



百利保控股有限公司

**Paliburg**  
Holdings Limited

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

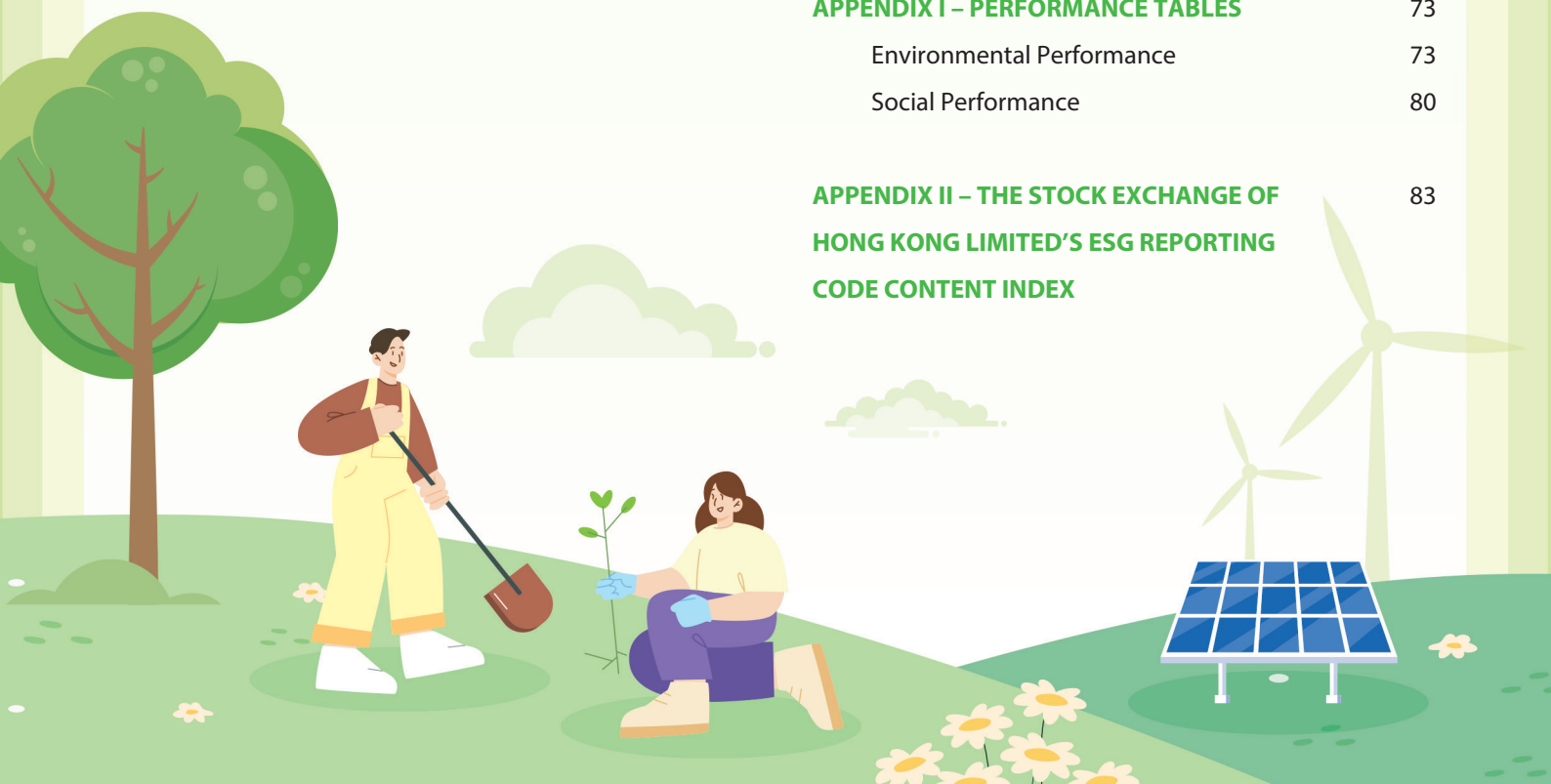


2025

SUSTAINABILITY REPORT

# CONTENTS

<b>ABOUT THIS REPORT</b>	2	<b>ENVIRONMENTAL RESPONSIBILITY</b>	13
Reporting Standard	2	Environmental Management	13
Reporting Principles	2	Environmental Targets	21
Reporting Scope and Boundary	2	Our Response to Climate Change	24
Reporting Period	3	Energy Efficiency and Emissions	33
Accessibility of the Report and Feedback	3	Water Management	39
Board Approval	3	Waste Management	41
<b>ABOUT PALIBURG</b>	4	<b>SOCIAL RESPONSIBILITY</b>	45
Our Businesses	4	Fostering Community Engagement	45
Our Presence	5	Youth Development	49
		Wellness	51
<b>OUR ESG APPROACH</b>	8	Social Inclusion	53
Board Statement on ESG Matters	8	<b>ECONOMIC RESPONSIBILITY</b>	54
Our ESG Strategy	8	Caring For Our Employees	54
Corporate Governance	9	Caring for Our Customers	61
Sustainability Governance	9	Supply Chain Management	66
Stakeholder Engagement	10	Business Ethics	70
Materiality Assessment	11	<b>APPENDIX I – PERFORMANCE TABLES</b>	73
		Environmental Performance	73
		Social Performance	80
		<b>APPENDIX II – THE STOCK EXCHANGE OF HONG KONG LIMITED’S ESG REPORTING CODE CONTENT INDEX</b>	83



# About This Report



## Reporting Standard

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) 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 were conducted to identify material environmental, social and governance (“ESG”) topics 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 tenth 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 Chinese Mainland. The Group has adopted the operational control approach for greenhouse gas accounting of Scope 1 (direct) and Scope 2 (indirect) emissions to reflect its authority to introduce and implement operating policies, and its responsibility over day-to-day operations across assets under management. Scope 3 (indirect) greenhouse gas emissions from the Group’s upstream and downstream value chain are also reported. This approach captures the Group’s annual sustainability performance based on its operational scope in the reporting year.

## Reporting Period

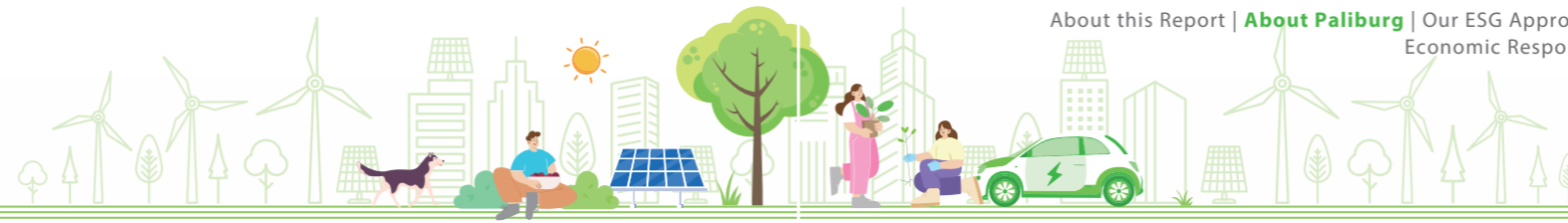
Unless otherwise stated, this report presents the highlights of our progress and performance on material ESG topics for the period from 1 January 2025 to 31 December 2025 (the “Reporting Period”).

## 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 2026.



## 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 Chinese Mainland. 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 Chinese Mainland.

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.

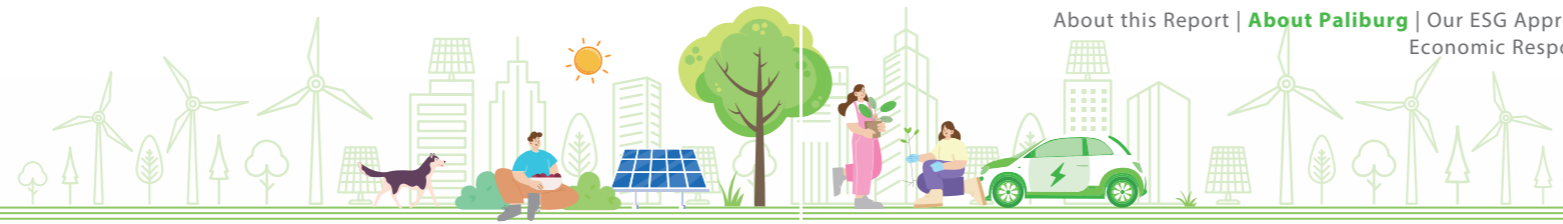
## Our Presence

The Group’s property and hotel projects are summarised below, the details of which are set out in Paliburg’s Annual Report for 2025 (the “2025 Annual Report”).

### Property Development and Investment Business

#### Property Development and Investment Business in Hong Kong

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



## Property Development and Investment Business in Chinese Mainland

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

## Hotel Business

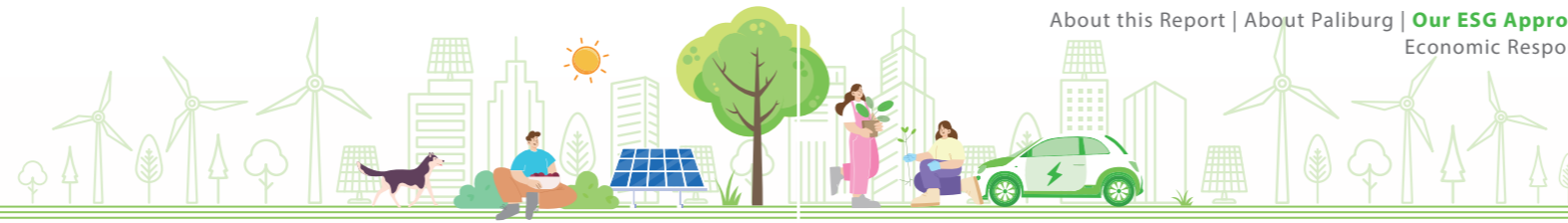
Over the years, Regal has built an extensive presence in Hong Kong and Chinese Mainland. Regal is operating and/or managing twelve hotels under the Regal, Regala and iclub by Regal brands in Hong Kong, nine of which are owned by Regal REIT.

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 Chinese Mainland



# 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, please refer to the 2025 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 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 for review annually.



