

**SHUN HO HOLDINGS LIMITED**

(Stock Code: 253)

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT**

**For the Year Ended 31 December 2025**

## **INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES**

Shun Ho Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) believes that sustainability is a crucial element for achieving continued success and has therefore embedded this key concept into its business strategy. To pursue a successful and sustainable business model, the Group is committed to promoting a sustainable culture in aspects of environment and society among all its employees and stakeholders. This culture enables the Group to develop appropriate environmental, social and governance (“ESG”) policies and procedures in its daily operations and governance perspectives, to monitor and evaluate the progress of the ESG efforts, while reporting its performance to investors and key stakeholders.

### **ABOUT THE ESG REPORT**

This Environmental, Social and Governance report (the “ESG Report”) summarises the ESG initiatives, plans and performance of the Group and presents its commitment to sustainable development.

### **SCOPE OF REPORTING**

The Group owns seven hotels in Hong Kong, which were built for hotel investments and operations purposes, including (1) Best Western Plus Hotel Kowloon, (2) Best Western Plus Hotel Hong Kong, (3) Best Western Hotel Causeway Bay, (4) Ramada Hong Kong Harbour View, (5) Ramada Hong Kong Grand, (6) Grand Bay View Hotel, and (7) Ramada Hong Kong Grand View (collectively, the “Hotels”). The Group also owns two hotels that are not located in Hong Kong, which are Magnificent International Hotel, Shanghai (located in Shanghai, the People's Republic of China (“PRC”)) and Royal Scot Hotel (located in London, United Kingdom). Under the principle of materiality, this ESG Report covers the environmental and social performance of our major operations in Hong Kong, including the seven Hotels and the headquarters office of the Group.

### **REPORTING FRAMEWORK**

This is the tenth ESG Report of the Group, highlighting its ESG performance and compliance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) set out in Appendix C2 of the Rules (the “Listing Rules”) governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “SEHK”).

### **REPORTING PERIOD**

This ESG Report covers the Group’s overall ESG performance of the Hotels and the headquarters of the Group in Hong Kong for the year ended 31 December 2025 (“2025” or the “Reporting Period”), unless otherwise stated.

## REPORTING PRINCIPLES

The Group places great emphasis on materiality, quantitative, balance, and consistency during the preparation for the ESG Report, and the Group has applied these reporting principles as follows:

**Materiality:** Stakeholder engagement and materiality assessment are conducted by the Group to identify material issues in a regular manner, thereby identifying and placing more focus on the material issues that are of concern for the ESG Report. For further information, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.

**Quantitative:** This ESG Report is prepared in compliance with the ESG Reporting Code and relevant key performance indicators (“KPIs”), which are disclosed in a quantitative manner. The KPIs are supplemented by explanatory notes to establish benchmarks, and calculation standards, methodologies or assumptions are explained where appropriate.

**Balance:** The ESG performance of the Group is disclosed with transparency and data are presented in an unbiased manner to prevent this ESG Report from misleading readers.

**Consistency:** This ESG Report remains consistent with the report published in the previous reporting year in terms of reporting framework and data analysis approach. Explanations will be provided when there are changes to the scope of data disclosure and calculation methodologies. Data from the year ended 31 December 2024 (“2024”) is supplemented for comparability.

## ESG GOVERNANCE

The Group has established an ESG working committee (the “ESG Committee”), consisting of management staff from relevant departments to assist in data collection and compilation of the ESG Report. The ESG Committee regularly reports to the board of Directors (the “Board”), assists in evaluating, identifying and managing ESG-related risks of the Group, and reflects whether its internal control system is appropriate and effective. The committee members review the ESG performance of the Group, including environmental, labour practices and other ESG aspects.

The Board is fully responsible for the Group’s ESG strategies and reporting, as well as the oversight and management of the Group’s ESG-related issues. The Board at least once annually discusses and reviews the Group’s ESG-related (including climate-related) risks and opportunities, performance, goals and targets with the support of the ESG Committee, aiming to better manage the Group’s ESG performance, related issues and potential risks. Moreover, the Board possesses relevant expertise in ESG and is responsible for guaranteeing the effective ESG risk management and internal control mechanisms and fostering the exchange of best practices with other comparable companies. In 2025, the Group confirmed that it had established proper and effective management policies and internal control systems for ESG issues.

In addition, to demonstrate the Group's commitment to sustainable development, a series of environmental targets has been developed with consideration of the Group’s hotel business along with the implementation of ESG-related policies and guidelines.

## STAKEHOLDER ENGAGEMENT

In order to identify the material ESG issues pertinent to the Group, key stakeholders including the Board, senior management, and employees have been engaged in periodical sessions. These engagements thereby foster the optimal growth of the business and enhance preparedness for forthcoming challenges. The table below summarises the category, expectation and concerns on sustainable development, and the preferred communication channels of stakeholders:

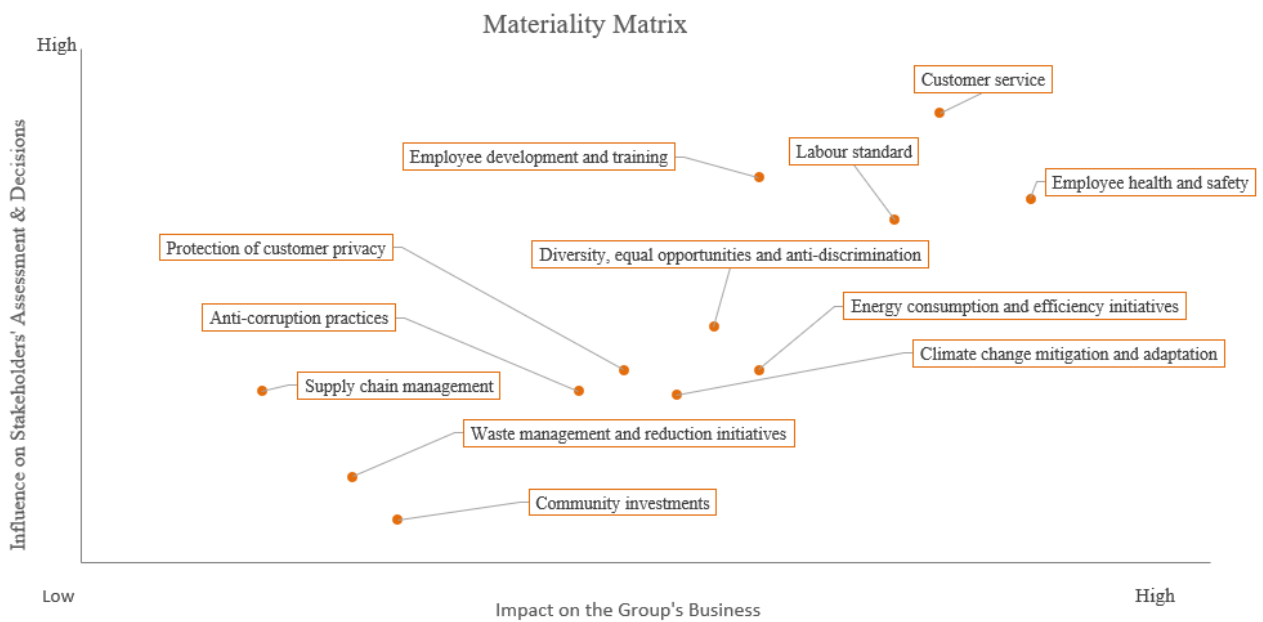
Stakeholders	Expectations and concerns for the Group's sustainable development	Communication channels
The Board and senior management	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Talent retention</li> <li>• Corporate sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Training and seminars</li> <li>• Regular meetings</li> </ul>
Banks	<ul style="list-style-type: none"> <li>• Financial stability</li> <li>• Risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Financial reports</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Service with qualities</li> </ul>	<ul style="list-style-type: none"> <li>• Emails</li> <li>• Meetings</li> <li>• Social media</li> <li>• Direct feedback from the Group's front-line employees</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Employee health and safety</li> <li>• Employee development and training</li> <li>• Equal opportunities</li> <li>• Protection of employees' rights and interests</li> <li>• Working environment</li> </ul>	<ul style="list-style-type: none"> <li>• On-job training</li> <li>• Mentoring by direct supervisors</li> <li>• Performance reviews</li> <li>• Employee handbook</li> </ul>

The Group values the diverse opinions from all categories of stakeholders with different perspectives. Therefore, it is dedicated to collaborating with its stakeholders to further improve its ESG performance and keep on creating long-term value for the wider community.

