



百利保控股有限公司

**Paliburg**  
Holdings Limited

(Incorporated in Bermuda with limited liability)  
(Stock Code : 617)

**2024**

SUSTAINABILITY REPORT







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# About This Report

## Reporting Standard

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”, formerly named as the Environmental, Social and Governance Reporting Guide) in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

## Reporting Principles

The Group has adhered to the four fundamental reporting principles outlined in the ESG Reporting Code in the preparation of the report. These principles facilitate effective communication and informed decision making. The details are as follows:

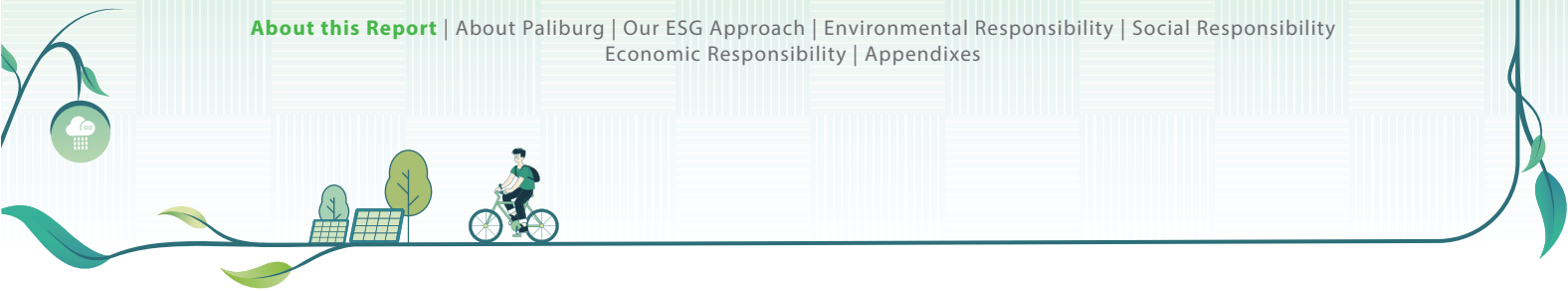
- ❖ **Materiality:** Stakeholder engagement and materiality assessment was conducted to identify material environmental, social and governance (“ESG”) issues in our business operations. 20 material ESG topics were identified, which form the focus of this report.
- ❖ **Quantitative:** In order to assess the performance of different environmental and social initiatives, environmental and social data were identified, collected and monitored.
- ❖ **Balance:** This report would disclose both achievements and improvement plans in order to present an unbiased view on ESG performance.
- ❖ **Consistency:** Consistent reporting methodologies are adopted to present an effective year-on-year performance comparison. Any changes in the methodologies and reporting scope are explained in remarks for stakeholders’ reference.

## Reporting Scope and Boundary

This is the ninth annual standalone Sustainability Report of Paliburg Holdings Limited (“Paliburg” or the “Company”, and together with its subsidiaries, the “Group” or the “Paliburg Group”). This report details the sustainability performance of ESG topics that are material to the Group’s owned and managed properties and hotels in Hong Kong and includes the initiative highlights for the Group’s business in Mainland China.

## Reporting Period

Unless otherwise stated, this report presents the highlights of our progress and performance on material ESG topics for the period from 1 January 2024 to 31 December 2024 (the “reporting period”).



## Accessibility of the Report and Feedback

An electronic copy of this report can be accessed on Paliburg's website [www.paliburg.com.hk](http://www.paliburg.com.hk). Should you have any enquiries about the report or opinions regarding Paliburg's ESG performance, please feel free to contact us via [info@paliburg.com.hk](mailto:info@paliburg.com.hk).

## Board Approval

This report was reviewed and approved by the Board of Directors of the Company (the "Board") and is published on 28 April 2025.





# About Paliburg

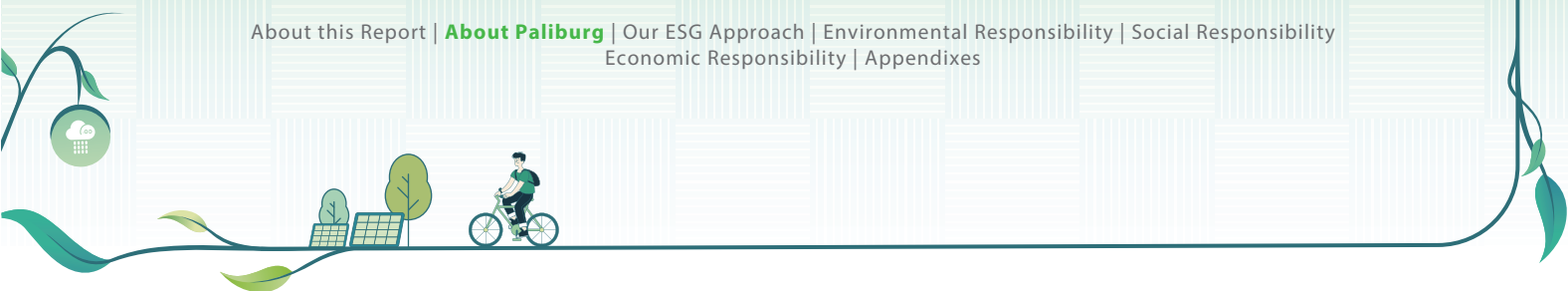


## Our Businesses

Based in Hong Kong, the Group's major investments and business activities mainly consist of property development and investment, construction and building related businesses, hotel ownership, operation and management, and other businesses.

The Group is engaged in property development and investment in both Hong Kong and Mainland China. The Hong Kong projects are primarily undertaken by P&R Holdings Limited ("P&R"), a 50:50 joint venture between the Company and Regal Hotels International Holdings Limited ("Regal"), which is a listed subsidiary of the Company. Regal itself also owns certain property projects primarily in Hong Kong. Cosmopolitan International Holdings Limited ("Cosmopolitan") is a listed subsidiary of the Group controlled by P&R, and mainly conducts property development in Mainland China.

Regal operates the majority of the Group's hotels, and Regal Real Estate Investment Trust ("Regal REIT"), which is a listed subsidiary of Regal, owns nine of those hotels. While Regala Skycity Hotel is owned and self-operated by Regal, the iclub Mong Kok Hotel is owned and self-operated by P&R, and the iclub AMTD Sheung Wan Hotel is owned by a 50% associate of P&R. All of the Group's hotels are managed by Regal.



## Our Presence

The Group's property and hotel projects are summarised below, the details of which are set out in Paliburg's Annual Report for 2024 (the "2024 Annual Report").

### Property Development and Investment Business

#### Property Development and Investment in Hong Kong

Completed Projects	Use
Mount Regalia, Kau To, Sha Tin	Residential
Domus and Casa Regalia, Yuen Long	Residential
The Ascent, Sham Shui Po	Residential/Commercial
Regalia Bay, Stanley	Residential
We Go MALL, Ma On Shan, Sha Tin	Shopping mall
The Queens, No.160 Queen's Road West	Residential/Commercial
Projects under development	Use
Nos.9-19 Kam Wa Street, Shau Kei Wan	Residential/Commercial
Nos.291-293 and 301-303 Castle Peak Road, Cheung Sha Wan	Residential/Commercial
Nos.227-227C Hai Tan Street, Sham Shui Po	Residential/Commercial





## Property Development and Investment in Mainland China

Projects	Use
<b>Regal Cosmopolitan City in Chengdu (being completed in phases)</b>	Composite development
<b>Regal Renaissance in Tianjin (completed)</b>	Composite development

## Hotel Business

Over the years, Regal has built an extensive presence in Hong Kong and Mainland China. Regal is operating and/or managing twelve hotels under the Regal, Regala and iclub by Regal brands in Hong Kong, nine of which are owned by Regal REIT.

As for overseas, Regal owns the Campus La Mola, located in Barcelona, Spain, which was leased to an independent third party for operation.





## Regal Hotels in Hong Kong and Mainland China





# Our ESG Approach

## Board Statement on ESG Matters

The Board is responsible for the oversight of ESG matters of the Group's operations. The Board has responsibilities in guiding the development of Paliburg's ESG values, approaches, strategies and policies, in addition to reviewing the identification, evaluation and management of ESG-related issues (including ESG risks). The Board is also responsible for reviewing and monitoring the progress made against ESG-related goals and targets. The preparation of the Sustainability Report is delegated to the executive committee for balanced disclosure of ESG performance and compliance with all applicable Listing Rules.

Under the guidance of the Board, the Group identifies, assesses and prioritises the ESG topics and their importance to Paliburg and our stakeholders through engagement with internal and external stakeholders. ESG initiatives and measures are developed and implemented in accordance with the assessed materiality of various ESG topics and reported in the Sustainability Report. Please refer to "Stakeholder Engagement" section of this report for details of the stakeholder engagement process and the results of the materiality analysis.

## Our ESG Strategy

Upholding the core values of sustainability, Paliburg is devoted to integrating sustainable considerations into our daily operations whenever possible.

### Our Sustainability Core Values and Commitments:

- To build an outstanding, environmentally friendly and sustainable community
- To construct superior living space and warm and comfortable homes for our customers
- To create brand value for the enterprise, steady cash flow and room for long term value enhancement for investors
- To provide appropriate development platforms and professional training to nurture staff teams

## Corporate Governance

Paliburg Group seeks to maintain a comprehensive and high-standard corporate governance system by strictly adhering to the Code Provisions in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules. We adopt a rigid corporate governance structure under the leadership of the Board, in which the three board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, are responsible for performing various governance functions. The Board reviews the Group's management policies and practices on a regular basis to ensure strict compliance with the stipulated regulations. New policies and measures are implemented whenever necessary.

For further information about our corporate governance and the Board of Directors, please refer to the 2024 Annual Report.

## Sustainability Governance

Paliburg recognises the importance of sustainability and places sustainability as one of the Group's core objectives. We balance our key stakeholders' interests with our common goals by consulting and sharing sustainability performance with them. The Group also targets to promote long term sustainable development by engaging various stakeholder groups, including but not limited to customers, business and community partners, suppliers and employees.

To ensure effective sustainability management, a sustainability governance framework is established, with the Board of Directors overseeing the Group's sustainability performance. The Executive Directors, with the assistance of senior managers from key divisions, are delegated with responsibilities of implementing, monitoring and evaluating the performance of the Group's sustainability plans under three principal objectives, environmental, social and economic sustainability. The Executive Directors also evaluate, prioritise and manage the ESG topics identified to be material to the Group on a regular basis. The execution of sustainability plan will then be performed by different operating divisions of the Group, with the purpose of accomplishing the established goals and targets. The Group has established a set of environmental targets covering greenhouse gas ("GHG") emissions, energy efficiency, and waste recycling. The progress made against the environmental targets will be monitored by the Executive Directors and will be reported to the Board of Directors for review annually.





## Stakeholder Engagement

With the aim to understand the views and needs of various stakeholder groups, the Group has established a number of transparent and diverse communication channels. We ensure their opinions are effectively gathered and well considered. Through regular communication and engagement exercises, the Group gathers and understands their expectations on our sustainability performance. The key engagement channels for each stakeholder group are listed as follows:

Stakeholder Groups engaged		Methods of Engagement
Internal Stakeholders	Management	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Ongoing engagement</li> </ul>
	Employees	<ul style="list-style-type: none"> <li>Employee satisfaction surveys</li> <li>Regular meetings</li> <li>Orientation activities</li> <li>Bulletin boards</li> <li>Annual appraisal meetings</li> <li>Employee engagement events</li> </ul>
External Stakeholders	Community	<ul style="list-style-type: none"> <li>Media conferences</li> <li>Volunteer activities</li> <li>Face-to-face meetings</li> </ul>
	Customers/Tenants	<ul style="list-style-type: none"> <li>Website and social media</li> <li>Guest satisfaction questionnaires</li> <li>Daily communication with front-line staff</li> <li>Customer feedback mechanism</li> <li>Hotlines</li> </ul>
	Investors/Shareholders	<ul style="list-style-type: none"> <li>Analyst briefings</li> <li>Investor meetings</li> <li>General meetings</li> <li>Annual and interim reports</li> <li>Press releases/announcements</li> </ul>
	Industrial Associations	<ul style="list-style-type: none"> <li>Industry forums</li> </ul>
	Suppliers/Contractors/ Business Partners	<ul style="list-style-type: none"> <li>On-site assessment visits and meetings</li> <li>Owners committee meetings</li> <li>Regular meetings</li> </ul>



## Materiality Assessment

Paliburg regularly reviews the material ESG topics related to our business operations. The outcome of the stakeholder engagement exercises serves as the basis for the materiality assessment. The prioritisation of the material topics follows the principles defined in the ESG Reporting Code and the steps taken in our materiality assessment are summarised as follows:





Based on the results of the materiality assessment, the following 20 ESG topics were considered material and were discussed in detail throughout this report:







# Environmental Responsibility

The Group has consistently recognised the critical importance of effectively addressing and acknowledging the impact of climate change and other environmental risks on our operations. In response, we are committed to implementing strategies that mitigate these effects while fostering the development of a sustainable community. Building on our previous commitments, we remain dedicated to fulfilling our responsibilities in reducing environmental impacts and contributing to a greener future for all.

In strict accordance with the Environmental Protection Law of the People's Republic of China, as well as other national and local environmental protection laws, regulations, and design standards, the Group implements rigorous measures for the conservation of energy, land, water, and materials. These practices are maintained throughout the entire lifecycle of project development, construction, operation, and maintenance. Immediate actions will be taken to address any environmental concerns that arise, aiming to mitigate any adverse effects.

During the reporting period, Paliburg Group demonstrated full adherence to all relevant laws and regulations<sup>1</sup> on air and GHG emissions, water and land discharges, and the generation of hazardous and non-hazardous waste.

## Environmental Management

Paliburg prioritises the effective execution of its environmental policy across all aspects of our business operations. To align efforts with our core values, each subsidiary develops tailored management strategies that reflect our collective goals. We dedicate significant resources to improve energy efficiency, conserve water, and enhance waste management practices. By proactively identifying environmental risks, we are able to implement timely mitigation measures, and use international standards to evaluate the environmental performance of our property portfolio. Additionally, we conduct regular reviews of our objectives and targets, ensuring they remain relevant and responsive to market expectations regarding sustainability. Through these efforts, we strive to fulfil our environmental commitments while promoting a culture of responsibility within the Group.

### Properties – Hong Kong

Our property development and management activities in Hong Kong come with a responsibility to the environment—one that Paliburg takes seriously. A dedicated team of directors, project managers, and senior staff has developed a robust environmental management framework, which serves as a cornerstone for our sustainable operations. This framework provides a clear guidance, ensuring accountability and consistency across the Group. We regularly evaluate and monitor our environmental performance, not just to meet regulations but to foster a culture of openness and shared responsibility. From project managers to site agents, every team member is empowered to uphold environmental standards and contribute to green initiatives. This collective effort has been key to our progress in reducing environmental harm and adapting to evolving challenges in sustainability.

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<sup>1</sup> The environmental laws and regulations that might be significant to Paliburg include Environmental Protection Law of the People's Republic of China, Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong), Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong), Water Pollution Ordinance (Cap. 358 of the Laws of Hong Kong) and Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong).



Paliburg takes pride in maintaining high environmental standards across our construction and development projects. We have introduced strict measures to ensure consistency and compliance, while actively engaging with stakeholders to build sustainable communities. Regular communication with business partners helps us advocate for pollution reduction in everyday operations. By carrying out regular evaluations of our environmental performance, strategies, and objectives, we can pinpoint areas for enhancement and respond promptly. We collaborate with various organisations and professional bodies to ensure our policies are up to date and effective.

With sustainability at the forefront, we diligently assess our performance and integrate eco-friendly practices into our project developments. From the early design and planning stages, we conduct thorough evaluations of the potential environmental impacts of our projects. Paliburg dedicates significant resources to ensure our operations are not only efficient but also aligned with sustainable practices. This dedication is reflected in our achievement of the BEAM Plus Certification from the Hong Kong Green Building Council, which underscores our focus on creating environmentally conscious developments.

## Hotels

Regal is developing an Environmental, Health and Safety Policy ("EHS Policy"). This policy outlines strategic directions addressing a range of environmental topics, including climate change, resource management, energy consumption, water consumption, waste reduction, and the preservation of biodiversity and conservation efforts.

Since launching its first sustainability campaign "We Love Our Planet" in 2012, Regal has remained fully-committed to incorporating environmental considerations into all aspects of Regal's business. From energy-saving, emission reduction, pollution prevention and control to resource management and biodiversity protection, Regal integrates these practices for more sustainable and efficient operations. To foster environmental awareness both in the workplace and in daily life, Regal actively engages employees and the public in the nature conservation initiatives. Regal also ensures that its hotels strictly comply with all environment-related laws and regulations<sup>2</sup> in the communities it operates.

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<sup>2</sup> The laws and regulations that might be significant to the Group includes Air Pollution Control Ordinance (Cap.311 of the Laws of Hong Kong), Waste Disposal Ordinance (Cap.354 of the Laws of Hong Kong) and Water Pollution Control Ordinance (Cap.358 of the Laws of Hong Kong). During the reporting period, the Group did not violate any laws and regulations related to air and GHG emissions, discharges into water and land and generation of hazardous and non-hazardous waste.





### ESBN Green Deal Badge

Since 2023, Regal has been awarded with the ESCAP Sustainable Business Network (“ESBN”) Green Deal Badge – Green. As a joint effort by the United Nations’ Economic and Social Commission for Asia and the Pacific and Hashstacs Pte Ltd, the badge goes to businesses that have pledged to support sustainability by completing a self-assessment and disclosing data on emissions, resources consumption and management.

Regal is proud to be part of a broader effort to commit to sustainability and encourage businesses in the Asia-Pacific region to align operational strategies with ESG principles for sustainable development.

### EarthCheck Certification

For the hotel operations in Hong Kong, Regal adopts a systematic approach and align Regal’s hotels with EarthCheck Certification standards, the world’s leading sustainability benchmarking and certification service in the travel and tourism industry.

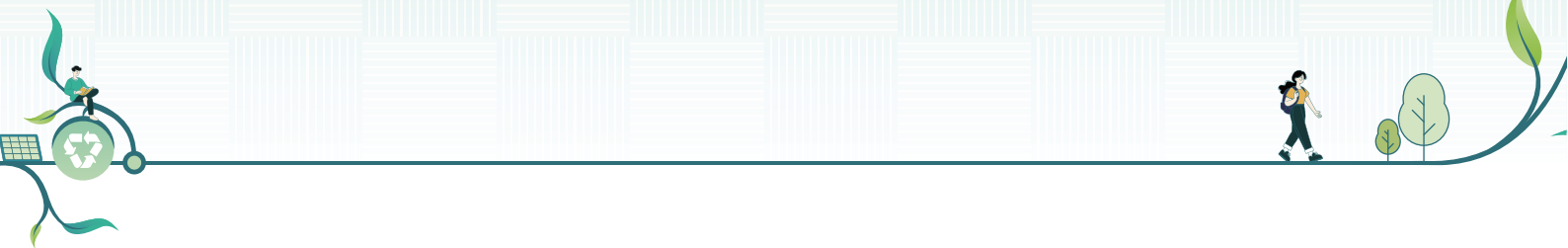
The EarthCheck standards align with global frameworks including the Intergovernmental Panel on Climate Change Guidelines for National GHG Inventories, the World Business Council for Sustainable Development, Greenhouse Gas Protocol and a range of standards under the International Organization for Standardization (“ISO”).



**EARTHCHECK**

As one of the indicators of Regal’s hotels’ environmental management processes, Regal places great emphasis on its performance in this area, and has engaged the Global Tourism Advisory Group for independent third-party verification.





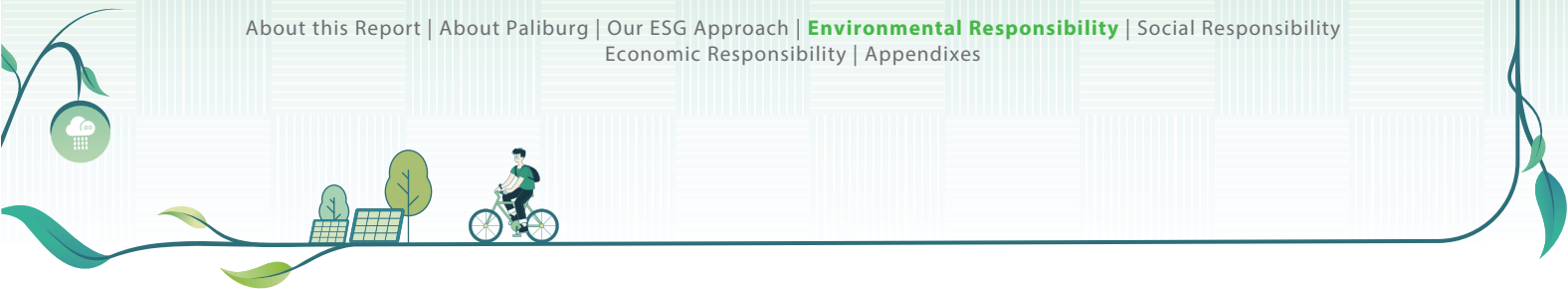
In recognition of its environmental performance, Regal's hotels were awarded with the below certifications in 2024:

**List of EarthCheck Certifications obtained during the reporting period:**

Earned awards and certification	Hotel
<b>EarthCheck Platinum Certification</b>	Regal Airport Hotel
	Regal Hongkong Hotel
	Regal Kowloon Hotel
	Regal Oriental Hotel
	Regal Riverside Hotel
<b>EarthCheck Gold Certification</b>	iclub Fortress Hill Hotel
	iclub Sheung Wan Hotel
	iclub Wan Chai Hotel
<b>EarthCheck Silver Certification</b>	Regala Skycity Hotel
	iclub Mong Kok Hotel
	iclub To Kwa Wan Hotel
	iclub AMTD Sheung Wan Hotel

In the long run, Regal is committed to minimising negative environmental impacts and creating positive social impacts to its stakeholders. Regal's targeted "Platinum" certification for all five Initial Hotels have been achieved in 2024, and as the next step, the "Master" rating for all five Initial Hotels is targeted to be achieved by 2038.