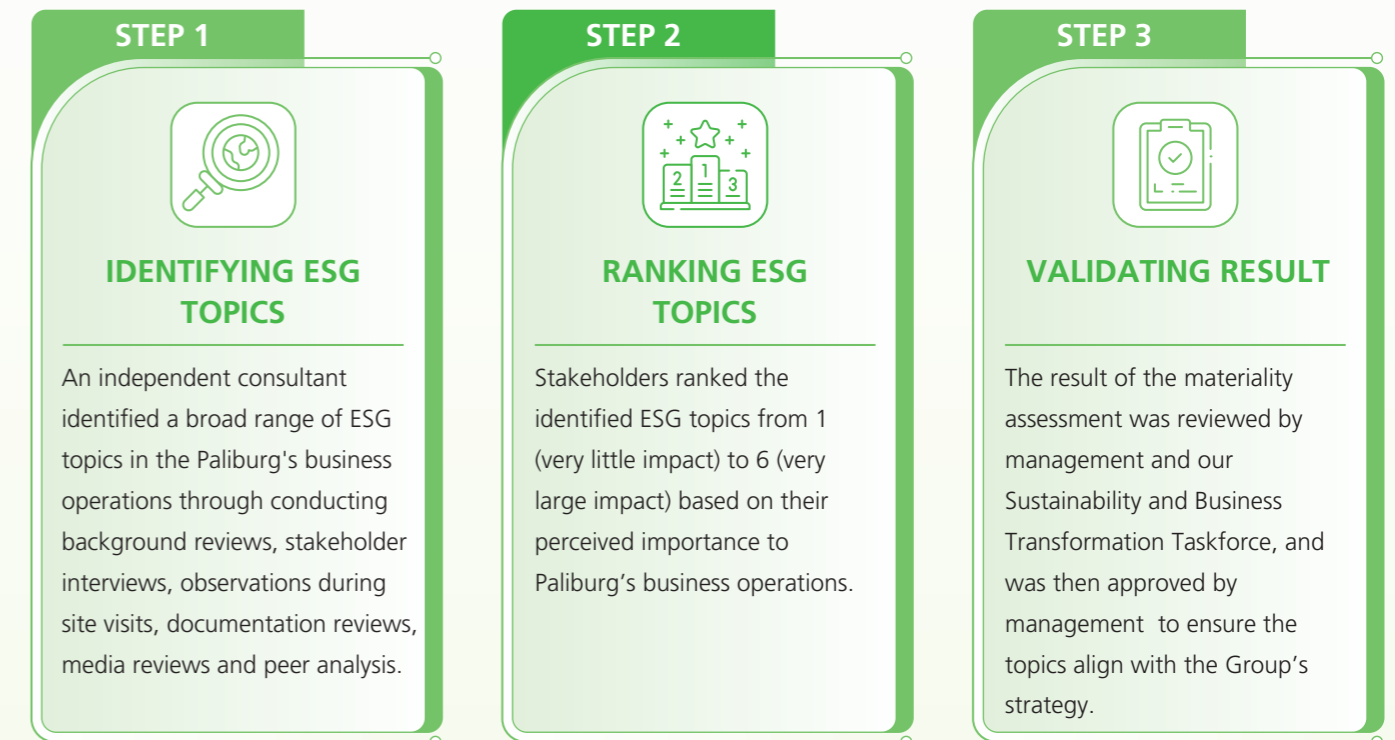
## Stakeholder Engagement

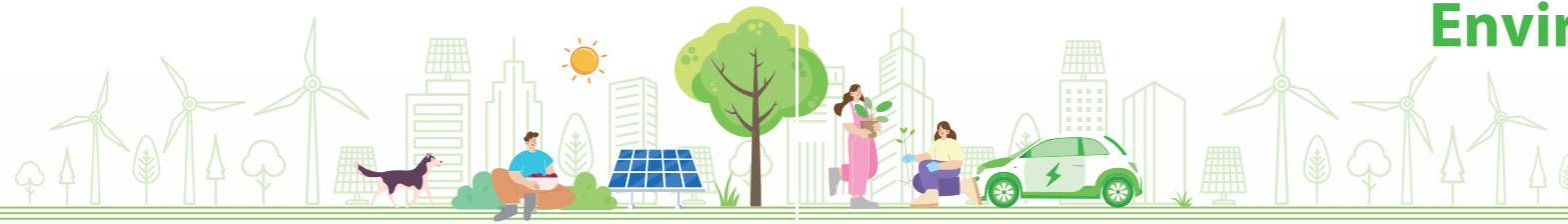
With the aim to understand the views and needs of various stakeholder groups, the Group has established a number of transparent and diverse communication channels. We ensure their opinions are effectively gathered and well considered. Through regular communication and engagement exercises, the Group 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	
<b>Internal Stakeholders</b>	<b>Management</b>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Ongoing engagement</li> </ul>
	<b>Employees</b>	<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>
<b>External Stakeholders</b>	<b>Community</b>	<ul style="list-style-type: none"> <li>Media conferences</li> <li>Volunteer activities</li> <li>Face-to-face meetings</li> </ul>
	<b>Customers/Tenants</b>	<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>
	<b>Investors/Shareholders</b>	<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>
	<b>Industrial Associations</b>	<ul style="list-style-type: none"> <li>Industry forums</li> </ul>
	<b>Suppliers/Contractors/ Business Partners</b>	<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:

 <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Energy Efficiency</li> <li>• GHG Emissions</li> <li>• Waste Management</li> <li>• Water and Effluent</li> <li>• Climate Adaptation and Mitigation</li> <li>• Biodiversity</li> </ul>	 <p><b>Operating Practices</b></p> <ul style="list-style-type: none"> <li>• Ethical and Transparent Business</li> <li>• Customer Privacy</li> <li>• Customer Satisfaction</li> <li>• Supply Chain and Sourcing Management</li> </ul>
 <p><b>Employees</b></p> <ul style="list-style-type: none"> <li>• Employee Benefits and Welfare</li> <li>• Employee Training and Development</li> <li>• Diversity and Equality</li> <li>• Labour Practices</li> <li>• Occupational Health and Safety</li> </ul>	 <p><b>Product and Service</b></p> <ul style="list-style-type: none"> <li>• Community Investment and Engagement</li> </ul>
 <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Innovation</li> <li>• Health and Safety</li> <li>• Green Building</li> </ul>	 <p><b>Community</b></p> <ul style="list-style-type: none"> <li>• Responsible Investment and Financial Performance</li> </ul>

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 adherence to 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 our efforts with our core values, each subsidiary develops tailored management strategies that reflect our collective goals. The Group dedicates 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, using 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, the Group strives to fulfil our environmental commitments while promoting a culture of responsibility within the Group.

### Properties – Hong Kong

Paliburg’s 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 its sustainable operations. This framework provides clear guidance, ensuring accountability and consistency across the Group. We regularly evaluate and monitor its 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.

<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 its 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 its environmental performance, strategies, and objectives, we can pinpoint areas for enhancement and respond promptly. We collaborate with various organisations and professional bodies to ensure its 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 its operations are not only efficient but also aligned with sustainable practices. This dedication is reflected in Paliburg’s achievement of the BEAM Plus Certification from the Hong Kong Green Building Council, which underscores Paliburg’s focus on creating environmentally conscious developments.

## Hotels

During the Reporting Period, Regal has developed 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 taking environmental factors into all aspects of its 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 promote environmental awareness in the workplace and in daily life, Regal actively engages employees and the public in nature conservation efforts. Regal also ensures its hotels strictly comply with all environment-related laws and regulations<sup>2</sup> in the communities it operates.

<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 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 the ESCAP Sustainable Business Network, 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 its 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 (“IPCC”) Guidelines for National GHG Inventories, the World Business Council for Sustainable Development, GHG Protocol and a range of standards under the International Organization for Standardization (“ISO”).

As one of the indicators of Regal’s 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 certifications below in 2025:

**List of EarthCheck Certifications obtained during the Reporting Period:**

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

**Case Study: Sustainable Building Designs**

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

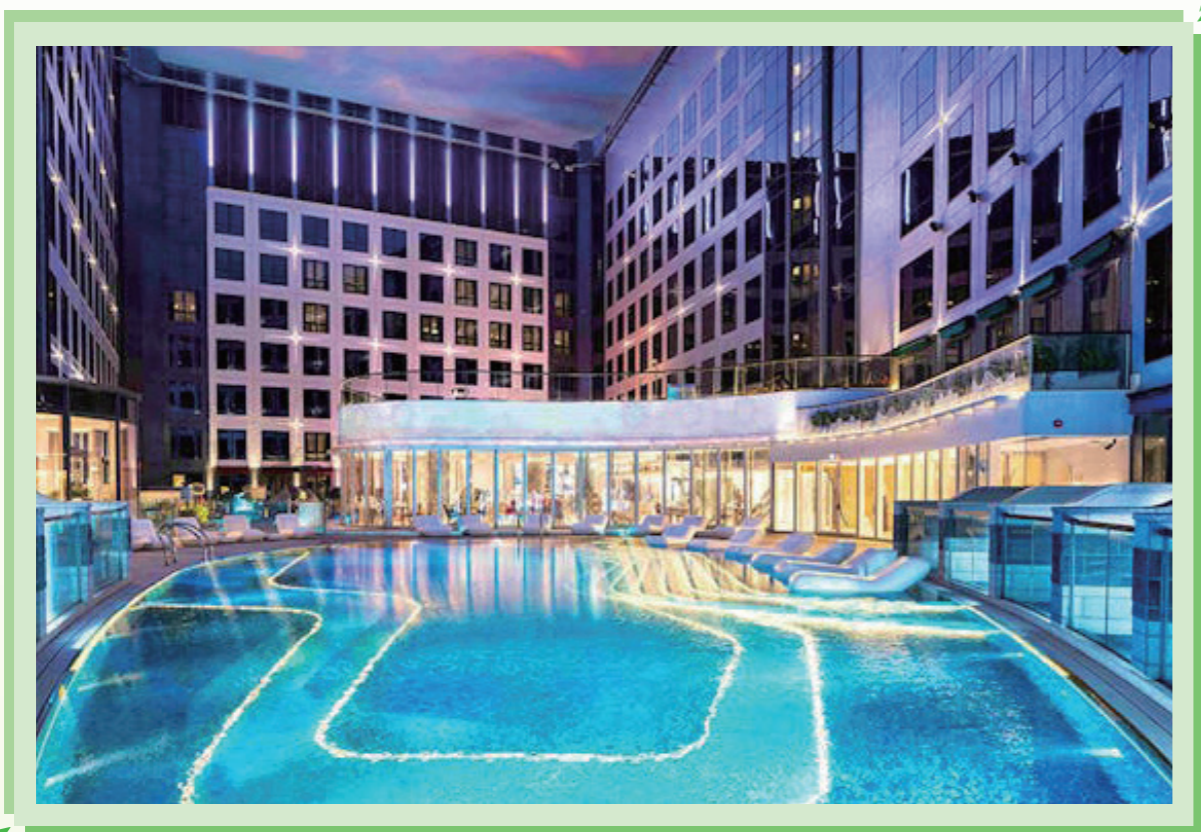


The building has been designed to reduce energy consumption by utilising natural light and ventilation.