## MATERIALITY ASSESSMENT

The management and employees who have great influence on the operations of the Group have participated in preparing the ESG Report and aided in the review of the Group's operation, the identification of key ESG issues, and the evaluation of the importance of these issues to its businesses and stakeholders. With reference to the identified material ESG issues, a questionnaire was designed to collect feedback from the internal stakeholders of the Group.

The following materiality matrix summarises the Group's material ESG issues as set out in the ESG Report:



## **CONTACT US**

The Group values and hence welcomes stakeholders to provide opinions and suggestions. You can provide valuable advice in respect of the ESG Report or the Group's performance in sustainable development by the following means:

Address: 22nd Floor, 633 King's Road, North Point, Hong Kong

Email: [is-enquiries@vistra.com](mailto:is-enquiries@vistra.com)

## **OUR ENVIRONMENT**

The Group strives to protect the environment through implementing a series of control activities and monitoring measures in its business activities and workplace. In addition, the Group is committed to creating a green environment by introducing environmentally friendly business practices, enhancing employees' awareness of environmental protection through education, and complying with the relevant environmental laws and regulations.

### **Yearly Environmental Targets**

The Group has set targets in a group-wide approach for the environmental aspect to manage the Group's material topics and its performance in an organised manner, in order to mitigate and adapt to the anticipated environmental challenges. The Group will keep monitoring the progress of environmental targets set and review them annually, the targets cover a base period of one year and are directional in nature.

To review the targets, the ESG Committee will report ESG performance to the Board to assess whether the process of achieving the targets is on track. The Board will decide whether to retain the targets if no material changes occur during the reporting year, or update them based on changes in the Group's operations, relevant regulatory requirements and the latest international agreement on climate change.

The following table summarises the Group’s sustainability targets and performance in the Reporting Period:

2024 Environmental Targets	Performance
<p><b>Emissions:</b></p> <p><b>1. Greenhouse Gas (“GHG”) Emissions</b></p> <p>Taking 2024 as the baseline year, the Group aims to maintain its GHG emissions intensity in 2025, within the same reporting scope.</p>	<p>The GHG emissions intensity decreased by 6.67% in 2025, compared to 2024 and the target was achieved.</p>
<p><b>Waste Management:</b></p> <p><b>2. Non-hazardous Waste</b></p> <p>Taking 2024 as the baseline year, the Group aims to maintain its non-hazardous waste intensity in 2025, within the same reporting scope.</p>	<p>The general waste intensity and paper waste intensity were maintained at a similar level in 2025, compared to 2024 and the targets were achieved.</p>
<p><b>Use of Resources:</b></p> <p><b>3. Energy Management</b></p> <p>Taking 2024 as the baseline year, the Group aims to maintain its total energy consumption intensity in 2025, within the same reporting scope.</p>	<p>The total energy consumption intensity decreased slightly by 3.45% in 2025, compared to 2024 and the target was achieved.</p>
<p><b>Use of Resources:</b></p> <p><b>4. Water Management</b></p> <p>Taking 2024 as the baseline year, the Group aims to maintain its total water consumption intensity in 2025, within the same reporting scope.</p>	<p>The total water consumption intensity increased slightly by 1.34% in 2025, compared to 2024 and the target was achieved.</p>

The following table summarises the Group’s sustainability targets and actions for the upcoming year:

Yearly Environmental Targets	Actions
<p><b>Emissions:</b></p> <p><b>1. Greenhouse Gas (“GHG”) Emissions</b></p> <p>Taking 2025 as the baseline year, the Group aims to maintain its gross GHG emissions intensity (including Scope 1, Scope 2 and Scope 3) in 2026, within the same reporting scope.</p>	<p>To achieve this target, the Group offers employees training materials in relation to environmental protection from time to time, thereby enhancing their awareness and competency in low-carbon practices.</p>
<p><b>Waste Management:</b></p> <p><b>2. Non-hazardous Waste</b></p> <p>Taking 2025 as the baseline year, the Group aims to maintain its non-hazardous waste intensity in 2026, within the same reporting scope.</p>	<p>To achieve this target, the Group participated in waste reduction activities, including the “Mid-Autumn Festival Mooncake Box Collection Programme” and the “Lunar New Year Red Packet Reuse and Recycle Programme” organised by Greeners Action, to enhance employees’ awareness in waste reduction and waste recycling.</p>
<p><b>Use of Resources:</b></p> <p><b>3. Energy Management</b></p> <p>Taking 2025 as the baseline year, the Group aims to maintain its total energy consumption intensity in 2026, within the same reporting scope.</p>	<p>To achieve this target, the Group took part in energy-saving activities, including the “No Air Con Night” programme organised by Green Sense, to encourage employees to save energy.</p>
<p><b>Use of Resources:</b></p> <p><b>4. Water Management</b></p> <p>Taking 2025 as the baseline year, the Group aims to maintain its total water consumption intensity in 2026, within the same reporting scope.</p>	<p>To achieve this target, the Group implements various water-saving initiatives, including placing water conservation signs in washrooms of the Hotels and headquarter office to remind customers and employees to save water.</p>

## A1. Emissions

In order to minimise and mitigate the environmental impacts produced by the Group's operations, the Group has adopted and implemented the Environmental Policy. In 2025, the Group complied with the relevant laws and regulations in Hong Kong relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the Group. The relevant laws and regulations include, but are not limited to:

- Air Pollution Control Ordinance (Chapter (“Cap.”) 311 of the Laws of Hong Kong);
- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong);
- Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong); and
- Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong).

### *Air Emissions*

The major air emissions produced by the Group are Nitrogen Oxides (“NO<sub>x</sub>”), Sulphur Oxides (“SO<sub>x</sub>”) and Particulate Matter (“PM”), which were generated from the towngas and gasoline used in the Hotels and vehicles used by employees for travelling. The Group is gradually replacing conventional vehicles with electric vehicles to reduce air emissions.

Summary of air emissions performance:

Types of air emissions	Unit	Emission amount	
		2025	2024
NO <sub>x</sub>	kg	76.48	79.83
SO <sub>x</sub>	kg	0.65	0.73
PM	kg	1.19	1.47

### *GHG Emissions*

Due to the business nature of the Group, the direct GHG emissions (Scope 1) primarily come from the fuel used by vehicles owned by the Group and the towngas used in towngas consuming devices in the Hotels. The use of purchased electricity and towngas was the main contributor to the energy indirect GHG emissions (Scope 2). Other indirect GHG emissions (Scope 3) include upstream emissions, such as methane gas generation at landfills due to general waste disposal, and GHG emissions due to electricity used for processing fresh water and sewage by the government.

