Hon Kwok Land Investment Company, Limited

(Incorporated in Hong Kong with limited liability)
Stock Code: 160

2025/26
Environmental, Social and Governance Report

Table of Contents

Introduction

ABOUT THE COMPANY

Hon Kwok Land Investment Company, Limited ("Hon Kwok Land" or the "Company", which together with its subsidiaries is referred to as the "Group" or "We") (Stock Code: 160) is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Group primarily engages in property development, property investment and property-related businesses while commercially operating in Hong Kong, Shenzhen, Guangzhou, Nanhai and Chongqing. We have been investing in hotel properties in Japan, including hotels located in Tokyo, Osaka and Okinawa.

The Group integrates sustainability considerations into its daily operations with the aim of creating long-term value. We proactively identify and address Environmental, Social, and Governance ("ESG") risks while maintaining the high standards of quality and service that define our business. This report presents our ESG performance and highlights the actions taken to engage stakeholders and reflect their views and expectations in our operations and project development.

ABOUT THIS REPORT

REPORTING STANDARD

This report was prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code"), which, with effect from 1 January 2025, is contained in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange. The Group adheres to the four reporting principles listed in the ESG Reporting Code, namely materiality, quantitative, balance and consistency.

Materiality	• The Group identifies material ESG issues for the reporting period through systematic stakeholder engagement and careful evaluation. This report addresses matters that are critical to both the Group's operations and stakeholder interests.
Quantitative	• The Group incorporates quantitative key performance indicators ("KPIs") in its ESG disclosures whenever practicable.
Balance	• This report provides a balanced and objective overview of the Group's ESG performance. • The information disclosed is prepared without bias, and no aspects of the content, scope, or presentation are designed to unduly influence the opinions or decisions of readers.
Consistency	• A consistent approach is applied in compiling ESG data to ensure comparability across reporting periods. Any revisions to the methodologies used are transparently explained in the relevant sections of this report.

REPORTING PERIOD

Unless stated otherwise, the disclosures in this report relate to the Group's ESG practices, sustainability initiatives, and performance from 1 April 2025 to 31 March 2026 (the "Reporting Year").

REPORTING SCOPE AND BOUNDARY

This report encompasses the Group's operations and activities across its property development, property investment, and related businesses over which the Group exercises financial control. The following business activities are included in this report:

Business/Activity	Location	
Administration	Hong Kong Shenzhen Guangzhou Nanhai Chongqing	• Hong Kong Headquarters • Shenzhen Office • Guangzhou Office • Nanhai Office[2] • Chongqing Hon Kwok Centre Office • Chongqing Jinshan Shangye Zhongxin Office
Properties invested/ managed	Hong Kong	• Hon Kwok Jordan Centre • Digital Realty Kin Chuen (HKG11), data centre at Kin Chuen Street
	Shenzhen	• City Square • Hon Kwok City Commercial Centre ("Shenzhen Hon Kwok Centre")
	Guangzhou[1]	• Ganghui Dasha • Ganghui Huating • The Botanica • The Riverside • Hon Kwok Building ("Guangzhou Hon Kwok Building")
	Nanhai	• Metropolitan Oasis[2]
	Chongqing	• Chongqing Hon Kwok Centre • Chongqing Jinshan Shangye Zhongxin
Hotel/Serviced Apartments	Hong Kong	• The Bauhinia Hotel (Central) / The Bauhinia Serviced Apartment • The Bauhinia Hotel (TST)
	Shenzhen	• The Bauhinia Hotel (Shenzhen) • City Suites

BOARD APPROVAL

The contents of this report were reviewed and approved by the Board of Directors (the "Board") of Hon Kwok Land before its release.

1 The Riverside and Hon Kwok Building, our development projects in Guangzhou that were completed in late 2024, are newly included under the category of 'Properties invested/managed' starting from this Reporting Year, as they have commenced operations.

2 Nanhai Office has been merged into Metropolitan Oasis.

FEEDBACK

We welcome feedback from our stakeholders to help strengthen our ESG initiatives and long-term sustainability efforts. Should you have any views or recommendations on this report or our ESG performance, please reach out to us through the contact details below:

Hon Kwok Land Investment Company, Limited
23rd Floor, Wing On Centre
111 Connaught Road Central, Hong Kong
Tel: (852) 2523 7177
Fax: (852) 2845 1629
E-mail: general@chinneyhonkwok.com
Website: http://www.honkwok.com.hk

2025/26 Performance Highlights

Social

43%
Female Employees

3,851
Total Training hours

0
Workplace Fatalities

100%
compliance with applicable regulations, codes and standards

131
Volunteering Hours

~HK$1,100,000
Community Donations

96.9%
Tenant Satisfaction[3]

Governance

~43% of Independent non-executive Directors

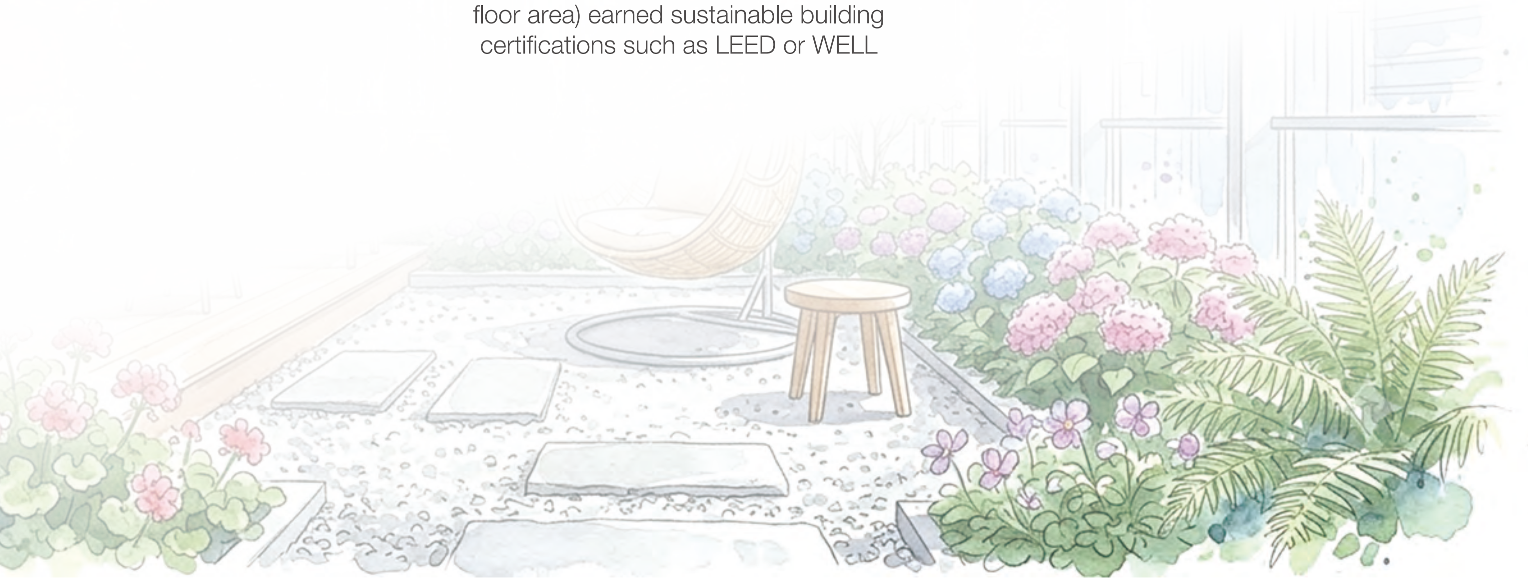
Over **40%** of Women on the Board

0
Instances of corruption or bribery

Environmental

36% of our properties (by total gross floor area) earned sustainable building certifications such as LEED or WELL

100% Proper waste disposal



[3] Based on survey responses from Metropolitan Oasis and Ganghui Dasha, Metropolitan Oasis achieved a 96.94% satisfaction rate (moderate satisfaction or above), while Ganghui Dasha recorded 100% satisfaction with zero dissatisfaction.

TARGETS AND PROGRESS

Committed to reducing our environmental footprint, we have set environmental targets and actively monitor our performance across greenhouse gas ("GHG") emissions, energy, water, and waste.

	Environmental target	Business/Activities	Unit	Numerical value[4]	Progress (Compared to baseline year)
 GHG Emissions	↓ GHG emissions intensity by 8% by 2030, against a 2022 baseline (1% reduction annually).	Offices	tonnes CO_2e/m² GFA	0.0277	Achieved 71% reduction
		Property management	tonnes CO_2e/m² GFA	0.0160	Achieved 13% reduction
		Serviced apartment	tonnes CO_2e/room night	0.0007	Achieved 18% reduction
 Energy Consumption	↓ Energy consumption intensity by 8% by 2030, against a 2022 baseline (1% reduction annually).	Offices	kWh/m² GFA	58.723	Achieved 70% reduction
		Property management	kWh/m² GFA	29.090	Achieved 17% reduction
		Serviced apartment	kWh/room night	1.593	Achieved 20% reduction
 Water Consumption	↓ Water consumption intensity by 8% by 2030 against 2022 (1% reduction annually).	Offices	m³/m² GFA	0.176	Achieved 94% reduction
		Property management	m³/m² GFA	0.265	Achieved 8% reduction
		Serviced apartment	m³/room night	0.205	Achieved 8% reduction
 Waste Generation	Reduce our waste disposal by improving our recycling rate.	Hazardous waste	tonnes	0.22	In progress
		Non-hazardous waste	tonnes	3,244	In progress

4 Some property projects were not yet completed at the time of baseline year establishment and are thus excluded from target comparison. To ensure data consistency and precise performance tracking, the performance data for GHG emissions, energy and water consumption presented in this table only covers projects operational during the baseline year, excluding The Riverside, Guangzhou Hon Kwok Building, The Bauhinia Hotel (TST), and The Bauhinia Hotel (Central).