### Case Study: Sustainable Building Designs

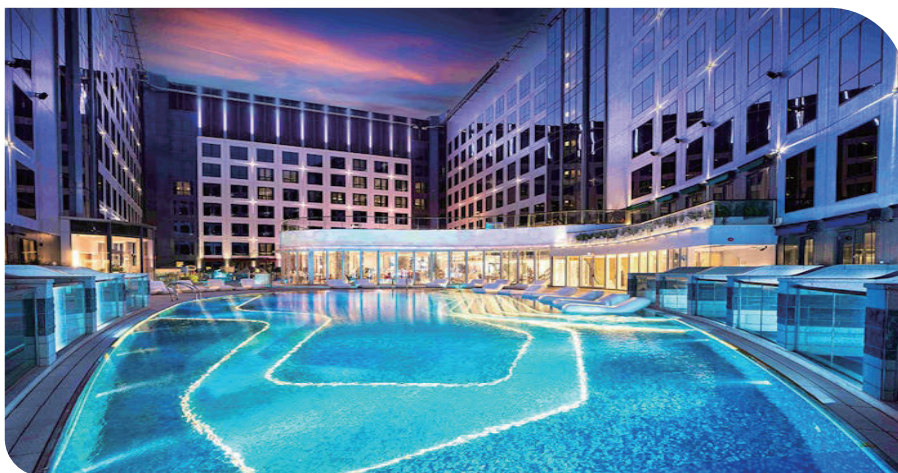
Regala Skycity Hotel, officially opened in 2023, incorporates sustainable features that minimise ecological footprint and promote environmental responsibility.



The building has been designed to reduce energy consumption by utilising natural light and ventilation.

One of the highlights of the hotel's design is the incorporation of vertical green walls across its façade. These walls not only enhance the building's aesthetic appeal but also mitigate the urban heat island effect by absorbing heat and releasing oxygen.

The swimming pool has been designed and constructed with environmental sustainability in mind. Its filtration system recycles and treats pool water using advanced technology that requires less energy than traditional swimming pools. Additionally, light-emitting diode ("LED") lighting and energy-efficient appliances are employed throughout the building to minimise energy consumption.





## Properties – Mainland China

Cosmopolitan has group-wide environmental policies in place for all property development projects aimed at reducing environmental impacts while providing high-quality products and services.

In the Tianjin office, Cosmopolitan incorporates resource conservation in its daily operations. Before the commencement of any maintenance or construction work, Cosmopolitan coordinates with the property management and construction teams to manage water and electricity connections, metre readings, and provide guidelines for energy and water savings. After construction, Cosmopolitan took the water and electricity metre readings to ensure the consumption meets efficiency standards. If usage exceeds these standards, the construction unit is responsible for paying an additional fee based on the excess and must maintain low-energy operations. In Chengdu, its design and construction projects adhere to the Environmental Impact Assessment Report for the Century City Cultural and Creative Commercial Park of Zhifu Investment and Development (Chengdu) Co. Ltd, ensuring that Cosmopolitan reduces the environmental impacts of its activities. For example, it specifies the use of oil fume purification equipment in its Heating, Ventilation, and Air Conditioning (“HVAC”) construction and requires that the processing of cooking fumes must comply with the current national standards when considering the design of air conditioning and ventilation systems.

Furthermore, Cosmopolitan is conducting a reforestation project in Urumqi, Xinjiang Uygur Autonomous Region, which involves reforesting and granting land for an area of approximately 7,600 mu, in compliance with the relevant local laws and policies. By the reporting period, Cosmopolitan has successfully reforested around 4,300 mu within the project site, following the relevant government regulations of Urumqi.

Cosmopolitan evaluates its performance and updates its policies regularly to align with changing regulations and industry standards, ensuring that Cosmopolitan meets its environmental objectives. To support this, Cosmopolitan works with property management to conduct inspections of residential, commercial and underground areas on a daily basis. These inspections monitor the usage of equipment and facilities, such as air conditioning, fire safety systems, tap water, and curtain walls. If any issues are found, property management quickly arranges for maintenance and control measures.



The following list summarises the Group's achievements in constructing and maintaining a green built environment property for its projects in Hong Kong:

### Project

### Certifications

The Ascent

BEAM Plus Final Gold



We Go MALL

BEAM Plus Final Silver



Mount Regalia

BEAM Plus Final Bronze



Regala Skycity Hotel

BEAM Plus Final Gold







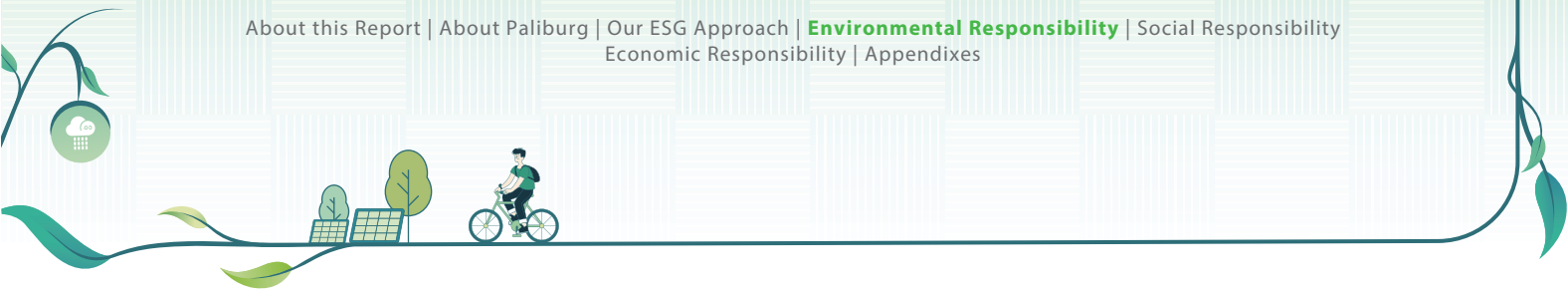
# Environmental Targets

As a responsible company, Paliburg recognises the importance of aligning our business models with global environmental trends. We are committed to improving our performance in key environmental issues including GHG emissions, energy efficiency and waste reduction. To achieve this, we leverage historical environmental data, guidance from local government, as well as findings from internal control. We have set a series of quantitative targets over short, medium and long term to drive progress. These targets are regularly reviewed and updated to ensure they align with our vision for a sustainable future.

## Properties – Hong Kong

Key Aspects	Targets	Detail	Status
GHG Emissions	Mid Term	Reduce GHG emissions intensity by 10% by 2030 with 2018 as baseline year.	Achieved 29% reduction in GHG emissions intensity in 2024 compared to 2018 as the baseline year.
Energy Efficiency	Mid Term	Reduce energy intensity by 10% by 2030 with 2018 as baseline year.	Achieved 10% reduction in energy intensity in 2024 compared to 2018 as the baseline year.
Waste	Long Term	Maintain 100% hazardous waste recycling.	We continue to monitor the progress of recycling.





## Hotels

During the reporting period, Regal has reviewed and updated its environmental targets, as well as introduced a comprehensive set of ESG targets presented below:

Key Aspects	Targets	Detail
<b>GHG Emissions</b>	<b>Mid Term</b>	Reduce scope 1 and 2 GHG emission intensity by at least 20% with 2023 as a baseline by 2030.
<b>Green Building</b>	<b>Short Term</b>	Achieve BEAM Plus Existing Building certifications for at least 30% of Regal's hotel properties in Hong Kong by 2025.
<b>Water</b>	<b>Mid Term</b>	Reduce water intensity by at least 10% with 2023 as a baseline by 2030.
<b>Waste</b>	<b>Mid Term</b>	Enhance waste diversion rate by at least double with 2023 as a baseline by 2030.

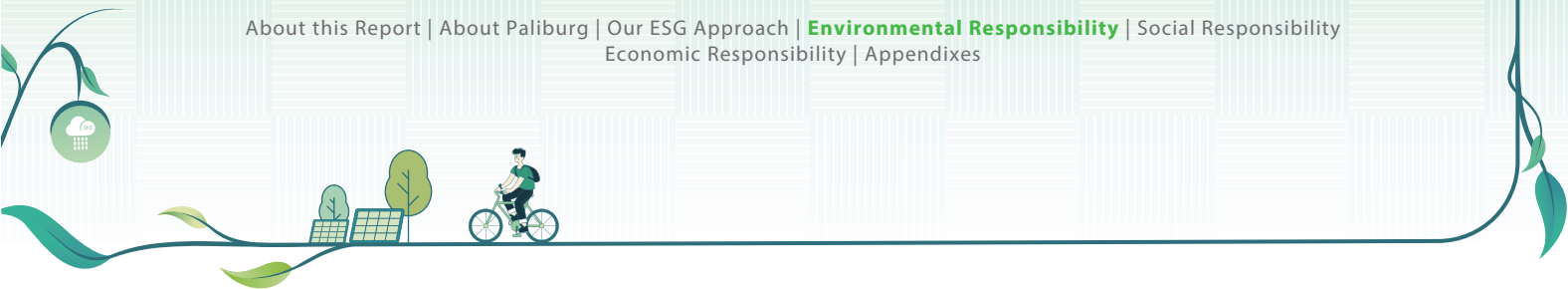




## Properties – Mainland China

Key Aspects	Targets	Detail	Status
GHG Emissions	Short Term	Have at least 10 parking spaces with electric vehicles (“EVs”) chargers in its current projects.	Reserved EV parking slots with 1,250 kVA chargers in the Chengdu Project.
		Reduce GHG emission of AB tower and its associate buildings, commercial street and residential buildings in its Tianjin Project by 2% in 2025 using 2024 as baseline.	Will continue to implement emissions reduction measures and monitor the carbon emissions of the Tianjin Project.
	Mid Term	Increase the number of parking spaces with EVs chargers.	Will continue to increase parking spaces with EVs chargers.
Energy Efficiency	Short Term	Reduce energy consumption intensity by 2% in 2025 in Tianjin Project, using 2024 as baseline.	Use of energy-saving office furniture and equipment. Restrict usage of office vehicles.
Water	Short Term	Reduce water consumption intensity by 1% in 2025 in Tianjin Project, using 2024 as baseline.	Will continue to implement transformation projects to reduce water consumption.
Waste	Short Term	Achieve 50% waste diversion rate and 50% waste recycling rate for residential buildings, commercial streets and AB tower and podium buildings in 2025.	Centralised and collected wood and packaging cartons in the construction site to facilitate recycling by paper mills. Scrap steels were collected and recycled by steel production enterprises. Bricks were mainly used for backfilling of roadbeds.





## Our Response to Climate Change

### Governance

Paliburg Group recognises that climate change presents a significant challenge to our hotel and property operations. As a result, managing climate-related risks has become a key priority in our environmental management strategy. We are dedicated to developing and implementing robust management approaches and action plans to enhance the climate adaptability and resilience across our operations. The Board is committed to taking actions to mitigate and adapt to the risks across the business units.

For more details on sustainability governance, please refer to the “Sustainability Governance” section of this report.

### Strategy

The Group is committed to mitigating climate change impacts to the business and the environment.

To drive climate change awareness across the Group, and to align actions with the Group’s organisational strategy, the Group has set environmental targets to work towards a net-zero economy, with supporting efforts highlighted in “Energy Efficiency and Emissions”, “Water Management” and “Waste Management” sections of the report as some of the key themes.

### Risk Management

We have identified climate-related risks and opportunities that could materially affect our business under different scenarios, and they are outlined in this Risk Management section. The risk list was built through reviewing publications of international research organisations and peer companies. Risks identified are being reviewed regularly by Board members. During the reporting period, the Group has engaged a third-party consultant to conduct a climate-related assessment and understand climate-related risks and opportunities. Through green offerings and building management initiatives, the Group may leverage these opportunities to foster trust and credibility and strengthen stakeholder relationships. Further details on climate-related risk and the Group’s risk management strategies are outlined in the next section.

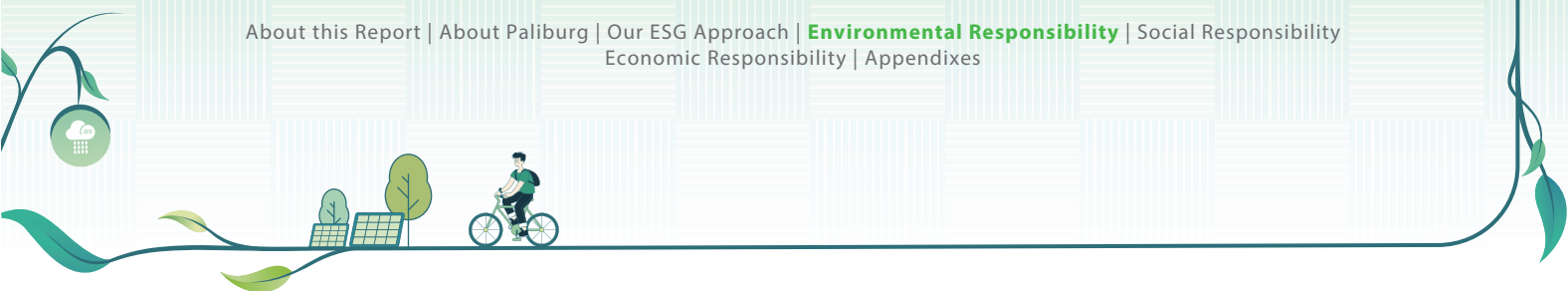


## Impacts to Material Physical and Transition Risks

Physical Risk Drivers	Potential Impacts to the Group
<b>Flooding</b>	<ul style="list-style-type: none"> <li>Increased costs for repairs and maintenance</li> <li>Disrupted construction timelines and impacted guest satisfaction</li> </ul>
<b>Extreme Heat</b>	<ul style="list-style-type: none"> <li>Increased wear and tear of building materials, infrastructure and hotel facilities</li> <li>Increased heat stress for construction workers, staff, and guests</li> <li>Increased energy consumption for cooling</li> <li>Higher operational costs for retrofitting or running cooling systems</li> </ul>
<b>Water Scarcity</b>	<ul style="list-style-type: none"> <li>Increased operational costs for water management</li> <li>Reduced demand for development projects and luxury services</li> </ul>
<b>Cyclones/Typhoons</b>	<ul style="list-style-type: none"> <li>Increased risks of structural damage such as broken windows and roof leaks</li> <li>Higher likelihood of damage to machinery and tools, and inventory of raw and finished products</li> </ul>
Transition Risk Drivers	Potential Impacts to the Group
<b>Policy and Legal</b>	<ul style="list-style-type: none"> <li>Stricter building regulations and net-zero targets may increase construction and retrofitting costs</li> <li>Carbon pricing schemes and taxes (e.g. Carbon Pricing Schemes, Environmental Protection Tax) may increase operational costs<sup>3</sup></li> <li>China's dual carbon goals (i.e. peak carbon emissions before 2030 and achieve carbon neutrality by 2060) may increase costs for transitioning to cleaner energy sources</li> <li>Alignment with Hong Kong's Climate Action Plan 2050 may require investments in sustainable technologies and infrastructure</li> </ul>
<b>Market</b>	<ul style="list-style-type: none"> <li>Volatility in energy prices due to low-carbon transitions may lead to higher costs for utilities, heating and cooling in buildings</li> <li>Shift in consumer preferences for sustainable and energy-efficient properties may affect competitiveness</li> </ul>
<b>Reputation</b>	<ul style="list-style-type: none"> <li>Increased drive to develop green buildings</li> <li>Higher expectations from guests may impact corporate image and loyalty</li> </ul>

<sup>3</sup> The National Emissions Trading Scheme (ETS) in China was launched in 2021 to reduce carbon emissions by capping annual CO<sub>2</sub> allowances for covered entities and enabling trading of emission permits. The Environmental Protection Tax was introduced in 2018, replacing a prior fee system, to tax enterprises discharging air/water/solid waste pollutants and noise, with rates tied to pollution volume and local regulations. While the ETS sets a market-driven carbon price, the tax directly penalises conventional pollutants.





## Climate-Related Scenario Analysis

This year, leveraging on findings from climate risk assessment in previous years, the Group engaged a third-party consultant to conduct a more in-depth assessment, including a climate-related scenario analysis to better understand the impacts of the climate risks and opportunities of our hotels as well as property management and development operations.

To support the Group in making informed decisions under different plausible climate futures and consider appropriate strategies to mitigate risks and leverage opportunities associated with climate change, two contrasting scenarios ("Turquoise Scenario" and "Brown Scenario") are constructed with reference to four publicly available pathways issued by the Intergovernmental Panel on Climate Change ("IPCC") and Network for Greening the Financial System ("NGFS"). The two contrasting scenarios are further adopted for climate scenario analysis across three time horizons. The table below illustrates the assessment framework and the four selected pathways:

### Assessment Framework

**Scope of Properties:** 2 composite developments in Mainland China and 12 hotels in Hong Kong

**Time Horizons:** Short Term: 2021-2040; Medium Term: 2041-2070; Long Term: 2071-2100

### Climate Scenarios and Selected Pathways

**Turquoise Scenario:** A global mean temperature rise of 1.5°C to 2°C by 2100

**Brown Scenario:** A global mean temperature rise of above 3°C by 2100

**Physical Risk Pathways:** Shared Socio-Economic Pathway 1-2.6 ("SSP 1-2.6")  
Shared Socio-Economic Pathway 5-8.5 ("SSP 5-8.5")

**Transition Risk Pathways:** Net Zero 2050  
Current Policies







	Turquoise Scenario	Brown Scenario
Pathways associated with climate-related <b>physical risks</b>	<b>SSP1-2.6<sup>4</sup></b> A low-emissions pathway limiting warming to ~1.8°C by 2100. This scenario aligns with the Paris Agreement's 2°C target through rapid decarbonisation and sustainable development.	<b>SSP5-8.5<sup>5</sup></b> A very high-emissions pathway projecting driving 4.4°C warming by 2100. Considered a high-risk, fossil-fuel-intensive pathway, it exceeds Paris Agreement's goals and involves justify text catastrophic impacts such as significant habitat loss and extreme weather.
Pathways associated with climate-related <b>transition risks</b>	<b>Net Zero 2050<sup>6</sup></b> This pathway limits global warming to 1.5°C through immediate, stringent climate policies and rapid technological innovation, achieving net-zero CO <sub>2</sub> emissions by 2050. It requires sectoral transformations and carbon pricing to balance transition risks via coordinated decarbonisation.	<b>Current Policies<sup>7</sup></b> This pathway maintains climate measures that are currently implemented, leading to high emissions and 3°C+ warming. Transition risks escalate in the post-2030 period as delayed action forces abrupt policy shifts. Limited negative emissions result in higher long-term costs, contributing to instability in the financial system.

We use scenario analysis to better understand various physical and transition risks the Group may encounter under different global warming trajectories for selected assets across our portfolio. Exposure levels are ranked to determine which physical and transition risks will be selected for further analysis.

<sup>4,5</sup> Pathways adopted are from IPCC's sixth assessment report.