To reduce GHG emissions, the Group has actively implemented electricity conservation and energy-saving measures, as well as other initiatives, including:

- Turn off air-conditioners in idle guest waiting areas and staff restrooms;
- Enhance the awareness of employees in turning off the lighting in work areas during their lunch breaks;
- Deliver various energy-saving guidelines to staff (Including turning off computers, lights and other office equipment after work and during the holiday, as well as closing windows when the air conditioning is in use);
- Centralise the orders for office supplies from various departments to reduce delivery distance, thus reducing indirect emissions from transportation; and
- Adopt measures for environmental protection, energy conservation, and water-saving actively.

More measures are described in the sections headed “Energy Consumption” and “Water Consumption” in aspect A2. With the implementation and promotion of the above GHG emissions controlling measures, employees are more aware of reducing unnecessary consumption of resources and hence lowering GHG emissions.

The total GHG emission intensity of the Group decreased by around 6.67% from approximately 0.015 tonnes of carbon dioxide equivalent (“tCO<sub>2</sub>e”)/room night in 2024 to approximately 0.014 tCO<sub>2</sub>e/room night in 2025. The target has been achieved. The decrease is due to higher energy efficiency of air-conditioners under routine maintenance, reduced town gas usage for water heating per room night in response to warmer climate conditions, and a decline in general waste disposal at landfills during the year under review.

Summary of GHG emissions performance:

Indicator	Unit	GHG emissions <sup>1</sup>	
		2025	2024
Direct GHG emissions (Scope 1) – Towngas consumption – Gasoline used in company vehicles	tCO <sub>2</sub> e	<b>865.74</b>	874.18
Energy indirect GHG emissions (Scope 2) – Purchased electricity and towngas	tCO <sub>2</sub> e	<b>10,487.98</b>	11,406.85
Other indirect GHG emissions (Scope 3) Category 1: Electricity used for fresh water and sewage processing by government department Category 5: General waste and paper disposal at landfills Category 7: Business travel	tCO <sub>2</sub> e	<b>781.83</b>	824.04 <sup>2</sup>
Total GHG emissions	tCO <sub>2</sub> e	<b>12,135.55</b>	14,195.87 <sup>2</sup>
Intensity <sup>3</sup>	tCO <sub>2</sub> e/ room night	<b>0.014</b>	0.015 <sup>2</sup>

*Note(s):*

<sup>1</sup> GHG emission data are presented in terms of carbon dioxide equivalent and are based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Bank Institute and the World Business Council for Sustainable Development, “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by SEHK, the “Global Warming Potential Values” from the Intergovernmental Panel on Climate Change (“IPCC”) latest Assessment Report, the latest “Environmental, Social and Governance Report” published by The Hong Kong and China Gas Company Limited, the latest “Sustainability Report” published by the CLP Power Hong Kong Limited, the latest “Sustainability Report” published by HK Electric Investments and HK Electric Investments Limited, the “International Civil Aviation Organisation (ICAO) Carbon Emissions Calculator” from International Civil Aviation Organisation, the latest “Annual Report” published by Water Supplies Department and the latest “Sustainability Report” published by Drainage Services Department. The GHG emission data are collected in an operational control approach with all Hong Kong operations included under the principle of materiality;

<sup>2</sup> This figure has been restated for better comparability; and

<sup>3</sup> In 2025, the total number of room nights was 870,243 (2024: 854,711). This figure is also used for calculating other applicable intensity data.

## ***Waste Management***

### *Hazardous Waste Handling Method*

In 2025, the Group did not generate any hazardous waste. However, the Group has established guidelines for governing the management and disposal of hazardous waste. In case of any unusual generation of hazardous waste, the Group must engage a qualified and professional chemical waste collector for the waste handling, in order to adhere to the relevant environmental laws and regulations.

### *Non-hazardous Waste Handling Method*

The Group's general waste intensity was 0.001 tonnes/room night in both 2025 and 2024, the target has been achieved. Non-hazardous waste from the Group's operation includes packaging materials of hotel guest supplies, paper for office use, and kitchen waste from the restaurants of the Hotels. The Group has put all its efforts into reducing adverse environmental impacts. During the Reporting Period, the Group continued to adopt the use of biodegradable materials for packaging hotel guest supplies, reducing the impact on the environment.

<b>Indicator</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
General waste	tonnes	<b>1,097.70</b>	1,113.51
Intensity <sup>4</sup>	tonnes/ room night	<b>0.001</b>	0.001

Additionally, the Group strives to reduce the consumption of paper and the disposal of paper waste. Paper-saving initiatives, including the promotion of using recycled paper for printing, the advocacy of establishing environmentally friendly habits of photocopying, the classification of waste paper collected for effective recycling among employees, have been implemented continuously. In 2025, the Group consumed a total of approximately 16.23 tonnes of paper with an intensity of approximately 0.028 tonnes per employee for the daily operations of the office and Hotels.

<b>Indicator</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
Paper waste	tonnes	<b>16.23</b>	16.54
Intensity <sup>5</sup>	tonnes/ employee	<b>0.028</b>	0.028

*Note(s):*

<sup>4</sup> In 2025, the total number of room nights was 870,243 (2024: 854,711). This figure is also used for calculating other applicable intensity data; and

<sup>5</sup> In 2025, the total number of employees was 572 (2024: 595). This figure is also used for calculating other applicable intensity data.

### *Recycling Our Waste*

The Group is committed to recycling as much non-hazardous waste generated as possible, reducing the amount of waste disposed of in landfills and producing fewer indirect GHG emissions. The Group has coordinated with professional recycling companies for the collection of plastic bottles, ensuring that a maximum number of recyclable bottles are diverted from direct disposal in landfills, thereby minimising the environmental impact associated with plastic bottle disposal.

### *Discharges into Water*

The amount of the Group's water consumption is assumed to be the same as the wastewater discharge volume since the wastewater from all the Hotels is discharged into the municipal sewage pipeline network for processing. The data on wastewater discharge volume can be found in the section headed "Water Consumption" in aspect A2. The Group is committed to adopting cleaning products that are eco-friendly so as to minimise the risk of water pollution due to its operation.

## **A2. Use of Resources**

The Group has always placed great emphasis on saving energy and natural resources. During the operation, there is a frequent consumption of electricity and water, and hence the Group has set up relevant policies and procedures in managing the efficient use of resources, with reference to the objective of achieving higher energy efficiency and reducing the unnecessary use of resources. Additionally, the Group conducts regular inspections on water and electricity meters to keep track of its resource consumption performance. If any unexpected high consumption of resources is found, an investigation will be conducted to find out the underlying reasons and preventive measures will be taken.

### *Energy Consumption*

The primary energy consumption of the Group was the use of purchased electricity and town gas. Corresponding policies and measures have been formulated to manage energy conservation, which is one of the Group's ESG strategies. All employees must implement the measures established and take shared responsibility for the Group's overall energy efficiency.

During the Reporting Period, the Group has implemented the following measures to reduce energy consumption:

- Proceed with the replacement of energy-saving lighting fixtures;
- Source energy-efficient equipment to ensure optimal functioning conditions and efficiency;
- Adjust the temperature of the chiller and boiler with reference to the weather report from the Hong Kong Observatory to avoid unnecessary wastage of resources;
- Switch on the Hotels' external wall light only from 5 p.m. to 11 p.m.; and
- Adopt unleaded gasoline to improve engine efficiency and reduce gasoline usage in the long term.