Feature Story: People-Centric, Circular, and Low-Carbon – Cultivating Sustainable Communities through Holistic Placemaking

As a Hong Kong-based property developer with over sixty years of heritage, we are redefining the role of real estate. We view our properties not merely as static structures, but as dynamic, interconnected ecosystems that foster harmony between people, nature and urban environment. By integrating ESG principles across the asset lifecycle, we are transforming physical spaces into value-driven communities. Our community-building efforts can be organised around three key focus areas:

Environmental Stewardship:
Decarbonising the built environment through green design and renewable energy integration.

Occupier Well-being:
Delivering ready-to-use, healthy, and high-performance workspaces.

Social Cohesion:
Fostering innovation and belonging through curated community engagement and cross-sector collaboration.

ENVIRONMENTAL STEWARDSHIP

Decarbonising the built environment through innovation and green design.

Our property management and development practices focus on reducing the environmental footprint of the built environment, ensuring our buildings are both efficient and future-ready.

THE BAUHINIA HOTEL (CENTRAL), HONG KONG

- **Renewable Energy Integration:** We pioneered the use of **Building-Integrated Photovoltaics ("BIPV")**. By converting the glass curtain wall into a power-generating system, we generate **approximately 24,800 kWh annually** and reduce carbon emissions by over 16 tonnes CO_2e per year. This high-density urban solution earned the **Silver Award at the MIPIM Asia Awards 2024**.

SHENZHEN HON KWOK CENTRE

- **Green Building Standards: Shenzhen Hon Kwok Centre** achieved **LEED O+M Platinum Certification** in August 2025 – the highest global tier for sustainable operations. As a rare dual-certified landmark (**LEED Platinum** and **WELL HSR**), it sets a decarbonisation benchmark in the **Futian CBD**. Features include **ASHRAE Level I** intelligent HVAC, "forest-level" indoor air quality, eco-friendly refrigerants, and advanced purification – transforming the asset into a healthy, high-performance, and low-carbon ecosystem.

- **Smart Energy Management:** We integrate **Building Management Systems ("BMS")** to intelligently control HVAC and lighting with fixed schedules, alongside **sub-metering** that visualises energy consumption. We equip tenants with **solar-control window film and blackout curtains** to lower cooling load. We install **motion-activated escalators** with **VVVF drives** (standby slow/stop, full speed on demand) and **peak-hour staggered systems for lifts** – cutting energy use during idle periods.

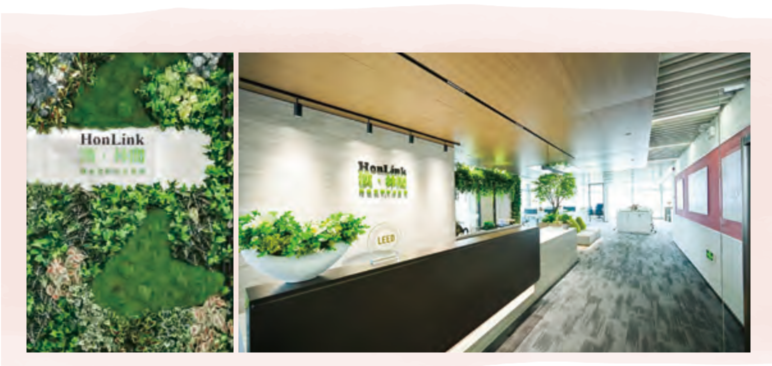
- **Sustainable Water & Materials Management:** We adopt **prefabricated construction** and **prefabricated decorative materials** to eliminate construction waste at the source – reducing material loss, simplifying sorting, and cutting dust and noise from traditional fit-out processes. Across the rest of our portfolio, **sensor faucets, leak alarms**, and **smart irrigation monitoring** minimise water waste, delivering measurable efficiency gains in landscape and domestic water use.

OCCUPIER WELL-BEING

Prioritising health, flexibility, and productivity through human-centric design.

Our operational practices extend beyond the building shell to the interior environment, ensuring that our workspaces support the physical and mental well-being of every occupant while minimising resource waste.

- Circular Office Solutions: "HonLink" Initiative – "Plug-and-Play" Offices



FEATURES OF CIRCULAR OFFICE SOLUTIONS

Feature	Benefit
21-day rapid delivery	Minimises downtime, allowing businesses to commence operations faster
Zero formaldehyde	Toxin-free materials, no adhesive assembly
70% material circularity	Reduces fit-out carbon emissions

- Co-working & Shared Economy Solutions: "Honkwork" Co-working Platform

Metrics	Result
Tenant operating expense savings	Up to 38%
Shared utilities & infrastructure	Achieved
Biophilic social areas & indoor greenery	Fostered mental balance and enhanced work efficiency

SOCIAL COHESION

Cultivating resilient urban communities through curated engagement and social connection. Beyond physical infrastructure, we foster professional synergy and emotional belonging within our properties by transforming traditional leasing into an active community partnership. During the Reporting Year, we organised the following activities to strengthen ties between our properties and occupants:

Holistic Well-being: We transform offices into human-centric ecosystems through initiatives like **Plant Healing Salons**. By integrating sensory meditation and greenery into our sky gardens, we provide professionals with vital retreats to reduce stress and reconnect with nature.

Cultural Integration: We bring **traditional arts** – including Guqin and tea ceremonies – directly into the business environment. These immersive cultural activities enrich the workplace experience and foster a unique sense of community through shared heritage.

Stakeholder Synergy: We hosted a **Business Investment and Client Networking Gala**, connecting over 100 government representatives and corporate partners. This event facilitated dialogue between the public and private sectors, strengthening tenant cohesion and driving regional business vitality.

LOOKING FORWARD

Sustainability is woven into Hon Kwok Land's sixty-year legacy. By harmonising environmental stewardship, occupier well-being, and social cohesion, we are doing more than managing buildings – we are nurturing resilient ecosystems and creating lasting value for our stakeholders, communities, and the planet.

Sustainability Governance

BOARD STATEMENT

A robust sustainability governance structure plays an essential role in embedding sustainable principles across the Group's operational activities.

Board	• Holds ultimate responsibility for the Group's ESG strategies and performance • Oversees overall ESG management and reporting • Approved the establishment of the ESG Committee
ESG Committee	• Comprises directors and managers from different departments • Supports the Board to identify material ESG-related risks and formulate relevant/corresponding strategies • Helps strengthen target-setting and reporting processes • Works closely with different departments in the implementation of ESG policies and monitoring sustainability performance • Regularly evaluates the Group's ESG performance with targets, meeting progress, and reports to the Board annually

The Board has participated in the evaluation and prioritisation of material ESG topics, ensuring the results reflect our strategic priorities in value creation and risk mitigation. Priority issues have been reviewed and endorsed by the Board and are integrated into the Group's business planning and sustainability initiatives. Moving forward, the Board and management will conduct annual reviews of the material ESG topics to ensure they remain relevant to the Group's operations and stakeholder expectations.

GREEN AND SUSTAINABLE FINANCE

The Group promotes sustainable development by actively engaging in and supporting green and sustainability-linked financing initiatives. During the 2022/23 financial year, the Group entered a sustainability-linked loan arrangement with a number of banking partners in Hong Kong. The financing terms include potential interest rate incentives tied to the Group's year-on-year improvements in sustainability performance over the period from 2023 to 2026. The loan agreement sets out three specific sustainability performance indicators, as outlined below:

Increase in the cumulative number of green building certificates of properties held for investment

Increase in training hours per staff per annum (with topics related to data protection and security)

Increase in employee development training hours per staff per annum

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group maintains ongoing dialogue with its key stakeholders through multiple engagement platforms to understand stakeholders' expectations and related ESG issues.