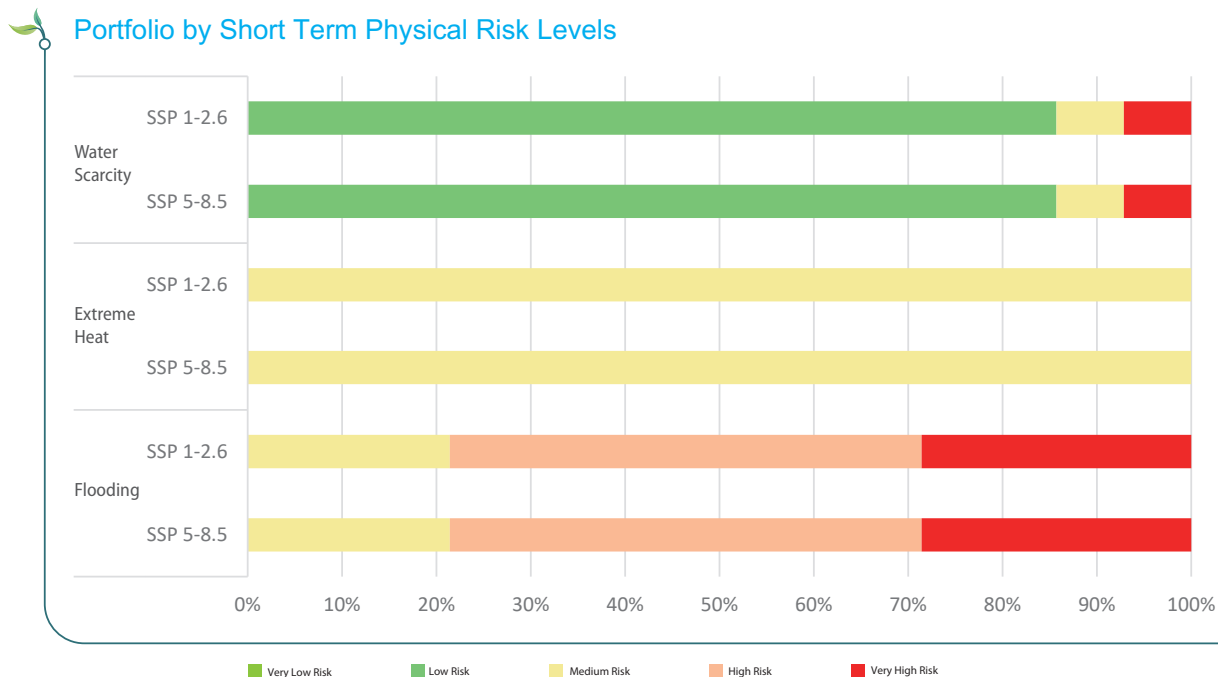
<sup>6,7</sup> Pathways adopted are from NGFS.

## Physical risks

Asset-level modelling of the physical risks has been conducted. Historical data and projected climate variables, such as temperature and precipitation from suitable global climate models, and local meteorological data, were adopted to assess the potential implications to the Group under different climate scenarios. The data has allowed us to evaluate the exposure to specific assets and operations in the short, medium, and long term.

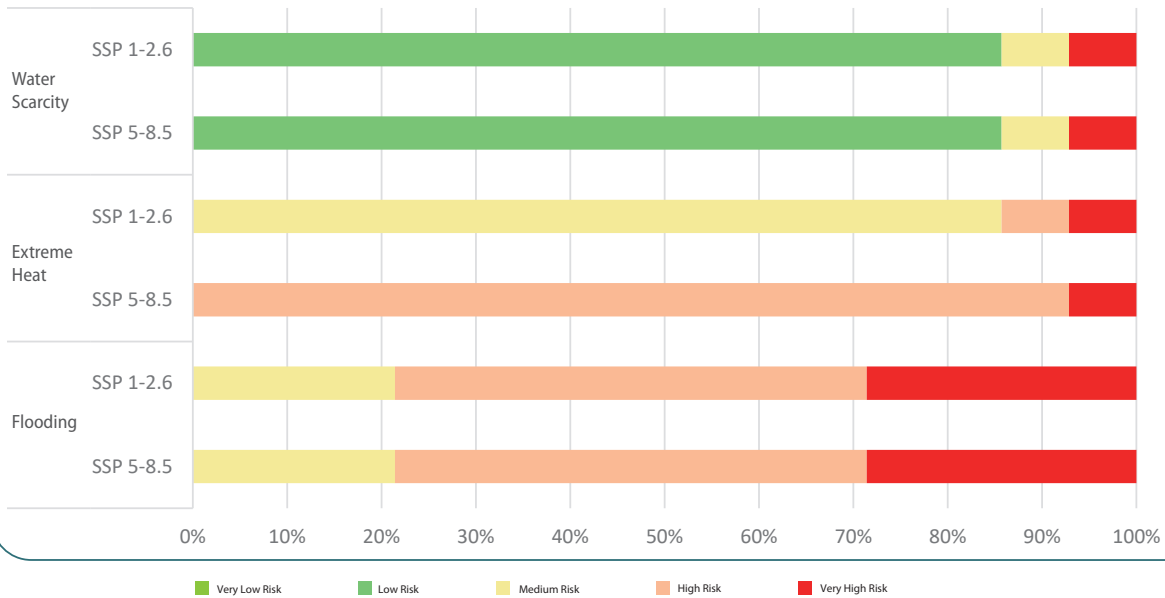
The project evaluates the 14 key assets in Mainland China and Hong Kong to ensure a holistic view of Paliburg's exposure to climate-related risks. By mapping projected climate changes to asset locations, we assessed overall risks by incorporating exposure to specific hazards, with charts illustrating the proportion of portfolio at different risk levels under contrasting scenarios below. Exposure is determined based on an indicative analysis in consideration of the severity and likelihood of the climate risks. More pertinent climate hazards identified in the assessment are flooding and extreme heat.

### *Water scarcity, extreme heat and flooding risks*

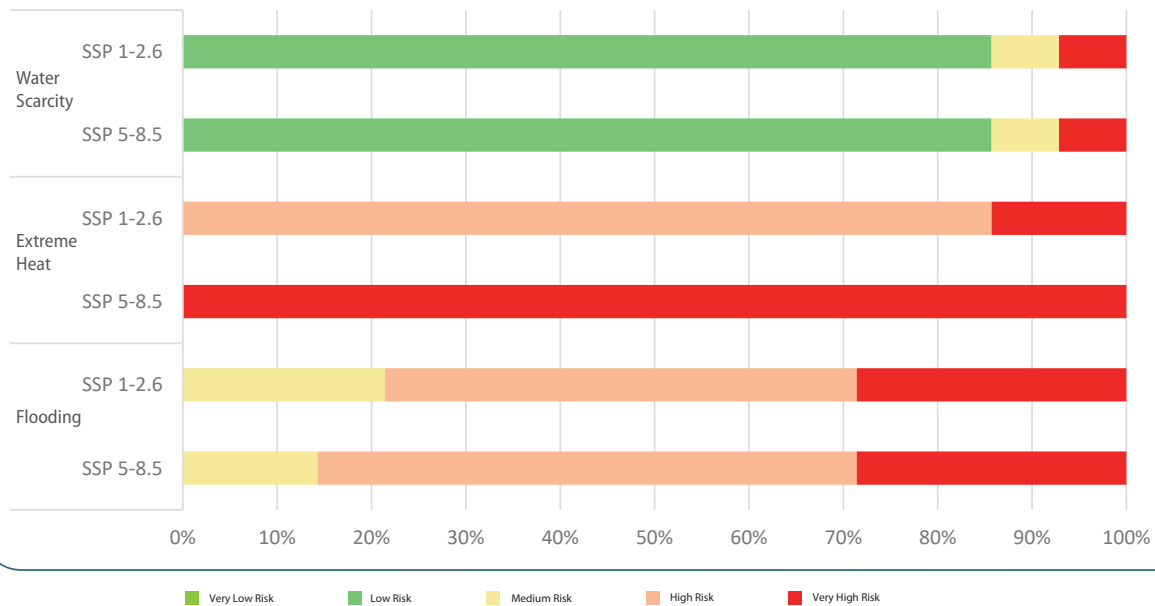




### Portfolio by Medium Term Physical Risk Levels



### Portfolio by Long Term Physical Risk Levels



### Typhoon risk

The severity of typhoons is expected to intensify, with wind speed increasing. The frequency of these events may either decrease or remain constant under different projections from different models. It is noted that according to the IPCC, projections on typhoon risk is “inconclusive because of limited reliable simulations”, and we will further explore the feasibility and reliability of conducting scenario analysis on typhoon risk based on the availability of relevant simulation models.

### Transition risks

The transition risk scenarios incorporate policies, environmental, economic, social, and technology indicators and market trends. We seek to stress-test our business against several plausible future scenarios. The scenarios cover the short, medium, and long term, and include both global and region-specific (Hong Kong and Mainland China) indicators.

	Change in carbon price <sup>8</sup>			Change in energy price <sup>9</sup>		
	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term
Net Zero 2050						
Current Policies						
Level of Decrease	Very Low Risk	Low Risk	Medium Risk	High Risk	Very High Risk	
Level of Increase	Very Low Risk	Low Risk	Medium Risk	High Risk	Very High Risk	

Overall, it is anticipated that there will be an increase in financial impacts on Paliburg’s portfolio stemming from the identified transition and physical climate risks. Despite this, Paliburg has developed a set of climate adaptation and mitigation strategies to tackle the impacts from climate risks.

<sup>8, 9</sup> Changes are gauged against baseline year 2020.



## **Mitigation and Adaptation**

### **Properties – Hong Kong**

We have developed a series of climate adaptation plans to effectively manage and respond to both current and future climate change impacts. These plans are frequently communicated to employees to enhance their preparedness and awareness in responding to extreme weather events. We will integrate the mitigation and adaptation measures into our internal policies and procedures to strengthen our overall climate resilience.

### **Hotels**

This year, Regal is compiling a comprehensive Climate Change Policy to communicate its commitment to adapting an environmental management system. Through improving the usage efficiency of nature resources and electricity, and mitigating climate change impact by managing climate change risks across its operations and value chain with global best practices, Regal is committed to protecting the environment and building its climate resilience to support the transition to a net-zero emissions economy.

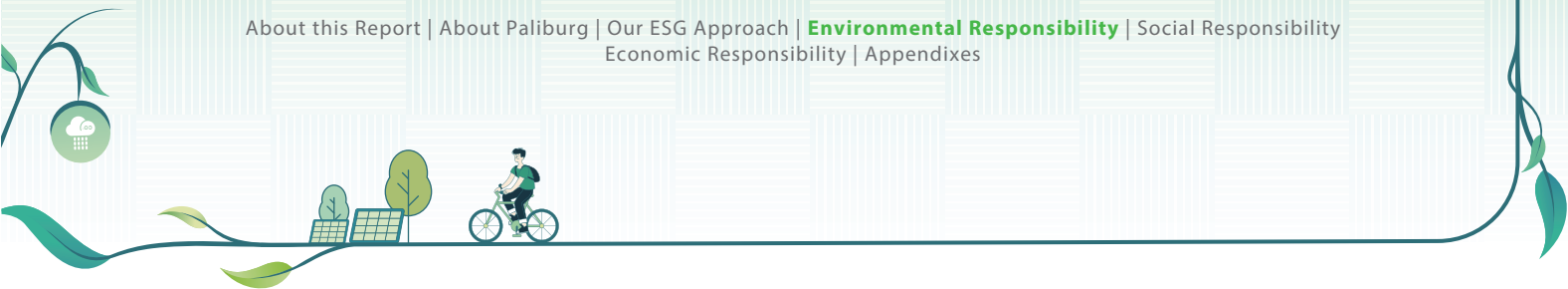
### **Physical Risks**

To mitigate the impacts of climate change, Regal has begun the replacement of traditional lighting with LED lights and diesel-powered equipment with natural gas or renewable energy sources since 2022. It is also actively exploring innovative energy-saving solutions that enhance building energy efficiency. It encourages the signing of performance-based contracts with specialist contractors to implement energy saving programmes in the hotels.

A series of climate adaptation plans and measures have been formulated in response to current and future climate change impacts.

Response plans covering events such as flooding, tropical cyclones and heavy downpours are communicated to employees to enhance their preparedness and awareness. Regal's Engineering Department also provides trainings to enhance Engineering staff in their capabilities in managing climate change events. Climate change adaptation devices have been installed to improve the adaptive capacity of the hotels. For instance, a flood gate is installed at Regal Airport Hotel to protect essential areas from flooding risks.





Flood Gate at Regal Airport Hotel

### Transition Risks

Climate change is a global challenge with long term implications. From the two inaugural International Financial Reporting Standards published by the International Sustainability Standards Board to the Stock Exchange's consultation conclusion on climate-related disclosures, Regal is aware of investors' heightening expectations and regulatory requirements on climate-related disclosures, and the potential implications to its business.

### Properties – Mainland China

Chengdu Project has developed comprehensive safety plans to ensure effective management and mitigation of climate-related risks. Special Plan for Construction during the Winter Rainy Season of the Zhifu Times Centre Project and Special Plan for Summer Heatstroke Prevention and Cooling Safety of the Fortune Times Centre Project have been established to address seasonal challenges during the winter rainy season and summer heat, respectively. These plans serve as a robust foundation for maintaining safety and operational efficiency throughout the year.

To align with China's 14th Five-Year Plan and its blueprint for sustainable development of the country, local authorities implemented measures to achieve carbon emissions targets and carbon neutrality goal. In construction projects, retrofitting equipment and enhanced facilities are utilised, which may lead to higher operating costs in the medium term. Cosmopolitan continues to actively monitor and respond to the regulatory changes that affect its business operations.





To enhance resilience, Cosmopolitan has incorporated mitigation and adaptation measures into its new development projects and construction activities. For instance, Tianjin Project has established protocols for flood risk mitigation, including regular inspections of sewage pumps and pipes to ensure efficient drainage. They routinely check the conditions of gate doors, heating and insulation systems to prepare for cold weather. Routine inspections of air-conditioning units, fire extinguishers, mechanical systems, building facades, and signal lamps are also conducted to ensure resilience of properties against extreme weather events. Any abnormalities in these systems are promptly reported for repairs. Chengdu Project has formulated a plan for flood control and safety during rainy season, a construction plan for winter under low temperatures, and a plan for heat prevention and cooling during summer to ensure the health and safety of employees and functionality of facilities and equipment.

### **Metrics and Targets**

Paliburg closely monitors climate-related metrics and discloses progress annually in its sustainability report. These metrics are available under “Environmental Performance” in “Appendix I – Performance Tables”. We have set a wide range of climate-related targets, including those related to GHG emissions, energy and water usage, and waste diversion. For further information regarding the detail of the targets set and their progress, please refer to the “Environmental Targets” section.

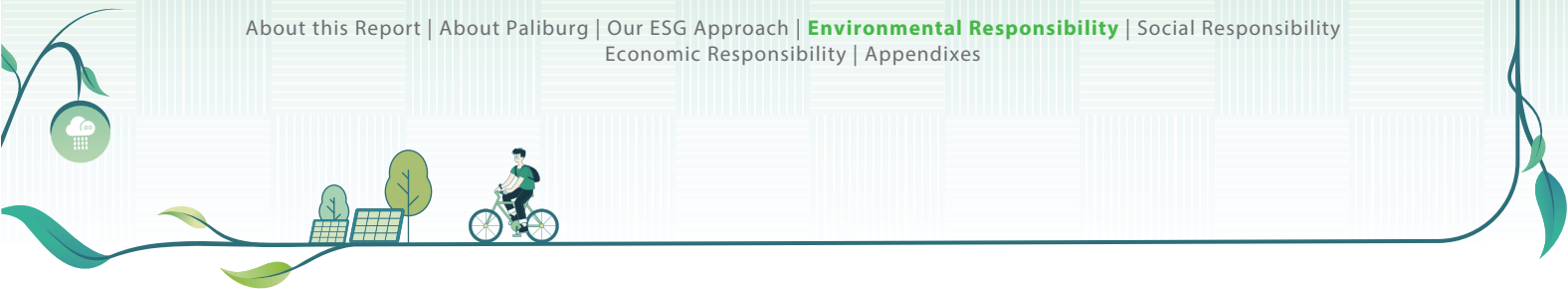
## **Energy Efficiency and Emissions**

As a responsible enterprise, we engage our stakeholders and governments to improve energy efficiency and minimise emissions. We have developed green initiatives and procured renewable energy to seize energy performance improvement opportunities. We are committed to playing a crucial role in minimising the impact of climate change by reducing energy consumption and GHG emissions across the property development and management as well as the hotel operation lifecycle.

### **Properties – Hong Kong**

Paliburg is dedicated to implementing energy-savings initiatives across its developing projects. A series of targets have been set to preserve energy and reduce emissions across its supply chain throughout the construction phase, encouraging involvement from suppliers and contractors. We pursue sustainable and green development and seek measures on technically and economically feasible energy conservation. Full-height glass curtain walls, skylights, and green roofs have been employed in our residential development projects to help minimise energy consumption during operation and reduce the need for air-conditioning and artificial lighting by the occupants. Our properties’ car parks are equipped with EV charging facilities, making it convenient for residents to adopt low-carbon transportation practices.





We actively participated in Earth Hour 2024, with nine of our properties joining this global movement. Earth Hour serves as a meaningful initiative to promote immediate climate action, raise awareness about ecological protection, and reinforce our ongoing efforts to drive sustainable development. By participating in this movement, we continue to demonstrate our commitment to addressing environmental challenges and contributing to a more sustainable future.

We have been making continuous efforts to optimise energy utilisation in properties under our management and have implemented specialised shifting arrangements, effective temperature monitoring and ventilation setting for our properties. We Go MALL, for example, has been benefiting from the improvement of air-conditioning system. As a result of the system, a significant reduction of 23% energy has been realised from June 2020 to June 2021 while the system also provides optimal physical comfort for our customers. Since 2020, we have installed air curtains at the entrances, which effectively prevents warm air from entering while cooling air inside, resulting in a decrease in cooling load as well as energy consumed for temperature control. We have also implemented a variety of sustainable energy initiatives into our daily operations to reduce unnecessary energy consumption including reduced artificial lighting power density. The density in the common areas, clubhouses, plant rooms and car parks in our development projects is now at least 10% lower than the Electrical and Mechanical Services Department requirement. Additionally, we started to use the LED light bulbs as the lighting devices in 2021. A 30% reduction of the electricity consumption was observed in comparison to 2020 due to the replacement.

To minimise environmental impact caused by transportation in neighbourhoods, we actively align with the Hong Kong Government's Steering Committee to promote the implementation of EVs. We recognise the importance of promoting the adoption of electric cars in Hong Kong, with the consideration of energy efficiency, environmental preservation, and commercial prospects. This caters to our other goals to achieve carbon neutrality and a "Zero Carbon Emissions Clean Air Smart City."

Moreover, we are leveraging on internationally renowned awards and benchmarks to monitor our properties' environmental performance. The Ascent has been awarded Energy Saving Charter on "No ILB" by EMSD & Environment and Ecology Bureau, to recognise its commitment to refraining from procuring targeted ILB for general lighting purposes and adopting more energy-efficient lighting. We engaged independent third-party consultants from professional firms to audit on our annual energy and carbon and give suggestions on how to improve certain performance. They also suggested on strategies and action plans on green features across the business units for management's consideration. In the future, we will remain our dedication to fulfilling the assessment criteria of other awards, to achieve zero emissions before 2050.



## Hotels

Energy consumption has always been the major source of Regal's scope 1 and scope 2 carbon emissions. It continues to emerge within a low range, with fluctuations across the years driven by fluctuating hotel occupancy and guest consumption. In 2024, Regal witnesses a decrease in energy intensity of its hotels, which showed Regal's achievement in improving energy efficiency.

### Reduction

#### Consumption

Participate in Automatic Demand Response Programmes by electricity companies to minimise electricity consumption at critical peak-load periods

#### Equipment

Replace diesel-powered equipment with natural gas-powered equipment

#### Vehicles

Phase out diesel-powered vehicles and replace with EVs

#### Energy Mix

Purchase Renewable Energy Certificates to reduce carbon emissions by 2035

### Management

#### Monitoring

Explore energy management opportunities by partnering with electricity companies to conduct energy audits

#### Sustainable Practices

Adjust chilled water supply temperature to the range of 8.5°C to 10°C to optimise energy use.

Encourage employees to turn off air conditioners in areas not occupied by guests to minimise unnecessary electricity consumption.

#### Facility Enhancements

Three EV chargers are installed at Regal Airport Hotel's driveway to encourage its customers to opt for EV over fuel-powered ones to reduce carbon emission

Upgrade water heating equipment to more energy-efficient models when practicable

Upgrade motors to high-efficiency models (IE3 or above) by 2030

Retrofit all lighting fittings to more energy-efficient models with motion and daylight sensors by 2028

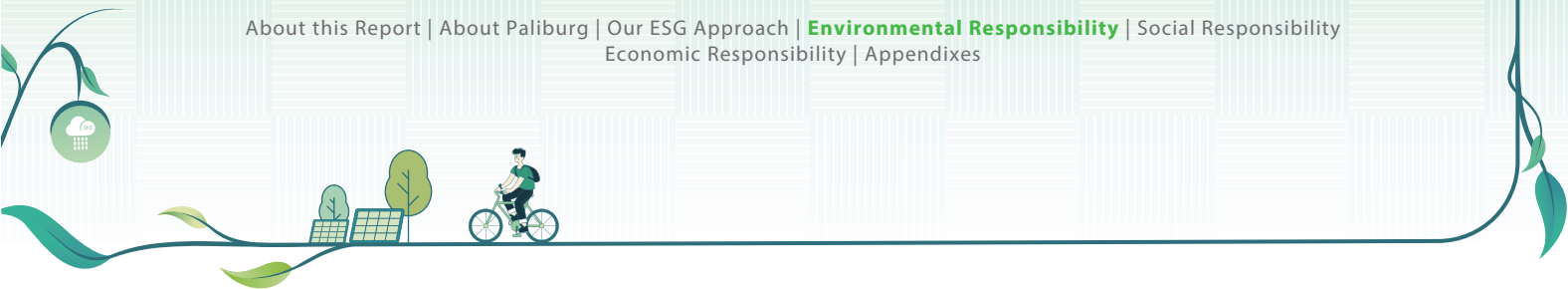
#### Systems Enhancements

Implement Integrated Building Management System by 2030

#### Innovative Solutions

Explore tech-driven energy-saving solutions with specialist contractors





## Properties – Mainland China

Cosmopolitan is committed to reducing GHG emissions generated from construction sites and building energy use. Short term energy efficiency and emissions targets have been established for Tianjin commercial projects. To meet these goals, a series of initiatives is adopted by Tianjin and Chengdu Projects to minimise energy consumption and GHG emissions.