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 a strong emphasis on environmental sustainability. 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 – Chinese Mainland

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, we specify the use of oil fume purification equipment in its Heating, Ventilation, and Air Conditioning (“HVAC”) construction and require that the processing of cooking fumes must comply with the current national standards when considering the design of air conditioning and ventilation systems.

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.

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.



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

## Project

The Ascent



## Certifications

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 the 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	Details	Status
<b>GHG Emissions<sup>3</sup></b>	<b>Medium term</b>	Reduce GHG emissions intensity by 10% by 2030 with 2018 as baseline year.	Achieved 34% reduction in GHG emissions intensity in 2025 compared to 2018 as the baseline year.
<b>Energy Efficiency<sup>4</sup></b>	<b>Medium term</b>	Reduce energy intensity by 10% by 2030 with 2018 as baseline year.	Reduced 4% in energy intensity in 2025 compared to 2018 as the baseline year.
<b>Waste</b>	<b>Long term</b>	Maintain 100% hazardous waste recycling.	We continue to monitor the progress of recycling.

<sup>3</sup> The intensity is calculated in terms of equivalent guest night.

<sup>4</sup> The energy intensity is calculated in terms of equivalent guest night.



## Hotels

During the Reporting Period, Regal has reviewed and updated the environmental targets, as well as introduced a comprehensive set of ESG targets present below:

Key Aspects	Targets	Details	Status
<b>GHG Emissions</b>	<b>Medium term</b>	Reduce scope 1 <sup>5</sup> and 2 GHG emissions intensity by at least 20% with 2023 as a baseline by 2030.	On track
<b>Green Building</b>	<b>Short term</b>	Achieve BEAM Plus Existing Building certifications for at least 30% of hotel properties by 2025.	Application submitted
<b>Water</b>	<b>Medium term</b>	Maintain water intensity by square metre at or below 2023 level <sup>6</sup> .	Maintained

<sup>5</sup> Does not include chafing fuel and fugitive emissions from refrigerants.

<sup>6</sup> Water management target is updated in 2025 as part of Regal's ongoing efforts to enhance sustainability governance and prioritise material sustainability topics.

## Properties – Chinese Mainland

Key Aspects	Targets	Details	Status
<b>GHG Emissions</b>	<b>Short Term</b>	Have at least 10 parking spaces with electric vehicle ("EV") chargers in its current projects.	Reserved EV parking slots with 1,250 kVA chargers in the Chengdu Project.
		Reduce GHG emissions of AB tower and its associate buildings, commercial street and residential buildings in its Tianjin Project by 2% in 2025 using 2024 as baseline.	Achieved 37% reduction in GHG emissions in 2025 compared to 2024 as the baseline year. Will continue to implement emissions reduction measures and monitor the carbon emissions of the Tianjin Project.
	<b>Medium Term</b>	Increase the number of parking spaces with EV chargers.	Will continue to increase parking spaces with EVs chargers.
<b>Energy Efficiency</b>	<b>Short Term</b>	Reduce energy consumption intensity by 2% in 2025 in Tianjin Project, using 2024 as baseline.	Achieved 35% reduction in energy consumption intensity in 2025 compared to 2024 as the baseline year. Use of energy-saving office furniture and equipment. Restrict usage of office vehicles unless necessary.



## 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 oversees the Group's climate-related strategy, overall sustainability performance and management, including climate-related risks and opportunities, ensuring alignment between corporate strategy and sustainability goals. We are committed to taking actions to mitigate and adapt to the risks across the operations. The Board provides guidance and leadership on Regal's ESG strategies and governance practices, and reviews the climate-related strategy and targets annually to ensure that informed decisions are made.

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

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 our organisational strategy, we have set environmental targets to work towards a low-carbon 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.

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 below.

### Identified Physical and Transition Risks and their Impacts to the Group

Physical Risk Drivers	Potential Impacts to the Group
<b>Flooding</b>	<ul style="list-style-type: none"> <li>Increase in costs for repairs and maintenance</li> <li>Disrupt construction timelines and impact guest satisfaction</li> </ul>
<b>Extreme Heat</b>	<ul style="list-style-type: none"> <li>Increase in wear and tear of building materials, infrastructure and hotel facilities</li> <li>Increase in heat stress for construction workers, staff and guests</li> <li>Increase in energy consumption from 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>Increase in water management operational cost</li> <li>Reduce demand for development projects and luxury services</li> </ul>
<b>Cyclones/Typhoons</b>	<ul style="list-style-type: none"> <li>Increase in 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>7</sup></li> <li>China's dual carbon goals (i.e., peak carbon emissions by 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>Enhanced drive to develop green buildings</li> <li>Higher expectations from guests may impact corporate image and loyalty</li> </ul>

<sup>7</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

Leveraging findings from climate risk assessment in previous years, the Group has 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-related risks and opportunities on our hotels as well as property management and development operations in 2024.

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 IPCC and Network for Greening the Financial System (“NGFS”). The two contrasting scenarios are further adopted for climate-related scenario analysis across three time horizons. The table below illustrates the assessment framework and the four selected pathways:

### Assessment Framework

<b>Scope of Properties:</b>	2 composite development projects in Chinese Mainland and 12 hotels in Hong Kong
<b>Time Horizons:</b>	Short Term: 2021-2040; Medium Term: 2041-2070; Long Term: 2071-2100

### Climate-Related Scenarios and Selected Pathways

<b>Turquoise Scenario:</b>	A global mean temperature rise of 1.5°C to 2°C by 2100
<b>Brown Scenario:</b>	A global mean temperature rise of above 3°C by 2100
<b>Physical Risk Pathways:</b>	Shared Socio-Economic Pathway 1-2.6 (“SSP 1-2.6”) Shared Socio-Economic Pathway 5-8.5 (“SSP 5-8.5”)
<b>Transition Risk Pathways:</b>	Net Zero 2050 Current Policies

	Turquoise Scenario	Brown Scenario
Pathway associated with climate-related <b>physical risks</b>	<b>SSP1-2.6<sup>8</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>9</sup></b> A very high emissions driving 4.4°C warming by 2100. Considered a high-risk, fossil-fuel-intensive pathway, it exceeds Paris goals and involves catastrophic impacts like significant habitat loss and extreme weather.
Pathways associated with climate-related <b>transition risks</b>	<b>Net Zero 2050<sup>10</sup></b> This 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>11</sup></b> This maintains climate measures that are currently implemented, leading to high emissions and 3°C+ warming. Transition risks escalate in the post-2030 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 the different physical and transition risks the Group may encounter under different global warming trajectories for selected hotels across our portfolio. Exposure levels are ranked to determine which physical and transition risks will be selected for further analysis.

### 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-related scenarios. The data has allowed us to evaluate the exposure to specific assets and operations in short, medium and long term. The financial implications of these risks are in the process of being quantified.

The project evaluates the 14 key assets in Chinese Mainland 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-related risks. More pertinent climate hazards identified in the assessment are flooding and extreme heat.

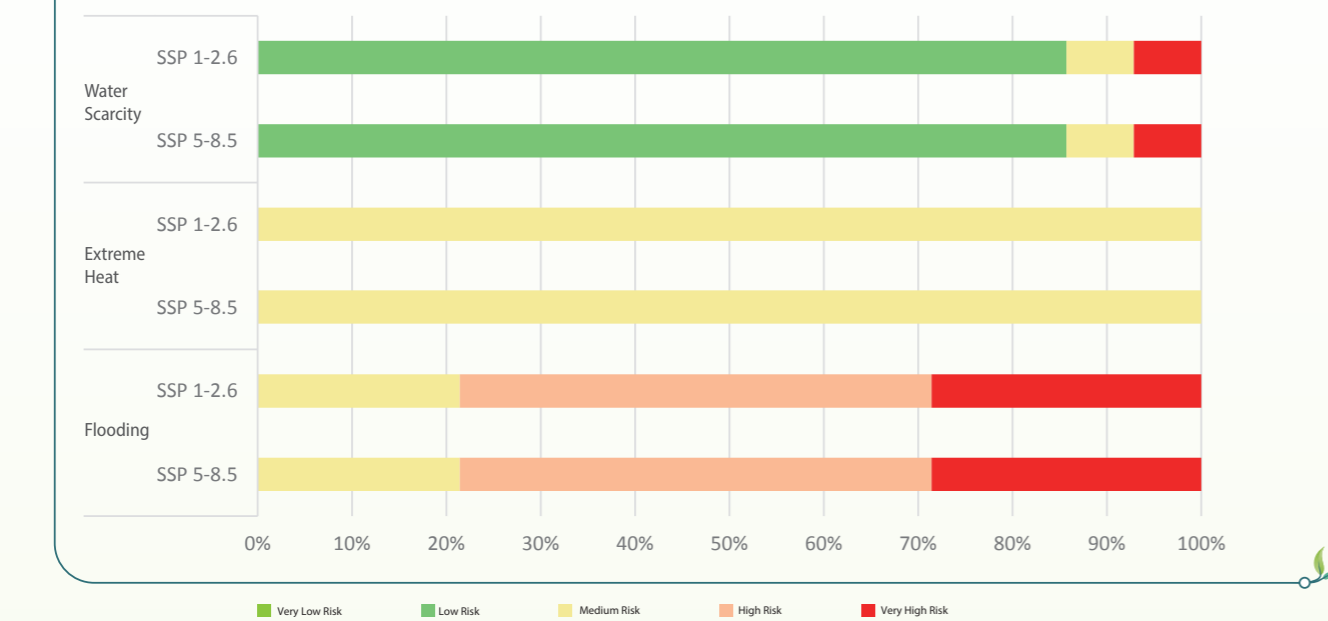
<sup>8,9</sup> Pathways adopted are from IPCC’s sixth assessment report

<sup>10,11</sup> Pathways adopted are from NGFS.