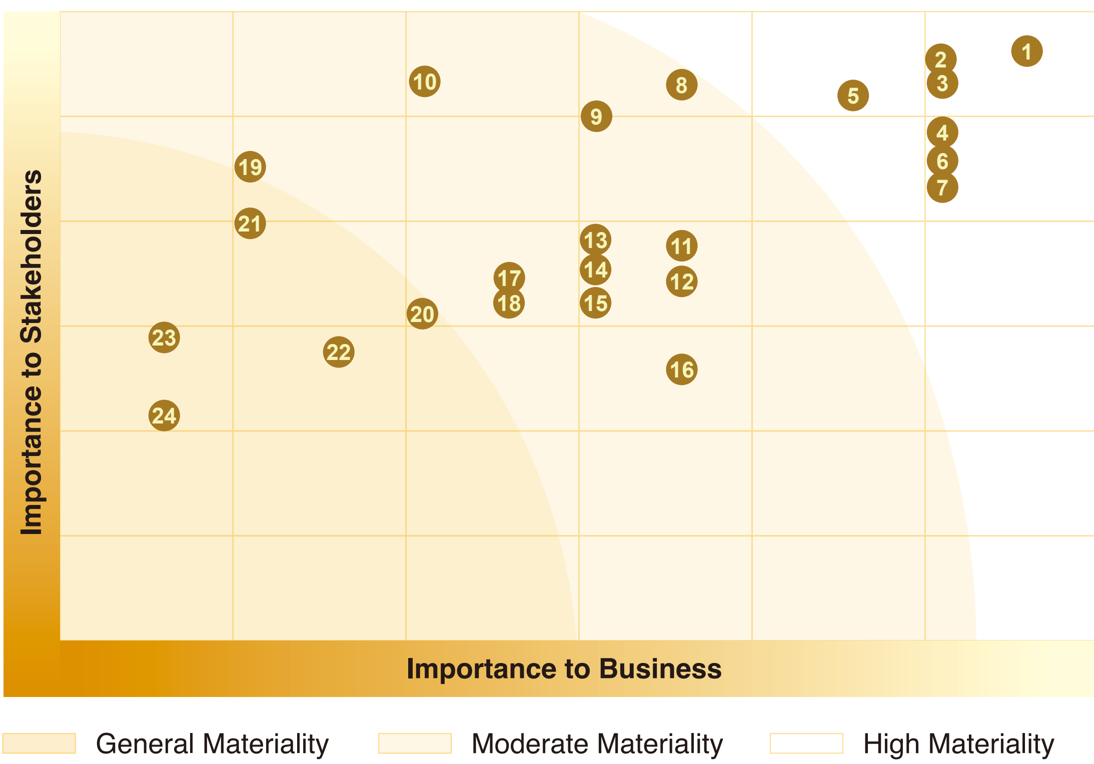
Stakeholder Groups	Communication Channels
Shareholders and Investors	• Shareholders' meetings • Financial reports, announcements, circulars, press releases, etc. • Company's website • Company enquiry email, facsimile and hotline
Employees	• Employee meetings • Employee trainings • Staff activities • Questionnaire and internal ESG survey
Tenants and customers	• Customer satisfaction survey • Enquiry hotline • External ESG survey
Suppliers and contractors	• Project collaborations • External ESG survey • Know your client review
Local Communities and Non-Governmental Organisations ("NGOs")	• Volunteer activities • Corporate sponsorship and donations

During the Reporting Year, the Group conducted a comprehensive materiality assessment to understand stakeholders' expectations and concerns, and to evaluate the significance and impact of various ESG topics. Here is our three-step approach for materiality assessment:

Identification	Prioritisation	Validation
We established a robust ESG issue pool by referencing the Stock Exchange's ESG Reporting Code, the SASB and MSCI materiality frameworks, and benchmarking against industry peers, ensuring the topics are highly relevant to our business operations.	Stakeholders including directors, executives, employees, shareholders, investors, customers, and business partners were invited to participate in the online survey. They assessed the materiality of each ESG topic based on its impact on the Group and its significance to themselves.	The identified material ESG topics and the resulting materiality matrix have been reviewed and endorsed by the Board, which ensures these topics are aligned with the Group's long-term value creation and risk mitigation strategies.

The Group has identified 7 highly material ESG topics among 24 topics.

Materiality Matrix



	Highly Material Issue		Moderately Material Issue		General Material Issue
1.	Engineering Quality and Safety	8.	Employee Well-being, Health and Safety	20.	Climate Change Mitigation and Adaptation
2.	Business Compliance and Anti-Corruption	9.	Talent Attraction and Retention	21.	Supply Chain Management
3.	Labour Rights and Employment Management	10.	Privacy and Data Security	22.	Industry Development Promotion
4.	Internal Control and Risk Management	11.	Energy Management and Efficiency	23.	Green and Sustainable Finance
5.	Corporate Governance and Compliance Operations	12.	Green Building	24.	Charitable Giving and Public Welfare
6.	Service Quality and Customer Satisfaction	13.	Development and Training		
7.	Customer/Tenant Rights Protection	14.	Water Resources and Wastewater Management		
		15.	Green Office		
		16.	Community Building and Integration		
		17.	Waste Management		
		18.	GHG Emissions		
		19.	Intellectual Property Protection		

Caring for the Environment

The Group strives to build a green community by minimising environmental impact. We have implemented practical measures across operations – from contractor oversight and green building technologies to third-party certifications – to manage energy, emissions, waste, water, and climate risks. We believe environmental stewardship is fundamental to responsible business and creates healthy, productive spaces for our occupiers.

ESG issue(s) covered in this chapter

- Energy Management and Efficiency
- Green Building
- Water Resources and Wastewater Management
- Green Office
- Waste Management
- GHG Emissions
- Climate Change Mitigation and Adaptation

The SDG(s) addressed in this chapter

GREEN BUILDING

GREEN CONSTRUCTION OVERSIGHT

- Our green construction oversight requires third-party contractors to comply with environmental clauses in contracts, with progress monitoring to ensure noise and discharge levels meet regulatory requirements.
- Our property management units have engineering departments responsible for equipment maintenance, energy management, and environmental compliance, with certain subsidiaries having set energy reduction targets.

GREEN BUILDING TECHNOLOGIES

- **Intelligent air systems** – ensuring fresh air circulation and maintaining healthy indoor environments.
- **Energy-efficient smart curtain walls** – providing thermal insulation and noise reduction to lower energy consumption.
- **Eco-friendly green building materials** – adopting prefabricated decorative materials to minimise material loss, simplify waste sorting, and reduce construction waste, dust, and noise at source.
- **BIPV** – integrating solar power generation directly into building façades, enabling renewable energy production without occupying additional land.

CASE STUDY

The Bauhinia Hotel (Central) – BIPV System

The BIPV system integrates solar power generation directly into the building façade, transforming the building envelope itself into a power generator:

- **947** solar glass panels, covering **808 m²** of façade area
- Total capacity: **80 kWp**
- Expected annual generation: **approximately 24,800 kWh**
- No additional land required

CASE STUDY

Guangzhou Hon Kwok Building – LEED Gold Certification

This LEED Gold-certified building redefines urban office aesthetics by integrating green concepts into the city centre. The "HonLink" initiative features modular, customisable spaces that adapt to enterprises at different growth stages:

- **VRV intelligent air conditioning and IAQCELLS forest air technology** – real-time air quality monitoring and purification
- **Prefabricated fit-out technology** – zero formaldehyde, no volatile adhesives
- **> 60% Carbon emissions reduction** – comparing to conventional construction
- **< 1 month delivery** – minimising construction waste and downtime
- **Eco-friendly building materials** – safeguarding occupant health

SUSTAINABLE BUILDING CERTIFICATIONS

To further promote green and sustainable building design, as well as effective air and water quality management, we have also obtained sustainable building certifications for our properties. These certifications validate our commitment to excellence in sustainable design, construction, and operation.

LEED Platinum Certification
Shenzhen Hon Kwok Centre

LEED v4 Gold Certification
Guangzhou Hon Kwok Building

WELL Health-Safety Rating
Shenzhen Hon Kwok Centre

WELL Health-Safety Rating
Guangzhou Hon Kwok Building

Shenzhen Green Building Association
Member Unit – Shenzhen Hon Kwok Centre

During the Reporting Year,

36%

of our properties (by total gross floor area) earned sustainable building certifications such as LEED or WELL.

ENHANCING ENERGY EFFICIENCY AND MITIGATING CARBON EMISSIONS

To comply with environmental laws such as the Environmental Protection Law of the People's Republic of China, the Group has put in place multiple initiatives to control energy consumption and address GHG emissions. During the Reporting Year, there were no reported incidents of non-compliance with relevant environmental laws and regulations. Measures to enhance energy efficiency are as follows.

Actively Develop Renewable Energy	• The Bauhinia Hotel (Central) in Hong Kong features a BIPV system that integrates solar power generation into the building façade, with an estimated annual electricity output of approximately 24,800 kWh
Electricity Conservation Measures	• Turn off office devices and lighting when not in use; • It is recommended that air-conditioning be set at no lower than 26°C in summer, and off in winter or when unoccupied.
Selecting Energy-Efficient and Environmentally Friendly Appliances	• Shenzhen office: efficient curtain walls and generators; VFDs and regular chiller maintenance at Hon Kwok Centre; • Properties in Chongqing, Nanhai, Guangzhou and Shenzhen: LED lighting to reduce electricity consumption.
Promote environmental education	• The Guangzhou office promotes tenant energy-saving guidelines: keep doors/windows closed when using air-conditioning and avoid opening windows during operation.

GHG emissions reduction initiatives are as follows:

Clean Energy Utilisation	• Guangzhou and Chongqing offices cut emissions by reducing fuel vehicles and introducing new energy vehicles; • During the Reporting Year, the Guangzhou Office reduced its company vehicles from four to three, lowering fuel use and exhaust emissions.
Promoting Green Transportation	• Guangzhou Office uses chartered transport and public transit for large events, reducing emissions from individual travel.