In Tianjin, energy consumption reduction targets are integrated into operational phase departmental work plans. In 2024, detailed analysis of energy consumption data collected from existing metre monitoring points was conducted to identify trends and highlight areas for improvement. Landscaping and greenery projects are also enhanced to provide natural cooling effect to reduce building energy demand.

The designs of both Tianjin and Chengdu Projects strictly adhere to the Design Standard for Energy Efficiency of Public Buildings and the Design Standard for Energy Efficiency of Residential Buildings of the national Guo Biao Standards. These standards outline specific requirements for energy efficiency in lighting, heating, ventilation, and cooling.

During quality assurance, construction, and maintenance stages, all activities strictly follow environmental regulations and design standards to ensure safety, reliability, and environmental friendliness. Cosmopolitan maintains a high Acceptable Quality Level (AQL) of 95% and achieves 100% zero pollution discharge.





Cosmopolitan has implemented several energy-efficient measures across its projects:

#### **Building Design and Material**

- Low-E glass is introduced in residential buildings to improve insulation and reduce energy needed for air conditioning.
- Bridge-cut aluminium is used in the Tianjin Project for enhanced thermal insulation, reducing heat loss due to thermal bridging and lowering air-conditioning energy consumption.
- Construction materials and components with Construction Energy Efficiency Performance Labelling Certificates are used to further reduce energy consumption.

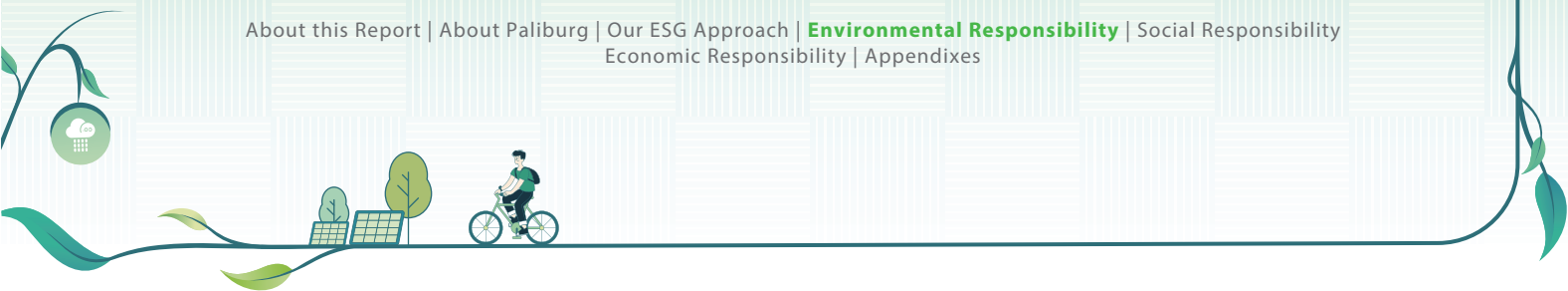
#### **HVAC**

- Natural ventilation is introduced to underground car parks by installing louver outlets in residential landscapes, minimising the need for mechanical ventilation and lowering electricity consumption.
- A heat recycling system is deployed in the hotel of Chengdu Project. Systems recycle heat from hot water supply to support the chiller system, reducing energy consumption for water heating.

#### **Energy Efficiency Building Equipment and Operation**

- Water pumps with varying power ratings are installed in residential buildings to cater to different demands. During off-peak periods, pumps with lower power ratings are activated to conserve energy.
- Energy-intensive equipment, including air conditioners, is managed via a building automation system to prevent unnecessary energy used.
- Energy-efficient project designs such as variable water volume system, variable speed driver chillers, and variable refrigerant flow systems to maintain optimal energy consumption are implemented.





### Energy Efficiency Office Operation

- Daily inspections are conducted to monitor the discharge of domestic waste, GHG emissions, wastewater, and other waste from residential and commercial operations. Abnormalities are promptly addressed by the customer service, property management, and property company teams.
- In office operations, Cosmopolitan's Tianjin Project prioritises energy-saving furniture, equipment and supplies.
- A systematic process is followed for usage planning, approval, procurement, distribution, registration, inventory management, maintenance, reutilisation, and proper disposal of office supplies.
- Equipment's operating time has been synchronised with office hours to conserve energy during holidays.
- Office vehicles usage is discouraged unless deemed essential and necessary.

### Lighting

- Motion sensors are installed in selected residential lift lobbies. These sensors automatically dim lights to a basic level when no one is present. Lift lighting is switched off when not in use.
- Energy-saving technologies such as LED lighting and other high-efficiency equipment are installed.

### Transportation

- EV charging stations are provided in underground car parks to promote the use of EVs and reduce emissions. Residents are encouraged to adopt low-carbon transportation to support a sustainable lifestyle.





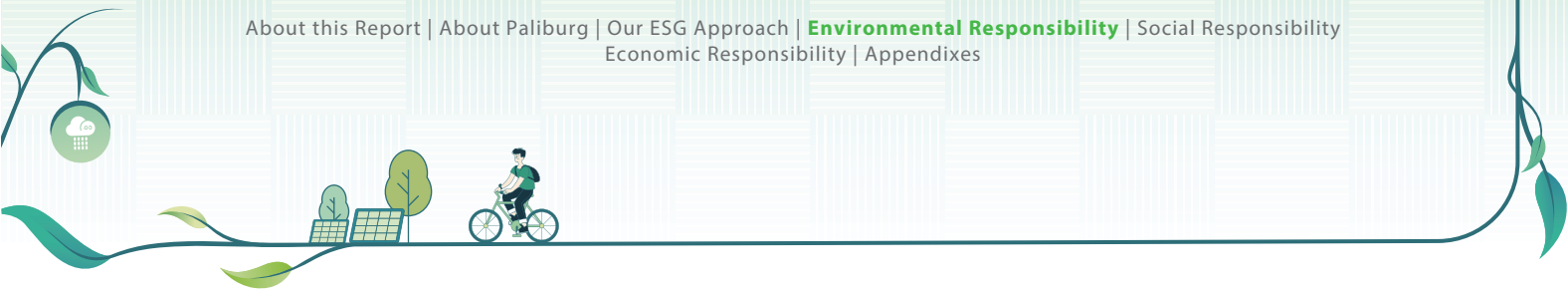


Cosmopolitan has strict control measures in place to mitigate air pollution for all phases of Tianjin Project, including construction, maintenance, operations, and office activities. All projects comply with local environmental protection requirements and standards for air pollutants. In Chengdu, Cosmopolitan adheres to Chengdu City Heavy Pollution Weather Emergency Response Plan and implements internal policies in Chengdu project.

Ozone Pollution Prevention Measures	Dust Prevention Measures
<ul style="list-style-type: none"><li>Enhance the control of volatile organic compounds (“VOCs”) and accelerate the progress of leak detection and repair in petrochemical production facilities.</li><li>Analyse the status and characteristics of ozone pollution in cities or regions to determine the regional occurrence of ozone pollution.</li><li>Prohibit outdoor spray painting and carry out specialised law enforcement inspections.</li><li>Improve the optimisation of road traffic in key areas.</li></ul>	<ul style="list-style-type: none"><li>The construction area is closed or isolated. A dust-proof mesh netting is installed with height exceeding 1.2 metres above the site.</li><li>Utilise landscaping to absorb pollutants, regularly spray water over construction sites and cover dust-prone waste with cloth.</li><li>Prohibit onsite burning of rubbish and other debris.</li><li>Require all vehicles to pass through washing bays and undergo power washing before leaving construction sites.</li><li>Ensure all concrete and mortar used onsite are premixed.</li></ul>

In cases of severe air pollution, Cosmopolitan strictly adheres to the local emergency response plan and implements mitigation measures. When air pollution reaches a “serious level”, to prevent additional harmful impacts to the environment and public health, Cosmopolitan mandates its construction sites to suspend construction activities, such as earthworks and cement grinding. Real-time dust monitoring systems are in place to ensure dust concentration remains within acceptable limits.





## Water Management

While the risk of water stress may not be pressing at present, the Group recognises the essential role of monitoring water consumption across all phases of our property development and management lifecycle. This understanding motivates Paliburg Group to remain committed to the sustainable use and preservation of water resources. Our dedication is demonstrated through ongoing efforts to enhance water efficiency and implement innovative water-saving solutions, reducing our environmental footprint and contributing to the responsible management of this critical resource for future generations.

### Properties – Hong Kong

Paliburg focuses on improving sustainable water management throughout the lifecycle of its development projects. Construction activities, including mortar and concrete preparation and equipment cleaning, demand substantial water usage, prompting us to monitor consumption closely and promote efficient practices. Regular contractor reports enable us to analyse water usage performance and address potential risks proactively, reinforcing our commitment to water sustainability.

Moreover, we mandate that our contractors adhere to local discharge standards and regulations to ensure that wastewater from our construction sites is properly treated. For instance, a compulsory water management system has been implemented in designated areas across all our construction sites. Through this system, we effectively manage the collection, treatment, and recycling of surface runoff wastewater. It also aids in soil restoration post-excavation, minimising erosion and the risk of water contamination.

Promoting water-saving habits among tenants, residents, and workers in our managed properties is achieved through strong collaborative efforts. We ensure that our management team recognises the intrinsic value of water and is well-informed about our water-saving initiatives. To enhance awareness of water conservation among workers, we organise training sessions and distribute reminders that feature messages on environmental protection. Moreover, our buildings are equipped with water metres, flow regulators, automated faucets, and automatic toilet and urinal flush valves to minimise water wastage to the greatest extent possible.





The Group places a significant emphasis on water conservation. By focusing on minimising water consumption and enhancing the efficiency of water usage within our buildings, we are committed to making a meaningful contribution to the preservation of this essential resource.

## Hotels

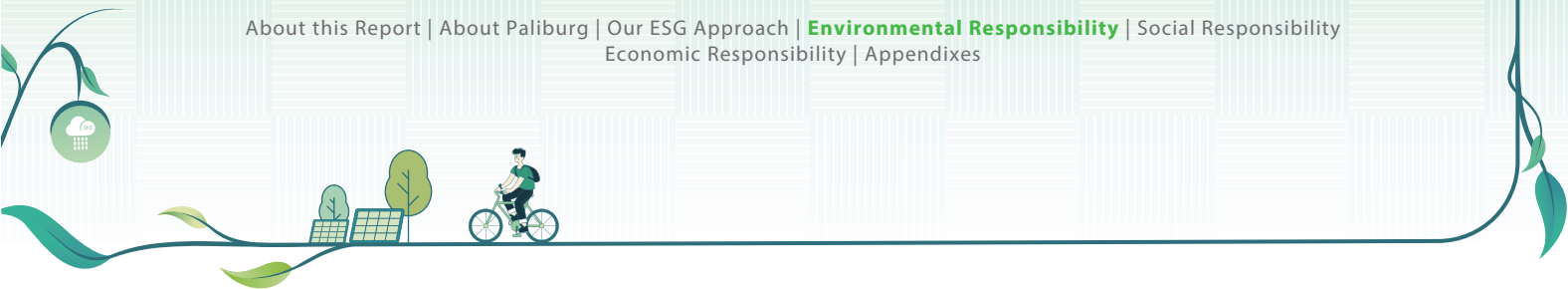
Regal mostly uses municipal water for hotel operations, and no water supply issues have been identified at the hotels. Nevertheless, Regal seeks to lessen the potential strain on municipal water supplies by advocating water-saving in hotel operations. Regal will continue to support local and regional initiatives to increase water conservation awareness, and propose community-wide solutions.

For instance, swimming pools are most water-intensive among all hotel facilities. Hence, Regal focuses its efforts on minimising water usage in pools through modification projects.

At Regal Airport Hotel and Regal Riverside Hotel, Regal adopts quartz sand in boiler tanks for water filtration to reduce the frequency of pool water refill, enable water conservation, and enhance the water quality of the swimming pools.



Regal Riverside Hotel's Swimming Pool



## Properties – Mainland China

Cosmopolitan acknowledges water as a vital resource for its daily operations and is committed to its conservation through various initiatives.

The Cosmopolitan's projects comply with the Standard for Water Saving Design in Civil Building, and it has taken a top-down approach to engage employees in meetings to enhance awareness of water conservation. This will allow Cosmopolitan to manage water consumption more effectively in the long term. In Cosmopolitan's landscaping, it selects drought-resistant plants and utilises drip irrigation method, along with durable, corrosion-resistant pipes to reduce water consumption and prevent water leakage.

For the Tianjin Project, Cosmopolitan aims to decrease water consumption intensity by 1% compared to 2024 level in the upcoming year. To achieve the target, Cosmopolitan has transformation projects in place, including the installation of water metres to monitor consumption data. Cosmopolitan pays close attention to monitor water consumption trends, especially in high-water-consumption facilities such as showers, and will implement water-saving initiatives. Regular water seepage assessments are performed to reduce water leakage risk, for example, daily inspections of water supply networks and facilities. In the Chengdu Project, Cosmopolitan has installed a 493m<sup>3</sup> rainwater cistern to adopt the "Sponge City" concept, enabling it to recycle rainwater and further reduce water consumption.

Cosmopolitan treats wastewater discharge properly and cautiously by applying stringent treatment process to protect water quality and reduce contamination to the water bodies and the environment. It strives to collect and handle wastewater in an onsite water treatment tank before discharging effluent into the municipal sewage system while reusing wastewater where possible. Cosmopolitan complies with the relevant standards to ensure the quality of the effluent and water.



## Waste Management

Recognising the necessity of transitioning towards a more circular economy to conserve natural resources, prevent environmental harm from waste disposal, and protect our quality of life, we pledge to reduce both hazardous and non-hazardous waste throughout the property development and management lifecycle. To achieve this, we optimise production processes to reduce waste generation and actively redirect materials for recycling, ensuring maximum value is extracted from every resource.

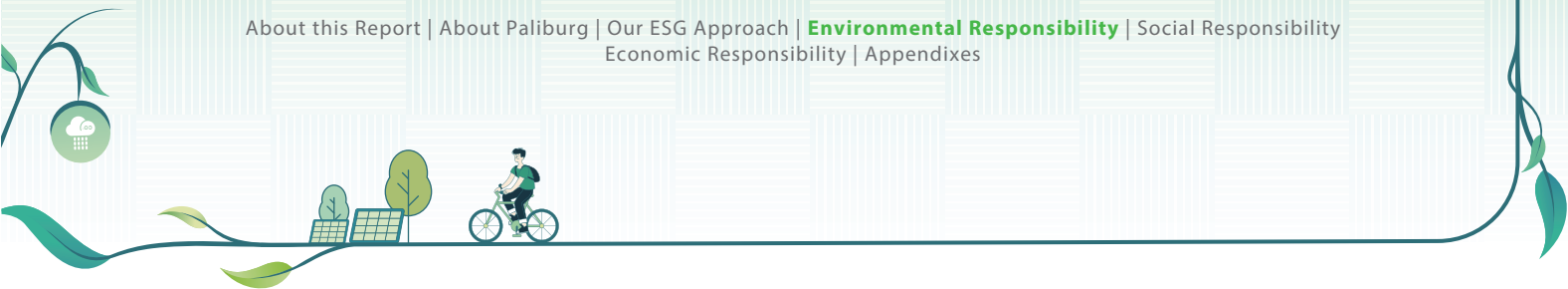
Since 2021, we have expanded our Waste Management Policy beyond the traditional 3Rs (Reduce, Reuse, Recycle) to include two additional elements: “Reform” and “Refuse”. This comprehensive 5Rs approach enables us to implement a robust set of waste management practices that promote waste reduction and lessen the environmental burden. In the real estate sector, it is crucial to minimise waste generated not only from our activities and operations but also from our tenants and customers. By implementing these practices, we aim to promote a more sustainable and environmentally responsible future.

### Properties – Hong Kong

As a responsible property developer, we fully acknowledge the significance of effective waste management. To this end, we have instituted a comprehensive group-wide Waste Management Policy and provided extensive training for our employees on proper waste segregation techniques. By collaborating with stakeholders, including customers, tenants, and employees, we aim to enhance our waste management practices and ensure adherence to our standards. We aim to prevent materials from being disposed of in landfills at the end of their lifecycle. To support this objective, on-site environmental officers perform weekly inspections to ensure compliance with standard operating procedures and waste management practices. Furthermore, we have broadly adopted waste recycling initiatives throughout our owned and managed properties. For example, in this reporting year, we implemented several key initiatives aimed at promoting recycling and waste reduction.

One of our standout initiatives is the Fluorescent Lamp Recycling Programme, which focuses on recovering valuable materials from fluorescent lamps for reuse in other products. This not only reduces waste but also contributes to the circular economy by giving new life to used materials. In our efforts to engage the community, we launched the Waste Reduction and Recycling Charter. This initiative encourages residents to practise waste reduction and proper recycling, fostering a culture of environmental responsibility among our tenants and customers. Recognising the importance of extending the lifecycle of clothing, our Used Clothes Collection initiative ensures that all recycled used clothes are shipped overseas for reuse. This initiative helps reduce textile waste and supports global sustainability efforts. During the festive season, the Natural Christmas Trees Recycling Programme plays a crucial role. By recycling suitable natural Christmas tree waste into useful materials, we promote yard waste recycling within the community and reduce landfill disposal, turning holiday cheer into environmental action. Lastly, the Green Collect initiative ensures that various types of recyclables are properly managed. By handing them over to the Environmental Protection Department (EPD), we ensure that these materials are recycled efficiently and responsibly.





We have also implemented a comprehensive waste management system to ensure the efficient sorting, recycling, and safe disposal of construction waste. All hazardous materials, including obsolete or unused electronic devices, are carefully collected, sorted, and labelled by site operators before being transported to designated temporary storage areas. For the final disposal of these materials, we engage professional third-party services in compliance with regulatory standards. Throughout the process, on-site environmental officers closely monitor waste handling procedures at each project site to guarantee adherence to safety and sustainability protocols.

Our commitment to advancing recycling and upcycling practices is reflected in the integration of innovative strategies across all operational phases. For construction activities, we prioritise globally sourced sustainable materials, including timber verified by internationally recognised Forest Stewardship Certification schemes. Where feasible, timber is assessed for potential reuse, while materials such as steel reinforcement are diverted to licensed local recycling facilities for processing. In developments such as Regala Skycity Hotel and The Queens, we applied targeted waste reduction strategies, including a strict policy against using virgin-forest timber in temporary construction works.

## Hotels

This year, Regal is compiling a Waste Management Policy to meet or exceed waste-related regulations, and integrate industry best practices into operations and services.

As a socially-responsible corporate, Regal will continue to review its waste composition, and ensure both non-hazardous and hazardous waste are managed in a responsible and transparent manner. By keeping track of waste generation, Regal aims to reduce unnecessary material disposal and be part of a circular economy where resources are fully utilised across its life cycle.

All non-hazardous waste and hazardous waste are collected, stored, categorised and disposed in accordance with internal waste management procedures and relevant local laws and regulations. The waste collection process is supervised by designated personnel at each site. Regal also seeks to divert waste from landfills and incineration facilities where possible with the 5Rs Principle.







## Properties – Mainland China

At Cosmopolitan, it strives to reduce waste in its construction and operation activities of its properties. In alignment with the government's "Circular Economy" initiatives, Tianjin has integrated waste diversion and recycling as a Key Performance Indicator for project management and set the following short term waste diversion and recycling targets. For details of the targets set, please see "Environmental Targets" section in this report.

Cosmopolitan has waste management policies in place aimed at reducing and recycling waste, with its engineering teams focusing on monitoring and enhancing waste recycling performance. The implementation of effective waste management measures is a critical and significant component of its sustainability efforts.

In the Chengdu Project, Cosmopolitan adheres strictly to the 14th Five-Year Construction Industry Development Plan issued by the Ministry of Housing and Urban-Rural Development. Cosmopolitan also limits construction waste discharge to under 300 tonnes. Similarly, for the Tianjin Project, Cosmopolitan complies Administration of Domestic Waste. To further reduce material waste, it utilises ready-mix concrete and ready-mix mortar throughout the entire project.

Moreover, to reduce the consumption of disposable materials and limit construction waste, Cosmopolitan prioritises brick formwork for foundations. It has introduced a prototype guidance system that requires approval from relevant departments before construction is able to proceed. In the Chengdu Project, it centralises the collection of wood and packaging cartons on-site to facilitate recycling by paper mills. The collected scrap steel is recycled by steel production enterprises, and bricks are mainly used for backfilling roadbeds. Cosmopolitan's Chengdu office strictly complies with the National Hazardous Waste List for the disposal of hazardous waste. In the Tianjin Project, it actively engages with different departments to divert waste from residential and commercial buildings away from landfills and incinerators whenever possible. Waste is promptly managed and transported by dedicated cleaning personnel. Cosmopolitan conducts regular inspections to reduce the need for demolition and maintenance. A tentative waste list is prepared to control construction waste produced during maintenance and refurbishment. Property management has enhanced oversight by conducting daily inspection and maintaining communication with tenants to ensure construction waste is handled properly and promptly. Cosmopolitan also monitors the environmental impacts caused by third parties within its operations vicinity in real time, documenting any violation and notifying responsible parties to take corrective actions.