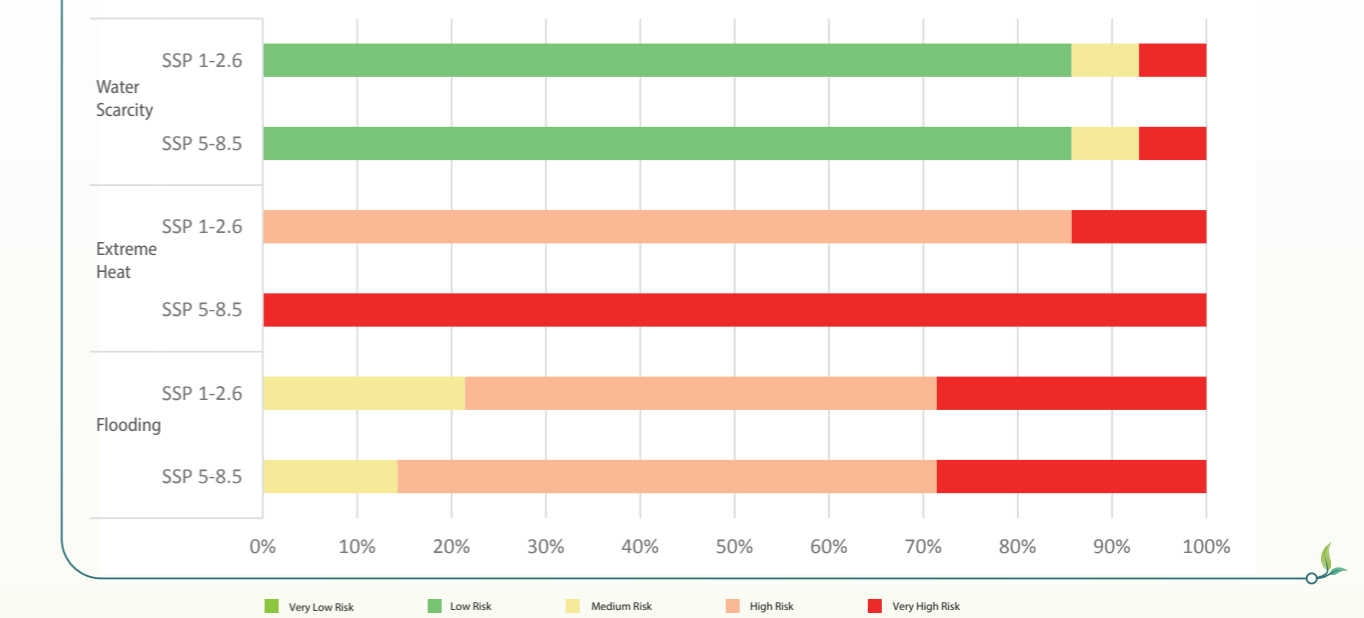


## Water scarcity, extreme heat and flooding risks

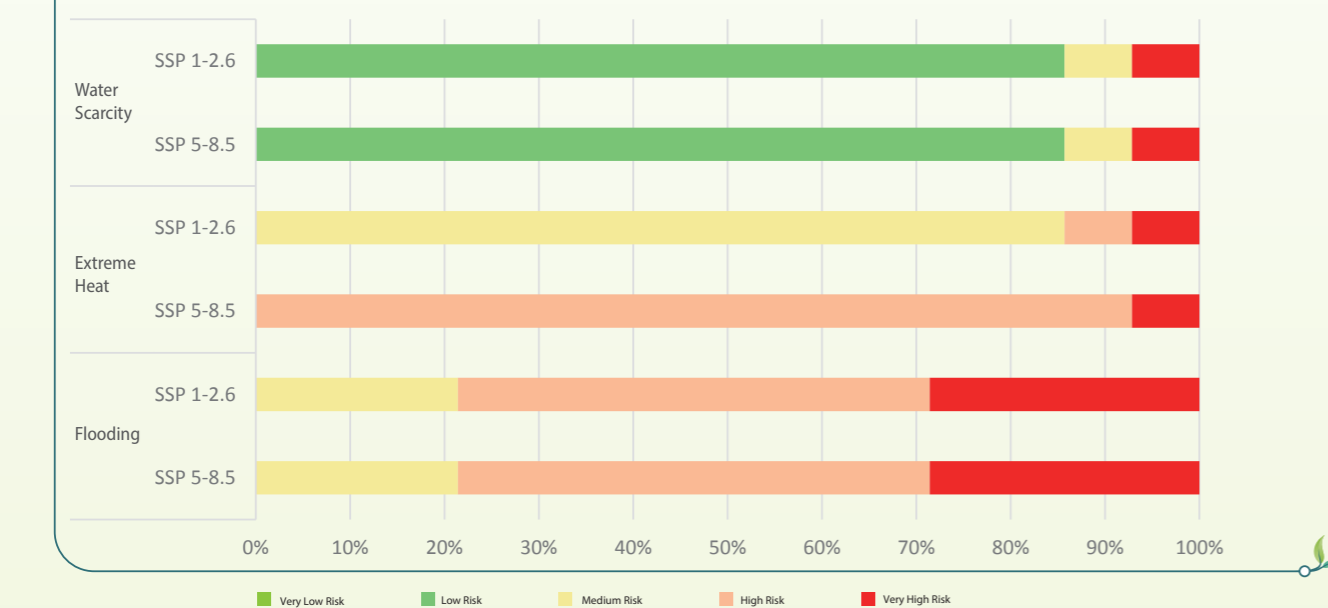
### Portfolio by Short Term Physical Risk Levels



### Portfolio by Long Term Physical Risk Levels



### Portfolio by Medium Term Physical Risk Levels



### Typhoon risks

The severity of typhoons is expected to intensify with wind speeds 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 risks are “inconclusive because of limited reliable simulations”, and we will further explore the feasibility and reliability of conducting scenario analysis on typhoon risks 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 short, medium and long term, and include both global and region-specific (Hong Kong and Chinese Mainland) indicators.



## Change in carbon and energy price

	Carbon price <sup>12</sup>			Energy price <sup>12</sup>		
	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term
Net Zero 2050	High	High	High	Low	Low	Low
Current Policies	Very Low	Low	Medium	Very Low	Low	Low

Level of Decrease: Very High (Dark Green), High (Green), Medium (Light Green), Low (Very Light Green), Very Low (White)

Level of Increase: Very Low (Light Pink), Low (Pink), Medium (Red-Pink), High (Red), Very High (Dark Red)

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-related risks. In light of this, Paliburg has already developed a set of climate adaptation and mitigation strategies to tackle the impacts from climate-related risks.

## 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 its internal policies and procedures to strengthen its overall climate resilience.

### Hotels

This year, Regal has established 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 lower carbon sources. 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.

<sup>12</sup> Changes are gauged against baseline year 2020.

## Hotels

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

## Properties – Chinese Mainland

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 15th Five-Year Plan and its blueprint for sustainable development of the country, the government has set national targets to reduce CO<sub>2</sub> emissions per unit of Gross Domestic Product ("GDP") by 17% and to reduce energy consumption per unit of GDP by 10%, 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. Abnormalities in these systems are 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.

### *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, Paliburg is aware of investors' heightening expectations and regulatory requirements on climate-related disclosures, and the potential implications to its business.

### **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 section. The risk list was built through reviewing publications of international research organisations and peer companies.

The Group is progressively aligning its practices with evolving regulations and stakeholder expectations on climate risk management. In 2025, updates and reviews of climate-related risks and opportunities—including market, policy, and legal risks—for senior management were conducted.

### **Metrics and Targets**

Paliburg closely monitors climate-related metrics and discloses progress annually in its Sustainability Report. These metrics are available under "Environmental Performance" section in "Appendix I – Performance Tables". To align with Hong Kong's Climate Action Plan 2050, we have set climate-related targets, including those related to GHG emissions, energy and water usage. For further information regarding the details 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 its 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 2025, with ten 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 managed properties and has implemented specialised shifting arrangements, effective temperature monitoring and ventilation setting for its 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, it has 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. Paliburg has also implemented a variety of sustainable energy initiatives into its 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 its development projects is now at least 10% lower than the Electrical and Mechanical Services Department (“EMSD”) requirement.

To minimise environmental impact caused by transportation on 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 its other goals to achieve carbon neutrality and a “Zero Carbon Emissions Clean Air Smart City”.

Moreover, we are leveraging internationally renowned awards and benchmarks to monitor its 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 incandescent light bulbs (ILB) for general lighting purposes and adopting more energy-efficient lighting. We engaged independent third-party consultants from professional firms to audit on its annual energy and carbon and gives suggestions on how to improve certain performance. They also suggest on strategies and action plans on green features across the business units for management’s consideration. In the future, Paliburg will remain its dedication to fulfilling the assessment criteria of other awards and to achieve zero emissions before 2050.

## Hotels

Energy consumption has been the major source of Regal’s scope 1 and scope 2 carbon emissions. It continues to fluctuate across the years driven by hotel occupancy and guest consumption.

### 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 customers to opt for EV over fuel-powered ones to reduce carbon emission

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

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

Consider retrofitting 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 – Chinese Mainland

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. The goals were achieved through implementing a series of initiatives in 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. Landscaping and greenery projects are also enhanced to provide natural cooling effects 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 (GB) 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 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 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

- Enhance the control of volatile organic compounds (“VOCs”) and accelerate the progress of leak detection and repair in petrochemical production facilities.
- Analyse the status and characteristics of ozone pollution in cities or regions to determine the regional occurrence of ozone pollution.
- Prohibit outdoor spray painting and carry out specialised law enforcement inspections.
- Improve the optimisation of road traffic in key areas.

## Dust Prevention Measures

- The construction area is closed or isolated. A dust-proof mesh netting is installed with height exceeding 1.2 metres above the site.
- Utilise landscaping to absorb pollutants, regularly spray water over construction sites and cover dust-prone waste with cloth.
- Prohibit on-site burning of rubbish and other debris.
- Require all vehicles to pass through washing bays and undergo power washing before leaving construction sites.
- Ensure all concrete and mortar used on-site are premixed.

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 the 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 its 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 it to monitor consumption closely and promote efficient practices. Regular contractor reports enable it to analyse water usage performance and address potential risks proactively, reinforcing its commitment to water sustainability.

Moreover, Paliburg mandates that the contractors adhere to local discharge standards and regulations to ensure that wastewater from its construction sites is properly treated. For instance, a compulsory water management system has been implemented in designated areas across all its construction sites. Through this system, Paliburg effectively manages the collection, treatment, and recycling of surface runoff wastewater. The system 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 distributes 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 its 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 Regal's 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 – Chinese Mainland

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

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 work, 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 successfully reached the water consumption intensity reduction target in 2025 by 1% when compared to 2024 level. This is achieved through transformation projects 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 implements water-saving initiatives. Regular water seepage assessments are performed to reduce water leakage risks, for example, daily inspections of water supply networks and facilities. In the Chengdu Project, Cosmopolitan has installed a 493m<sup>3</sup> rainwater cistern in 2022 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 processes to protect water quality and reduce contamination to the water bodies and the environment. The treatment process strives to collect and handle wastewater in an on-site 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, the Group pledges 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, the Group has 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 its activities and operations but also from tenants and customers. By implementing these practices, the Group aims 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 its waste management practices and ensure adherence to its 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 its 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 Paliburg's 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, Paliburg promotes 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), Paliburg ensures 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

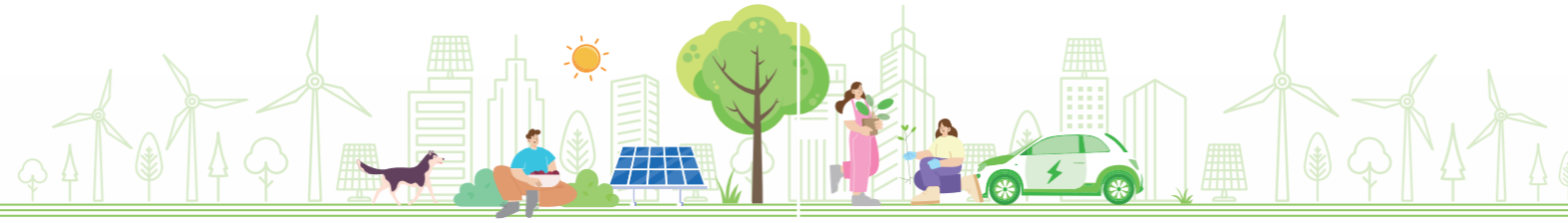
Regal has published a Waste Management Policy to meet or exceed waste-related regulations and integrate industry best practices into operations and services. Regal will continue to review its waste composition, and ensure both non-hazardous and hazardous waste are managed in a responsible and transparent manner. By tracking the waste generation, Regal aims to gradually reduce unnecessary material disposal and be part of a circular economy where resources are fully utilised across its life cycle.