ENVIRONMENTAL TARGET

Reduce GHG emissions intensity and energy consumption intensity by **8% by 2030** against a 2022 baseline (1% reduction annually)

This Reporting Year, we achieved the following progress:

GHG Emissions

Business/Activities	Unit	Numerical value	Progress
Offices	tonnes CO_2e/m^2 GFA	0.0277	Achieved 71% reduction
Property management	tonnes CO_2e/m^2 GFA	0.0160	Achieved 13% reduction
Serviced apartment	tonnes CO_2e/room night	0.0007	Achieved 18% reduction

Energy Consumption

Business/Activities	Unit	Numerical value	Progress
Offices	kWh/m^2 GFA	58.723	Achieved 70% reduction
Property management	kWh/m^2 GFA	29.090	Achieved 17% reduction
Serviced apartment	kWh/room night	1.593	Achieved 20% reduction

WASTE MANAGEMENT PRACTICES

Waste management is embedded in our operations, complying with local environmental legislation including the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) and the Law on Prevention and Control of Environmental Pollution by Solid Wastes in the People's Republic of China. During the Reporting Year, no instances of regulatory non-compliance were recorded.

The Group promotes paperless and resource-efficient office practices, with an implicit objective to progressively reduce reliance on paper, particularly in internal processes, through the adoption of technological solutions and management measures, without compromising business operations. Our paperless office practices are as follows.

Digital Approval Process	Promoting Double-Sided Printing	Prioritise the use of environmentally friendly recycled paper
The Guangzhou Office uses an OA system for end-to-end paperless approvals, boosting efficiency and eliminating physical documents.	The Guangzhou Office sets double-sided printing as default for internal documents and posts printer reminders to reduce paper use.	We prioritise environmentally compliant supplies, gradually adopting certified paper (e.g., FSC) and encouraging suppliers to provide sustainable alternatives.

Looking ahead, the Guangzhou Office plans to further advance its paperless practices by assessing and increasing the proportion of paper procured that meets higher environmental standards. In addition, the Group has implemented corresponding management measures for both hazardous and non-hazardous waste. Our Hazardous and Non-hazardous Waste Management Measures are as follows.

Enhancing Waste Reduction Education	Enhancing Recycling Efforts	Minimise waste production
Notices and training in Guangzhou offices raise waste-reduction awareness; The offices in Chongqing apply classification guidelines with designated staff overseeing daily waste handling and inspections.	The offices in Guangzhou and Chongqing provide sorting bins for paper, plastics and cans; recyclables are collected by contractors, while non-recyclables are handled by municipal authorities.	Tenants bear disposal costs for renovation and food waste to encourage reduction; Shenzhen Hon Kwok Centre uses waste classification and treatment systems, with hazardous waste handled per regulations during development activities in Shenzhen.

ENVIRONMENTAL TARGET

Reduce our waste disposal by improving our recycling rate

Waste Generation

To support the achievement of our targets, we will advance our waste management efforts through the optimisation of recycling systems across our operations and by fostering a culture of waste reduction and recycling among employees and tenants. This Reporting Year, we achieved the following progress:

Waste generation	Unit	Numerical value
Hazardous waste	tonnes	0.22
Non-hazardous waste	tonnes	3,244

SUSTAINABLE WATER USE PRACTICES

The Group prioritises effective water management and has implemented measures to improve water efficiency. Driven by corporate responsibility, we are committed to safeguarding and conserving water resources. Water usage is primarily related to routine property maintenance activities, including the cleaning of communal areas and the irrigation of landscaped spaces. Our water management practices are as follows.

Adopting Water-Saving Measures

At The Bauhinia Hotel, Metropolitan Oasis, and offices in Guangzhou, Shenzhen, and Chongqing, staff are urged to turn off taps promptly, prevent leaks, and report issues, while using water carefully and avoiding unnecessary flow.

Using Water-Saving Equipment

The Shenzhen Office uses water-saving fixtures, while Chongqing and Guangzhou properties have sensor taps to reduce usage. At Metropolitan Oasis in Nanhai, a system treats groundwater for reuse in maintaining the artificial river, lowering reliance on municipal supplies.

Advocating the use of recycled water

Botanica in Guangzhou harvests rainwater for irrigation, while Chongqing Jinshan Shangye Zhongxin and Shenzhen Hon Kwok Centre reuse air-conditioning condensate for fire-fighting. The Shenzhen Office also promotes condensate recycling.

ENVIRONMENTAL TARGET

Water Consumption

Reduce water consumption intensity by **8% by 2030** against 2022 (1% reduction annually)

This Reporting Year, we achieved the following progress:

Water Consumption intensity target progress against the baseline

Business/Activities	Unit	Numerical value	Progress
Offices	m^3/m^2 GFA	0.176	Achieved 94% reduction
Property management	m^3/m^2 GFA	0.265	Achieved 8% reduction
Serviced apartment	m^3/room night	0.205	Achieved 8% reduction

CLIMATE CHANGE MITIGATION AND ADAPTATION

GOVERNANCE

The Group integrates climate change management into daily work routines, making it one of the Company's key priorities. The Board is responsible for the overall leadership and supervision of ESG issues, including authorising the ESG Committee to monitor ESG performance, assess risks, and seize opportunities – including those related to climate. Under the oversight of the Board, the executive team is tasked with driving the implementation of ESG initiatives, including those addressing climate-related issues.

STRATEGY

In response to national and Hong Kong's decarbonisation goals, we actively identify the main sources of our GHG emissions. Currently, we have implemented a range of carbon reduction measures, including optimising energy use to lower operational emissions, integrating emissions reduction into our overall environmental management, and systematically monitoring policies and regulations to ensure ongoing compliance.

Risk type	Potential risk*	Timeframe[5]	Potential impacts on business, strategy and finance	Countermeasures
Physical Risk	Flood/Cyclone	Short term	• Extreme weather causing water ingress, equipment damage, costly repairs, operational disruption • Supply chain delays hindering repairs and extending downtime • Flood-prone properties lowering tenant appeal, occupancy, rental income, asset value, leading to higher repair/maintenance costs, increased insurance premiums/claims, and rental loss from tenant relocation or vacancy	• Avoid high-risk areas during acquisition/leasing • Install flood barriers, upgrade sump pumps, clean drainage regularly • Require key suppliers to have business continuity plans
	Extreme Temperature	Long term	• Extreme heat raises heatstroke risk for outdoor staff, lowering productivity and raising labour costs • Extreme temperatures increase energy use and air-conditioning loads, raising operating costs • High temperatures accelerate ageing of façades, roofs, and equipment.	• Adjust outdoor work schedules during heat waves, provide cooling rest areas and drinking water • Upgrade to high-efficiency chillers, pumps, and lighting, and use BMS for energy control

5 Timeframe defined as: Short-term = <5 years; Medium-term = 5–15 years; Long-term = >15 years.

* None of the aforementioned risks has a material impact on the asset value of the Group, and the risks described reflect anticipated effects. In the future, we will continue to deepen and refine our scenario analysis work by leveraging our accumulated professional expertise, comprehensive capabilities, and resource allocation.

Risk type	Potential risk*	Timeframe[5]	Potential impacts on business, strategy and finance	Countermeasures
Transition Risk	Policy and Regulation	Medium to Long term	• Stricter climate disclosure rules from the Hong Kong Stock Exchange and Chinese Mainland regulators risk non-compliance, reputational damage, and potential fines • Existing properties may need energy retrofits or carbon reporting, adding capital expenditure	• Monitor green building regulations in Hong Kong and Mainland, prepare compliance documents in advance • Establish carbon emission data monitoring procedures
	Technology	Medium to Long term	• Delaying low-carbon tech reduces project competitiveness, lowering sales or occupancy • Properties unable to meet green tenant demands risk turnover or rental pressure, leading to decreased rental income, rent concessions, increased vacancy periods, and holding costs	• Prioritise prefabricated construction, green materials, and renewable energy • Gradually implement intelligent energy management systems in existing properties
	Reputation	Medium to Long term	• Weak climate response raises financing costs and pressures share price due to ESG focus from investors and the public, leading to lower market capitalisation and shareholder value • Poor extreme weather management triggers negative publicity and lowers project sales, causing potential loss of investor confidence and green financing access	• Regularly disclose climate information (carbon reduction, green certifications, climate response) to stakeholders
	Market	Medium to Long term	• Projects without green, healthy, low-carbon features risk rental concessions, resale difficulties, higher vacancy rates, and longer leasing cycles • Some commercial tenants (e.g., multinational corporations) prioritise ESG performance; non-compliance may cause leasing difficulties, leading to lower rental income and asset valuations	• Collect tenant sustainability feedback to guide property upgrades • Highlight green certifications, energy efficiency, healthy design in leasing promotions

5 Timeframe defined as: Short-term = <5 years; Medium-term = 5–15 years; Long-term = >15 years.

* None of the aforementioned risks has a material impact on the asset value of the Group, and the risks described reflect anticipated effects. In the future, we will continue to deepen and refine our scenario analysis work by leveraging our accumulated professional expertise, comprehensive capabilities, and resource allocation.

RISK MANAGEMENT

We attach significant importance to the potential impacts of climate-related risks and opportunities. To ensure timely responses, we continuously monitor how climate change affects our operations and have built systematic processes for identifying, assessing, prioritising, and tracking these issues. Each year, we reassess the relevance of key climate topics through industry research, internal dialogue, and consultation with external experts. In addition, the Group adopts robust management practices aimed at reducing emissions, particularly by improving energy efficiency and lowering GHG emissions associated with energy consumption.