Cosmopolitan has standard procedures in place for handling non-recyclable and nonreusable construction waste. General waste is collected in garbage chambers in each building and transported to collection points daily. Qualified service vendors regularly handle construction waste, including building debris and waste engine oil. Sludge is also regularly cleared and sent to landfills. Cosmopolitan is committed to enhancing waste classification and garbage transportation to ensure responsible waste disposal.

Paliburg actively promotes a culture of social responsibility deeply embedded in every aspect of its operations. With dedication, the Company collaborates with employees, business partners and community organisations to collectively strengthen our community. By leveraging its core strengths and expertise, Paliburg strives to make meaningful contributions and promote unity within the community.

## Fostering Community Engagement

### Group-wide Engagement

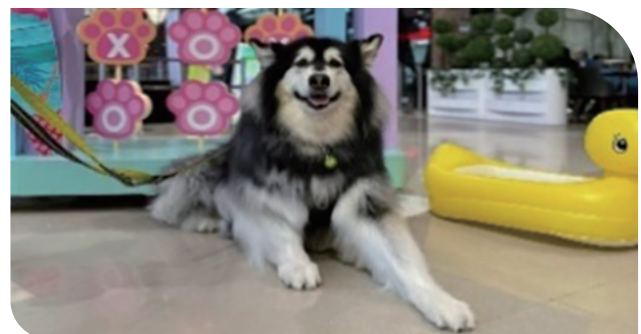
#### Fundraising Event for Save The Children Hong Kong

The Group recognises the importance of nurturing next generation for our society. During the reporting period, the Group participated the fundraising event organised by Save The Children Hong Kong. This event aimed to give children a healthy start in life, a safe return to school, an access to quality learning, a childhood free from violence, and the resilience to face future challenges.



#### Adoption Day by Love Adopt Animal Society

The Group participated the adoption day held by the Love Adopt Animal Society to rescue homeless and abandoned animals, to find new owners for them and to reduce the chances of animal euthanasia.





## Properties – Hong Kong

We are committed to fostering a culture of social responsibility across all aspects of our operations. By collaborating closely with our employees, business partners, and community organisations, we aim to build a more resilient and connected community. At the same time, we remain steadfast in our mission to drive positive societal change and promote unity by leveraging our unique strengths and expertise.

### Hotels

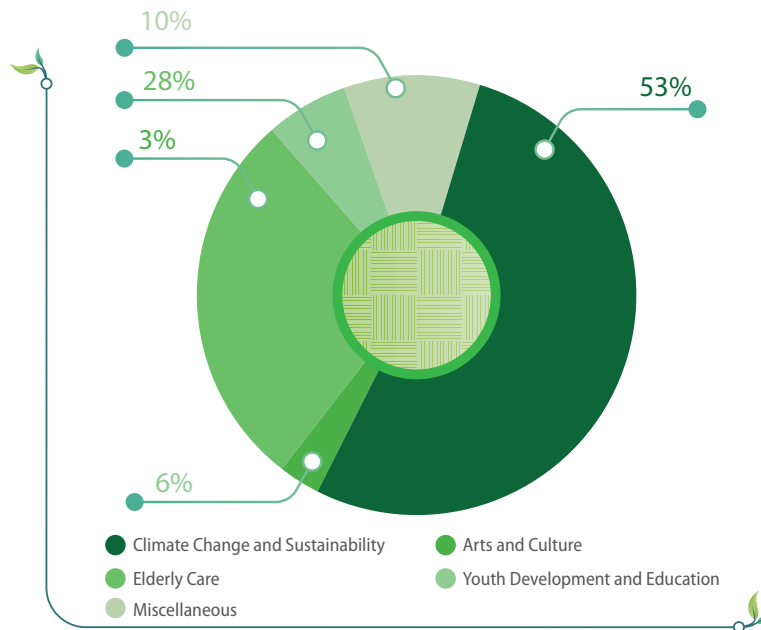
Regal recognises its role in creating meaningful societal impact. Through active community involvement and investment, Regal aims to deeply understand and address the needs of the communities it serves, fostering their well-being and growth. Regal tailors its efforts to align with the specific needs of the areas where it operates, such as supporting elderly care initiatives and youth development projects. To ensure the success and sustainability of its community programmes, Regal partners with non-governmental organisations and other key stakeholders. This dedication to community engagement and sustainable practices highlights Regal's commitment to driving lasting positive change and building a brighter future for society.

Highlights of community investment in 2024 were as follows:

- Community programmes supported: 16
- Community partners: 15
- Volunteer hours contributed by employees: 110
- Total donation and sponsorship committed: HK\$2.3 million



## Distribution of Donations<sup>10</sup>



Regal has been recognised as a “Caring Company” by the Hong Kong Council of Social Service for 20 years consecutively with the award of “20 Years Plus Caring Company Logo”. While delivering high-quality accommodation services, Regal also prioritises generating social value to fulfill its role as a socially responsible corporate citizen. Regal is dedicated to enhancing the well-being of the community and society at large by actively engaging in various community initiatives and programmes.

## Youth Development

### Hotels

A robust talent pipeline and healthy talent ecosystem are crucial to the long term success of Regal’s business and broader society. Apart from staff development, Regal continues to support talent development across age groups, from secondary, tertiary, and vocational education to mid-career professionals in both hospitality and sustainable finance fields to gain industry exposure and upskilling opportunities.

<sup>10</sup> The amount includes cash and in-kind donations.





## Hospitality Talents

### Job Shadowing Programmes

Regal has partnered with the Hong Kong Federation of Youth Groups Jockey Club Ping Shek Youth S.P.O.T. to host 2 job shadowing programmes in Regal Hongkong Hotel and Regal Kowloon Hotel, each lasting 2 days. These programmes were designed to provide 2 teenagers with a foundational understanding of hotel operations. This initiative aims to educate the youth about the hospitality industry, offering valuable insights into different roles and responsibilities.



### Career Talks

In Regal's commitment to youth development, Regal organised a hotel visit and career talk at the Regala Skycity Hotel for 20 youths from the Technological and Higher Education Institute of Hong Kong. This initiative is designed to enhance their understanding of the hospitality industry, better preparing them for their future career paths.



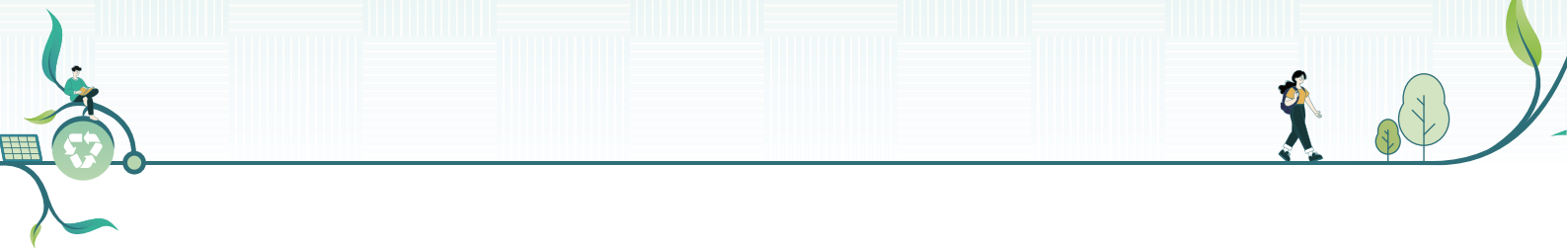
## Green Talents

As environmental challenges evolve, we see growing demand for green talents who can contribute solutions and help build a more sustainable future. During the reporting period, Ms. Poman Lo has been teaching courses on sustainability and business at top universities in Hong Kong, focusing on key issues such as climate crisis, poverty, inequality, and global health.

## Nurturing Next Generation of ESG Talent

To nurture next generation of ESG talent, Ms. Poman Lo has been teaching sustainable business management and impact investing at the Hong Kong University of Science and Technology, as well as sustainable development and strategy at the University of Hong Kong. Ms. Poman Lo aims to steer education towards tackling issues including climate emergency on the one hand, and the interrelated issues of poverty, inequality and global health on the other hand.





## Health Enhancement Hotels

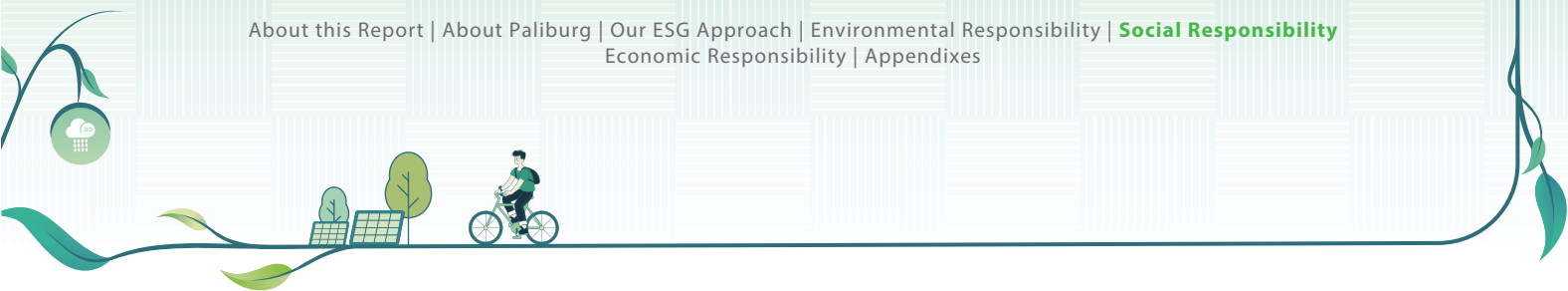
Like beauty, one's well-being comes from within. To enhance guests and general public's awareness on wellness, Regal has brought the 10th Healing Arts Festival from Shanghai to Hong Kong, and continued to offer online mindfulness sessions and workshops to guests and employees.

### Healing Arts Festival

Regala Skycity Hotel hosted the two-day Healing Arts Festival, a collaboration with At One International Festival and Octave Institute, celebrating its 10th edition. The festival transformed the hotel into a sanctuary of art, healing, and spirituality, providing a unique opportunity for individuals to cultivate inner peace and explore their creativity. The event featured five themed zones and over 100 immersive workshops designed to foster mindfulness. Guided by leading practitioners, participants engaged in practices such as Gong Baths and Soul-dance, embarking on a journey of awakening and restored balance.







### **Mindfulness Monday and Mindfulness Lunch Break Recovery**

To create a tranquil and relaxed experience for guests, this is the second year we partner with Oxford Mindfulness Foundation to provide mindfulness practice opportunities to our hotel guests. Combining ancient wisdom and mindfulness-based cognitive therapy, guests may indulge in moments of peace and clarity, reflections and presence. The state of presence without judgment builds up our capacity to handle stress and challenges, and guides us to live in the present with clarity, kindness, and ease, in our relationships with ourselves and others.



### **Mindfulness for Life**

To create a tranquil and relaxed experience for our colleagues, Regal collaborated with the Oxford Mindfulness Foundation since May 2024 to offer an 8-week “Mindfulness for Life” courses for Regal’s associates. The course, also known as Mindfulness-based Cognitive Therapy for Life (MBCT-L) aims to assist individuals in incorporating mindfulness into their everyday lives. It primarily focuses on imparting practical mindfulness techniques that can be utilised in different areas of life, such as stress management, improving concentration, and boosting overall well-being. The course features guided meditations, mindfulness exercises, and discussions on integrating mindfulness into daily routines. Regal’s goal is to promote a healthy working environment within our workplace.

### **Employee Mindfulness Workshop with Bodhi Love Foundation**

In the people-oriented hospitality industry, both front-line and managerial staff play a vital role in delivering exceptional service. To support Regal’s team in managing stress, maintaining focus, and enhancing overall well-being, Regal partnered with Bodhi Love Foundation to organise a Mindfulness workshop for 34 hotel management and operation managers.

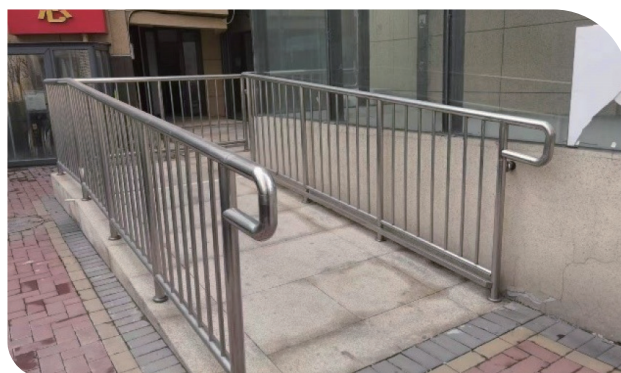
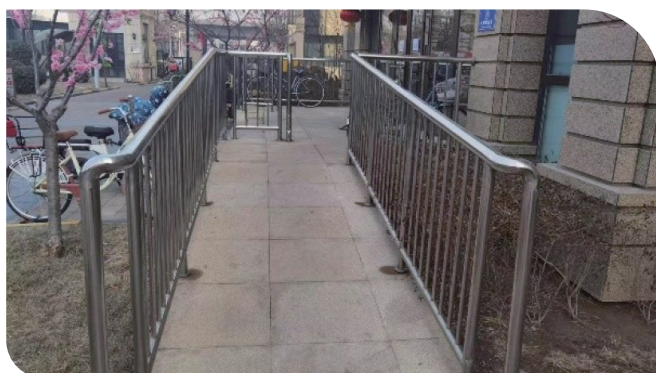
This workshop aimed to equip participants with practical mindfulness techniques that can be seamlessly integrated into their daily routines. The objectives included reducing stress, improving focus, boosting resilience, and promoting overall well-being. By fostering a mindful approach, Regal aims to enhance the well-being and performance of Regal’s associates while creating a balanced work environment that supports Regal’s people and ensures outstanding service.



## Social Inclusion

### Properties – Mainland China

Cosmopolitan is committed to fostering an inclusive community by ensuring equal access for all people. To provide a comfortable and enjoyable living environment for residents of all ages and abilities, Cosmopolitan has embedded inclusive features and elements into its development projects. For example, ramps are installed for the convenience of disabled persons and elderlies. In the Tianjin Project, Cosmopolitan created an accessible environment for wheelchair users by designing spacious barrier-free restrooms, lowering buttons of lifts, and accessible parking spaces. Through these inclusive designs, Cosmopolitan helped to build an inclusive community with pleasant environment.





# Economic Responsibility

Paliburg Group is committed to fostering a sense of belonging for our employees, encouraging them to share bold ideas, pursue ambitious goals, and find fulfilment in their work. We prioritise the health and safety of our employees, focusing on creating a secure and comfortable environment for both employees and customers. We strive to cultivate a fair and equitable workplace, upholding our values of honesty and integrity while minimising operational risks. Our goal is to maintain the Group's reputation within the industry and society. Through our economic responsibility initiatives, we aim to benefit all stakeholders in our value chain, including shareholders, customers, and the local community.

## Caring for Our Employees

Paliburg Group has relevant policies, including an Employee Handbook and an Anti-Corruption Policy in place to build strong connections with our employees. These policies highlight essential values and standards that help create an inclusive and welcoming work environment. We ensure that our employment practices meet industry standards and regularly review them to reflect our appreciations for our employees' contributions.

Recognising that our employees are the backbone of our business, we are committed to growing alongside them and providing necessary support. We understand the importance of training and development in enhancing our workforce. As a result, we prioritise creating training programmes that meet the diverse needs of our businesses, allowing employees to improve their skills and advance their careers. Moreover, employees have access to a variety of training programmes and resources, further supported by their supervisors.

These activities are essential for enhancing the Group's ability to provide high-quality products and services. Ensuring a safe environment for employees is a critical responsibility. The Group takes significant steps to protect our employees by implementing health and safety practices. For example, we provide complete Personal Protective Equipment ("PPE") and conduct safety training for relevant employees. Regular inspections are carried out to identify potential hazards and assess risks.



We are committed to creating a work environment that is safe, secure, and equitable for all employees, prioritising the protection of their labour rights and promoting diversity and inclusion. Our hiring, compensation, benefits, and advancement decisions are based solely on job performance. We treat all employees with equal respect and fairness, regardless of gender, age, ethnicity, skin colour, nationality, political status, religion, marital status, maternity status, sexual orientation, disability, or any other irrelevant factors. As society faces racial and gender inequality, we are prepared to take on a greater responsibility within our communities and the Group. The Group complies with all relevant employment and labour laws and regulations<sup>11</sup>, including those related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, and preventing child and forced labour. In 2024, no non-compliance cases were reported in relation to labour standards. All service providers adhere strictly to labour law and regulations, ensuring their employees receive fair remuneration for their work.

### **Recruitment, Retention and Benefits**

Paliburg Group prioritises equal opportunity and values competence, skills, and experience in hiring and promotions. We have a clear and fair framework to ensure transparency and equity in our employment practices, focusing on protecting our employees. During recruitment process, we will verify the applicant's personal information with relevant identification documents.

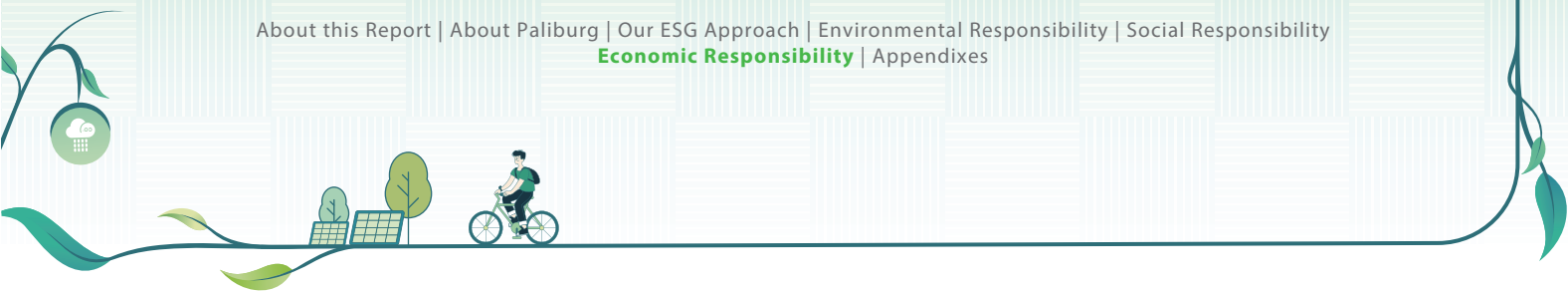
The Group has zero-tolerance against child and forced labour. To ensure compliance, we conduct thorough background checks on candidates, especially for positions at our construction sites. In the event of any violation, we take immediate action by terminating the employment of those involved and imposing penalties on the responsible personnel in the recruitment process.

We aim to build long term, collaborative relationships with our employees by implementing systems to assess and enhance their well-being. We comply with legal requirements for various social insurances and provide statutory holidays and other benefits. For example, our managed properties in Mainland China offer monetary bonuses during festive holidays and on birthdays, along with special leave. In Hong Kong, we follow the Mandatory Provident Fund ("MPF") Schemes Ordinance by managing an MPF Scheme for all eligible employees. Furthermore, in Mainland China and other countries where we operate, we actively participate in government-sponsored defined contribution retirement plans. Through pension fund contributions and various monetary benefits, we strive to protect our employees' livelihood and ease their financial burdens.

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<sup>11</sup> The laws and regulations include the Employment Ordinance (Cap. 57 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), Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong), Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong), Factories and Industrial Undertakings Ordinance (Cap. 59 of the Laws of Hong Kong), Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong) and Employment of Young Persons (Industry) Regulations (Cap. 57C of the Laws of Hong Kong).





## Learning and Career Development

The Paliburg Group recognises the strong linkage between employees' skills and operational efficiency. To promote lifelong learning, we offer financial and educational resources to all employees. Detailed information about our staff training and development policies can be found in the Employee Handbook.

We understand the significance of a smooth transition for new employees, which is why we have developed a comprehensive induction programme to help them acclimate to our work environment and corporate culture. Throughout the year, we provide various training programmes to ensure that employees at all levels have the skills and knowledge needed to adapt to changing market demands and industry trends. Regular project meetings also encourage the sharing of experiences and knowledge among employees. Moreover, employees participate in routine health and safety training to improve their daily operational techniques.

Beyond our internal training, we encourage employees to engage in external training and educational events, such as conferences and seminars, to broaden their skills and exposure to diverse market practices. We provide subsidies on a case-by-case basis to cover tuition and related application and examination fees.

## Employee Engagement

Paliburg Group prioritises the well-being of our employees, striving to enhance their lives beyond the workplace. We organise various recreational activities throughout the year, allowing employees to spend quality time together and build team spirit. We show our appreciation for employees by awarding them with the Year-of-Service Awards, which recognises their loyalty and contributions to the Group over the years.

We value mutual respect and the input of our employees, fostering a culture of open communication. Paliburg Group is committed to improving communication between employees and management to create a speak-up culture where everyone feels included and heard. We encourage all employees to share their concerns about difficulties, disagreements, or unfair treatment, and we have clear communication channels in place, such as regular staff meetings and annual questionnaires to ensure their voices are heard. Furthermore, we have established a formal grievance mechanism that allows employees to raise concerns about workplace practices with their supervisors and management, who will address the issues and provide timely follow-up.