## Properties – Chinese Mainland

Cosmopolitan strives to reduce waste in its construction and operation activities of its properties.

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 is guided by the principles of the 15th 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 with Regulations of Tianjin Municipality on the 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 non-reusable 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

#### One Earth Summit 2025

Organised by Institute of Sustainability and Technology (IST) in partnership with the World Economic Forum's Giving to Amplify Earth Action Initiative, One Earth Summit 2025 was the second edition of Hong Kong's premier platform to advance sustainability movement in Asia held at Regala Skycity Hotel. The event brought together over 650 leaders, investors, policymakers and innovators from finance, start-ups, philanthropy, academia and civil society to advance systemic change towards a net-zero, nature-positive future.

Themed "Driving systemic change for sustainable future through impact investments and technology innovations", the 2025 edition focused on three core topics: Buildings and Mobility, Energy Transition, and Food and Water Resources, highlighting practical solutions, cutting-edge technologies and investment opportunities in green infrastructure, renewables, energy IoT, and sustainable resource management. It also served as a centrepiece for the One Earth NextGen Leaders 2025 programme, which engaged 100 young leaders from across Asia to connect with global speakers, visit green tech hubs, and pitch climate-focused ideas.





## One Earth NextGen Leaders 2025

Regal is proud to support the One Earth NextGen Leaders 2025 programme, an initiative that empowers a climate-aware, purpose-driven generation shaping the future of environmental dialogue. Co-organised between IST and Temasek Foundation, the three-day programme brought together over 100 young leaders from across Asia to engage with today's most pressing environmental issues.

At Regala Skycity Hotel, participants joined Mr. Siddharth Chatterjee, former United Nations Resident Coordinator in China, for a breathwork and biohacking session, as well as a mindfulness session. They also attended One Earth Summit 2025 and visited leading sustainable and green hubs in Hong Kong, including Kadoorie Farm and Botanic Garden, HKUST's Sustainable Smart Campus as a Living Lab and Entrepreneurship Centre, and Hong Kong Science and Technology Park's GreenTech hub. Through these experiences, participants gained practical insights and networks that will help them drive meaningful climate action and innovation in their communities and industries.

## HKSTP EPIC 2025

Regal is proud to be the hospitality sponsor of EPIC 2025, Asia's premier startup ecosystem organised by the Hong Kong Science and Technology Parks Corporation. Known as Elevated Pitch International Competition, the platform offers global startups direct access to vibrant business environment and invaluable opportunities to connect with Greater Bay Area. Among the 1,200 startup participants, the top 100 semi-finalist coming from Green Tech, FinTech, and Digital Health Tech tracks joined the November Grand Finale in Hong Kong. Regala Skycity Hotel proudly serves as the event host of the welcome party where to celebrate semi-finalists' achievements, foster networking opportunities, and cheer these trailblazers on for their 3-minute pitch at the Grand Finale.





## Properties – Hong Kong

Paliburg is 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, Paliburg aims to build a more resilient and connected community. At the same time, Paliburg remains steadfast in our mission to drive positive societal change and promote unity by leveraging our unique strengths and expertise.

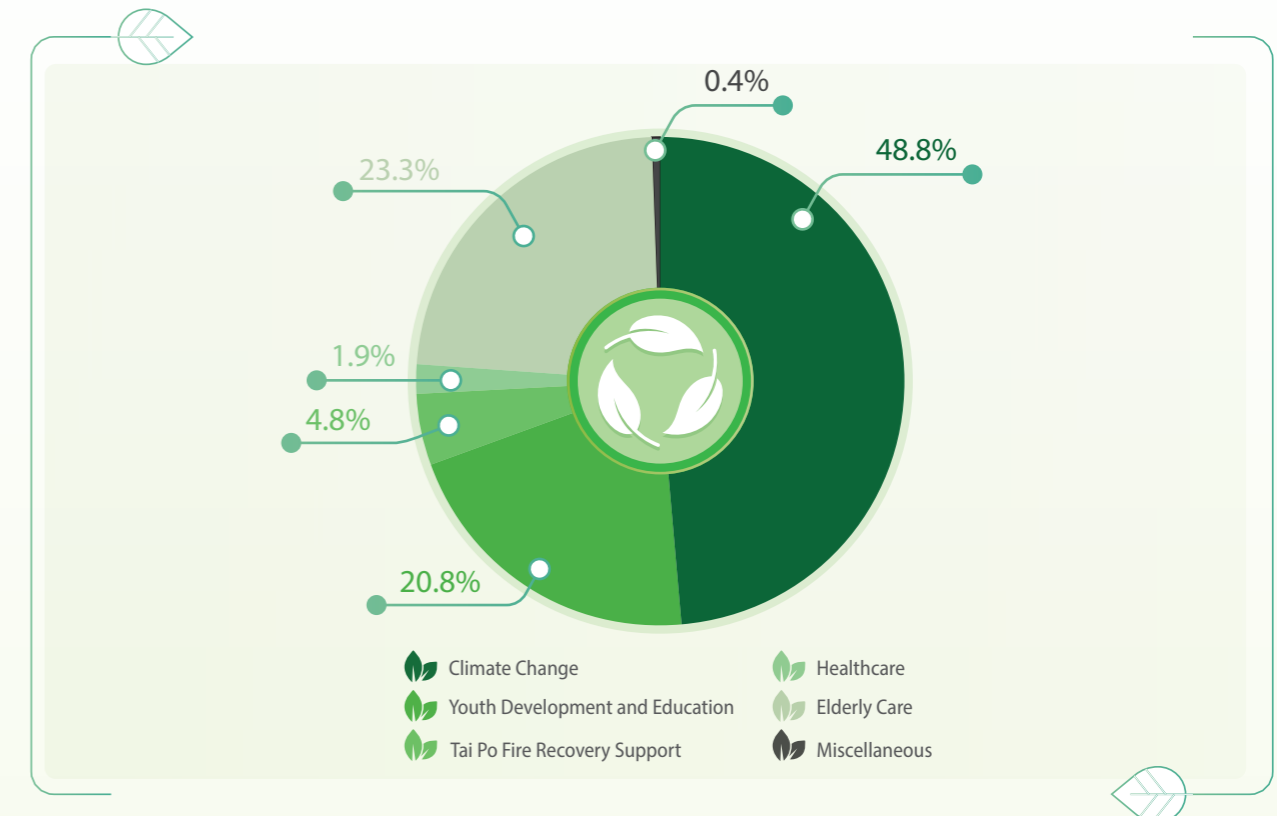
## Hotels

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 2025 were as follows:

- Community programmes supported: 15
- Community partners: 7
- Volunteer hours contributed by employees: 301
- Total donation and sponsorship committed: HK\$5.2 million<sup>13</sup>

## Distribution of Donations and Sponsorship by Focus Area



While providing quality accommodation service, Regal also emphasises creating social benefits to society in order to become a socially responsible corporate citizen. Regal strives to make the community and society a better place for all by actively participating in different community 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.

### Green and Sustainability Talents

As environmental challenges evolve, Regal sees growing demand for sustainability talents who can contribute solutions and help build a more sustainable future.

<sup>13</sup> The amount includes cash and in-kind donations.



**Future CEO Camp**

Regal Hongkong Hotel is proud to host Regal Education’s Future CEO Camp, held on 25–26 October 2025. 30 high school students undergone an intensive two-day experience designed to cultivate the “5Cs”– curiosity, creativity, communication, collaboration and concentration – that top universities and global employers increasingly value.

The programme combined masterclasses from CEOs, professors and industry leaders, a guided tour of the Hong Kong Monetary Authority, and a high-stakes pitch competition that challenged participants to turn ideas into actionable proposals. Through sessions on AI and financial literacy, social entrepreneurship, mindful leadership, resilience and effective learning, the camp connected students with professionals and mentors, helping them build networks beyond the classroom. Partnering with the University of Hong Kong’s Global Society and Sustainability Lab and IST, the Future CEO Camp equipped a new generation of purpose-driven leaders to turn potential into real-world impact.

**Wellness**

**Hotels**

Like beauty, one’s well-being comes from within. To enhance guests and general public’s awareness on wellness, Regal has continued to offer online mindfulness sessions and workshops to guests and employees.

**Mindful Experiences for Wellness during Buddha’s Birthday**

Wellness arises from quiet intention and heartfelt care. Regal marked Buddha’s Birthday with an experience that gently encouraged guests to slow down, breathe, and reconnect with themselves. A 60-minute complimentary immersive meditation session was held to foster inner peace and mental clarity, followed by a plant-based degustation menu at Petra that nourished body and spirit. By integrating spiritual enrichment with healthy cuisine, Regal is committed to fostering holistic well-being and meeting the rising demand for journeys that inspire balanced and thoughtful living.



**Monthly wellness programme integrating Tai Chi practice and seasonal nutritious menus**

To create a restorative and balanced experience for guests, Regal introduced a recurring monthly wellness programme that integrates Tai Chi practice with seasonal plant-based menus. In collaboration with renowned Tai Chi Master Li Fai, guests are guided through movements that cultivate inner harmony and clarity, complemented by wellness lunches inspired by the “Food as Medicine” philosophy. This combination of mindful practice and nourishing cuisine helps guests reconnect with their bodies, reduce stress, and embrace a lifestyle of balance and presence. By aligning physical well-being with mindful dining, Regal strengthened our commitment to wellness-centred hospitality and foster a deeper sense of community and cultural connection.