METRICS AND TARGETS

We have consistently reported Scope 1 and Scope 2 emissions in our annual ESG disclosures to track usage trends and evaluate our effectiveness in managing and reducing emissions. At present, we have begun initial data collection with relevant departments to identify material Scope 3 categories across the Group's operations, with the objective of including them in future disclosures.

GHG Emissions[6, 7, 8]		
Direct GHG emissions (Scope 1)	tonnes CO_2e	29
Indirect GHG emissions (Scope 2)	tonnes CO_2e	21,494
Total GHG emissions (Scope 1 and 2)	tonnes CO_2e	21,524
GHG emissions intensity		
Offices	tonnes CO_2e/m^2 GFA	0.0277
Property management	tonnes CO_2e/m^2 GFA	0.0166
Serviced apartment	tonnes CO_2e/room night	0.0087

CLIMATE-RELATED TARGETS

We are dedicated to building a comprehensive carbon emission management framework and remain committed to achieving year-on-year reductions in emissions. In accordance with the requirements of Part D of the ESG Reporting Code, the Group makes climate-related disclosures based on the "Comply or Explain" principle. As certain initiatives are currently in the capacity-building phase and the data foundation is still being enhanced, we have prioritised the establishment of governance structures and data foundation this Reporting Year, providing qualitative disclosures in line with the "Reasonable Information Relief" principle. We have formulated a clear roadmap for improvement and will continuously refine our data foundation and measurement methodologies. The overall disclosure level will be progressively elevated as data coverage and methodologies mature, ensuring that information is traceable, comparable, and subject to continuous improvement.

6 The calculation of GHG is based on the GHG Protocol published by the World Resources Institute and the World Business Council for Sustainable Development, and the ISO 14064 GHG Emissions Standard by the International Organisation for Standardisation.

7 We define the accounting boundary for GHG emissions using the operational control approach and employ a location-based methodology for the calculations.

8 Due to rounding, sub-totals may not sum exactly to grand totals.

Caring for Our Employees

We recognise our employees as key drivers of the Group's success. Accordingly, we are committed to building a high-performing, diverse, and inclusive team through fair recruitment and retention practices, continuous career development, and a safe, healthy, and respectful work environment. We also strictly prohibit child labour and forced labour. These efforts collectively reinforce our responsibility to manage employment, health and safety, development, and labour standards effectively.

The SDG(s) addressed in this chapter

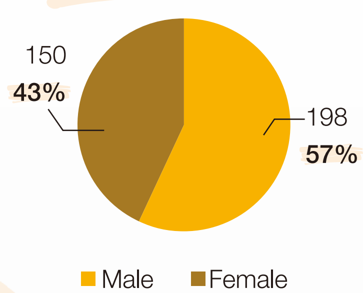
ESG issue(s) covered in this chapter

- Labour Rights and Employment Management
- Development and Training
- Employee Well-being, Health and Safety
- Talent Attraction and Retention
- Business Compliance and Anti-corruption
- Corporate Governance and Compliance Operations
- Internal Control and Risk Management

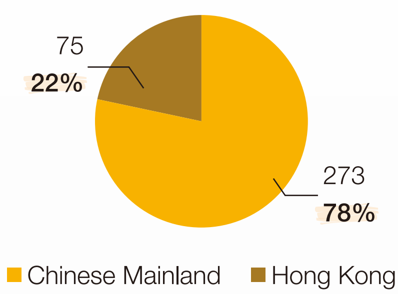
EMPLOYMENT AND LABOUR STANDARDS

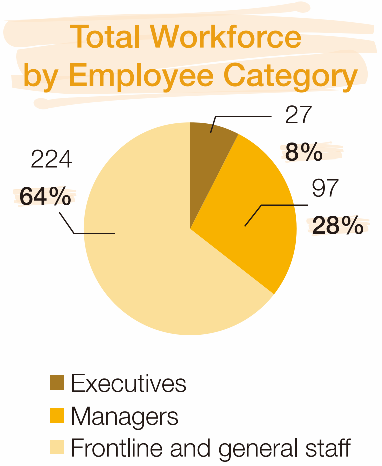
As of the end of the reporting period, our total number of employees was 348, all of whom were full-time employees. The data on employee distribution is as follows:

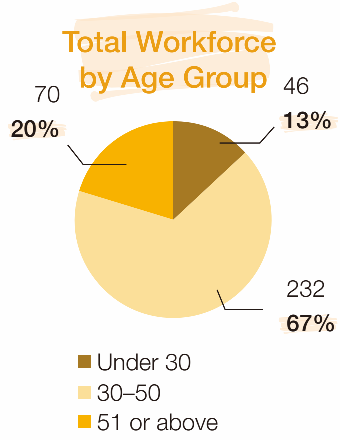
Total Workforce by Gender



Total Workforce by Geographical Region







We are committed to maintaining a healthy and fair workplace. The Group upholds the principles of fairness and diversity and prohibits all forms of discrimination. We comply with all applicable laws and regulations, including but not limited to:

Employment Ordinance
(Cap. 57 of the Laws of Hong Kong)

Race Discrimination Ordinance
(Cap. 602 of the Laws of Hong Kong)

Sex Discrimination Ordinance
(Cap. 480 of the Laws of Hong Kong)

Disability Discrimination Ordinance
(Cap. 487 of the Laws of Hong Kong)

Family Status Discrimination Ordinance
(Cap. 527 of the Laws of Hong Kong)

Labour Contract Law of the People's Republic of China

Labour Law of the People's Republic of China

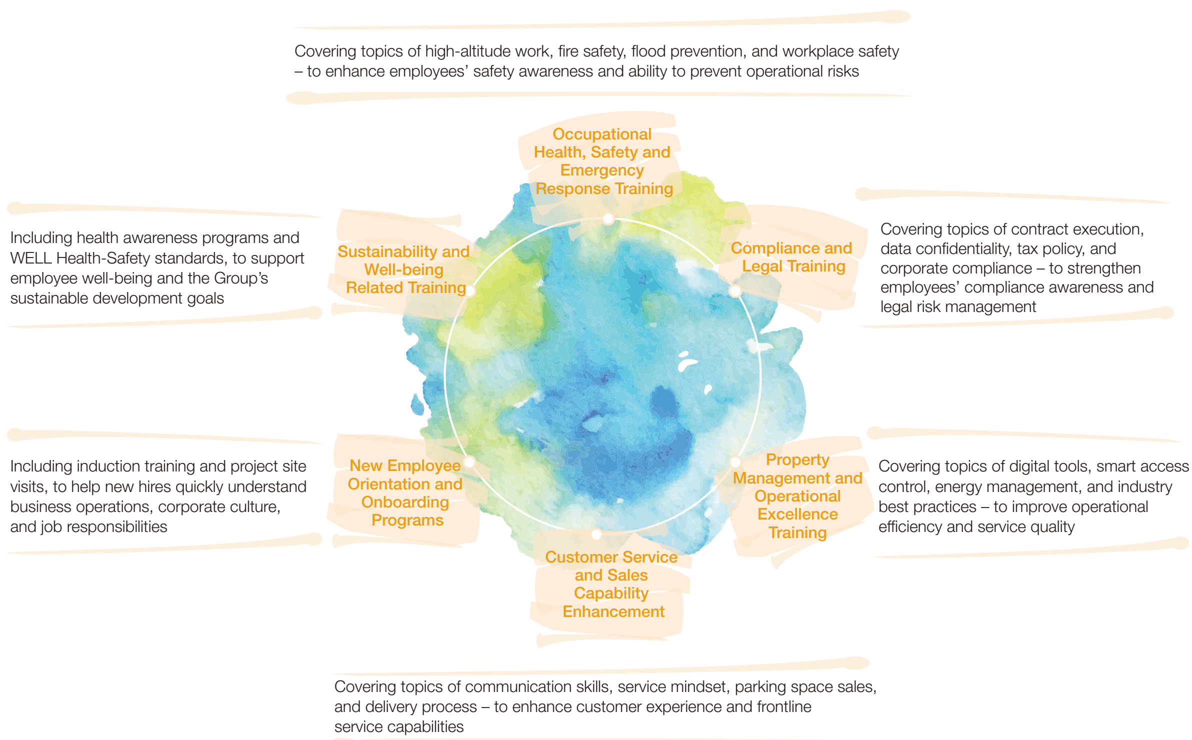
We are committed to safeguarding employee rights, with key policies outlined below:

Recruitment and Employment Management	The Employee's Handbook outlines all employment terms, including benefits, compensation, leave, and ethical standards. Our Personnel Recruitment Procedure standardises talent selection across departments. Applicants must provide valid documents (e.g., ID, academic certificates, professional qualifications) and are evaluated on criteria such as core competencies, professional skills, and development potential.
Prohibition of Child & Forced Labour	Employees' Handbook states that we have a zero-tolerance policy against child and forced labour, with internal screening to prevent underage hiring. Overtime requires prior application and approval by department heads and company leaders, with compensatory time off arranged as needed. During the Reporting Year, the Group had no reported non-compliance cases related to child or forced labour.

Performance and Remuneration Review	We conduct regular performance appraisals to ensure that promotions, training, salary increases, and internal transfers are based on employees' abilities and performance. Remuneration packages and policies are also reviewed periodically to ensure employees are rewarded based on their performance and skills.
Employee Welfare	To attract and retain talent, we offer competitive compensation and benefits packages, and pay social insurance and housing provident fund contributions in line with local regulations. In addition to statutory holidays, employees are entitled to paid annual leave, personal leave, marriage leave, pregnancy check-up leave, maternity leave, bereavement leave, and other applicable leave.