## Workplace Health and Safety

The Paliburg Group is committed to providing a healthy and safe work environment for our employees. During the reporting period, we complied with all relevant laws and regulations<sup>12</sup> in relation to providing a safe working environment and protecting employees from occupational hazards.

### Properties – Hong Kong

Employees are valuable assets to Paliburg, and we prioritise their health and well-being.

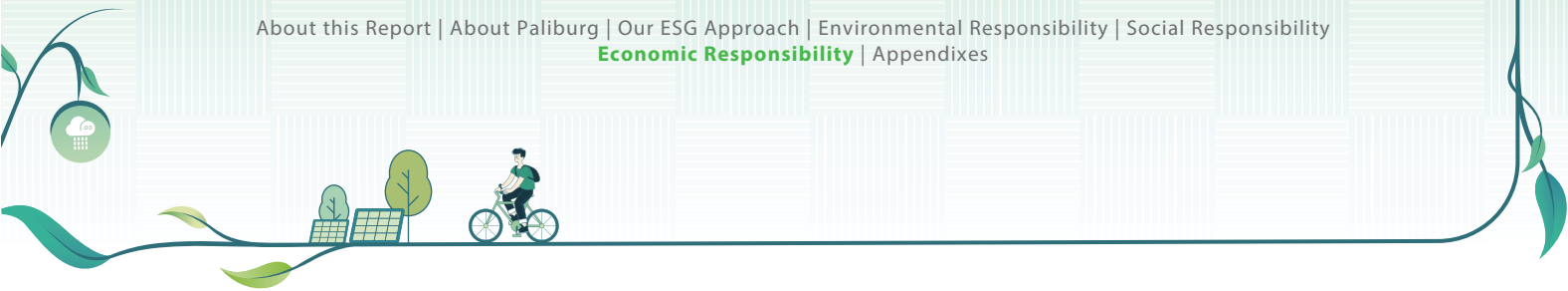
Paliburg has a Safety Management Committee to oversee the safety performance of our managed properties and development projects. We have implemented a robust health and safety framework with strict standards to manage and address any health and safety concerns effectively. Our construction sites and offices follow specific safety measures that adhere to real-life workplace and operating requirements. The Committee regularly reviews and updates occupational health and safety guidelines to ensure that our practices remain current and effective.

We evaluate workplace safety performance through both internal and external audits, which help identify areas of concern known as “black spots”. The Committee and safety officers are responsible for creating corrective actions, monitoring their implementation, and analysing the outcomes. Employees receive relevant information to help minimise occupational health and safety risks at their respective sites. All employees must comply with the relevant laws and regulations, and our workplace policies, including wearing appropriate PPE while performing their job duties. Regular site inspections are conducted to identify potential occupational hazards, and frequent drill exercises familiarise employees with rescue and emergency response procedures, ensuring a quick and effective response in emergencies.

We recognise that education and training are essential for raising employee awareness of occupational health and safety. Before starting any construction work, we ensure that all construction workers and site personnel complete thorough induction training on occupational health and safety. The training covers various topics, including safe delivery handling with a crane trucks, working at heights, and proper use of industrial equipment. Furthermore, we conduct emergency drills focused on security management, fire safety, crowd control, and facilities management, to improve our emergency response skills across our properties. Our training and drill programmes are designed for all of employees and contractors to enhance their health and safety knowledge, deepen their understanding of Paliburg’s health and safety procedures and promoting a robust health and safety culture.

<sup>12</sup> The laws and regulations that might be significant to the Paliburg Group includes Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong).





## Hotels

To create a secure and supportive workplace for its committed employees, Regal has implemented a comprehensive set of workplace health and safety measures. These guidelines help employees adhere to best practices and communicate issues to minimise hazards and risks. Regal offers training on health and safety standards on food and beverages management and machinery usage and fire control to employees to promote awareness.

Regal believes that every member has a responsibility to maintain health and safety standards and encourage staff to report improper procedures and incidents. To support this, Regal is developing an EHS Policy to demonstrate its commitment in ensuring the well-being of its employees, guests, and the communities it serves. This policy aims to create a safe and secure environment for all stakeholders. Moreover, Regal is also developing a Contractor Safety Management Policy which outlines its commitment in providing and maintaining a healthy and safe environment for all employees, customers, contractors and community members during their association with the hotel. Regal will periodically review these policies to align with the latest developments in workplace health and safety and related regulations.







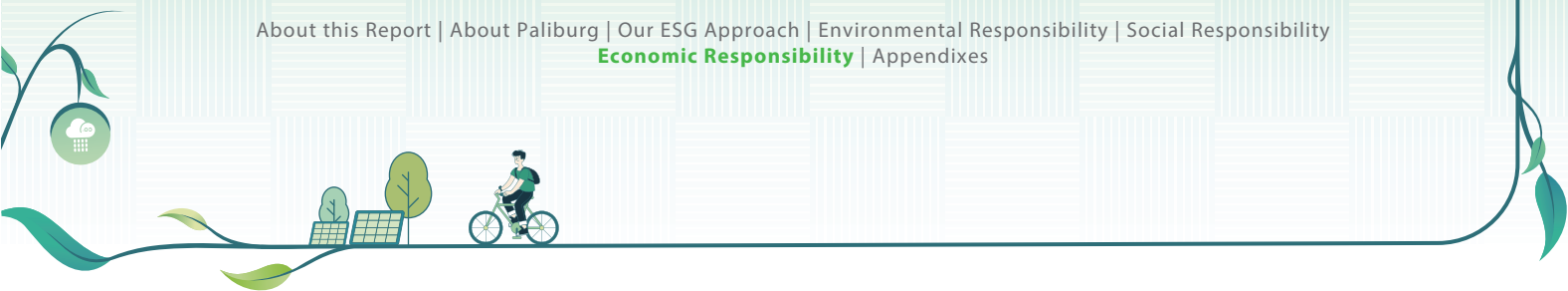
## Workplace Health and Safety

- Ongoing efforts to ensure the health and safety of Regal's employees and guests through well-communicated and implemented standards, sufficient support resources, regular communication and incident investigation and correction.
- Bi-monthly safety meetings attended by department heads to discuss safety issues and review work injury cases to avoid re-occurrence.
- Foster a safety-first culture among employees, a Safety Award is conferred to employees who demonstrate best health and safety practices at work.

## Safety and Security Officers

- Identify potential hazards and recommend prevention and improvement measures.
- Conduct emergency drills.

Standard Operating Procedures	Training and Development	Communication
<ul style="list-style-type: none"> <li>• Safety management systems and preventive measures. For instance, job hazards analysis, monitoring and audits.</li> <li>• Safety manual detailing potential occupational safety risks throughout all stages of hospitality operations, from room cleaning, catering to engineering works, is circulated among employees.</li> <li>• Employees who fail to comply with the safety rules and procedures may be subjected to penalty.</li> <li>• Contingency plans are in place for safety, security and fire hazards.</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety training provided by external parties are arranged for employees. Training covers food quality management, fire prevention and first aid techniques to ensure employees can cope with emergencies.</li> <li>• All hotels provide adequate PPE and first aid supplies.</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution of health and safety promotion materials, for instance, newsletters, warning signs, emergency and rescue procedures in the workplaces to enhance our employees' awareness and prevent potential dangers and hazards.</li> <li>• Employees are encouraged to raise and report observations of improper health and safety procedures at work to management through regular communication channel.</li> </ul>



### Properties – Mainland China

Cosmopolitan prioritises employee health and safety through workplace environment management. Following the “Tianjin Safety Production Regulations”, the Tianjin office has developed a management framework within the “Compilation of Human Resources Systems”, including sections on “Employee Health and Safety”, “Safety Measures for Natural Disasters”, and “Fire Safety Measures”. Policies and procedures are in place to maintain safety standards. A Safety Construction Management Policy and emergency guidelines support Cosmopolitan to address potential workplace incidents. In 2024, Chengdu Project has published two manuals, “Ozone Pollution Prevention and Mitigation Manual” and “Construction Dust Prevention and Reduction Manual”, to outline the associated risks and preventive measures, which raised workers’ awareness and aligned the project’s approach in handling health and safety risks. Cosmopolitan’s operations are in full compliance with the occupational health and safety related laws and regulations in Mainland China. Cosmopolitan’s effort made to ensure the health and safety of employees has been acknowledged by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China and the Tianjin Municipal People’s Government.

During the reporting period, there were no non-compliance cases of occupational health and safety reported in Cosmopolitan’s operations.

To safeguard the health and safety of its employees, Cosmopolitan is committed to minimising health and safety related risks through regularly identifying and monitoring material safety issues or risks in its offices and construction sites. In case of any deficiencies discovered, remedial actions will be carried out to ensure proper execution of Cosmopolitan’s safety measures. Cosmopolitan has conducted multiple occupational safety trainings for employees in its Tianjin office, achieving a 100% coverage rate. Workers are not eligible to work on-site unless being qualified in passing Cosmopolitan’s safety trainings. In addition to safety trainings, Cosmopolitan utilises different engagement channels to remind employees of safety precautions by distributing safety leaflets and placing warning signs with preventive measures about operating vehicles and machines, accidents, fire, and other major hazards. Cosmopolitan also actively engage with its contractors through meetings, workshops and trainings, requiring them to provide compulsory safety training to ensure all new workers are equipped with safety knowledge before working on-site.





Fire safety is also one of our safety concerns within Cosmopolitan's operations. Cosmopolitan has set up a fire-prevention system which fully complies with relevant legal requirement in Mainland China. The system is reviewed and maintained regularly by qualified professionals. Cosmopolitan has carried out multiple fire and gas leak evacuation drills in its Tianjin office to help employees to familiarise with safety procedures in case of emergency.

Additionally, Cosmopolitan strives to enhance the indoor air quality in its offices to improve its employees' health. Monitoring of VOCs' concentration level and formaldehyde is carried out regularly. Cosmopolitan has appointed qualified personnel for removal of such substances effectively whenever necessary.

## Caring for Our Customers

Paliburg Group places a strong emphasis on its customers by delivering excellent products and services. We are committed to maintaining high-quality standards and ensuring the health and safety of our customers. We also appreciate their feedback and are dedicated to listening to and addressing any concerns they may have.

### Product and Service Quality

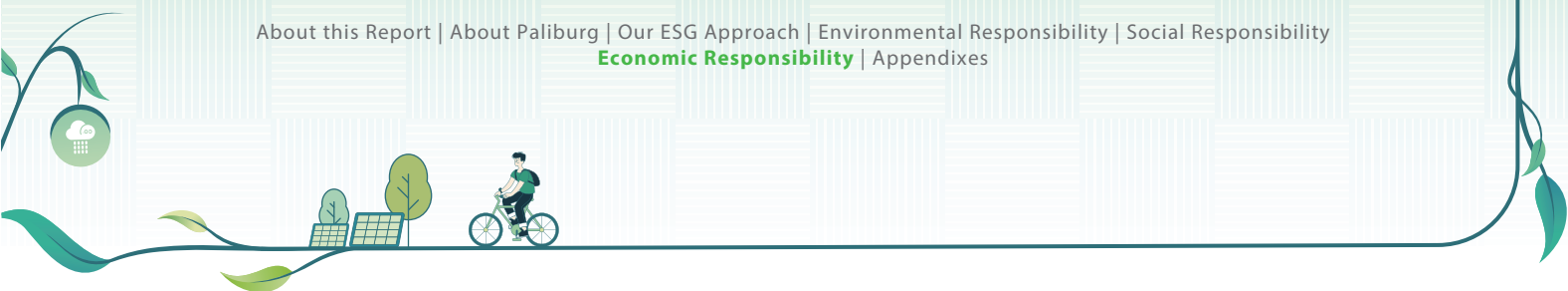
Paliburg Group is dedicated to developing high-quality properties and providing compassionate services to customers and tenants. To uphold this commitment, we have a comprehensive quality assurance system that ensures strict compliance with all relevant laws and regulations<sup>13</sup>.

We utilise a four-phase quality management approach that covers the entire construction process, from pre-construction to post-handover. This comprehensive strategy allows us to manage each property with meticulous attention to safety and adherence to high-quality standards.

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<sup>13</sup> The laws and regulations include the Residential Properties (First-hand Sales) Ordinance (Cap. 621 of the Laws of Hong Kong), Public Health and Municipal Service Ordinance (Cap. 132 of the Laws of Hong Kong), Gas Safety Ordinance (Cap. 51 of the Laws of Hong Kong) and Fire Services Ordinance (Cap. 95 of the Laws of Hong Kong).





#### Our Quality Management approach:

<b>Pre-construction phase</b>	Our approach to quality control primarily focuses on building plans and construction materials. We engage experts in architecture, geology, and construction to review plans, inspect sites, and monitor project progress. Any identified issues are resolved before advancing to the next phase. To ensure the quality and safety of the construction site, we meticulously select construction materials including steel bars, concrete and cement by evaluating their compliance certificates and assessment reports.
<b>Construction phase</b>	We closely monitor the structural work of all our developing projects to ensure they align with the construction drawings, maintaining high quality of our products. We also inspect the materials and equipment used to ensure they meet the technical requirements of the contract and confirm that our projects align with the construction drawings. Our quality standards exceed national requirements to ensure that we deliver safe and satisfying products to our customers. We conduct weekly site visits to construction units where issues have been identified, verifying that corrective actions have been taken to address any quality concerns.
<b>Post-construction phase</b>	A thorough quality inspection is conducted using evaluation criteria set by the building plan designers and senior engineers. This process guides the necessary corrections before the official handover and acceptance.
<b>Post-handover phase</b>	After property handover, the relevant parties are informed to take follow-up actions and make corrections based on the quality issues reported by the property owners.

To ensure the quality of construction, we require individual certificate and assessment reports for each proposed material, minimising risks related to substandard materials. During the construction phase, dedicated personnel supervise key aspects of the project, including structural work, reinforced concrete, sample layouts, and information management. After construction, we conduct a thorough quality inspection to ensure compliance with established safety and quality standards.





Along with constructing quality buildings, we prioritise delivering high-quality services in our managed properties to improve living conditions for residents and operational efficiency for tenants. We gather feedback through various channels, which informs our improvement initiatives. For example, in response to residents' feedback, we installed speed bumps in Mount Regalia for better road safety. We also conduct regular customer satisfaction surveys to gather objective data on our performance in areas, including staff attitude, safety, cleanliness and clubhouse services. We have a suggestion boxes and hotlines in place in our managed properties. During the reporting period, we addressed three enquiries related to the provision of shuttle bus service at Mount Regalia through designated employees with promptness and efficiency.

The safety and well-being of our customers, residents and tenants are our top priorities at the Paliburg Group. To ensure their protection, we have created Working Guidelines for our frontline staff, outlining their roles in identifying and addressing health and safety issues in our owned or managed properties and hotels. These Guidelines detail procedures for handling, investigating, reporting, and following up on any concerns. Our security team receives specific instructions during their regular patrols on how to document and report any anomalies, malfunctions or damages, ensuring that infrastructure such as water tanks, pipelines, metre rooms, and alarm systems are regularly maintained and repaired.

## Intellectual Property Rights

Paliburg Group has established policies and procedures for all business units to safeguard proprietary information and intellectual property rights. We require our employees to comply with applicable legal requirements relating to the collection, holding, processing, disclosure and use of personal data, and to respect the privacy of others and the confidentiality of information received in the course of business. For example, we exclusively use licensed software and technology to comply with legal requirements.

We have registered the necessary trademarks and service according to the relevant laws and regulations in different jurisdictions where we operate and have put monitoring measures in place to prevent infringement.

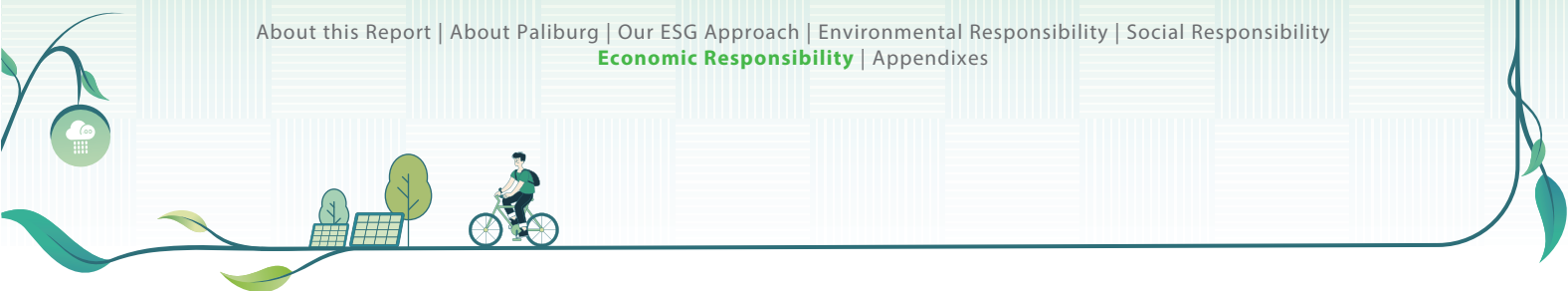
## Customer Privacy

Paliburg Group is committed to protecting customer data privacy. To support this commitment, we comply with all applicable data privacy laws and regulations<sup>14</sup>, and there were no non-compliance cases reported during this reporting period.

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<sup>14</sup> The personal data privacy laws and regulations that might be significant to the Paliburg Group include the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong).





### **Properties – Hong Kong**

Paliburg places significant importance on customer privacy and implements extensive measures to protect it. We are committed to safeguarding personal information collected from our customers and tenants, providing clear guidelines for handling data through its lifecycle.

Both Paliburg and our contracted third parties recognise the significance of protecting personal data collected for operational purposes and handle it with care. Access to relevant information and data is restricted to authorised personnel with specific responsibilities. To further protect our customers' interests, we include a Personal Information Collection Statement in the initial sales and purchase agreement for our residential units. Once information is no longer needed, we securely dispose of all relevant documents containing private and confidential data by shredding them. To protect trade secrets and sensitive customer information, all employees must sign a confidentiality agreement outlining their legal responsibilities. We do not share or request information about owners and visitors with other organisations, or transfer their information to another organisation or mechanism without their consent.

### **Hotels**

To uphold and safeguard intellectual property rights, Regal has implemented policies and procedures for all business units to adhere to. Regal exclusively uses licensed software and technology to ensure legal compliance in business operations. Furthermore, all relevant trademarks and service marks are registered in accordance with applicable laws and regulations in the jurisdictions where Regal operates. Regal also ensures that only images and video assets with source and royalty agreements are utilised. Monitoring measures are also in place to prevent infringement of intellectual property rights. Moreover, Regal clearly displays its privacy notice, cookies policy, and opt-in policy on its website, mini programme, and Regal Club mobile app, reinforcing its commitment to transparency and compliance.

### **Properties – Mainland China**

Cosmopolitan fully respects the privacy of our customers' personal data. The collection and handling of customers' information fully comply with applicable laws and regulations concerning personal data privacy in Mainland China. Cosmopolitan secures confidential information of its customers through implementing various security measures such as setting passwords for all electronic files. Employees are required to sign a confidentiality agreement to accept the accountability of legal responsibility in unauthorised use or disclosure of internal and personal information, such as trade and customer information. Cosmopolitan also requires its employees to comply with all internal guidelines regarding the collection, processing, transfer, retention and deletion of customer personal data.



### Advertisement

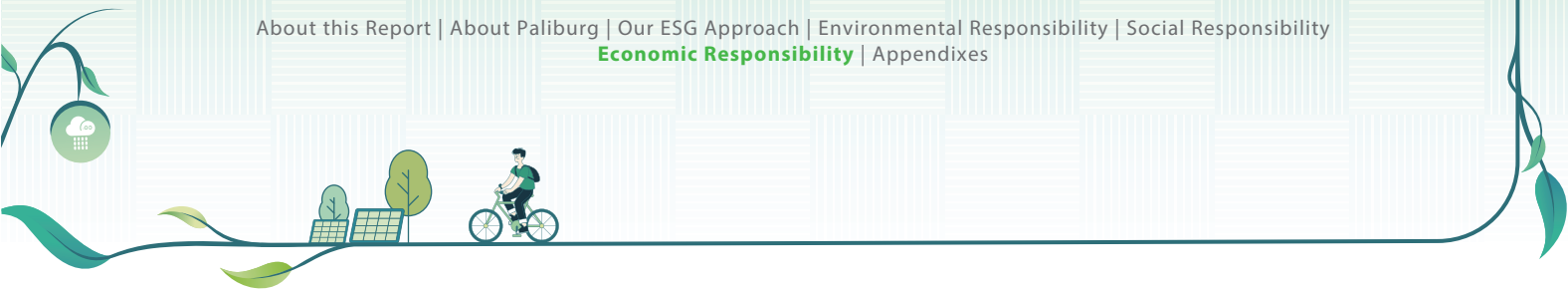
Cosmopolitan is dedicated to deliver transparent and precise product and service information for its customers. Cosmopolitan complies with “Advertising Law of the People’s Republic of China” and all applicable laws and regulations, ensuring that all advertising language is truthful and lawful, thereby protecting the legitimate rights and interests of its consumers. The sales backend team at Cosmopolitan manages customers’ information, and a customer information ledger is established to strictly safeguard the security of customer information. Cosmopolitan’s promotional materials are crafted using legally compliant language to ensure the protection of customers’ legitimate rights and interests. Relevant information is systematically managed within a sales backend system by dedicated team and a customer information ledger has been established to ensure the security of customer data.