## Regal Living Wellness Products

To enhance well-being through natural, health-focused solutions, Regal has introduced the Regal Living wellness collection, a curated range of products that blend natural purity with modern innovation. The collection features cookies enriched with mushroom extract to support intestinal health and weight management, alongside Regal's Wellness Tea Series of Vitalise & Glow, Fit & Trim, and Relax & Calm to promote vitality and relaxation. Regal's expanded Body Care and Haircare Series draws on traditional herbal wisdom and contemporary skincare science to deliver nourishing solutions that inspire confidence and well-being. Through these premium offerings, Regal encourages customers to embrace wellness as an integral part of daily life.



## Tranquil Hotel Stay with Oxford Mindfulness Foundation

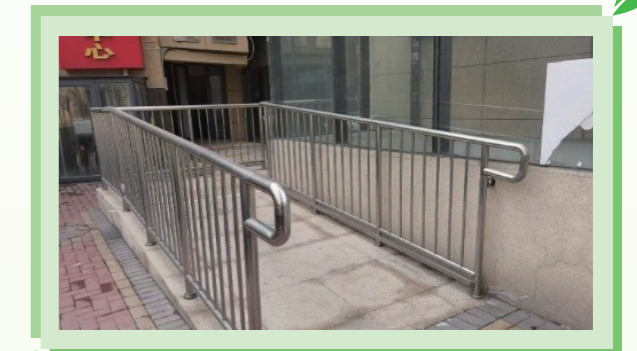
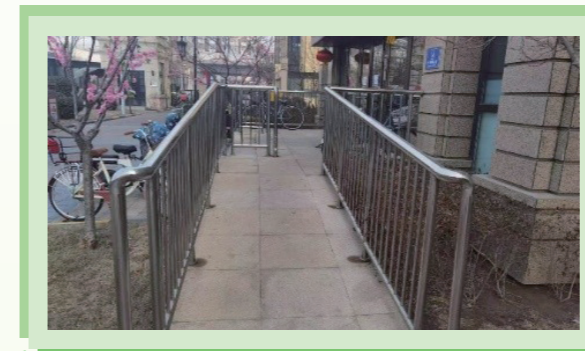
2025 marks the third year of Regal's partnership with the Oxford Mindfulness Foundation in cultivating tranquility for hotel guests. Through programs like "Mindfulness Monday" and "Mindfulness Lunch Break Recovery", guests explore a blend of ancient wisdom and cognitive therapy to foster peace, clarity, and non-judgmental presence. The guided meditations and exercises available support stress management, concentration, and overall well-being, ultimately promoting a healthier, more supportive environment that encourages living in the present with kindness and ease.

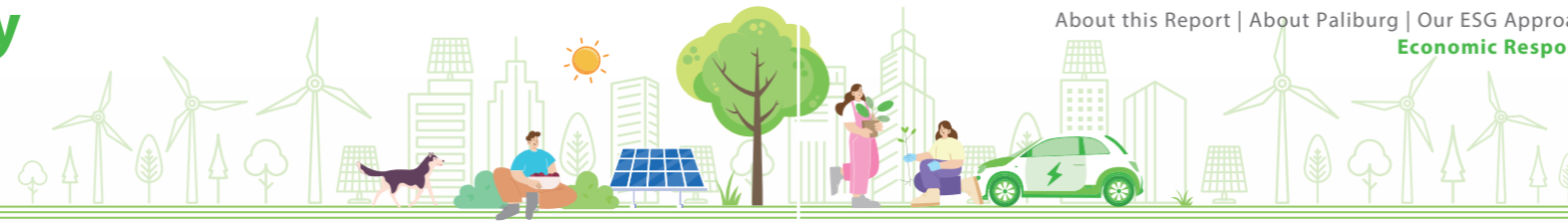


## Social Inclusion

### Properties – Chinese Mainland

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 elderly. 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.





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. With this in mind, 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>14</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 2025, there were no non-compliance cases reported in relation to labour standards. All service providers adhere strictly to labour laws 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. If any cases of child or forced labour are identified, we report confirmed cases to the local labour authorities in line with relevant laws and regulations. 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 Chinese Mainland 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 Chinese Mainland 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.

<sup>14</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. We comply with all relevant laws and regulations<sup>15</sup> in relation to providing a safe working environment and protecting employees from occupational hazards. During the Reporting Period, there were no non-compliance case with relevant laws or regulations relating to occupational health and safety.

### 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 its 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 its 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 our health and safety procedures and promoting a robust health and safety culture.

<sup>15</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 uphold health and safety standards and encourage staff to report improper procedures and incidents. During the Reporting Period, Regal has developed an EHS Policy to demonstrate its commitment in ensuring the well-being of our employees, guests, and the communities we serve. Moreover, Regal has developed 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 us. Regal will periodically review these policies to align with the latest developments in workplace health and safety and related regulations<sup>16</sup>.

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

### Standard Operating Procedures

- Safety management systems and preventive measures. For instance, job hazards analysis, monitoring and audits.
- Safety manual detailing potential occupational safety risks throughout all stages of hospitality operations, from room cleaning, catering to engineering works, is circulated among employees.
- Employees who fail to comply with the safety rules and procedures may be subjected to penalty.
- Contingency plans are in place for safety, security and fire hazards.

### Training and Development

- 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.
- All hotels provide adequate PPE and first aid supplies.

### Communication

- 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.
- Employees are encouraged to raise and report observations of improper health and safety procedures at work to management through regular communication channel.

<sup>16</sup> The laws and regulations that might be significant to the Group include Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong). During the Reporting Period, the Group did not violate any laws and regulations related to providing a safe working environment and protecting employees from occupational hazards.



## Properties – Chinese Mainland

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<sup>17</sup> in Chinese Mainland. Cosmopolitan’s efforts 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 case of occupational health and safety was 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 its 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 engages 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 Cosmopolitan’s safety concerns within its operations. Cosmopolitan has set up a fire prevention system which fully complies with relevant legal requirement in Chinese Mainland. 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. During the reporting year, the Group receives no reported products and service-related complaints.

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.

<sup>17</sup> The occupational health and safety laws and regulations that might be significant to Cosmopolitan include the Law on the Prevention and Control of Occupational Diseases, Work Safety Law, Regulation on Work-Related Injury Insurance and Measures for the Administration of Occupational Health Examination of the People’s Republic of China.



Our Quality Management approach:

<p><b>Pre-construction phase</b></p>	<p>Our approach to quality control primarily focuses on building plans and make a table construction material. 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.</p>
<p><b>Construction phase</b></p>	<p>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.</p>
<p><b>Post-construction phase</b></p>	<p>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.</p>
<p><b>Post-handover phase</b></p>	<p>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.</p>

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 suggestion boxes and hotlines in place in our managed properties.

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 is regularly maintained and repaired.

### Intellectual Property Rights

Paliburg Group is committed to respecting and protecting intellectual property rights in the course of its business operations. Policies are in place to safeguard proprietary information and ensure compliance with relevant laws and regulations. These practices support fair business dealings and responsible collaboration with business partners and stakeholders across our portfolio.

### Properties – Hong Kong

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.

### Hotels

To uphold and safeguard intellectual property rights, Regal has implemented policies and procedures for all business units to adhere to. Regal 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 – Chinese Mainland

Every business unit within Cosmopolitan adheres to policies and procedures designed to protect and respect intellectual property rights. Cosmopolitan's suppliers are also committed to upholding these rights under procurement contracts, ensuring that the components they provide do not infringe upon third-party intellectual property, trademarks, or industrial design rights. If the rights do not belong to the suppliers, verification proof is required for compliance assurance. Cosmopolitan places significant importance on protecting brand assets and strictly follows relevant laws and regulations. Cosmopolitan has implemented a range of measures that include trademark and patent management, copyright protection, and regular brand monitoring to safeguard its brand assets.

## 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>18</sup>, and no non-compliance cases were reported during this Reporting Period.

## 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 its 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 its customers' interests, Paliburg includes a Personal Information Collection Statement in the initial sales and purchase agreement for its 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

Regal places great importance on safeguarding people's data privacy rights and maintaining robust cybersecurity measures.

This year, Regal has developed a Data Privacy Security Policy that highlights its commitment to protecting the privacy of the personal data it holds. This policy ensures that users can make informed decisions and feel confident when providing their personal information to us. Guests' personal information is collected with their consent for membership management and marketing purposes. Access to personal data is restricted to authorised personnel, and access is granted according to job roles and responsibilities.

Regal complies with local data protection regulations and also observes the European Union General Data Protection Regulation across different stages of data management. From data collection, storage to utilisation, personal data will only be shared with third parties upon obtaining consent. Regal has implemented several measures to safeguard user information, such as employing cookies and log files, and data retention.

## Properties – Chinese Mainland

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 Chinese Mainland. 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

### Properties – Chinese Mainland

Cosmopolitan is dedicated to delivering 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. 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 a 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 of Cosmopolitan's promotional materials are carefully prepared and reviewed to avoid publishing any misleading information.

In the Chengdu Project, Cosmopolitan 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 Cosmopolitan.

<sup>18</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), Cybersecurity Law of the People's Republic of China and General Data Protection Regulation.



## Supply Chain Management

Paliburg Group recognises that effective supply chain management is integral to sustaining responsible business operations across its portfolio. We collaborate with suppliers and contractors to uphold standards on quality, safety, environmental stewardship and ethical practices. Our approach is tailored to the operational characteristics of the Group, ensuring alignment with the overall sustainability objectives.

The Group has accounted for our Scope 3 GHG emissions during the reporting year. We began engaging the value chain to better understand upstream operations, including supplier performance and associated climate-related risks and opportunities, which have provided with insights into the carbon impacts of our supply chain.

### 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 its established supply chain management approach.

Our Supplier Code of Conduct ensures that its 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 its 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. Paliburg prioritises suppliers who share its commitment to sustainability and demonstrate environmental and social responsibility. Since there were no on-site construction activities during the Reporting Period, no specific policies or measures were implemented for environmental and social risks in the 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 diverse offerings and exceptional service rely on Regal's extensive network of vendors. Regal values each of these local and international partnerships, and it has offset comprehensive policies and procedures in place to ensure hygiene and safety conditions are met, and its vendors and suppliers operate in alignment with labour, environmental and business ethics regulations.

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 our stakeholders, the community and the environment.

Regal 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 Sustainable Procurement Policy, a Sustainable Procurement Guide, and revised the Supplier Code of Conduct. Regal encourages products and services that meet sustainability specifications in decarbonisation, energy efficiency and reduction, circular economy and waste reduction, water efficiency and responsible forestry, and has developed a set of 10 scorecards to evaluate sustainability performance of suppliers, products and services..

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.



### Properties – Chinese Mainland

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. 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 its 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 ongoing 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 our 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 in 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>19</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 its anti-corruption policy, including but not limited to bribery, anti-competition, money laundering, fraud, and corruption. Paliburg expects its employees to perform their duties in strict adherence to the Paliburg'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.

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 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, all new employees are briefed on the subject through orientation and Employee Handbook. Anti-corruption training is also provided for 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.