Through these energy conservation measures, the employees' awareness of energy conservation was further enhanced.

The total energy consumption intensity of the Group decreased slightly by around 3.45% from approximately 0.029 MWh/room night in 2024 to approximately 0.028 MWh/room night in 2025, the target has been achieved.

Summary of energy consumption performance:

Type of energy	Unit	2025	2024
Direct energy consumption – Gasoline <sup>6</sup>	MWh	<b>230.48</b>	284.96
Direct energy consumption – Towngas <sup>7</sup>	MWh	<b>4,189.84</b>	4,157.28
Indirect energy consumption – Electricity	MWh	<b>20,305.22</b>	20,400.66
Total energy consumption	MWh	<b>24,725.54</b>	24,842.90 <sup>8</sup>
Intensity	MWh/ room night	<b>0.028</b>	0.029

*Note(s):*

<sup>6</sup> The amount of gasoline consumed was equivalent to 23,782 Litre and 29,403 Litre in 2025 and 2024 respectively; and

<sup>7</sup> The amount of towngas consumed was equivalent to 15,083,424 MJ and 14,966,208 MJ in 2025 and 2024 respectively.

<sup>8</sup> This figure has been restated for better comparability.

### ***Water Consumption***

The Group actively promotes water-efficient practices. To reduce the amount of water used in the laundry, linens and towels will only be replaced upon request for hotel guests who stay more than one night. Our policy encourages our hotel guests to contribute to a green environment together, while increasing the hotel guests' awareness of protecting the environment at the same time.

The total water consumption intensity of the Group increased slightly by approximately 1.34% from approximately 0.299 m<sup>3</sup>/room night in 2024 to approximately 0.303 m<sup>3</sup>/room night in 2025, which is under normal fluctuation, the target has been achieved. The Group will continue to raise the awareness of water conservation to hotel guests, to minimise the water consumption.

Summary of water consumption performance:

<b>Indicator</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
Total water consumption	m <sup>3</sup>	<b>263,498</b>	255,353
Intensity	m <sup>3</sup> / room night	<b>0.303</b>	0.299

Since the Group's business nature and operations are mainly based in Hong Kong, the issue of sourcing water fit for its purpose is not relevant to the Group.

### ***Packaging Materials***

Since the Group has no industrial production or any factory facilities, it does not consume significant amounts of packaging material for finished products and hence the issue on the use of packaging materials is not material to the Group nor disclosed in this ESG Report.

## **A3. The Environment and Natural Resources**

As the operations of the Group are not directly involved in the use of natural resources and the Group does not exploit a significant amount of natural resources, the impact on the environment and natural resources from its operations was minimal during the Reporting Period. As part of its ongoing commitment to corporate social responsibility, the Group acknowledges its responsibility to minimise the negative environmental impacts of its operations and achieve sustainable development to generate long-term value for its stakeholders and community. Hence, the Group will still continuously monitor and evaluate the possibility and severity of any environmental risks, with corresponding risk mitigation plans formulated. The Group is committed to the adoption of minimal and efficient consumption of natural resources, while reducing the amount of waste generated.

### ***Sustainable Operation***

Due to the business nature of the Group, its operation includes the provision of food and beverage services within the Hotels. As a responsible corporation, the Group is committed to protecting endangered animal species, and hence no shark fins and wild game meat are served. Moreover, the Group is dedicated to minimising plastic waste whenever possible and exploring the possibilities to provide biodegradable toiletries to reduce negative environmental impacts.

### ***Indoor Air Quality***

The Group places a great emphasis on maintaining a good indoor air quality as employees and hotel guests spend most of their time indoors. Indoor air quality in the workplace and hotel rooms is measured and monitored periodically. Air purifying equipment is adopted to filter air pollutants, contaminants and dust particles, and cleaning of air conditioning systems is regularly conducted to sustain good indoor air quality. Furthermore, smoking is prohibited in all guest rooms, restaurants, public areas and other indoor facilities of the Hotels to prevent second and lingering third-hand smoke.

## **CLIMATE CHANGE**

Climate-related issues are affecting societies worldwide and posing threats to the Group's business to a certain extent. The Group mainly operates in Hong Kong, which is susceptible to extreme climate events such as typhoons and flooding. The Group recognises the far-reaching impacts of climate change and has therefore established corresponding policies to proactively address these challenges.

### **Governance**

An ESG Committee has been established and appointed to assist the Board in the oversight of climate-related issues through reviewing, monitoring and implementing internal policies. The Board ensures that the ESG Committee maintains suitable skills and competencies to oversee climate-related issues by appointing personnel with appropriate expertise. The Board and the ESG Committee oversee climate-related risks and opportunities during annual ESG Committee meetings, ensuring that the Group develops and implements effective strategies to address climate-related issues. In the event of incidents induced by climate-related events, contingency meetings will be held immediately to discuss the issues and the corresponding handling procedures.

In addition, the ESG Committee is responsible for identifying ESG issues at the operational level and reporting them to the Board, coordinating and communicating with different departments, and maintaining management systems for data such as environmental and financial data. Climate-related incidents will also be immediately reported to the Board. The ESG Committee serves as the Group's primary internal coordination mechanism and is responsible for planning, implementing and integrating climate-related considerations into the Group's strategies and operations, and monitoring performance against climate-related targets and related action plans.

To support oversight, the relevant functions provide inputs to the ESG Committee within their respective areas of responsibility. The ESG Committee consolidates these inputs for internal reporting and reports material climate-related issues and developments to the Board at least annually.

Relevant controls and procedures are reviewed regularly by management to ensure effectiveness.

Meanwhile, the Board bears ultimate responsibility for monitoring the Group's ESG performance through summaries and calculations in ESG reports, as well as reviewing the effectiveness of the management approach, including metrics, targets and action plans. During annual ESG Committee meetings, the Board receives updates from the ESG Committee on the latest climate-related risks and opportunities, and the progress of the ESG performance targets, as well as evaluation of the implementation effectiveness and possible improvement.

The Board engages with external consultants to stay updated on climate-related topics and relevant standards, and it participates in related training programmes. This empowers the Group to develop strategies against climate-related risks and opportunities that align with its business operations, and ensures the Board oversees climate-related strategies and their implementation with the appropriate skills and competencies. The Group identifies these risks and opportunities through its regular materiality assessments and risk review processes. As with other material risks, the Group applies a consistent risk management and internal control mechanism to evaluate and manage relevant risks and opportunities, with oversight provided by the management and regular reporting to the Board.

The Group has set a short-term GHG emissions target which is disclosed in the section headed "Our Environment". To further its climate commitment, the Group will continue to explore the feasibility of establishing a medium to long-term climate-related or carbon neutralisation target as part of the Group's transition plan. The Group is currently gathering relevant information and monitoring market trends for preparing a climate transition plan, which will be disclosed upon completion.

At this stage, climate-related performance metrics have not been incorporated into the Group's remuneration policies. The Group will continue to monitor developments in this area to inform future integration of such metrics, to encourage staff to contribute to climate-related strategies and execution.

## **Strategy**

In addition to monitoring and reducing the environmental impacts induced by the Group, the potential risks and opportunities brought by climate change are also considered. The Group classified the climate risks into different time horizons: short-term (1 year), medium-term (3 years) and long-term (10 years), for prioritising different risks across various periods and aligning with the Group's strategy development. Additionally, the climate risks have been categorised into both physical risk and transition risk to better formulate appropriate mitigation measures. Physical risk refers to the potential negative impacts that can directly influence assets, operations and people caused by the environment. Transition risk refers to the challenge that arises when the world transitions to a low-carbon, sustainable economy.