Dishonest and misleading selling techniques are strictly forbidden. To help customers make informed and confident purchasing decisions, Cosmopolitan has trained its employees in professional sales practices, ensuring they provide sales and leasing services in a professional manner. All Cosmopolitan’s promotional materials are carefully prepared and reviewed to avoid publishing any misleading information.

In the Chengdu Project, Cosmopolitan’s salespersons are provided with standardised promotional materials to ensure consistency in the sales information delivered. If any misconduct such as using inappropriate selling tactics occurs, the involved salesperson will face penalties as per disciplinary procedures. Remedial actions will be taken when inaccuracies in the sales process are identified. To enhance employees’ awareness of proper selling practices, daily debriefings are conducted with salespersons after business hours to align their expectations with those of the Company.







## Supply Chain Management

### Properties – Hong Kong

To support our daily operations, we source goods and services from various reputable vendors and contractors, mainly for construction materials and office supplies. Our goal is to develop long term and sustainable partnerships, working closely with them through our established supply chain management approach.

Our Supplier Code of Conduct ensures that our needs to purchase goods and services on competitive terms are not met at the expense of labour standards, health and safety environment. It includes a comprehensive list of requirements on suppliers, operations and delivery methods, addressing concerns related to anti-discrimination, anti-corruption, anti-child and forced labour, and other sustainability issues that could negatively impact our stakeholders, the community, and the environment. We have created a set of standardised protocols that outline the roles and responsibilities of the individuals involved in sourcing and tendering, as well as the criteria for selecting suppliers and contractors. Our Purchasing Department evaluates suppliers based on product quality, delivery timeliness, and certifications through a Supplier Annual Evaluation Form. Enhancing vendor and supplier visibility is the first step to enhance supply chain traceability in this globalised world. We ensure products and services offered to our customers are compliant with relevant regulations, while maintaining ethical labour and environmental practices. During the tendering process, tenderers must provide relevant work records for background checks. Only qualified candidates are considered. To identify and manage environmental and social risks, we carefully evaluate suppliers and contractors based on product and service quality, adherence to occupational health and safety regulations, and compliance with environmental and social laws. We prioritise suppliers who share our commitment to sustainability and demonstrate environmental and social responsibility. Our focus remains on operational efficiency and sustainability initiatives within existing facilities. As construction activities remains at a low level, our efforts were directed towards existing policies and operation procedures to manage environmental and social risks in our supply chain.

Designated employees from the property management and project department monitor and assess supplier performance using various checklists. We also conduct routine on-site inspections to evaluate operational conditions, including labour practices and environmental standards. The results of these evaluations are crucial for determining future partnerships. During the reporting period, no non-compliance case relating to labour standards was identified.



## Hotels

As one of the largest hotel operators in Hong Kong, our wide range of offerings and exceptional service depend on Regal's extensive network of vendors. Regal deeply values its partnerships, both local and international, and it has established comprehensive policies and procedures to ensure hygiene and safety conditions are met. Regal also ensures that its vendors and suppliers comply with labour, environmental and business ethics regulations, reflecting its commitment to responsible and ethical operations.

Regal's Supplier Code of Conduct ensures its needs to purchase goods and services on competitive terms are not met at the expense of labour standards, health and safety or the environment. It includes a holistic list of requirements on suppliers' operations and approaches to operations and delivery, addressing concerns on anti-discrimination, anti-corruption, anti-child and forced labour, and other sustainability issues that might negatively affect Regal's stakeholders, the community and the environment.

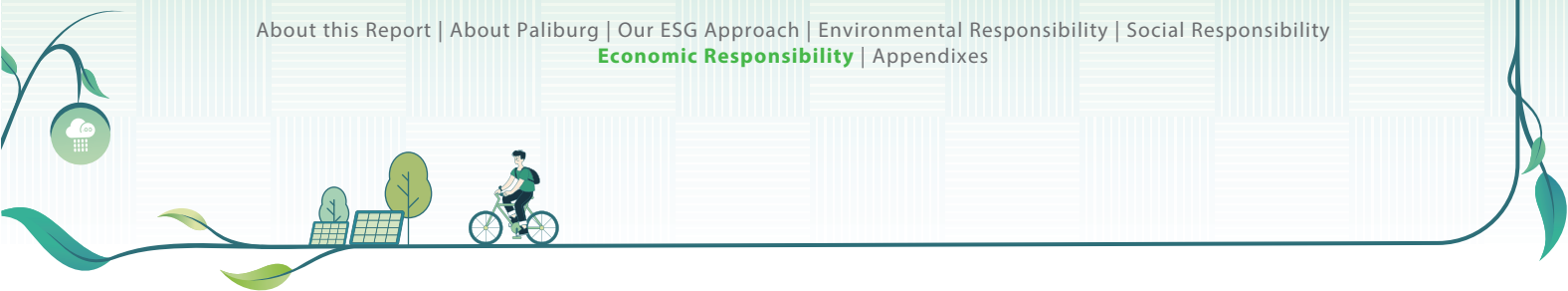
Regal's suppliers are required to complete self-assessment questionnaires to confirm that they have appropriate policies and systems in place to comply with Supplier Code of Conduct. Regal also undertakes supplier site visits. Suppliers are requested to obtain independent certification in accordance with internationally recognised standards and submit environmental and health and safety management plans for internal review.

During the reporting period, Regal developed a Procurement Policy, which summarises its internal Green Purchasing Policy for its Group Purchasing Manager and Group Hygiene Manager to assess potential suppliers. Regal encourages innovation and strengthen relationships with critical suppliers. Where gaps are identified, suppliers should develop and adopt corrective actions. Regal also encourages preference to be given to suppliers that adopt internationally recognised management system related to sustainability, for instance, ISO 9001 and Hazard Analysis and Critical Control Points systems. Adaptation of responsible sourcing is highly encouraged. In 2023, Regal has conducted a baseline assessment on Scope 3 emissions, from which it has gained some insights into carbon impacts of its supply chain.

Regal's Purchasing Department evaluates suppliers' product quality, timeliness in product delivery, and certifications obtained via a Supplier Annual Evaluation Form. Increasing vendor and supplier visibility is the first step to enhance supply chain traceability in this globalised world. Regal ensures products and services offered to its customers are compliant with relevant regulations, while maintaining ethical labour and environmental practices.

As a Green Council member since 2012, product safety and quality are not the only consideration for Regal's supplier selection. Regal strives to minimise negative environmental and social impacts that may otherwise arise from its procurement process. Regal suppliers are selected through a meticulous process. As an example, Regal encourages its suppliers to source printing and copying paper certified by the Forest Stewardship Council and Regal sources cleaning chemicals that are ISO 14001 certified. Regal also supports local sourcing in its procurement process. Regal purchases vegetables and fruits from local farmers whenever possible.





## Properties – Mainland China

Cosmopolitan is dedicated to fostering a sustainable supply chain while upholding the highest ethical standards among its suppliers and contractors. Cosmopolitan's Supplier Management Policy serves as a policy framework for addressing potential risks within the supply chain. In the supplier selection process, Cosmopolitan gives precedence to those suppliers who exhibit a strong dedication to responsible ethical behaviour and a competitive business environment.

During the reporting period, Cosmopolitan's supply chain management strategies and actions have consistently adhered to core ESG principles, effectively identifying and monitoring environmental and social risks within its operations. Cosmopolitan ensures that all procurement and tendering processes fully comply with its environmental and social policies. The performance and ESG commitment of suppliers are key factors in Cosmopolitan's selection and rating processes, which helps sustain its operations. For example, Cosmopolitan gives preference to local businesses during the tendering process to reduce carbon emissions through local sourcing, while also promoting job creation, community support, and economic growth.

Cosmopolitan strives to conduct procurement and tendering procedures transparently and fairly. By adopting a holistic approach, Cosmopolitan decentralises tender management and decision-making tasks. Various levels and groups handle different supply chain management tasks, ensuring coordinated efforts across functions. Cost control functions at different operational levels serve as key communicators within the management system. Close collaboration among all departments is essential to monitor financial policies and maintain a well-organised and transparent tendering process.

Cosmopolitan diligently oversees and engages with its supply chain through a three-stage assessment system, which includes qualifying assessment, ongoing assessment, and post-performance assessment. The qualifying assessment evaluates new suppliers based on their background and performance in line with Cosmopolitan's Supplier Management Policy. During this stage, Cosmopolitan uses its supplier selection criteria to review their qualifications, technical expertise, management capabilities, business size, financial performance over the past three years, after-sales services, pricing, and reputation. Suppliers are chosen from the Qualified Supplier List during the procurement bidding process to ensure high-quality products. Priority is given to qualified suppliers who are government-licensed and possess certified management systems, such as ISO 9001 and ISO 14001. Cosmopolitan also conducts regular reviews of suppliers' business operations and sustainability performance for future tendering considerations.





During the process assessment stage, Cosmopolitan maintains effective management by performing quarterly evaluations and complaint investigations to closely monitor and assess the work attitude and quality of supplier operations. Cosmopolitan ensures that all raw materials meet the required standards for its construction projects. Cosmopolitan's complaint mechanism guarantees satisfactory customer service by providing multiple complaint channels and promptly addressing customer needs to resolve underlying issues.

After contracts are completed, suppliers undergo a post-performance assessment using a quantitative scoring system to evaluate their work attitude and quality. This assessment determines their final rating, with suppliers who receive higher ratings being given priority in the procurement process.

Cosmopolitan prioritises business ethics and integrity of its suppliers and contractors. There is no tolerance of any forms of corruption and misconduct. To avoid any corruption or misconduct during business collaboration, all Cosmopolitan's suppliers and contractors are required to attest to its Supply Chain Management Procedure and Honesty Agreement. To further avoid any cases of misconduct, a targeted total transaction value or targeted unit value is predefined for internal reference before the tendering process. Apart from that, all of Cosmopolitan's partners are required to respect and protect the intellectual property rights of others. As written on the contracts, suppliers are required to guarantee that their products do not infringe third party's intellectual property rights, trademark rights or industrial design rights. If the intellectual property rights are not owned by the supplier, Cosmopolitan will require the supplier to provide supporting documents for its inspection.

Cosmopolitan welcomes all suggestions, complaints, and whistleblowing from suppliers and contractors. Cosmopolitan has set up a feedback mechanism and a telephone hotline to receive any feedback. During the reporting period, there were no material incidents of corruption reported related to Cosmopolitan, its employees, and the supply chain.



## Business Ethics

Paliburg Group is committed to maintaining high standards of business ethics. To uphold this commitment, we strictly adhere to relevant laws and regulations<sup>15</sup> concerning bribery, extortion, fraud and money laundering. During the reporting period, there were no non-compliance cases reported.

### Properties – Hong Kong

Paliburg has zero tolerance towards any violation of our Anti-Corruption Policy, including but not limited to bribery, anti-competition, money laundering, fraud, and corruption. We expect our employees to perform their duties in strict adherence to the Group's standards and, if necessary, to report any suspicious activity to management.

For example, Paliburg has established documented procedures regarding ethical standards, conflicts of interest, the handling of gifts and gratuities. Employees are required to act with honesty, morality, and propriety, complying with all relevant laws and regulations. Any employee found violating the policies on gifts and gratuities will face disciplinary action.

Furthermore, Paliburg has organised training programmes to ensure employees understand and comply with policies on business ethics and anti-corruption. During the reporting period, anti-corruption briefings were organised for new employees.

### Hotels

Regal is committed to upholding the highest standards of integrity and fair competition, strictly prohibiting fraudulent activities, bribery, and corruption. Regal's Anti-Corruption Policy reinforces these principles, ensuring transparency, accountability, and ethical governance. This year, Regal is developing a Code of Conduct. Violations of these policies, including any form of bribery involving employees or partners, may lead to employment termination and other legal consequences.

Regal's Anti-Corruption Policy underscores the significance of ethical practices in the procurement of goods and services. All employees are required to adhere to the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) in the conduct of Regal's business, as detailed in its Code of Conduct. New employees shall receive copies of the Anti-Corruption Policy and Whistleblowing Policy on their first day of onboarding. Additionally, the Employee Handbook provides comprehensive guidelines on anti-corruption measures, reinforcing Regal's zero-tolerance stance on bribery. Employees found guilty of bribery will face summary dismissal to heighten awareness of improper payments, kickbacks, and related forms of corruption. Regal has also explicitly defined the definition of advantage in accordance with Chapter 201 of the Prevention of Bribery Ordinance.

<sup>15</sup> The relevant laws and regulations includes the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).



While Regal accepts reasonable business courtesies to strengthen partnerships, these must never compromise impartial decision-making. Regal's policy explicitly stipulates the prohibition of accepting bribes, or any types of pressure or threats for economic advantages. All business interactions and gifts are documented in Regal's internal systems, and employees must promptly disclose potential conflicts of interest to line managers, department heads or Human Resources Department.

Breaches, such as involvement in corruption, bribery, or undisclosed external affiliations, will be subjected to disciplinary action or immediate dismissal. These standards extend to third-party partners and representatives.

To ensure employees understand and comply with policies on business ethics and anti-corruption, Regal organised some face-to-face Independent Commission Against Corruption talks for associates. All new employees are being briefed on the subject through orientation and Employee Handbook. Anti-corruption training is also provided to employees.

The Whistleblowing Policy is designed to uphold transparency and integrity within Regal, addressing concerns related to criminal offences, breaches of legal or regulatory requirements, malpractices, unethical behaviours, financial fraud, and discrimination. Whistleblowers may report their concerns either in person or in writing, via email or post, to the Chief Operating Officer. Regal is committed to safeguarding the rights of whistleblowers against retaliation, and all cases will be treated with strict confidentiality. Regal encourages individuals to provide their contact details to assist in the investigation process while anonymous reporting is also possible.



### **Properties – Mainland China**

Maintaining a high standard of business ethics is essential to Cosmopolitan's operations. Cosmopolitan places a strong emphasis on anti-corruption and anti-bribery practices as key principles of its operations. Cosmopolitan's policies are created in accordance with relevant laws and regulations to mitigate compliance risks in the bidding and procurement process. Cosmopolitan's Anti-Corruption Policy has been established to provide guidance on prohibition on improper payments and other forms of bribery, prohibition on soliciting and/or accepting advantages, prohibition on offering advantages, charitable contributions and sponsorships, entertainment and conflict of interests.

As outlined in the Code of Conduct of Workplace in the Employee Handbook, employees must follow legal and ethical work practices when interacting with affiliated units. Cosmopolitan strictly prohibits any violations of the code of conduct and any inappropriate behaviour, such as bribery and other unethical methods to gain benefits.

To increase employees' awareness of work ethics, Cosmopolitan conducted training sessions on fair competition and anti-corruption for all staff in accordance with the Anti-Unfair Competition Law of the People's Republic of China. Furthermore, all newly appointed leaders at the Tianjin office are required to have a pre-employment discussion with human resources administration managers to familiarise themselves with the office's business ethics requirements. Additionally, Cosmopolitan has set up multiple communication guidelines and channels to help employees identify and address any violations of legal requirements.

During the reporting period, no case of corruption or bribery lawsuit was recorded in Tianjin and Chengdu.





# Appendix I – Performance Tables

## Environmental Performance<sup>16</sup>

	Units	2023	2024
<b>Air Emissions<sup>17</sup></b>			
<b>Nitrogen Oxides (NO<sub>x</sub>)</b>	kg	449.24 <sup>18</sup>	500.82
Property management – Hong Kong	kg	9.76	12.90
Property development – Hong Kong	kg	0.01	0.01
Hotels	kg	419.03	468.04
Properties – Mainland China	kg	20.44 <sup>18</sup>	19.87
<b>Sulphur Oxides (SO<sub>x</sub>)</b>	kg	6.12 <sup>19</sup>	2.44 <sup>20</sup>
Property management – Hong Kong	kg	0.01	0.01
Property development – Hong Kong	kg	0.0003	0.0002
Hotels	kg	6.06 <sup>19</sup>	2.39
Properties – Mainland China	kg	0.04	0.04
<b>Particulate Matters (PM)</b>	kg	3.68 <sup>21</sup>	4.46 <sup>20</sup>
Property management – Hong Kong	kg	0.72	0.95
Property development – Hong Kong	kg	0.0010	0.0007
Hotels	kg	1.00	1.61
Properties – Mainland China	kg	1.96 <sup>21</sup>	1.90

<sup>16</sup> The performance data includes the property development and management in Hong Kong and Mainland China, and the hospitality operations in Hong Kong in 2023 and 2024. Also, during the reporting period, there is no construction work for Property development - Hong Kong. Therefore, there was a decrease in the environmental impacts (including environmental emissions and resource consumption) of Property development - Hong Kong in 2023.

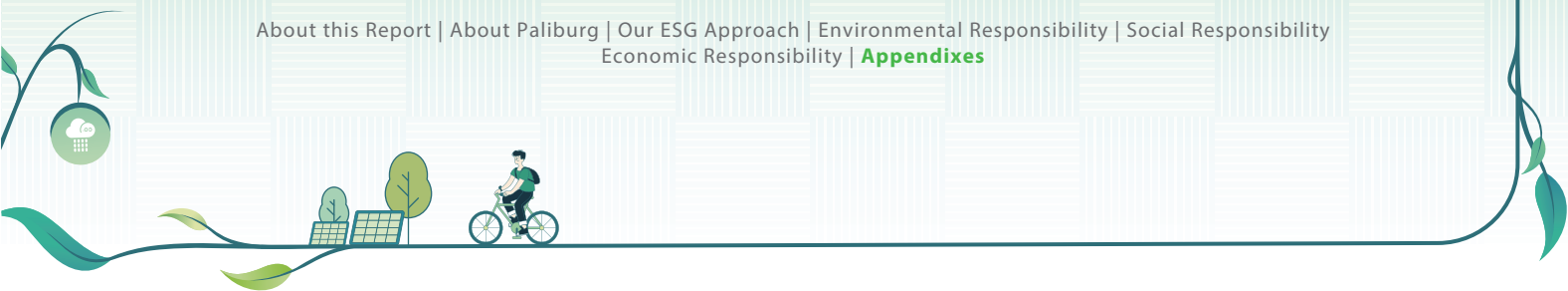
<sup>17</sup> The air emission data of the property development and management operations in Hong Kong is deemed negligible, thus the data has been excluded.

<sup>18</sup> The amount of NO<sub>x</sub> of Cosmopolitan has been restated due to the updating of the calculation methodology.

<sup>19</sup> The amount of SO<sub>x</sub> of Regal Hotel has been restated due to the updating of the calculation methodology.

<sup>20</sup> Numbers may not add up due to rounding.

<sup>21</sup> The amount of PM of Cosmopolitan has been restated due to the updating of the calculation methodology.



	Units	2023	2024
<b>GHG emissions</b>			
<b>Total GHG emissions</b>	tCO <sub>2</sub> e	46,391	45,548
Property management – Hong Kong	tCO <sub>2</sub> e	5,341	5,365
Property development – Hong Kong	tCO <sub>2</sub> e	1	10 <sup>20</sup>
Hotels	tCO <sub>2</sub> e	40,732	39,907
Properties – Mainland China	tCO <sub>2</sub> e	317	266
<b>Direct GHG emissions (Scope 1)<sup>22</sup></b>	tCO <sub>2</sub> e	6,084	6,021
Property management – Hong Kong	tCO <sub>2</sub> e	2	2
Property development – Hong Kong	tCO <sub>2</sub> e	0.05	9
Hotels	tCO <sub>2</sub> e	6,074	6,003
Properties – Mainland China	tCO <sub>2</sub> e	8	7
<b>Indirect GHG emission (Scope 2)<sup>23</sup></b>	tCO <sub>2</sub> e	40,306	39,527 <sup>20</sup>
Property management – Hong Kong	tCO <sub>2</sub> e	5,339	5,363
Property development – Hong Kong	tCO <sub>2</sub> e	0.85	0.55
Hotels	tCO <sub>2</sub> e	34,657	33,904
Properties – Mainland China	tCO <sub>2</sub> e	309	259
<b>GHG emission intensity<sup>24</sup></b>			
Property management – Hong Kong	kg CO <sub>2</sub> e/m <sup>2</sup>	28.47	28.60
Property development – Hong Kong	kg CO <sub>2</sub> e/m <sup>2</sup>	0.10	0.83
Hotels	kg CO <sub>2</sub> e/equivalent guest night <sup>25</sup>	20.03	11.25
	kg CO <sub>2</sub> e/m <sup>2</sup>	149.45	146.42
Properties – Mainland China	kg CO <sub>2</sub> e/m <sup>2</sup>	0.92	0.94

<sup>22</sup> Direct GHG emissions (Scope 1) are generated from fuel consumption, including diesel, petrol, liquefied petroleum gas (LPG) and town gas consumption.