<sup>19</sup> The relevant laws and regulations include the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), together with Criminal Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Interim Provisions on Prohibition of Commercial Bribery established by the State Administrator for Industry and Commerce of the People's Republic of China, Integrity Cooperation Agreement and other related laws and regulations.



**Properties – Chinese Mainland**

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 Cosmopolitan. Cosmopolitan’s policies are created in accordance with relevant laws and regulations<sup>20</sup> 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 cases of corruption or bribery lawsuits were recorded in Tianjin and Chengdu.

<sup>20</sup> The anti-corruption laws and regulations that might be significant to Cosmopolitan include the Criminal Law of the People’s Republic of China, Anti-Unfair Competition Law of the People’s Republic of China, Interim Provisions on Prohibition of Commercial Bribery established by the State Administration for Industry and Commerce of the People’s Republic of China and Integrity Cooperation Agreement.

**Environmental Performance<sup>21, 22</sup>**

	Unit	2023	2024	2025
<b>Air Emissions</b>				
<b>Nitrogen Oxides (NO<sub>x</sub>)</b>				
Property management – Hong Kong	kg	9.76	12.90	3.33
Property development – Hong Kong	kg	0.01	0.01	8.47
Hotels	kg	419.03	468.04	454.58
Properties – Chinese Mainland	kg	20.44 <sup>23</sup>	19.87	10.45
<b>Sulphur Oxides (SO<sub>x</sub>)</b>				
Property management – Hong Kong	kg	0.01	0.01	0.01
Property development – Hong Kong	kg	0.0003	0.0002	0.03
Hotels	kg	6.06 <sup>24</sup>	2.39	2.52
Properties – Chinese Mainland	kg	0.04	0.04	0.02
<b>Particulate Matters (PM)</b>				
Property management – Hong Kong	kg	0.72	0.95	0.25
Property development – Hong Kong	kg	0.0010	0.0007	0.84
Hotels	kg	1.00	1.61	1.65
Properties – Chinese Mainland	kg	1.96 <sup>25</sup>	1.90	0.98

<sup>21</sup> The performance data includes the property development and management in Hong Kong and Chinese Mainland, and the hospitality operations in Hong Kong in 2023, 2024 and 2025.

<sup>22</sup> Numbers may not add up due to rounding.

<sup>23</sup> The amount of NO<sub>x</sub> of Cosmopolitan has been restated due to the updating of the calculation methodology.

<sup>24</sup> The amount of SO<sub>x</sub> of Regal has been restated due to the updating of the calculation methodology.

<sup>25</sup> The amount of PM of Cosmopolitan has been restated due to the updating of the calculation methodology.

## Appendix I – Performance Tables



	Unit	2023	2024	2025
<b>GHG emissions<sup>26</sup></b>				
<b>Total Scope 1 and Scope 2 GHG emissions</b>	tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e)	46,391	44,345 <sup>27</sup>	41,376
Property management – Hong Kong	tCO <sub>2</sub> e	5,341	5,365	2,713
Property development – Hong Kong	tCO <sub>2</sub> e	1	10	9
Hotels	tCO <sub>2</sub> e	40,732	38,704 <sup>27</sup>	38,486
Properties – Chinese Mainland	tCO <sub>2</sub> e	317	266	168
<b>Direct GHG emissions (Scope 1)<sup>28</sup></b>	tCO <sub>2</sub> e	667 <sup>27</sup>	42 <sup>27</sup>	1,454
Property management – Hong Kong	tCO <sub>2</sub> e	2	2	2
Property development – Hong Kong	tCO <sub>2</sub> e	0.05	9	9
Hotels	tCO <sub>2</sub> e	657 <sup>27</sup>	24 <sup>27</sup>	1,436 <sup>29</sup>
Properties – Chinese Mainland	tCO <sub>2</sub> e	8	7	7
<b>Indirect GHG emissions (Scope 2)<sup>30</sup></b>	tCO <sub>2</sub> e	45,724 <sup>27</sup>	44,303 <sup>27</sup>	39,922
Property management – Hong Kong	tCO <sub>2</sub> e	5,339	5,363	2,711
Property development – Hong Kong	tCO <sub>2</sub> e	0.85	0.55	0.10
Hotels	tCO <sub>2</sub> e	40,075 <sup>27</sup>	38,680 <sup>27</sup>	37,050
Properties – Chinese Mainland <sup>31</sup>	tCO <sub>2</sub> e	309	259	161
<b>Scope 1 and Scope 2 GHG emissions intensity<sup>32</sup></b>				
Property management – Hong Kong	kg CO <sub>2</sub> e/m <sup>2</sup>	28.47	28.60	21.70
Property development – Hong Kong	kg CO <sub>2</sub> e/m <sup>2</sup>	0.10	0.83	0.75
Hotels	kg CO <sub>2</sub> e/ equivalent guest night <sup>33</sup>	20.03	10.91 <sup>27</sup>	10.49
	kg CO <sub>2</sub> e/m <sup>2</sup>	149.45	142.01 <sup>27</sup>	136.36
Properties – Chinese Mainland	kg CO <sub>2</sub> e/m <sup>2</sup>	0.92	0.94	0.59

<sup>26</sup> Scope 1 and 2 emissions are location-based. GHG emissions from purchased electricity are calculated based on emission factors from electricity and gas suppliers.

<sup>27</sup> The data has been restated due to the updating of the calculation methodology

<sup>28</sup> Direct GHG emissions (Scope 1) are generated from fuel consumption, including diesel, petrol, liquefied petroleum gas and town gas consumption.

<sup>29</sup> The increase in total GHG emissions is primarily due to the inclusion of refrigerant and chafing fuel-related emissions in the current reporting year.

<sup>30</sup> Indirect GHG emissions (Scope 2) are generated from generation of purchased electricity and town gas.

<sup>31</sup> Indirect GHG emissions (Scope 2) were originated from the generation of purchased electricity consumed by Cosmopolitan. The emission figures were calculated with reference to the latest National Power Grid average emission factor published.

<sup>32</sup> The intensity figures are divided by total gross floor area of associated Paliburg or Cosmopolitan business units.

<sup>33</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.

	Unit	2023	2024	2025
<b>GHG emissions<sup>26</sup></b>				
<b>Total Scope 3 GHG emissions<sup>34</sup></b>	tCO <sub>2</sub> e	—	—	39,029
Category 1: Purchased goods and services	tCO <sub>2</sub> e	—	—	21,360
Category 2: Capital Goods	tCO <sub>2</sub> e	—	—	72
Category 3: Fuel and energy-related activities	tCO <sub>2</sub> e	—	—	1,169
Category 4: Upstream transportation and distribution	tCO <sub>2</sub> e	—	—	8
Category 5: Waste generated in operations	tCO <sub>2</sub> e	—	—	2,590
Category 6: Business travel	tCO <sub>2</sub> e	—	—	102
Category 7: Employee commuting	tCO <sub>2</sub> e	—	—	232
Category 8: Upstream leased Assets	tCO <sub>2</sub> e	—	—	432
Category 11: Used of sold product	tCO <sub>2</sub> e	—	—	458
Category 13: Downstream leased assets	tCO <sub>2</sub> e	—	—	9,835
Category 15: Investments	tCO <sub>2</sub> e	—	—	2,771

<sup>34</sup> Unreported categories of Scope 3 GHG emissions are not applicable or immaterial to Paliburg Group's business.

## Appendix I – Performance Tables



	Unit	2023	2024	2025
<b>Energy consumption</b>				
<b>Total energy consumption</b>	Megawatt-hour (MWh)	117,116	118,965 <sup>27</sup>	110,663
Property management – Hong Kong	MWh	11,348	11,294	6,756
Property development – Hong Kong	MWh	1	39	38
Hotels	MWh	105,195	107,124 <sup>27</sup>	103,539
Properties – Chinese Mainland	MWh	572	508	330
<b>Electricity</b>				
	MWh	86,113	87,564	80,190
Property management – Hong Kong	MWh	11,345	11,285	6,750
Property development – Hong Kong	MWh	1	1	0.3
Hotels	MWh	74,224	75,796	73,136
Properties – Chinese Mainland	MWh	543	482	304
<b>Fuel</b>				
	MWh	2,708	164 <sup>27</sup>	135
Property management – Hong Kong	MWh	3	9	6
Property development – Hong Kong	MWh	0	38	38
Hotels	MWh	2,676	91 <sup>27</sup>	66
Properties – Chinese Mainland	MWh	29	26	25
<b>Towngas consumption in Hotels</b>				
	MWh	28,295	31,237	30,337
<b>Energy intensity<sup>32</sup></b>				
Property management – Hong Kong	MWh/m <sup>2</sup>	0.06	0.06	0.05
Property development – Hong Kong	MWh/m <sup>2</sup>	0.0001	0.003	0.003
Hotels	MWh/ equivalent guest night <sup>33</sup>	0.05	0.03	0.03
	MWh/m <sup>2</sup>	0.39	0.39 <sup>27</sup>	0.37
Properties – Chinese Mainland	MWh/m <sup>2</sup>	0.002	0.002	0.001

	Unit	2023	2024	2025
<b>Water consumption</b>				
<b>Total water consumption</b>	m <sup>3</sup>	838,896	775,690	799,411
Property management – Hong Kong	m <sup>3</sup>	54,333 <sup>35</sup>	37,432	38,303
Property development – Hong Kong	m <sup>3</sup>	0	0	277
Hotels	m <sup>3</sup>	783,911	737,651	760,463
Properties – Chinese Mainland	m <sup>3</sup>	652	607	368
<b>Water intensity<sup>32</sup></b>				
Property management – Hong Kong	m <sup>3</sup> /m <sup>2</sup>	0.29	0.20	0.31
Property development – Hong Kong	m <sup>3</sup> /m <sup>2</sup>	0.00	0.00	0.02
Hotels	m <sup>3</sup> /equivalent guest night <sup>33</sup>	0.39	0.21	0.21
Properties – Chinese Mainland	m <sup>3</sup> /m <sup>2</sup>	0.002	0.002	0.001

<sup>35</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".