Due to the business nature of the Group, it is closely connected to climate-related changes. To effectively address climate-related risks and opportunities, the Group began to conduct scenario analysis in 2025 to identify and assess the potential impacts of climate change on our business, in order to develop mitigation and adaptation strategies that demonstrate the Group’s resilience. The scenario analysis assumed that insurance coverage and asset-specific mitigation measures are not taken into account. By considering both physical and transition risks, the Group has selected one of the hotels in a coastal location for scenario analysis in 2025. The impact level is determined in terms of the likelihood and consequences of risks and opportunities. The Group will slowly expand the scenario analysis to other assets and businesses if the information is adequate and ready. The scenario selected for the scenario analysis is aligned with the latest international agreement on climate change, and compares different levels of climate policy stringency, as specified in the table below:

Scope	Time horizon	Scenario explored
Grand Bay View Hotel	Short-term (1 year) Medium-term (3 years) Long-term (10 years)	Low and high emission scenarios for physical and transition risk assessment: IPCC Representative Concentration Pathway (“RCP”) 2.6 and 8.5 Scenario

Risk Type	Potential Impacts	Risk level					
		Rise in temperature of below 2°C (RCP 2.6)			Rise in temperature of above 3°C (RCP 8.5)		
		Short term	Medium term	Long term	Short term	Medium term	Long term
Physical risk: Acute – Flooding	Increase in extreme precipitation may result in flooding in adjacent area, leading to disruption of hotel operations and revenue loss due to reduced customers.	Low	Medium	Medium	High	High	Extreme
Physical risk: Chronic – Rise in sea level	Rise in sea level may cause flooding of transportation roads near the Hotels and the lower portions of hotel facilities	Low	Medium	High	High	Extreme	Extreme

Transition risk: Policy and legal risk	Increase in disclosure requirements and stringent policies from government and regulators may require additional Group resources for compliance	High	High	High	Low	Low	Medium
Transition risk: Reputation risk	Regulatory non-compliance may erode customers' trust and harm the Group's reputation	Medium	High	High	Low	Low	Medium

Grand Bay View Hotel, located on the seafront in Tsuen Wan, has been assessed under the RCPs and the Group's scenario analysis. Due to its open and coastal location, the hotel is particularly vulnerable to typhoons and flooding under RCP 8.5. Flooding in the surrounding area could severely disrupt local traffic, while a rise in sea level under both scenarios will block the hotel's access route, significantly affecting its accessibility. In terms of transition risk, Grand Bay View Hotel faces a low level of exposure. Given its vulnerability to natural hazards, the government would impose less stringent policy requirements under RCP 8.5. Therefore the Group's performance with minimal effort would have low impact on its reputation.

Under RCP 2.6, flooding would be less severe when compared to the RCP 8.5 scenario, the frequency of extreme rainfall and typhoons will be significantly lower. In terms of transition risk, the government will impose more stringent policy requirements for climate-related standards. Therefore, the Group's reputation will have a higher sensitivity to the level of effort given by the Group.

The scenario-based approach enables the Group to prioritise mitigation efforts, strengthen its resilience to ensure sustainable, climate-adaptive operations. Moving forward, the Group will focus on enhancing the climate resilience features on the relatively more vulnerable assets and business activities by strategically prioritising resources.

These scenarios do not provide definitive outcomes for the Group. The scenario analysis exercise is based on assumptions that may or may not materialise and on the information available at the time of preparation, and the scenarios may be influenced by additional factors beyond the assumptions made in the exercise and hence do not represent actual future outcomes. Nevertheless, the Group believes its capacity to adjust or adapt its strategy and business model to climate change is adequate and flexible.

As the Group's operations are primarily located in Hong Kong, the identified climate risks outlined below will occur locally. The following table summarises the identified climate risks of the Group, the potential financial impacts and the corresponding actions that were taken by the Group, in order to mitigate the impact brought by the risks identified:

Climate risks	Potential impacts	Corresponding actions
Physical risks		
<p>Long-term acute physical risk:</p> <p>Increased frequency and severity of extreme weather events</p>	<ul style="list-style-type: none"> <li>• Reduction in revenue due to the closure of operating sites</li> <li>• Loss of assets due to property damage</li> <li>• Reduction in revenue due to the decreased number of tourists under extreme weather events</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor the weather constantly</li> <li>• Formulate contingency plans</li> <li>• Establish internal communication platforms for all employees to have clear and timely information on the contingency arrangement for evacuating guests and safeguarding themselves in cases of emergencies</li> <li>• Establish external communication platforms for guests to disseminate timely and accurate information on weather forecasts and the status of operating sites</li> <li>• Buy insurance for extreme weather conditions to reduce the loss incurred</li> </ul>
	<ul style="list-style-type: none"> <li>• Increase in operating expenses due to increased demand for air-conditioners and hot water supply</li> </ul>	<ul style="list-style-type: none"> <li>• Procure energy-efficient air-conditioners and heaters for the hot water supply</li> <li>• Adopt the use of fans simultaneously with air-conditioners and the moisture cooling method with water to remove heat in the air-conditioning system to carry out the cooling effect more efficiently</li> <li>• Adopt the use of water tanks to store heated water at optimal temperature for supplying to customers, instead of continuous boiling of water, to carry out the heating effect more efficiently</li> <li>• Promote the concept of energy-conservation among guests and customers</li> </ul>

<p>Long-term chronic physical risk:</p> <p>Rise in sea level and flooding</p>	<ul style="list-style-type: none"> <li>• Increase the risk of blockages along the transportation routes serving the Group’s facilities</li> <li>• Near-shore facilities may become unavailable for use due to seawater intrusion</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor the weather constantly</li> <li>• Formulate contingency plans</li> <li>• Establish internal communication platforms for all employees to have clear and timely information on the contingency arrangement for evacuating guests and safeguarding themselves in cases of emergencies</li> <li>• Establish external communication platforms for guests to disseminate timely and accurate information on weather forecasts and the status of operating sites</li> <li>• Buy insurance for extreme weather conditions</li> </ul>
<p>Transition risks</p>		
<p>Medium-term legal risk:</p> <p>More stringent laws and regulations related to climate change</p>	<ul style="list-style-type: none"> <li>• Increase in operating expenses to comply with regulation changes</li> <li>• Violation of laws due to the failure of full compliance with laws and regulations related to climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor amendments in the requirements of current laws and regulations related to climate change</li> <li>• Clarify the duty of the climate-related management team in familiarising the requirements of laws and regulations related to climate change</li> <li>• Provide training to the climate-related management team for a better understanding of the requirements of laws and regulations related to climate change</li> <li>• Seek independent consulting services for clarification and professional advice to comply with laws and regulations related to climate change</li> <li>• Monitor implementation of environmental protection measures related to climate change</li> </ul>

<p>Long-term reputation risk:</p> <p>Climate-related mitigation and adaptation practices affect the Group's reputation</p>	<ul style="list-style-type: none"> <li>• The increase in climate-related regulations requires a timely response to maintain the Group's brand image</li> <li>• Failure to meet market expectations may harm the Group's reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor the market trend and regulation updates</li> <li>• Implementation and promotion of environmental conduct</li> <li>• Provide clear guidelines to protect customers' rights in the event of climate-related impacts</li> </ul>
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Given the Group's strategy for managing climate-related risks and opportunities, and as the anticipated financial effects cannot be separately identified from other factors affecting the Group, the Group currently has no quantitative information on the anticipated effects and related changes. The Group will continuously collect relevant information and monitor developments during the implementation of its current strategic approaches.

