been restated for unified comparison.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL *(Continued)*

Employment *(Continued)*

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Employment Ordinance, Employees' Compensation Ordinance, Labour Law of the People's Republic of China and other applicable laws and regulations that have a significant impact relating compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare on the Group during the Reporting Period. In addition, no non-compliance with relevant laws and regulations that resulted in significant fine or sanction has been reported in the Reporting Period.

HEALTH AND SAFETY

The Group has strictly complied with the relevant laws and regulations of the PRC and Hong Kong including the "Employer's Occupational Disease Hazard Prevention and Control Regulations"《用人單位職業病危害防治八條規定》, pursuant to which it is necessary to carry out health check, archive personal details for engineering and technical posts and arrange insurance for the employees. The Group provides qualified protective equipment during work process and erects warning notices during the construction process to ensure the safety of employees. Moreover, the laws and regulations, including the Employees' Compensation Ordinance《僱員補償條例》(Chapter 282 of the Laws of Hong Kong) and the Occupation Safety and Health Ordinance《職業安全及健康條例》(Chapter 509 of the Laws of Hong Kong) are strictly adhered to by the Group in Hong Kong. The Group also adopts safety first culture widely among different levels of employees. The employee has notice safety also priority in working. In addition, the Group also provides health and safety training to the employees. During the Reporting Period, the Group has complied with policies and relevant laws and regulations regarding safe working environment and prevention of occupation hazard workplace. The Group neither reported work-related accidents and injuries from employees nor recorded any lost days due to work injury during the Reporting Period. In the past three years (including the Reporting Period), the number and incidence of work-related deaths per year are zero.

The below table shows the work-related fatalities and recordable injury for the three years ended 30 June 2024, 2025 and 2026:

Notification of accident	**2026**	**2025**	**2024**
Number of work related fatalities	–	–	–
Rate of work-related fatalities	–	–	–
Lost days due to work injury	–	–	–

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Employment Ordinance, Employees' Compensation Ordinance, Work Safety Law of the People's Republic of China and other applicable laws and regulations that have a significant impact relating compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare on the Group during the Reporting Period. In addition, no non-compliance with relevant laws and regulations that resulted in significant fine or sanction has been reported in the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

DEVELOPMENT AND TRAINING

To cultivate internal staff, according to the relevant provisions of the Group's "Internal Training and Training Points Management System", the Group adopts the combination of internal training and external training. There are two types of internal training, namely training hosted by internal lecturers and external lecturers. Theme topics and contents of these trainings are tailor-made for staff at mid-to-high-level and elementary level. A training card system has been set up for each employee in the shopping mall who should accumulate at least 12 points in one year to fulfill one of the appraisal criteria. External training is divided into two categories: the first category is to organise activities every year to improve staff cohesion, such as hiking and other outdoor team building activities; the second category is technical/professional training. The Group provides full support to the employees of the property and engineering departments in studying certificates necessary for their posts, such as fire protection and electric power, security and cleaning service. The Group also bears training costs and grants time for employees to attend external training to improve their professional skills.

In addition to the regular training provided to the Group's staff, the Group also offers training to the service providers' staff prior to the commencement of services and at least once per year. All service providers' staff are required to understand the Group's standards and deliver the same quality of service as the Group's staff. The Group's staff also monitor the performance of the service providers' staff. Should any service providers' staff fail to meet the Group's standards, the Group will organise additional training for them. Furthermore, the Group provides updated information training courses to majority of staff to ensure that both the Group's staff and the service providers' staff receive the same information. The Group welcomes any enquiries from service providers' staff regarding the Group's policies or standards. As at the date of this report, the Group has not received any serious complaints related to the performance of the service providers' staff or any serious violations of the Group's standards. The Group considers the training provided to the service providers' staff to be sufficient.

During the Reporting Period, the percentage of employees trained is as follows:

	2026	2025
Percentage of employees trained *(Note 1)*	89%	90%
Employees trained by gender *(Note 2)*		
Male	52%	54%
Female	48%	46%
Employees trained by employment category *(Note 2)*		
Management	32%	32%
General staff	68%	68%

Note 1: Percentage of employees trained is calculated by dividing the number of employees who took part in training by the total number of employees.

Note 2: It is calculated by dividing the number of employees trained in specified category by the total number of employees trained.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

DEVELOPMENT AND TRAINING *(Continued)*

During the Reporting Period, the average training hours completed per employee are as follows:

	2026	2025
Average training hours per employee *(Note 1)*	12	10
Average training hours by gender *(Note 2)*		
Male	13	9
Female	11	11
Average training hours by employment category *(Note 2)*		
Management	13	12
General staff	11	14

Note 1: Average training hours per employee is calculated by dividing the total number of training hours by the number of employees trained.

Note 2: Average training hours by categories is calculated by dividing the total number of training hours for such category by the number of employees in the corresponding category.