TRAINING AND DEVELOPMENT

The Group is committed to enhancing employees' professional competencies and career development through systematic training initiatives. We provide role-specific on-the-job training based on actual needs and support employees' continuing education by sponsoring course expenses for those pursuing relevant professional qualifications, encouraging self-improvement and long-term career growth. During the Reporting Year, we delivered online and in-person training programs across our operations in Hong Kong, Guangzhou, Shenzhen, Foshan, Nanhai, and Chongqing. Through these initiatives, the Group aims to equip employees with the knowledge and skills necessary to adapt to evolving business needs and promote their career development. Our various training programs include:



CASE STUDY

A Training Session at Hong Kong Office

LEADERSHIP DEVELOPMENT PROGRAMME AT HONG KONG OFFICE

During the Reporting Year, our Hong Kong Office delivered a three-level leadership programme covering Personal, Team, and Organisational Leadership. A total of 273 person-times of attendance were recorded across all training sessions. These initiatives effectively assist in strengthening our talent pipeline for future leadership roles.

EMPLOYEE WELL-BEING, HEALTH AND SAFETY

We attach great importance to employee well-being, health and safety, recognising that a healthy workforce is fundamental to sustainable business development. We are committed to safeguarding both the physical health and mental well-being of our employees by fostering a safe working environment while promoting a positive, supportive and balanced workplace culture. Our Shenzhen Hon Kwok Centre has achieved the WELL Health-Safety Rating 2025, reinforcing our dedication to creating a secure and healthy workplace.

Shenzhen Hon Kwok Centre achieves WELL Health-Safety Rating 2025

OCCUPATIONAL HEALTH AND SAFETY

Protecting the health and safety of our employees is one of our top priorities. We fully acknowledge our responsibility to prevent occupational hazards and proactively mitigate workplace risks. We strictly comply with all applicable laws and regulations on occupational health and safety in the regions where we operate, including but not limited to:

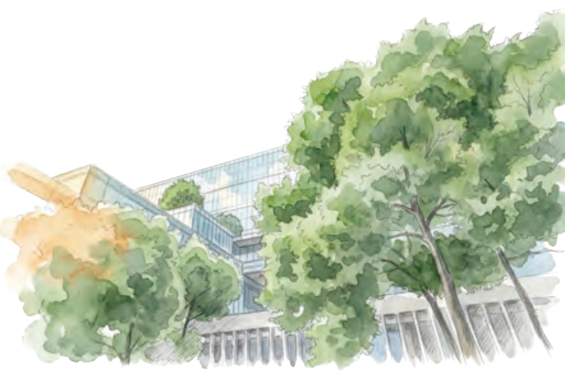
Occupational Safety and Health Ordinance
(Cap. 509 of the Laws of Hong Kong)

Work Safety Law of the People's Republic of China

Prevention and Control of Occupational Diseases Law of the People's Republic of China

To ensure a healthy and safe workplace, we have implemented a range of preventive and protective measures:

Workplace hygiene and environmental safety	• Water filters and air purifiers are installed in offices to enhance indoor air and water quality. • Clear instructions on equipment usage and designated exit routes are displayed in prominent areas to support safe daily operations.
Health and safety training and awareness	• Comprehensive occupational health and safety training for employees, covering topics such as first aid, fire safety, emergency response procedures and mental health awareness. • Regular updates on health-related issues are provided to employees, including seasonal risks such as heatstroke prevention.
Health promotion initiatives	• Annual health check-ups are provided to employees in Shenzhen, Nanhai and Guangzhou. • To reduce physical strain associated with desk-based work, ergonomic office furniture has been introduced in Hong Kong.
Emergency preparedness and risk prevention	• Our Office Health and Safety Guidelines outline preventive measures against occupational accidents and diseases and functions as an Emergency Response Plan for scenarios such as fire hazards and electrical overloading. • Employees performing special duties are provided with appropriate protective equipment, including insulated safety shoes. • Regular workplace inspections are conducted in Hong Kong and Shenzhen to identify potential risks related to office equipment and working conditions.



MENTAL WELL-BEING AND WORK-LIFE BALANCE

We believe that a positive and caring workplace culture enhances employee engagement, morale and long-term productivity. Therefore, we actively promote mental well-being and work-life balance through organising a range of employee activities to foster a supportive and energetic work environment while strengthening team cohesion. Our key initiatives include:

Flexible and employee-friendly policies	Well-being activities and engagement programmes
• Employees in Hong Kong benefit from the "Happy and Flex Friday Policy", allowing them to leave office early every Friday. • All Hong Kong employees are entitled to a half-day birthday leave.	• Employees in Shenzhen are encouraged to participate in regular morning and afternoon stretching and exercise routines on weekdays to promote relaxation, reduce stress and improve overall physical and mental health.

CASE STUDY

Christmas Party (above) and Herbarium Workshop (below) at Hong Kong Office

STAFF ENGAGEMENT AND FESTIVAL CELEBRATIONS ACROSS OFFICES

Throughout the Reporting Year, our regional offices organised birthday celebrations, festive gatherings, and wellness activities to enhance team bonding and morale. To foster well-being, offices also arranged seasonal outdoor outings , sports events, and cultural crafts, as well as various handicraft workshops and mindfulness sessions for International Women's Day. These initiatives successfully strengthened cross-departmental relationships and cultivated a positive corporate culture across all operations.

CASE STUDY

Employee birthday party & Dragon Boat Festival celebration (left) and Christmas dinner (right) at Guangzhou Office

Employee birthday party and Dragon Boat Festival celebration at Nanhai Office

Women's Day handicraft workshops (left) and tennis sport event (right) at Shenzhen Office

CASE STUDY

Employee birthday party (left) and Women's Day meditation activity (right) at Chongqing Office

COMPLIANCE, INTEGRITY AND ANTI-CORRUPTION PRACTICES

The Group places strong emphasis on ethical practices, which are essential to preserving our reputation and protecting stakeholders. Accordingly, we operate in full alignment with all relevant laws and regulations, including but not limited to:

- **Prevention of Bribery Ordinance** (Cap. 201 of the Laws of Hong Kong)
- **Anti-Money Laundering Law of the People's Republic of China**
- **Criminal Law of the People's Republic of China**

The Group enforces zero tolerance for misconduct, strictly prohibiting bribery, coercion, deception, and financial crime under the Prevention of Bribery Ordinance, with breaches leading to disciplinary action including dismissal. The Whistleblowing Policy enables secure, anonymous reporting and protects reporters from retaliation, with oversight by the Audit Committee and coverage extended to suppliers and contractors. Although no anti-corruption training was held during the Reporting Year, the Group has previously trained its directors and employees and continues to embed relevant policies and compliance requirements into daily operational communications, ensuring that all personnel maintain the necessary knowledge.

During the Reporting Year, there were no reported legal cases regarding the corrupt practices of our employees relating to bribery, extortion, fraud and/or money laundering.

Caring for Our Customers

The Group is committed to placing customer needs first. We continuously enhance our products and service offerings to build lasting trust with customers, residents and tenants across our property development and investment, property management, serviced apartment management and office leasing businesses.

The SDG(s) addressed in this chapter

ESG issue(s) covered in this chapter

- Supply Chain Management
- Privacy and Data Security
- Service Quality and Customer Satisfaction
- Customer/Tenant Rights Protection
- Engineering Quality and Safety
- Industry Development Promotion

DELIVERING HIGH-QUALITY SERVICES

Delivering superior service standards is integral to a positive customer journey and the Group's sustainable growth. By prioritising customer expectations, we seek to elevate satisfaction through a people-centred approach to creating well-designed living environments, supported by our professional expertise in the real estate sector. To maintain robust quality standards for our products and services, we have implemented the following measures. During the Reporting Year, we received 15 customer complaints and all of them have been addressed properly, achieving a complaint resolution rate of 100%.

Engage experienced contractors	Monitor and review service quality regularly	Conduct a customer satisfaction survey regularly
Priority will be given to service providers with proven experience or those whose maintenance practices conform to the Group's internal requirements.	Managed under the Group's quality standards, our Chongqing operations, for example, conduct regular maintenance on systems such as fire protection, generators, and air-conditioning. Clear engineering requirements are set to ensure customer satisfaction.	Annual customer feedback is collected through visits, follow-ups, and surveys in Chongqing operations, as well as questionnaires issued to hotel and serviced apartment guests in Hong Kong operations, with results reviewed and addressed to improve services.

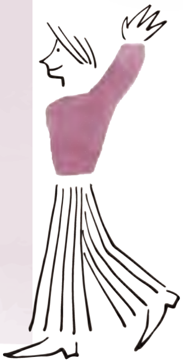
Provide training to our staff

Staff in Guangzhou receive training in property services, including language, communication, and complaint handling, with additional service quality programmes in Guangzhou and Nanhai operations.

Handle customers' complaints promptly

Complaints in Shenzhen and Chongqing operations are handled by severity, with standard cases resolved within two business days and major ones within five. Chongqing also conducts annual surveys and provides written responses to key issues. Service quality metrics are included in appraisals, supported by a dedicated complaint-handling team.