Based on our risk assessment, climate-related issues have not had a material impact on the carrying amounts of assets and liabilities for the next reporting period, nor have they necessitated a significant change to our core business model and strategy. The Group's established climate mitigation and adaptation measures remain in effect, with resources allocated through operational budgets.

Currently, there are no investment and disposal plans regarding climate-related risks and opportunities.

### **Risk Management**

The Group recognises the significance of implementing effective risk management for climate change, along with other risks such as strategic, financial, compliance, and operational risks. Implementing robust risk management not only can ensure the safety of guests and staff but also provide high-quality services. Therefore, the Board oversees and is involved in the prioritisation process of climate-related risks after identifying and assessing the risks and opportunities.

To identify and assess climate-related risks, our risk management process will take into account the likelihood and impact of climate-related risks. The impact assessment considers factors such as financial loss, legal implications, corporate reputation, environmental safety, and business operations. The likelihood assessment is based on historical data and the information that is reasonably available to the Group during the Reporting Period. Higher risk events and associated mitigation measures will be reported to management and the Board annually.

The scope for risk management aligns with the current reporting scope of the ESG Report. The Board will prioritise climate-related risks during the climate-related meeting once a year. The current risk management will be qualitative-based. Based on the results of the conducted scenario analysis and materiality assessment, the Group will acquire additional information to identify further related risks and opportunities within the Group's operations, and to monitor the Group's performance through the annual meeting and reports.

To monitor and manage climate-related risks, the Group focuses on its operations and value chains to identify and assess climate-related risks. The Group also continuously monitors and reviews new risks and regulatory changes. To prepare a more comprehensive risk management process, the Group regularly reviews and enhances its approach to climate-related risk monitoring and management, while ensuring that climate-related risk management is supported by an appropriate governance structure and accountability mechanisms.

Currently, the Group adopts the risk transfer and risk mitigation frameworks, which direct the potential financial impacts of climate-related risks to the insurance company and implement measures to minimise the potential impacts of climate-related risks respectively.

### **Metrics and Targets**

Along with the emission targets disclosed in the section headed "Our Environment – Yearly Environmental Targets" which are set according to the Group's internal assessment, the Group is committed to formulating targets in accordance with the Science-Based Targets initiative ("SBTi") to further monitor the progress of GHG emissions on a yearly basis. The current gross emissions target covers Scope 1, Scope 2 and Scope 3. As the Group is not engaged in carbon-intensive activities, its GHG target was not derived using a sectoral decarbonisation approach.

With reference to the Industry-based Guidance issued by International Financial Reporting Standards ("IFRS"), the Hotels, as classified under the Hotels & Lodging industry, are required to disclose their electricity consumption, water consumption and climate change adaptation, which are set out in the section headed "Our Environment" in this ESG report.

In 2025, the Group allocated capital to address climate-related risks. To mitigate potential financial impacts arising from such risks, including property damage caused by typhoons, the Group purchased relevant insurance coverage, with total premiums amounting to HK\$2,070,429 for the Reporting Period. The Group will continue to assess and allocate appropriate capital resources to enhance resilience against climate-related impacts.

Due to the high level of measurement uncertainty, although partial information is available as of the reporting date, the Group is unable to determine an accurate amount or percentage of assets or business activities that are vulnerable to climate-related physical risks, transition risks, and opportunities for disclosure.

The Group does not maintain an internal carbon price and has no plan to offset emissions using carbon credits during the Reporting Period. Nevertheless, the Group will continuously monitor the relevant carbon price in the market and the latest regulations associated with carbon tax and carbon credits to minimise relevant climate-related risks.

## OUR EMPLOYEES

### B1. Employment

#### *Employment and Labour Practices*

Human resources are valuable assets of the Group in supporting its development. Valuing the concerns and expectations of employees, the Group is committed to creating a fair and equitable workplace environment. Moreover, the Group has established standard policies and procedures, including but not limited to the Employee Handbook, and has an in-house counsel to ensure that it complies with employment-related laws and regulations.

In 2025, the Group complied with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have a significant impact on the Group. The relevant laws and regulations include, but are not limited to:

- Employment Ordinance (Cap. 57); and
- Minimum Wage Ordinance (Cap. 608).

As at 31 December 2025, there were a total of 572 full-time employees (31 December 2024: 595). The gender, age group, employee category and geographical location of the employees are illustrated below:

Number of employees	As at 31 December	
	2025	2024
<b>By gender</b>		
Male	315	336
Female	257	259
<b>By age group</b>		
Under 30 years old	56	65
30–50 years old	233	234
Over 50 years old	283	296
<b>By employee category</b>		
Director	8	8
Employee	564	587
<b>By geographical location</b>		
Hong Kong	572	595
Others	-	-

The total employees' turnover<sup>9</sup> was approximately 44.93% in 2025, compared to 32.94% in 2024. The turnover of employees by gender, age group and geographical location of the employees is illustrated below:

<b>Turnover rate (%)<sup>10</sup></b>	<b>2025</b>	<b>2024</b>
By gender		
Male	<b>48.57%</b>	28.57%
Female	<b>40.47%</b>	38.61%
By age group		
Under 30 years old	<b>44.64%</b>	38.46%
30–50 years old	<b>33.05%</b>	29.49%
Over 50 years old	<b>54.77%</b>	34.46%
By geographical location		
Hong Kong	<b>44.93%</b>	32.94%
Others	—	—

*Note(s):*

<sup>9</sup> Total employee turnover rate = Total number of turnover employees ÷ total number of employees at the end of the Reporting Period × 100%

<sup>10</sup> Turnover rate = Total number of turnover employees in the specific category ÷ total number of employees in the specific category at the end of the Reporting Period × 100%

### ***Recruitment, Promotion, Remuneration and Dismissal***

The Group recruits, remunerates and promotes its employees based on their merits, qualifications, competence, suitability and contributions. This ensures that all applicants and employees are treated and assessed fairly. The Group also fully respects legal employment rights, including rest days and leave entitlements, as stated in the Employee Handbook.

Moreover, the Group provides a competitive remuneration system under which remuneration and benefits are determined with reference to the market level. Salaries are reviewed and adjusted annually based on performance appraisals and current market trends. In addition to competitive salaries, employees enjoy various benefits such as year-end bonuses, mandatory provident fund, medical insurance, various types of paid leave including annual leave, sick leave and maternity leave, and free meals provided during working hours. During the year under review, the Group provided a discretionary bonus to its employees based on their performance. Additionally, the Group organises a regular event - “Star of the Quarter” for employees. For every quarter, each hotel votes for the best employee based on his/ her performance and the winning staff will receive a cash prize as a reward for their contribution to the Hotels.

The Group strictly forbids any unreasonable dismissal under any circumstances, and the dismissal process will only proceed if the dismissal is justified. Prior to dismissal, a warning letter will be sent, and official dismissal will only be considered when the employee receiving the warning letter fails to correct the issues raised.

The Group recognises the importance of communication between management staff and employees, hence it establishes communication channels and maintains close contact with its employees. The Group posts activity and training schedules on the notice board to notify employees.

### ***Working Hours and Rest Periods***

Employees of the Group benefit from reasonable working hours and rest periods. The Group ensures that working hours are appropriately arranged under the requirements of relevant labour protection laws, and employees are granted reasonable rest times as well.