<sup>23</sup> Indirect GHG emissions (Scope 2) included emissions from the generation and production of purchased electricity and town gas.

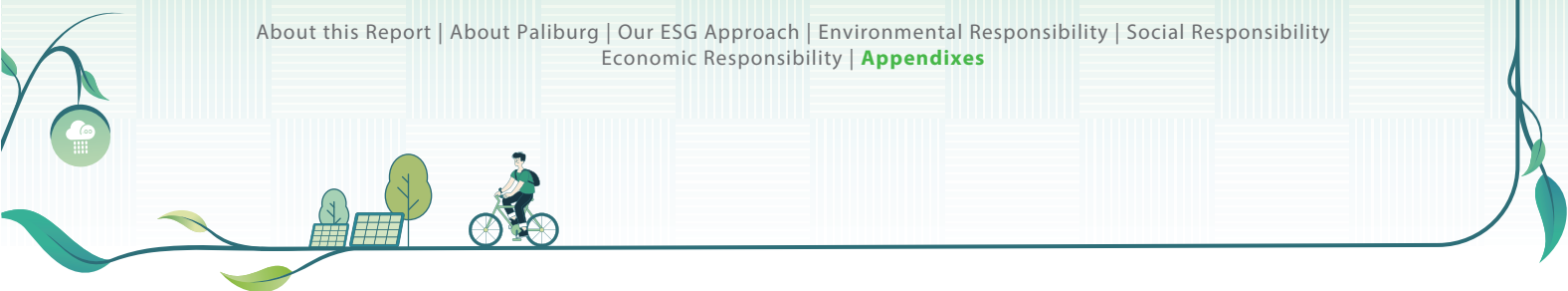
<sup>24</sup> The intensity figures are divided by total gross floor area of associated Paliburg or Cosmopolitan business units.

<sup>25</sup> Equivalent guest nights include the total number of guests staying overnight in Regal's hotels and one-third of the total number of guest patrons in Regal's restaurants and banquet/function rooms.





	Units	2023	2024
<b>Energy consumption</b>			
<b>Total energy consumption</b>	MWh	117,117	118,956
Property management – Hong Kong	MWh	11,348	11,294
Property development – Hong Kong	MWh	1	39
Hotels	MWh	105,195	107,115
Properties – Mainland China	MWh	572	508
<b>Electricity</b>	MWh	86,113	87,564
Property management – Hong Kong	MWh	11,345	11,285
Property development – Hong Kong	MWh	1	1
Hotels	MWh	74,224	75,796
Properties – Mainland China	MWh	543	482
<b>Fuel</b>	MWh	2,708	155
Property management – Hong Kong	MWh	3	9
Property development – Hong Kong	MWh	0	38
Hotels	MWh	2,676	82
Properties – Mainland China	MWh	29	26
<b>Towngas consumption in Hotels</b>	MWh	28,295	31,237
<b>Energy intensity<sup>24</sup></b>			
Property management – Hong Kong	MWh/m <sup>2</sup>	0.06	0.06
Property development – Hong Kong	MWh/m <sup>2</sup>	0.0001	0.003
Hotels	MWh/equivalent guest night <sup>25</sup>	0.05	0.03
	MWh/m <sup>2</sup>	0.39	0.28
Properties – Mainland China	MWh/m <sup>2</sup>	0.002	0.002



	Units	2023	2024
<b>Water consumption</b>			
<b>Total water consumption</b>	m <sup>3</sup>	838,896	775,690
Property management – Hong Kong	m <sup>3</sup>	54,333 <sup>26</sup>	37,432
Property development – Hong Kong	m <sup>3</sup>	0	0
Hotels	m <sup>3</sup>	783,911	737,651
Properties – Mainland China	m <sup>3</sup>	652	607
<b>Water intensity<sup>24</sup></b>			
Property management – Hong Kong	m <sup>3</sup> /m <sup>2</sup>	0.29	0.20
Property development – Hong Kong	m <sup>3</sup> /m <sup>2</sup>	0.00	0.00
Hotels	m <sup>3</sup> /equivalent guest night <sup>25</sup>	0.39	0.21
Properties – Mainland China	m <sup>3</sup> /m <sup>2</sup>	0.002	0.002

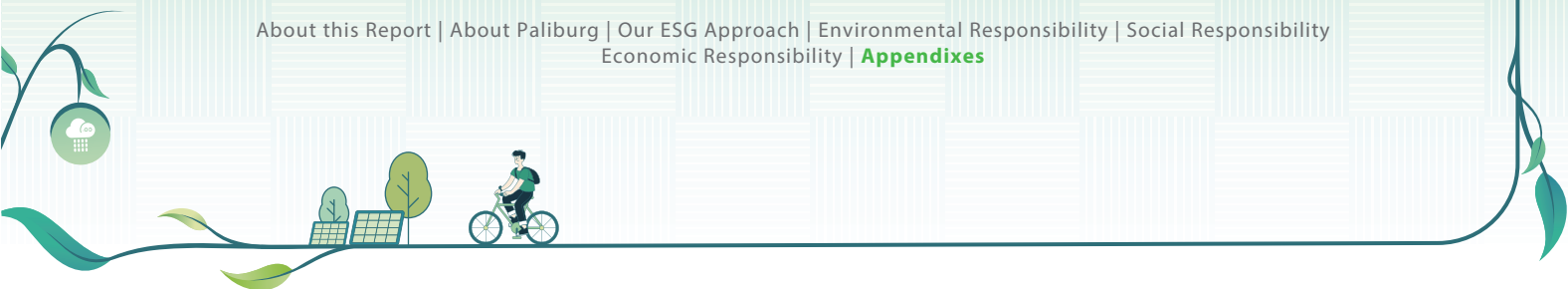
<sup>26</sup> While some of the monthly water consumption is outstanding, water consumption is estimated based on available data. It is calculated as “(amount of water consumed during the available months / count of months for which we have data on water consumption \* 12 months)”





	Units	2023	2024
<b>Waste disposal and recycled</b>			
<b>General waste disposed</b>	tonnes	12,093	10,235
Property management – Hong Kong	tonnes	6,026	5,940
Property development – Hong Kong	tonnes	1	200
Hotels	tonnes	6,066	4,095
Property – Mainland China	tonnes	0.03	0.01
<b>Waste recycled<sup>27</sup></b>			
Wood	kg	110	0
Metal and iron	kg	1,217	350
Old concrete	kg	800	500
Other construction material	kg	50,000	30,000
Used cooking oil	liter	7,856	16,004
Aluminum cans	kg	3,806	3,771
Plastic bottles	kg	6,729	7,220
Paper/cardboard	kg	123,234	151,687
Food waste and donations	kg	93,223	193,518
Glass	kg	3,818	14,421
Soap	kg	349	85
Others	kg	367	84
<b>Non-hazardous waste intensity<sup>24</sup></b>			
Property management – Hong Kong	kg/m <sup>2</sup>	32.13	31.66
Property development – Hong Kong	kg/m <sup>2</sup>	0.09	17.05
Hotels	kg/equivalent guest night <sup>25</sup>	2.98	1.15
Properties – Mainland China	kg/m <sup>2</sup>	0.0001	0.00004

<sup>27</sup> The waste recycled figures are the total of Property Management - Hong Kong, Property Development - Hong Kong and Hotels and Properties - Mainland China.



	Units	2023	2024
<b>Waste disposal and recycled</b>			
<b>Hazardous waste disposed</b>			
Retired lighting fitting	pieces	2,044	2,435
Battery	pieces	0	1,564
Electronic Appliances	pieces	10	120
Filler	kg	0.4	0.2
Paint and solvent containers	pieces	13	3
Filler containers	pieces	21	11
Cleaning Chemical	kg	0	2,050





## Social Performance

### Employment Practice

	Units	2023	2024
<b>Total workforce by employment contract</b>			
Permanent	number of people	1,560	1,469
Contract	number of people	158	290
Trainee	number of people	3	6
Total workforce	number of people	1,721	1,765
<b>Total workforce by gender</b>			
Male	number of people	846 <sup>28</sup>	845
Female	number of people	875	920
<b>Total workforce by age group</b>			
Under 25	number of people	76	74
25 – less than 40	number of people	389	410
40 – less than 55	number of people	804	827
55 or above	number of people	452	454
<b>Total workforce by employment category</b>			
Senior management	number of people	27	29
Middle management	number of people	184	156
General staff	number of people	1,510	1,580
<b>Total workforce by geographical location</b>			
Hong Kong	number of people	1,635	1,694
Mainland China	number of people	86	71
<b>Overall turnover</b>			
Overall turnover rate	%	40	37
<b>Employee turnover rate by gender</b>			
Male	%	45	45
Female	%	36	30
<b>Employee turnover rate by age group</b>			
Under 25	%	84	89
25 – less than 40	%	54	42
40 – less than 55	%	36	28
55 or above	%	29	41
<b>Employee turnover rate by geographical location</b>			
Hong Kong	%	42	38
Mainland China	%	10	23

<sup>28</sup> The figure has been restated to reflect the actual situation in that year.





## Occupational Health and Safety

	Units	2023	2024
Total number of work-related fatalities	number of people	0	0
Total number of lost day <sup>29</sup> due to work injuries	number of days	1,282	1,465

## Development and Training

	Units	2023	2024
<b>Percentage of employees trained by gender</b>			
Male	%	58	55
Female	%	42	45
<b>Percentage of employees trained by employment category</b>			
Senior management	%	2	3
Middle management	%	20	16
General staff	%	78	81
<b>Average training hours by gender<sup>30</sup></b>			
Male	number of hours	2	2
Female	number of hours	1	2
<b>Average training hours by employee category</b>			
Senior management	number of hours	6	5
Middle management	number of hours	4	4
General staff	number of hours	1	2

## Supply Chain Management

	Units	2023	2024
<b>Number of suppliers by geographical region</b>			
Hong Kong	number of suppliers	3,082	3,188
Mainland China	number of suppliers	201	22
Overseas	number of suppliers	89	95

<sup>29</sup> Lost days refer to sick leave due to all types of work-related injuries.

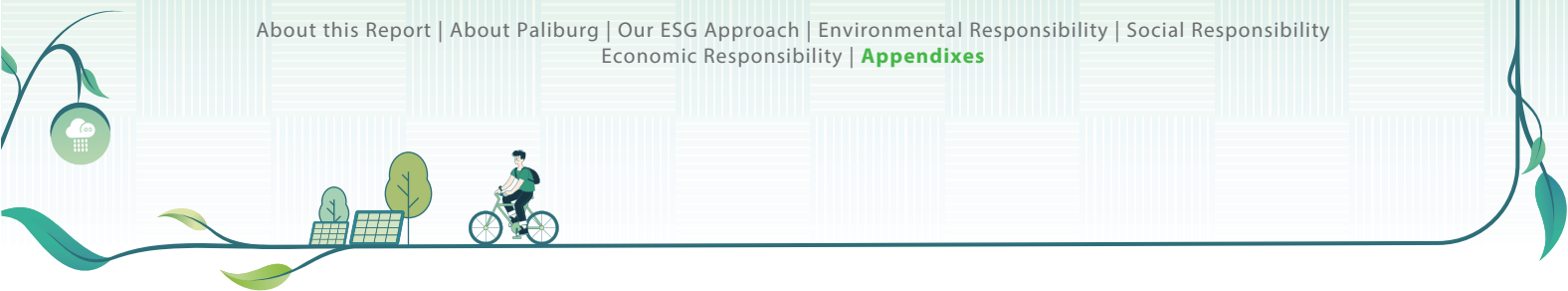
<sup>30</sup> It is calculated based on "Total number of training hours of the category/total number of employee of the category".

# Appendix II – The Stock Exchange of Hong Kong Limited’s ESG Reporting Code Content Index



Indicators		Section/ Statement
A. Environmental		
Aspect A1: Emissions	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Management; Energy Efficiency and Emissions; Water Management; Waste Management
	<b>KPI A1.1</b> The types of emissions and respective emissions data.	Environmental Performance
	<b>KPI A1.2</b> Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	<b>KPI A1.3</b> Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	<b>KPI A1.4</b> Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	<b>KPI A1.5</b> Description of emission target(s) set and steps taken to achieve them.	Environmental Management; Environmental Targets; Energy Efficiency and Emissions; Water Management; Waste Management
	<b>KPI A1.6</b> Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management; Environmental Targets





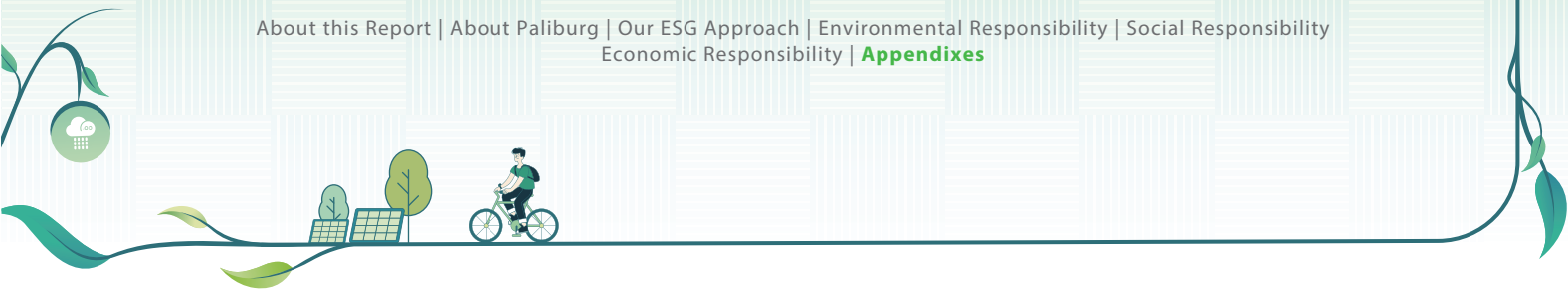
Indicators	Section/ Statement
<b>A. Environmental</b>	
<b>Aspect A2: Use of Resources</b>	<b>General Disclosure</b> Policies on the efficient use of resources, including energy, water and other raw materials. Environmental Management; Energy Efficiency and Emissions; Water Management
	<b>KPI A2.1</b> Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). Environmental Performance
	<b>KPI A2.2</b> Water consumption in total and intensity (e.g. per unit of production volume, per facility). Environmental Performance
	<b>KPI A2.3</b> Description of energy use efficiency target(s) set and steps taken to achieve them. Environmental Management; Environmental Targets; Energy Efficiency and Emissions
	<b>KPI A2.4</b> 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. Water Management; Environmental Targets <p>In 2024, there was no issue in sourcing water.</p>
	<b>KPI A2.5</b> Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. Not applicable to the core business of Paliburg.





Indicators		Section/ Statement
<b>A. Environmental</b>		
<b>Aspect A3: The Environment and Natural Resources</b>	<b>General Disclosure</b> Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Management
	<b>KPI A3.1</b> Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management
<b>Aspect A4: Climate Change</b>	<b>General Disclosure</b> Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Response to Climate Change
	<b>KPI A4.1</b> Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our Response to Climate Change
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring for Our Employees
	<b>KPI B1.1</b> Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social Performance
	<b>KPI B1.2</b> Employee turnover rate by gender, age group and geographical region.	Social Performance



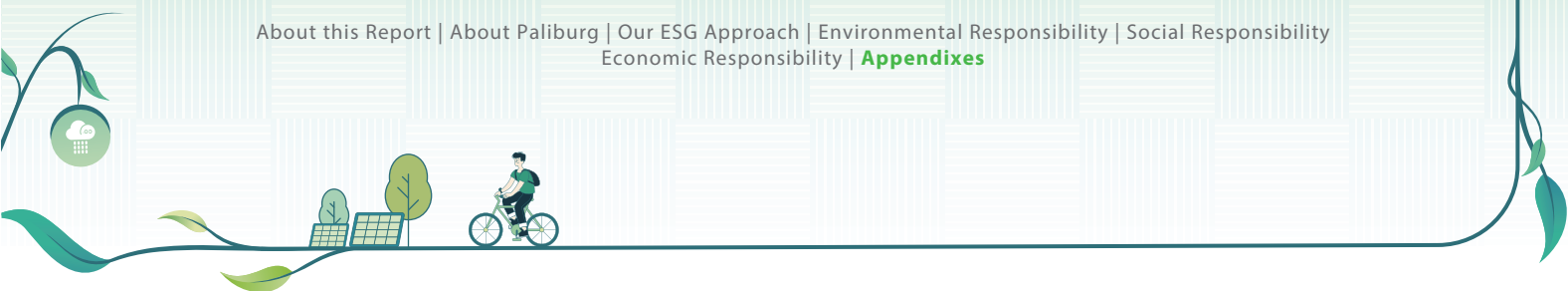


Indicators	Section/ Statement
<b>B. Social</b>	
<b>Employment and Labour Practices</b>	
<b>Aspect B2: Health and Safety</b>	<p><b>General Disclosure</b> Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</li> </ul> <p>Workplace Health and Safety</p> <p>During the reporting period, no non-compliance case relating to providing a safe working environment and protecting employees from occupational hazards was observed in our operations.</p>
	<p><b>KPI B2.1</b> Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p> <p>Social Performance</p> <p>The total number of work-related fatalities was zero for the past three years including the reporting period.</p>
	<p><b>KPI B2.2</b> Lost days due to work injury.</p> <p>Social Performance</p>
	<p><b>KPI B2.3</b> Description of occupational health and safety measures adopted, how they are implemented and monitored.</p> <p>Workplace Health and Safety</p>





Indicators		Section/ Statement
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B3: Development and Training</b>	<b>General Disclosure</b> Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Learning and Career Development
	<b>KPI B3.1</b> The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Performance
	<b>KPI B3.2</b> The average training hours completed per employee by gender and employee category.	Social Performance
<b>Aspect B4: Labour Standards</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Caring for Our Employees
	<b>KPI B4.1</b> Description of measures to review employment practices to avoid child and forced labour.	Caring for Our Employees
	<b>KPI B4.2</b> Description of steps taken to eliminate such practices when discovered.	Caring for Our Employees



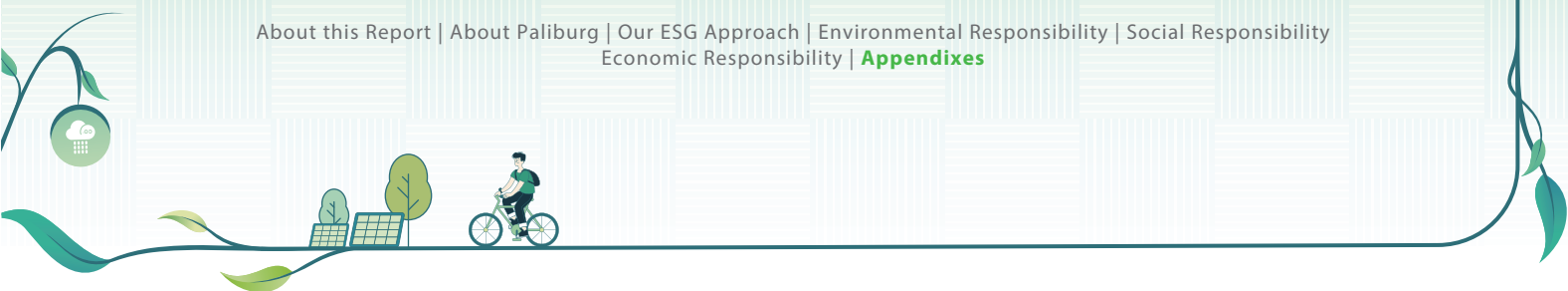
Indicators		Section/ Statement
B. Social		
Operating Practices		
Aspect B5: Supply Chain Management	<b>General Disclosure</b> Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	<b>KPI B5.1</b> Number of suppliers by geographical region.	Social Performance
	<b>KPI B5.2</b> Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
	<b>KPI B5.3</b> Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	<b>KPI B5.4</b> Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management







Indicators		Section/ Statement
<b>B. Social</b>		
<b>Operating Practices</b>		
<b>Aspect B6: Product Responsibility</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Caring for Our Customers  During the reporting period, no non-compliance case relevant to the laws and regulations that have a significant impact to our operations relating to health and safety, advertising, labelling and privacy matters was observed in our operations.
	<b>KPI B6.1</b> Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the core business of Paliburg.
	<b>KPI B6.2</b> Number of products and service related complaints received and how they are dealt with.	Product and Service Quality
	<b>KPI B6.3</b> Description of practices relating to observing and protecting intellectual property rights.	Caring for Our Customers
	<b>KPI B6.4</b> Description of quality assurance process and recall procedures.	Product and Service Quality
	<b>KPI B6.5</b> Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Caring for Our Customers



Indicators		Section/ Statement
<b>B. Social</b>		
<b>Operating Practices</b>		
<b>Aspect B7: Anti-corruption</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
	<b>KPI B7.1</b> 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.	No legal cases regarding corrupt practices were brought against to the Group during the reporting period.
	<b>KPI B7.2</b> Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics; Supply Chain Management
	<b>KPI B7.3</b> Description of anti-corruption training provided to directors and staff.	Business Ethics
<b>Community</b>		
<b>Aspect B8: Community Investment</b>	<b>General Disclosure</b> Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Responsibility
	<b>KPI B8.1</b> Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Responsibility
	<b>KPI B8.2</b> Resources contributed (e.g. money or time) to the focus area.	Social Responsibility





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