Employees' training on car parking sales skills enhancement and service mindset empowerment to support business transformation



SAFEGUARDING CUSTOMER HEALTH AND SAFETY

We prioritise engineering quality and safety to ensure customer safety. We mainly engage third-party contractors for construction and renovation. Our engineering department conducts daily inspections and enforces safety procedures, requiring contractors to engage licensed professionals for all relevant installation work. We implement end-to-end supervision for repairs and fit-out works, including plan review, site monitoring, and final acceptance, while strictly controlling personnel, schedules, and technical quality to ensure customer safety and reduce risks. Regarding the renovation process, the materials must be certified compliant and non-flammable. Final acceptance requires passing a post-construction air quality test, ensuring the health and safety of our tenants.

Building on our engineering safety controls, we formulate fire safety management measures for high-risk facilities, require contractors to use fire-compliant renovation materials, and enforce emergency response mechanisms. For customer health, we provide daily cleaning and hand sanitisers. In Chinese Mainland, staff receive regular safety briefings, onboarding fire training, and periodic drills such as evacuations and emergency response exercises. During the Reporting Year, a fire drill in Shenzhen involving nearly 400 staff strengthened emergency readiness.


Fire Drill

SAFEGUARDING CUSTOMER DATA PRIVACY

Protecting personal information is essential to maintaining customer confidence, particularly in an environment of increasing cybersecurity challenges. The Group therefore adheres closely to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), which serves as a reference framework for data protection requirements in the Employee Handbook, including secure handling and segregated storage of customer information.

Visitor data at Hon Kwok Jordan Centre is retained for up to one month, while tenant information in Chinese Mainland is stored in hard copy with controlled access. Our operations in Guangzhou apply data classification and access controls, with regular off-site backups of critical data. Unauthorised data sharing is prohibited, and routine virus checks are conducted to ensure prompt threat handling and reporting. Besides, system administrators manage and maintain accounts with regular reviews. We provide periodic security training to enhance skills in account security, access control, and data protection. An oversight mechanism regularly inspects and evaluates the implementation of account and privilege management policies.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Service excellence and sustainable living are achieved through collaboration with contractors and suppliers. The Group sets requirements for suppliers' environmental and social practices, with clear procedures for supervision, inspections, and reviews to ensure consistent service quality. In Chongqing, contract administration and a supplier database monitor costs and procurement. Supply chain risk management measures categorise risks – ranging from environmental and social to economic – together with corresponding mitigation actions to support supply chain stability.

- The Group's Hong Kong contractor follows **ISO 45001:2018** safety standards with regular onsite safety training
- Environmental policies comply with
  - o ISO 14001:2015 (Environmental Management Systems)
  - o ISO 50001:2011 (Energy Management Systems)
- Implements dust control, noise control, wastewater controls
- Property management operations:
  - o Monitor and evaluate contractors regularly
  - o Ensure service quality
  - o Promote environmental responsibility
- Guangzhou: **Integrity Agreement required** (prohibit bribery and improper benefits)

DRIVING INNOVATION THROUGH INDUSTRY COLLABORATION

Hon Kwok Land recognises the importance of innovation in responding to the changing expectations of customers. The Group engages proactively with the industry through participation in relevant forums and contributes to its ongoing advancement.

CASE STUDY

SHARING INSIGHTS ON THE LOW-ALTITUDE ECONOMY SECTOR AT THE BOAO REAL ESTATE FORUM SERIES

Mr. James Sing-Wai Wong, the Group's Chairman, was invited to share his perspectives on the low-altitude economy at the Boao Real Estate Forum series of events. James noted that, supported by the Group's collaboration with the Air Traffic Management Bureau of CAAC, its deep understanding of consumers, and its own prudent and stable development, the Group is well positioned to develop a competitive edge in the low-altitude sector.

Caring for the Community

As a responsible corporate citizen, the Group believes that corporate success must go hand in hand with social responsibility. Giving back to society is an integral component of sustainable development, and we strive to contribute positively to the community through public health support and inclusive initiatives.

ESG issue(s) covered in this chapter

- Charitable Giving and Public Welfare
- Community Building and Integration

The SDG(s) addressed in this chapter

COMMUNITY INVESTMENT

During the Reporting Year,

- the Group contributed approximately HK$1,100,000 through donations to communities where we operate;
- we organised and supported a range of volunteer activities, including visits to underprivileged communities, resource recycling and community residents' outreach services;
- a total of 53 person-times of participation were recorded across these initiatives, contributed 131 volunteering hours.

RECEIVED RECOGNITION FROM NGOs

Owing to its positive impact on society, the Group was awarded the Actively Participated Caring Performance Recognition under the Caring Company Scheme during the Reporting Year. In addition, on 13 November 2025, the Group participated in the 46th Annual General Meeting and Caring Partners Appreciation Ceremony organised by Hong Kong Children & Youth Services and was presented with a certificate of appreciation in recognition of our long-term support and partnership.

The Group was awarded:

The Actively Participated Caring Performance Recognition under the Caring Company Scheme

The certificate of appreciation from Hong Kong Children & Youth Services

DONATION OF SUPPLIES

CASE STUDY

CARITAS COMPUTER REFURBISH PROJECT

To support digital inclusiveness and environmental responsibility, the Bauhinia Hotel donated 11 retired desktops and 15 LCD monitors to the Caritas Computer Refurbish Project. The refurbished devices were redeployed to underprivileged individuals and non-profit organisations, helping narrow the digital divide while ensuring responsible data destruction and environmentally friendly recycling.

COMMUNITY ACTIVITIES

During the Reporting Year, the Group donated HK$20,000 to support the Richmond Fellowship of Hong Kong's Flag Day, and also participated in the following activities, including the Richmond Fellowship of Hong Kong's tea bag donation campaign and volunteer services at the Caritas Elderly Centre – Central District.

Participated in the tea bag donation activity organized by the Richmond Fellowship of Hong Kong

Participated in volunteer activities at the Caritas Elderly Centre – Central District

CASE STUDY

BAUHINIA WARM LOVE LOVE ACTION

In November 2025, the Bauhinia Hotel organised the "Bauhinia Warm LOVE LOVE Action" volunteer activity, in which our employees accompanied elderly participants on a community outing to experience the festive atmosphere of Christmas in urban districts. Through companionship and shared activities, the initiative promoted social inclusion and intergenerational connection.

"Bauhinia Warm LOVE LOVE Action" volunteer activity

CASE STUDY

SUPPORTING VULNERABLE GROUPS AND RURAL DEVELOPMENT

Community donations in Guangzhou

The Guangzhou operations participated in a range of charitable and poverty-alleviation initiatives during the Reporting Year, including providing daily care supplies to frontline sanitation workers, supporting elderly care programmes through festive meal sponsorships, and contributing to education and rural revitalisation efforts in underdeveloped areas.

Poverty alleviation activity in Qingyuan

CASE STUDY

COMMUNITY ENGAGEMENT AND NEIGHBOURHOOD SERVICES

Dragon Boat Festival community activity

The Nanhai operations actively supported local communities by organising and participating in community-focused activities, including traditional cultural events for the Mid-Autumn Festival and Dragon Boat Festival, women's empowerment events for International Women's Day, and neighbourhood convenience services such as free household item cleaning. These initiatives enhanced community interaction, promoted social cohesion and improved residents' quality of life.

CASE STUDY

BAUHINIA x ST. JAMES' SETTLEMENT SUPPORTED EMPLOYMENT TRAINING PROGRAMME FOR PERSONS WITH DISABILITIES

During the Reporting Year, the Group arranged for staff from our Bauhinia Hotel in Hong Kong to visit the St. James' Settlement Centre, and also invited its members, parents, and staff to tour our Bauhinia Hotel in Hong Kong. Some members of St. James' Settlement participated in internships, with certain individuals subsequently employed on a temporary basis.

CASE STUDY

"EARTH HOUR" LIGHTS-OFF INITIATIVE

Posters of the "Earth Hour" lights-off initiative

In March 2026, our Bauhinia Hotel in Hong Kong and Shenzhen Hon Kwok Centre both organised the "Earth Hour" lights-off initiative, encouraging our operations to switch off non-essential lighting in support of climate action and energy conservation. This initiative reinforced environmental awareness among employees and highlighted the Group's commitment to sustainability beyond daily operations.

Key Performance Table

The following table shows data of applicable environmental and social KPIs listed on the ESG Reporting Code.

Environmental Performance[9]	Unit	2025/26[10]	2024/25[11]
Emission			
Greenhouse gas (GHG) emissions			
Direct GHG emissions (scope 1)	tonnes of CO_2 equivalent (tonnes CO_2e)	29	69
Indirect GHG emissions (scope 2)	tonnes CO_2e	21,494	18,680
GHG emission intensity			
Offices	tonnes CO_2e/m^2 GFA	0.0277	0.0253
Property management	tonnes CO_2e/m^2 GFA	0.0166	0.0157
Serviced apartment	tonnes CO_2e/room night	0.0087	0.0089
Waste generation			
Hazardous waste	tonnes	0.22	0.25
Non-hazardous waste	tonnes	3,244	3,241
Energy consumption			
Petrol consumption			
Offices	L	9,531	25,867
	kWh	87,762	240,987
Serviced apartment	L	1,008	N/A
	kWh	9,281	N/A
Diesel consumption			
Offices	L	1,516	N/A
	kWh	15,416	N/A
Property management	L	48	N/A
	kWh	488	N/A

9 Due to the commencement of The Bauhinia Hotel (Central), The Riverside, and Guangzhou Hon Kwok Building this year, our electricity, water, GHG emissions, and non-hazardous waste have increased.