### ***Diversity, Equal-opportunity, and Anti-discrimination***

Employees of the Group enjoy equal opportunities in respect of recruitment, training and development, job advancement, and compensation and benefits. The Group ensures that employees are not discriminated against or deprived of such opportunities in relation to their gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable law. In addition, the Group understands the importance of cultural diversity for its development, and recruits employees with a wide range of ages, genders, and ethnicities.

## **B2. Health and Safety**

The Group is committed to providing a safe and healthy environment for its employees. The Group has demonstrated its determination in maintaining a safe and healthy workplace by including the “Security and Safety Rules” in its Employee Handbook. Furthermore, policies and measures have been implemented to ensure health and safety during the operations of the Group. To monitor the related policies and measures implemented, the Human Resources Department has been established to periodically review and improve the occupational health and safety measures adopted.

In 2025, the Group complied with the relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have a significant impact on the Group. The relevant laws and regulations include but are not limited to:

- Occupational Safety and Health Ordinance (Cap. 509); and
- Employees’ Compensation Ordinance (Cap. 282).

The Group has provided guidance on health and safety principles in the Employee Handbook for all the Hotels. In 2025 and 2024, the number of days lost due to work injury was 658 and 813 respectively. There were no work-related fatalities recorded in the past three years including the Reporting Period. In areas with an elevated risk of bodily injury, including kitchen areas and cloakrooms, where employees are frequently involved in manual handling operations such as lifting heavy objects, posters are displayed throughout these areas to remind workers of essential safety precautions.

In addition, the Group acknowledges the importance of hygiene when it comes to the preparation and provision of food and beverages to customers. To avoid contamination and the spread of germs among employees and customers, the Hotels provide guidance to their staff to always stay alert for the maintenance of cleanliness and tidiness of their working environment, as well as emphasising the importance of hand-sanitisation before handling food.

Furthermore, there are adequate first-aid kits and equipment around the Hotels. All safety-related supplies and equipment are under regular inspection to ensure that they are well-maintained. The Group also conducts periodical building maintenance. For instance, the fire safety system and CCTV system are examined on a regular basis. Regular fire drills are also carried out to further enhance the staff's emergency response and evacuation awareness.

Some dangerous areas, such as electric rooms, are always locked and clearly marked with danger signs outside the doors. Only qualified and authorised personnel are permitted to enter for specific purposes such as maintenance.

In general, most employees in back offices are at relatively lower risk in terms of health and safety concerns since they are not involved in labour-intensive work nor are they exposed to a hostile working environment. However, the Group recognises that sitting or standing for an extended period can also pose risks of bodily injury. To address this, employees are reminded of these risks via the notice board and encouraged to take regular breaks and do some stretching exercises from time to time.

### ***Other Health and Safety Measures***

In the wake of the COVID-19 outbreak, the Group has become acutely aware of the risks posed by infectious diseases to employees' health and safety. To ensure a safe and healthy working environment, the Group has enhanced its hygiene practices and is always prepared with hygiene supplies. This includes maintaining an adequate stock of disinfection items, such as masks and hand sanitisers, to mitigate the risk of future outbreaks.

### B3. Development and Training

The Group acknowledges the contribution of its people for its continued success, and is committed to inspiring its talents towards delivering excellence. The Group organises a diversity of training courses on a regular basis to enhance employees' abilities to adapt to the changing environment. Practical training at the workplace is offered to employees to equip them with the relevant skillsets to enable them to provide efficient and quality services to customers.

During the Reporting Period, 452 employees, which is approximately 79.02%<sup>11</sup> (2024: 77.65%) of the total employees were trained. The following table summarises the data relating to training provided to employees:

	Percentage of employees trained (%) <sup>12</sup>		Average training hours per employee (hours) <sup>13</sup>	
	2025	2024	2025	2024
<b>By gender</b>				
Male	<b>54.42%</b>	55.63%	<b>42.26</b>	45.85
Female	<b>45.58%</b>	44.37%	<b>38.28</b>	42.95
<b>By employee category</b>				
Director	<b>1.77%</b>	1.73%	<b>12.00</b>	4.50
Employee	<b>98.23%</b>	98.27%	<b>40.96</b>	45.27

Note(s):

<sup>11</sup> Percentage of total employees trained (%) = Number of total employees trained during the Reporting Period ÷ number of total employees at the end of the Reporting Period × 100%

<sup>12</sup> Percentage of employees trained (%) = Number of employees trained in the category during the Reporting Period ÷ total number of employees trained during the Reporting Period × 100%

<sup>13</sup> Average training hours per employee (hours) = Total training hours in the category during the Reporting Period ÷ number of trained employees in the category during the Reporting Period

As the Group understands that the contributions of its employees are crucial to its success, it supports lifelong learning of its employees and encourages employees at all levels and all ages to receive continuing education. Training programmes are updated in an ongoing manner and their contents are reviewed for improvement based on the feedback from staff and management. In 2025, the Group arranged a total of 18,282 hours of extensive training and orientation programmes, which aim to equip its employees with the proper attitude and required skills to achieve their fullest potential, empowering them to grasp the opportunities to become more productive and well-prepared in delivering the best quality services to customers and stakeholders.

## **B4. Labour Standards**

### ***Prevention of Child Labour and Forced Labour***

During the recruitment process, child and forced labour are strictly prohibited as defined by laws and regulations. The Group actively scrutinises and prevents child labour through its comprehensive screening during recruitment. The screening involves checking the identity documents and working visas (if applicable) of candidates prior to any employment. In addition, work schedules are arranged with employees' preferences to ensure that schedules are designed fairly, while those who work voluntarily will be provided with adequate rest. This allows employees to achieve work-life balance, so as to ensure service quality excellence.

In cases of required overtime work, employees do so of their own accord and overtime compensation is provided in alignment with relevant labour laws and regulations. If any individual below the legal working age is employed or any forced labour is discovered, corrective actions including terminating the employment and reporting to the relevant governmental authorities will be taken immediately to rectify the situation.

In 2025, the Group complied with relevant laws and regulations relating to preventing child and forced labour that have a significant impact on the Group. The relevant laws and regulations include but are not limited to the Employment Ordinance (Cap. 57).

## **OUR BUSINESS**

### **B5. Supply Chain Management**

With increasing environmental awareness in society, the Group places more emphasis on the importance of managing the environmental and social risks associated with its supply chain. The Group has established supply chain management policies and procedures to ensure informed procurement choices are made responsibly. Environmental and social considerations have been incorporated in the policies of selecting and evaluating suppliers. The Accounting Department of the Group has been responsible for reviewing and improving the implementation of practices relating to identifying environmental and social risks along the supply chain periodically.

These supply chain management policies ensure that suppliers can compete transparently and fairly, and no suppliers will be differentiated or discriminated against by the Group. Meanwhile, such policies also assist the Group in maintaining good business practices when selecting and evaluating its suppliers. In general, during the process of sourcing for new supplies, at least three suppliers will be shortlisted, while four or even more suppliers will be shortlisted for large-scale projects or large volume procurements, in order to allow fair comparison before a final decision is made by the management. The Accounting Department of the Group has been responsible for reviewing and improving the implementation of practices relating to engaging suppliers periodically.