LABOUR STANDARDS

The Group abides by the standard requirements of the Labour Law in full in the recruitment of employees in the PRC or the Employment Ordinance《僱傭條例》(Chapter 57 of the Laws of Hong Kong) in full in the recruitment of employees in Hong Kong in the screening of resume and interview. Structured interview methods and written examination are used for interview process. The Group further confirms the authenticity of employee candidate's information, including age, through background checks. The Group prohibits the employment of any child labour or forced labour, and there is no child labour or forced labour noted in the Group. During the Reporting Period, the Group has complied with policies and relevant laws and regulations regarding prohibition of child labour and forced labour.

The Group is dedicated to fostering an inclusive and respectful working environment where individual differences are valued and all employees are treated with dignity. Recruitment and promotion decisions are made irrespective of age or gender, with a strong emphasis on diversity and equal opportunities across hiring, training, development, remuneration, and career progression. Although a formal workforce diversity policy was not in place as at 30 June 2026, the Group actively embraces diversity across its operations, with a workforce comprising individuals from a wide range of backgrounds, including varied races, ethnicities, genders, beliefs, ages, abilities, sexual orientations, and cultural identities. Employees contribute a rich mix of experiences and perspectives, enhancing the Group's collaborative culture. A formal policy is forthcoming to reinforce and articulate these longstanding values and practices.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Employment Ordinance, Employment of Children Regulations, Labour Law of the People's Republic of China and other applicable laws and regulations that preventing from employment of child or forced labour by the Group during the Reporting Period. In addition, no non-compliance with relevant laws and regulations that resulted in significant fine or sanction has been reported in the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

LABOUR STANDARDS *(Continued)*

Supply Chain Management

According to the "Seven Principles of Supply Chain Management", the Group, based on the required service characteristics, divides the suppliers into different categories, namely procurement suppliers, constructors and external security and cleaning suppliers. The Group selects suppliers and constructors through a unified form of bidding for screening and clearly sets out the standard specifications. The Group also evaluates the ESG performance of the procurement suppliers, constructors and external security and cleaning suppliers on a regular basis. The Group will not engage, and will terminate, any supplier, service provider or business partner with adverse reputation for environmental or social issues. Several departments unify their calibration in accordance with the tender requirements. In the process of cooperation, the Group's several departments set up a few links for control and audit and establish information systems of supply chain to achieve win-win cooperation. At the end of the year, all suppliers and constructors will be surveyed to review their quality of service. For external security and cleaning suppliers, the Group develops an assessment system for supervision. The assessment system is linked with wage and the implementation of reward and punishment system, thereby enhancing the quality of field service.

All suppliers cooperating with the Group are required to provide business licenses, professional qualification certificates, account opening permits, and other company cooperation cases related to the industry of the Group (all are needed to conduct industry and commerce, banks and industry surveys to verify facts). For the goods provided by the suppliers, the Group has a three-party acceptance process, and strictly inspects the brand, trademark, anti-counterfeiting and environmental protection signs of the goods before entering the warehouse, and all non-conforming goods are returned. During the construction process, construction units are required to take a series of measures such as dust prevention and noise reduction; for professional environmental renovation construction units, they are required to provide safety production permits and professional qualifications for environmental protection projects before they can carry out construction operations.

During the Reporting Period, the number of suppliers by geographical region is as follows:

Suppliers by geographical region	**2026**	**2025**
Hong Kong	25	2
Zhengzhou	233	250
Other locations of the PRC	1	8

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PRODUCT RESPONSIBILITY

According to the provisions of the "Product Liability Insurance", products sold by tenants must be genuine and no fake and shoddy products shall be put up for sale. Catering business should obtain the business license and "Food Safety Permit" and employees should hold health certificate for their posts. Food sold must be within its expiration date. Shoes produced by shoe manufacturers in the industrial park must undergo quality inspection before being wholesaled or sold. The Group, as the operator of investment properties, is required to have public liability insurance. In the ordinary operation, the shopping mall has a few customer service desks which are designed to deal with customers' complaints and any difficult problems. To protect the legitimate and safe operation of tenants, the Group also provides them with advertising and fire safety training regularly. Apart from providing the above services to tenants, the Group conducts comprehensive supervision and management of them in the usual business operations. The Group's mission is to provide a safe and effective place for business operations of tenants and to provide customers with a safe, comfortable and healthy shopping environment. During the Reporting Period, the Group has complied with policies and relevant laws and regulations regarding health and safety, advertising, labelling and privacy matters in relation to products and services provided and methods of redress. Once a complaint is received, the Group treats every complaint equally and addresses the issue of the problem. During the Reporting Period, the Group did not receive any complaints from the tenants about its services.

The Group checks tenants' relevant business licenses, authorisation letters and other relevant qualification certificates before their operations in the shopping mall. The lease contracts signed with tenants have relevant stipulations in respect of quality maintenance during the rental period and appropriate amounts of quality deposits are collected from tenants. The product recall is mainly carried out by tenants according to their own procedures. The Group is responsible for supervision and control by publishing the recalled product information on its common publicity channels.