10 The reporting scope does not include properties under development. Digital Realty Kin Chuen (HKG11), and our investments in Japan are excluded in the scope of 2025/26 due to the lack of operational control and data availability. The Bauhinia Hotel (Shenzhen) is also excluded as the hotel was not in operation in 2025/26.

11 The reporting scope does not include properties under development. Digital Realty Kin Chuen (HKG11), The Bauhinia Hotel (Central) and our investments in Japan are excluded in the scope of 2024/25 due to the lack of operational control and data availability. The Bauhinia Hotel (Shenzhen) is also excluded as the hotel was not in operation in 2024/25.

Environmental Performance[9]			
	Unit	2025/26[10]	2024/25[11]
Electricity consumption			
Total	kWh	40,874,959	35,188,918
Offices	kWh	297,020	325,774
Property management	kWh	39,376,685	33,645,481
Serviced apartment	kWh	1,201,254	1,217,663
Energy consumption intensity			
Offices	kWh/m² GFA	58.72	57.81
Property management	kWh/m² GFA	31.28	29.35
Serviced apartment	kWh/room night	22.39	23.29
Water consumption			
Total water consumption	m³	385,396	314,580
Offices	m³	1,202	2,079
Property management	m³	372,416	301,927
Serviced apartment	m³	11,778	10,574
Water consumption intensity			
Offices	m³/m² GFA	0.18	0.33
Property management	m³/m² GFA	0.30	0.26
Serviced apartment	m³/room night	0.22	0.20

9 Due to the commencement of The Bauhinia Hotel (Central), The Riverside, and Guangzhou Hon Kwok Building this year, our electricity, water, GHG emissions, and non-hazardous waste have increased.

10 The reporting scope does not include properties under development. Digital Realty Kin Chuen (HKG11), and our investments in Japan are excluded in the scope of 2025/26 due to the lack of operational control and data availability. The Bauhinia Hotel (Shenzhen) is also excluded as the hotel was not in operation in 2025/26.

11 The reporting scope does not include properties under development. Digital Realty Kin Chuen (HKG11), The Bauhinia Hotel (Central) and our investments in Japan are excluded in the scope of 2024/25 due to the lack of operational control and data availability. The Bauhinia Hotel (Shenzhen) is also excluded as the hotel was not in operation in 2024/25.

Social Performance

	Unit	2025/26	2024/25
Workforce profile			
Total workforce	No. of people	348	359
Total workforce by gender			
Male	No. of people	198	206
Female	No. of people	150	153
Total workforce by employment category			
Full time	No. of people	348	352
Part time	No. of people	0	7
Total workforce by age group			
Under 30	No. of people	46	51
30–50	No. of people	232	227
51 or above	No. of people	70	81
Total workforce by geographical region			
Chinese Mainland	No. of people	273	278
Hong Kong	No. of people	75	81
Employee turnover			
Employee turnover rate	%	14.66	18.38
Employee turnover rate by gender			
Male	%	14.14	17.96
Female	%	15.33	18.95
Employee turnover rate by age group			
Under 30	%	6.52	23.53
30–50	%	12.93	13.22
51 or above	%	25.71	29.63
Employee turnover rate by geographical region			
Chinese Mainland	%	15.75	17.27
Hong Kong	%	10.67	22.22

Social Performance

	Unit	2025/26	2024/25
Occupational health and safety			
Lost days due to work injury	days	0	7
Work-related fatalities[12]	number	0	0
Rate of Work-related fatalities	%	0	0
Development and training			
Percentage of employees trained	%	77	88
Percentage of employees trained by gender			
Male	%	80	85
Female	%	72	91
Percentage of employees trained by employee category			
Executives	%	96	86
Managers	%	97	101
Frontline and general staff	%	66	82
Average training hours completed per employee by gender			
Male	hours	10	12
Female	hours	13	14
Average training hours completed per employee by employee category			
Executives	hours	16	11
Managers	hours	13	16
Frontline and general staff	hours	9	12
Supply chain management			
Number of suppliers by geographical region			
Chinese Mainland	number	192	152
Hong Kong	number	4	4
Anti-corruption			
Concluded legal cases	number	0	0

12 The number and the rate of work-related fatalities occurred in each of the past three years including the Reporting Year was 0.

Appendix – HKEx ESG Reporting Code Content Index

General Disclosures and KPIs		Reference/Remarks
A. Environmental		
Aspect A1 Emissions		
General Disclosure		P.14–23
KPI A1.1	The types of emissions and respective emissions data.	During the Reporting Year, our air pollutant emissions included 35.71 kg of nitrogen oxides, 0.15 kg of sulphur oxides, and 3.19 kg of particulate matter.
KPI A1.2	(Repealed 1 January 2025)	/
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	P.41
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	P.41
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	P.14–23
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.	P.18–19
Aspect A2 Use of Resources		
General Disclosure		P.14–23
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	P.41–42
KPI A2.2	Water consumption in total and intensity.	P.42
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P.14–23
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.	P.20 There were no water sourcing issues within the Group.
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not disclosed. The Group generated no significant packaging material during the Reporting Year due to the business nature.

General Disclosures and KPIs		Reference/Remarks
Aspect A3 The Environment and Natural Resources		
General Disclosure		P.14–23
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P.14–23
B. Social		
Employment and Labour Practices		
Aspect B1 Employment		
General Disclosure		P.24–31
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	P.43
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	P.43
Aspect B2 Health and Safety		
General Disclosure		P.27–31,34
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P.44
KPI B2.2	Lost days due to work injury.	P.44
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P.27–31,34
Aspect B3 Development and Training		
General Disclosure		P.26–27
KPI B3.1	The percentage of employees trained by gender and employee category.	P.44
KPI B3.2	The average training hours completed per employee by gender and employee category.	P.44
Aspect B4 Labour Standards		
General Disclosure		P.24–26
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	P.24–26
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	P.24–26

General Disclosures and KPIs		Reference/Remarks
Operating Practices		
Aspect B5 Supply Chain Management		
General Disclosure		P.35
KPI B5.1	Number of suppliers by geographical region.	P.44
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.	P.35
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P.35
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P.35
Aspect B6 Product Responsibility		
General Disclosure		P.32–36
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not disclosed. We do not produce products that can be recalled.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	P.32–33
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not disclosed. This is not identified as a material topic by the Board.
KPI B6.4	Description of quality assurance process and recall procedures.	P.32–36 We do not have any product recall procedures due to business nature.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P.35

General Disclosures and KPIs		Reference/Remarks
Aspect B7 Anti-corruption		
General Disclosure		P.31
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.	P.44
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P.31
KPI B7.3	Description of anti-corruption training provided to directors and staff.	P.31
Community		
Aspect B8 Community Investment		
General Disclosure		P.37–40
KPI B8.1	Focus areas of contribution.	P.37–40
KPI B8.2	Resources contributed to the focus area.	P.37–40

Part D Climate-related Disclosures		
(I) Governance	Information about 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.	P.21–23
	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	

Part D Climate-related Disclosures		
(II) Strategy	Climate-related risks and opportunities Business model and value chain Strategy and decision-making Financial position, financial performance and cash flows-Current financial effect Financial position, financial performance and cash flows-Anticipated financial effect Climate resilience	P.21–23 Determination of the scope of the value chain: We have applied reasonable information relief, because we cannot use all reasonable and supportable information that is available to the Group at the reporting date without undue cost or effort to determine the scope of its value chain. Quantification of current and anticipated financial effects: We have applied Financial Effects Relief, as we believe that the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful. Use of climate-related scenario analysis: We have applied the Reasonable Information Relief because we cannot determine an approach to climate-related scenario analysis that enables the consideration of all reasonable and supportable information available to the Group at the reporting date without undue cost or effort.
(III) Risk Management	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks. The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities. The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	P.21–23

Part D Climate-related Disclosures		
(IV) Metrics and Targets	GHG emissions	P.21–23 Measurement approach, inputs and assumptions for Scope 3 GHG emissions: We have applied the Reasonable Information Relief because we cannot use all reasonable and supportable information that is available to it at the reporting date without undue cost or effort when the Group selects the measurement approach, inputs and assumptions it uses in measuring Scope 3 GHG emissions.
	Climate-related transition risks Climate-related physical risks Climate-related opportunities	P.21–23 Climate change mitigation and adaptation Calculation of metrics in particular cross-industry metric categories: We have applied the Reasonable Information Relief because we cannot use all reasonable and supportable information that is available to the Group at the reporting date without undue cost or effort.
	Capital deployment	During the Reporting Year, there were no material capital expenditures, financing or investments related to climate-related risks and opportunities.
	Internal carbon prices	The Group does not apply a carbon price in decision-making.
	Remuneration	The Group has not incorporated climate-related considerations into its remuneration policies.
	Industry-based metrics	We do not disclose any cross-industry metrics and industry-based metrics at present, but will explore the feasibility in the future.
	Climate-related targets	P.21–23
	Applicability of cross-industry metrics and industry-based metrics	We have applied the Reasonable Information Relief because we cannot use all reasonable and supportable information that is available to the Group at the reporting date without undue cost or effort.