In 2025, the Group engaged with a total of 364 (2024: 328) major suppliers, which all went through regular evaluation and monitoring as stated above. The following table summarises data relating to the major suppliers of the Group:

<b>Number of key suppliers (By region)</b>	<b>2025</b>	<b>2024</b>
Hong Kong and PRC	<b>361</b>	326
Australia	<b>1</b>	1
Singapore	<b>1</b>	1
United States	<b>1</b>	0

Additionally, as the Group places great emphasis on a sustainable supply chain, the Purchasing Department of the Group is aware of the policy of the local government on recommended green product specifications, and hence prioritises suppliers with a sound environmental management system. By following guidelines published by multiple government agencies and the Group's Green Procurement Policy, the Purchasing Department will continuously improve the procurement system to select goods and services with a relatively lower environmental impact throughout the life cycle. The Accounting Department of the Group has been responsible for reviewing and enhancing the implementation of practices relating to the promotion of environmentally preferable products and services when selecting suppliers periodically.

## **B6. Product Responsibility**

The satisfaction of the Hotels' guests is essential for the long-term development of the Group. As a hotel and associated restaurant operator, creating a secure, hygienic, and comfortable environment for all guests and customers while ensuring quality services are in place to meet their expectations has always been the Group's core mission. Therefore, the Group is committed to complying with all requirements of the licences or permits granted, including the hotel, general restaurant and liquor licences. These requirements include the proper control of air, water and noise pollution, as well as fire safety, ventilation systems, sanitary fittings, water supply, drainage systems, and compliance with laws and regulations pertaining to building works.

The Group adheres to these requirements with the collaboration of its employees, many of whom are well-trained in the hospitality industry and possess extensive experience. The Group also stipulates many of these requirements and provides clear guidelines through a series of displays and notices around the Hotels, memos through emails, as well as in written form in the Employee Handbook.

In 2025, the Group complied with relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that have a significant impact on the Group. The relevant laws and regulations include, but are not limited to:

- Trade Descriptions Ordinance (Cap. 362);
- Copyright Ordinance (Cap. 528);
- Personal Data (Privacy) Ordinance (Cap. 486);
- Trade Marks Ordinance (Cap 559);
- Patent Ordinance (Cap 514); and
- Registered Design Ordinance (Cap 522).

Due to the Group's business nature of providing quality hospitality services, it has no products sold, shipped or transported that are subject to recalls for safety and health reasons. As a result, product recall is not applicable nor material to the Group, thus no relevant information or data is discussed in this ESG Report.

### ***Service Quality***

The Engineering Department of the Hotels conducts regular inspections of the premises, boilers, and other operating equipment to ensure all equipment is in optimal conditions and will not pose any threats to the well-being of its guests and employees. Moreover, the Group maintains a robust security system which includes a comprehensive CCTV system and security personnel on duty to monitor the Hotels' premises 24 hours a day, 7 days a week. Unauthorised personnel will be questioned, and incidents of abnormality will also be promptly investigated.

To maintain good indoor air quality, smoking is prohibited in the Hotels' guest rooms, restaurants, public areas and other indoor facilities. These initiatives help create a health-conscious and smoke-free environment for customers, guaranteeing that no second-hand and lingering third-hand smoke can reach the guests during their stay in the Hotels.

### ***Complaint Handling***

The Group has set up a series of procedures for handling complaints received from various channels, including telephone, email, and online booking websites. All complaints from our valuable customers will be appropriately recorded and handled by the customer service team of the Group. Complaints recorded will then be further investigated and followed up promptly. This complaint handling process allows the Group to receive feedback about the services provided and address the concerns of customers in a timely and professional manner. Moreover, this process enables the Group to develop preventive measures to avoid the recurrence of similar issues in the future, thereby enhancing the services provided by the Group.

In 2025, the number of service-related complaints received from customers was 11 (2024: 14). The decrease demonstrates the Group's determination and efforts in providing high-quality services. The Group will continuously improve the facilities and services provided in the Hotels with reference to the complaints received, which are crucial elements for the Group to enhance services and move towards developmental success.

### ***Customer Data Protection***

The Information Technology Department of the Group has developed a comprehensive data protection policy and a mechanism to protect and maintain the confidentiality of all corporate data and proprietary information. To adhere to the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong and protect the rights of employees, hotel guests and business partners, the access control protocol clearly specifies the limited access to a system or to physical or virtual resources. A comprehensive enterprise resource planning system for its finance-related operations is also implemented to provide further privacy and information confidentiality. The Group strictly abides by the regulations in the collection, usage, handling and storage of data to ensure data integrity and safety. Additionally, the data protection policy clearly identifies the responsibility of employees at various levels and departments in handling data to minimise risks to customer privacy. To ensure a secure data collection process and privacy, the Information Technology Department of the Group has been responsible for monitoring the consumer data protection and privacy policies.

### ***Protection of Intellectual Property***

The Group does not hold any significant intellectual property assets. However, as a responsible hotel operator, the Group always respects intellectual property rights and is committed to complying with the applicable laws and regulations. The Group closely monitors its business activities, which may involve the use of intellectual property rights, including the installation of computer programmes. All programmes operating in the Hotels were purchased from licensed suppliers to ensure intellectual property rights are fully protected. In addition, the Group has implemented relevant policies to prohibit the use of illegal or unauthorised computer programmes on computers at the workplace. In case of any verified violation of intellectual property rights, the Group will take corrective actions promptly.

### ***Responsible Marketing***

As a hospitality industry player, the Group focuses on providing quality hospitality services to customers and guests. Therefore, minimal marketing and advertising materials are produced for promotion. However, the Group still develops clear guidelines on advertising and marketing for employees to follow so as to ensure the delivery of accurate information to the public and no misleading or false information is in the Hotels' advertising or marketing materials.

## **B7. Anti-corruption**

The Group values and maintains integrity, honesty and fairness during its business operation. Any corruption, fraud, and all other behaviours violating work ethics are not tolerated.

In 2025, the Group complied with relevant laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Group. The relevant laws and regulations include, but are not limited to:

- Prevention of Bribery Ordinance (Cap. 201); and
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615).

To prevent, detect and report all types of corruption, including bribery, extortion, fraud and money laundering, the Hotels have implemented strict policies to require all employees to adhere to the highest ethical standards and uphold a corporate culture of integrity and justice. They are expected to strictly follow the guidelines set forth in the Employee Handbook and behave with integrity, impartiality and honesty. During the Reporting Period, there were no concluded legal cases regarding corruption brought against the Group nor its employees.

In 2025, training materials published by the Independent Commission Against Corruption on anti-corruption were distributed to directors and senior management of the Group through email. Moreover, learning materials were circulated to general employees through notice boards in the Hotels to enhance their awareness and understanding of anti-corruption related knowledge.

Additionally, the Whistleblowing Practices have been adopted by the Group to enable employees and external stakeholders, including customers and suppliers, to report concerns regarding any suspected or actual improprieties relating to the Group. Reports and complaints received will be handled promptly and fairly. Procedures on whistleblowing, including protection of whistleblowers from reprisal or disadvantage, are set out in the Whistleblowing Practices. The Accounting Department of the Group has been responsible for reviewing and updating the whistle-blowing measures and procedures regularly.

## **OUR COMMUNITY**

### **B8. Community Investment**

The Group is dedicated to supporting the public through community participation and contributions as part of its strategic development. To enhance its corporate culture and strengthen its commitment to corporate citizenship, the Group has established relevant policies and integrated human resources into its community management strategies. This approach reinforces its corporate social responsibility while supporting the Group's strategic growth.

#### ***Community Participation***

Society for the Prevention of Cruelty to Animals (Hong Kong) (SPCA HK)

The Group is committed to supporting animal protection initiatives. A donation box for SPCA HK is placed in the Best Western Hotel, Causeway Bay. With the generous contributions from our customers, all donations will be forwarded to SPCA HK to support their efforts in rescuing and caring for abandoned animals.