During the Reporting Period, no products have been recalled for safety and health reasons. In the initial stage of shop or kiosk rental, potential cooperative brands need to provide the Group with relevant qualification certificates such as brand business license, trademark registration certificate, authorisation letter, identity card and product quality inspection certificate. The Group signs a lease contract with the tenant, of which, it clearly stipulates that the Group is responsible for keeping confidential the sales data and other commercial secrets obtained from the lease contract. The Group strictly abides by the terms of the contract. In its daily work, the merchants' accounts and sales data are managed uniformly by the relevant departments.

Data Privacy Protection

The Group has implemented certain internal control measures in ensuring the confidentiality of the operation data so as to protect the suppliers, business partners, customers and itself. The Group's employment contract, staff handbook and internal control manual clearly define the requirements in relation to protecting the Group's data. For example, (i) staffs are only allowed to access, retrieve, store and/or copy computer data that are necessary and directly related to their work; (ii) any unauthorised access, retrieval, storage or copy of computer data, as well as unauthorised transfer and disclosure of data to third parties, are strictly prohibited and may lead to summary dismissal; and (iii) administrative department is tasked with the implementation of a practical and reliable mechanism to ensure security of all data contained in computers and to protect data against unauthorised access or retrieval.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PRODUCT RESPONSIBILITY *(Continued)*

Intellectual Property Rights Protection

The Group is committed to complying with relevant laws and regulations in relation to intellectual property right. It is the Group's policy to respect intellectual property rights during its daily operations and not to use any infringing articles including computer software. The Group will not use or copy except for necessary and lawful backup purposes, any software of related documentation, unless having been authorised by the owner of the copyright concerned.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Trade Descriptions Ordinance, Copyright Ordinance, Prevention of Copyright Piracy Ordinance, Personal Data (Privacy) Ordinance, Copyright Law of the People's Republic of China and other applicable laws and regulations that have a significant impact relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress on the Company during the Reporting Period. In addition, no non-compliance with relevant laws and regulations that resulted in significant fine or sanction has been reported in the Reporting Period.

ANTI-CORRUPTION

To prevent employees, suppliers and tenants from engaging in bribery behavior, the Group adopted some measures in this regard. First, the Group signs "Honest Agreement" with employees and tenants. Secondly, the Group sets up compliant hotline and if any of the employees are found to be engaging in bribery, the Group would strictly follow the "Reward and Punishment Management System" and impose penalty on the employees involved accordingly. Besides, the Criminal Law of the People's Republic of China《中華人民共和國刑法》, the Anti-Money Laundering Law of the People's Republic of China《中華人民共和國反洗錢法》, the Prevention of Bribery Ordinance《防止賄賂條例》(Chapter 201 of the Laws of Hong Kong) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance《打擊洗錢及恐怖分子資金籌集條例》(Chapter 615 of the Laws of Hong Kong) is strictly adhered to by the Group in the PRC and Hong Kong. During the Reporting Period, the Group did not have any corruption-related lawsuit cases. Directors and employees are informed of related matters in detail and relevant training is provided from time to time.

During the Reporting Period, the Company has provided anti-corruption education and training materials such as directors' ethics and myths about corruption which are published by Independent Commission Against Corruption, Hong Kong, to its directors and senior management, in order to raise their awareness towards ethical and corruption issues.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Prevention of Bribery Ordinance, the Anti-Money Laundering Law of the People's Republic of China and other applicable laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering during the Reporting Period. In addition, there was no legal case concerning corruption brought against the Group or its employees during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

COMMUNITY INVESTMENT

The shopping mall not only improves the facilities for the residents living nearby but also provides a very convenient shopping environment for a vast number of consumers of different kinds, as well as creating over 8,000 job opportunities. There is an affirmative contribution to the community, especially in children's entertainment, education and culture aspects, which is expected to be more prosperous in the next few decades. The operation of the shopping mall stimulates the consumption level of the western part of Zhengzhou City. The shoe factories and shops in the industrial park have created over 2,300 job opportunities in the surrounding area, and the leasing of critical shops has promoted the development of the surrounding catering industry.

The Group encourages employees to take part in community services, including various cultural events, community volunteering, employee outings, and supporting charitable organisations. As an increasing number of employees participate in volunteer work, the Group is considering introducing a "volunteer work holiday" or organising volunteer work for all employees. This initiative would enable employees to engage in community services without the stress of their daily work responsibilities. During the Reporting Period, the Group provides different children activities in children day and study rooms to public, students can have a better environment to study. In addition, the Group organised different activities between the community and the employees. The Group believes that different activities can build a better and harmonious relationship with each other. The Group hopes to foster employees' sense of social responsibility, thus encouraging them to actively participate in social activities for public good to make greater contributions to society.