## Appendix I – Performance Tables



	Unit	2023	2024	2025
<b>Waste disposal and recycled</b>				
<b>General waste disposed</b>				
Property management – Hong Kong	tonnes	12,093	10,235	4,013
Property development – Hong Kong	tonnes	6,026	5,940	2,349
Hotels	tonnes	1	200	0.03
Properties – Chinese Mainland	tonnes	6,066	4,095	1,664
	tonnes	0.03	0.01	0
<b>Waste recycled, recovered and donated<sup>36</sup></b>				
Wood	kg	110	0	0
Metal and iron	kg	1,217	350	48,010
Old concrete	kg	800	500	3,799
Other construction material	kg	50,000	30,000	46
Used cooking oil	litre	7,856	16,004	14,802
Aluminium cans	kg	3,806	3,771	3,259
Plastic bottles	kg	6,729	7,220	4,395
Paper/cardboard	kg	123,234	151,687	132,480
Food waste and donations	kg	93,223	193,518	161,910
Glass	kg	3,818	14,421	19,028
Soap	kg	349	85	0
Others	kg	367	84	0

	Unit	2023	2024	2025
<b>Waste disposal and recycled</b>				
<b>Non-hazardous waste intensity<sup>32</sup></b>				
Property management – Hong Kong	kg/m <sup>2</sup>	32.13	31.66	18.78
Property development – Hong Kong	kg/m <sup>2</sup>	0.09	17.05	0.002
Hotels	kg/equivalent guest night <sup>33</sup>	2.98	1.15	0.45
Properties – Chinese Mainland	kg/m <sup>2</sup>	0.0001	0.00004	0
<b>Hazardous waste disposed</b>				
Retired lighting fitting	pieces	2,044	2,435	3,033
Battery	pieces	0	1,564	1,513
Electronic Appliances	pieces	10	120	109
Waste oil	kg	0	4	0
Filler	kg	0.4	0.2	0
Paint and solvent containers	pieces	13	3	0
Filler containers	pieces	21	11	0
Mercury	kg	0	0	45
Cleaning Chemical	kg	0	2,050	1,074

<sup>36</sup> The waste recycled, recovered and donated figures are the total of Property Management - Hong Kong, Property Development - Hong Kong and Hotels and Properties - Chinese Mainland.



## Social Performance

Unit		2023	2024	2025
<b>Employment Practice</b>				
<b>Total workforce by employment contract</b>				
Permanent	number of people	1,560	1,479 <sup>37</sup>	1,294
Contract	number of people	158	280 <sup>37</sup>	315
Trainee	number of people	3	6	3
Total workforce	number of people	1,721	1,765	1,612
<b>Total workforce by gender</b>				
Male	number of people	846 <sup>37</sup>	845	772
Female	number of people	875	920	840
<b>Total workforce by age group</b>				
Under 25	number of people	76	74	56
25 – less than 40	number of people	389	411 <sup>37</sup>	382
40 – less than 55	number of people	804	826 <sup>37</sup>	796
55 or above	number of people	452	454	378
<b>Total workforce by employment category</b>				
Senior management	number of people	27	29	24
Middle management	number of people	184	155 <sup>37</sup>	145
General staff	number of people	1,510	1,581 <sup>37</sup>	1,443
<b>Total workforce by geographical location</b>				
Hong Kong	number of people	1,635	1,694	1,556
Chinese Mainland	number of people	86	71	56
<b>Overall turnover</b>				
Overall turnover rate	%	40	37	43
<b>Employee turnover rate by gender</b>				
Male	%	45	45	48
Female	%	36	30	40

<sup>37</sup> The figure has been restated to reflect the actual situation in that year.

Unit		2023	2024	2025
<b>Employment Practice</b>				
<b>Employee turnover rate by age group</b>				
Under 25	%	84	89	123
25 – less than 40	%	54	42	45
40 – less than 55	%	36	28	28
55 or above	%	29	41	63
<b>Employee turnover rate by geographical location</b>				
Hong Kong	%	42	38	44
Chinese Mainland	%	10	23	0
<b>Occupational Health and Safety</b>				
Total number of work-related fatalities	number of people	0	0	0
Total number of lost days <sup>38</sup> due to work injuries	number of days	1,282	1,465	1,333
<b>Development and Training</b>				
<b>Percentage of employees trained by gender</b>				
Male	%	58	55	49
Female	%	42	45	51
<b>Percentage of employees trained by employment category</b>				
Senior management	%	2	3	2
Middle management	%	20	16	11
General staff	%	78	81	87
<b>Average training hours by gender<sup>39</sup></b>				
Male	number of hours	2	2	3
Female	number of hours	1	2	3

<sup>38</sup> Lost days refer to sick leave due to all types of work-related injuries.

<sup>39</sup> It is calculated based on "Total number of training hours of the category/total number of employees of the category".

## Appendix I – Performance Tables



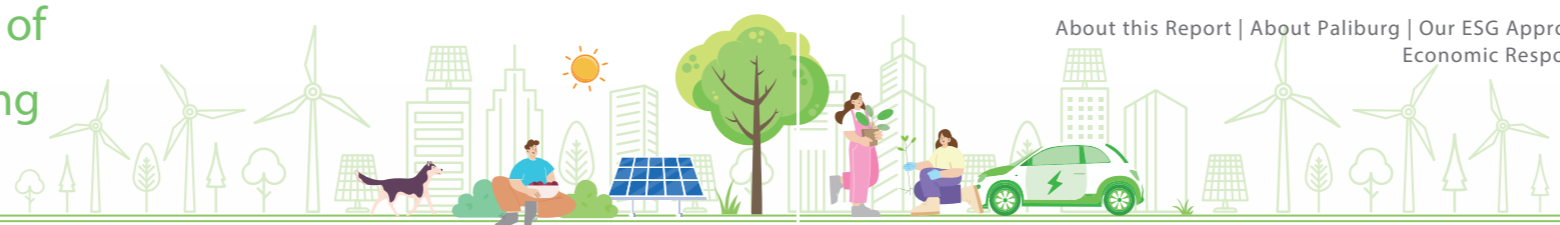
	Unit	2023	2024	2025
<b>Development and Training</b>				
<b>Average training hours by employment category</b>				
Senior management	number of hours	6	5	4
Middle management	number of hours	4	4	6
General staff	number of hours	1	2	2
<b>Supply Chain Management</b>				
<b>Number of suppliers by geographical region</b>				
Hong Kong	number of suppliers	3,082	3,188	2,379
Chinese Mainland	number of suppliers	201	22	154
Overseas	number of suppliers	89	95	94

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

### Part C: “Comply or explain” Provisions

Indicators	Section/Statement	
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</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 air 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> Repealed	
	<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

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



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  In 2025, there were no significant issues in sourcing water.
<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>	Repealed
<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

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



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

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



Indicators		Section/Statement
<b>B. Social</b>		
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>	<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

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



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

## Part D: Climate-related Disclosures

Paragraph	Description	Section/Statement
<b>(I) Governance</b>		
19	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer’s strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and (b) management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Our Response to Climate Change

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



Paragraph	Description	Section/Statement
<b>(II) Strategy</b>		
<b>Climate-related risks and opportunities</b>		
<b>20</b>	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
	(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term;	Our Response to Climate Change
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
	(d) explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
<b>Business model and value chain</b>		
<b>21</b>	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain. Specifically, the issuer shall disclose:	
	(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and	Our Response to Climate Change
	(b) a description of where in the issuer’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

Paragraph	Description	Section/Statement
<b>(II) Strategy</b>		
<b>Strategy and decision-making</b>		
<b>22</b>	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
	(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	An emission baseline mapping exercise was conducted in 2023 - 2024 and the Group will explore the feasibility of a climate-related transition plan.
	(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;	
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
<b>23</b>	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	The Group is taking initial steps to study this disclosure.

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



Paragraph	Description	Section/Statement
<b>(II) Strategy</b>		
<b>Financial position, financial performance and cash flows</b>		

### Current financial effect

<b>24</b>	An issuer shall disclose qualitative and quantitative information about:	
(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	The Group will disclose the result of financial impact assessment in the next reporting period.
(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	

### Anticipated financial effect

<b>25</b>	The issuer shall provide qualitative and quantitative disclosures about:	
(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	The Group will disclose the result of financial impact assessment in the next reporting period.
(i)	its investment and disposal plans; and	
(ii)	its planned sources of funding to implement its strategy; and	
(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

Paragraph	Description	Section/Statement
<b>(II) Strategy</b>		
<b>Financial position, financial performance and cash flows</b>		

### Climate resilience

<b>26</b>	An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
(a)	the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	As the assessment is model based, a degree of uncertainty exists due to the reliance on climate models, which require various assumptions about the frequency, intensity, and geographical distribution of climate events to estimate future conditions. Nonetheless, applying this science-based and data-driven approach enhances our ability to anticipate physical climate risks and to formulate resilience strategies that are more robust and well-informed.
(i)	the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
(ii)	the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and	
(iii)	the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	

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



Paragraph	Description	Section/Statement
<b>(II) Strategy</b>		
<b>Financial position, financial performance and cash flows</b>		

## Climate resilience

	(b) how and when the climate-related scenario analysis was carried out, including:	Our Response to Climate Change
	(i) information about the inputs used, including:	
	(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
	(2) whether the analysis included a diverse range of climate-related scenarios;	
	(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
	(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
	(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
	(6) time horizons the issuer used in the analysis; and	
	(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
	(ii) the key assumptions the issuer made in the analysis; and	
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	

Paragraph	Description	Section/Statement
<b>(III) Risk Management</b>		

27	An issuer shall disclose information about:	
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	Our Response to Climate Change
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	
	(v) how the issuer monitors climate-related risks; and	
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Our Response to Climate Change The Group has identified climate-related risks and opportunities could materially affect our business under different scenarios, and they are outlined in the Our Response to Climate Change - Strategy section. The risk list was built through reviewing publications of international research organisations and peer companies.
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer’s overall risk management process.	

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



Paragraph	Description	Section/Statement
<b>(IV) Metrics and Targets</b>		
<b>Greenhouse gas emissions</b>		
<b>28</b>	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:	
	Scope 1 greenhouse gas emissions;	Environmental Performance
	Scope 2 greenhouse gas emissions; and	
	Scope 3 greenhouse gas emissions.	
<b>29</b>	An issuer shall:	
	(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Environmental Performance
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer’s Scope 2 greenhouse gas emissions; and	
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	

Paragraph	Description	Section/Statement
<b>(IV) Metrics and Targets</b>		
<b>Climate-related transition risks</b>		
<b>30</b>	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Our Response to Climate Change
<b>Climate-related physical risks</b>		
<b>31</b>	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Our Response to Climate Change
<b>Climate-related opportunities</b>		
<b>32</b>	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Currently only qualitative disclosures are available. The Group will explore conducting the assessment in the future.
<b>Capital deployment</b>		
<b>33</b>	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Currently only qualitative disclosures are available. The Group will explore conducting the assessment in the future.
<b>Internal carbon prices</b>		
<b>34</b>	An issuer shall disclose:	
	(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	The Group would take into consideration in future application of internal carbon prices. Currently the Hotel Manager does not apply a carbon price in decision-making.
	(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
	or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	

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



Paragraph	Description	Section/Statement
<b>(IV) Metrics and Targets</b>		
<b>Remuneration</b>		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group will assess how climate-related considerations should be factored into executive remuneration based on a range of factors and will be disclosed in future reports.
<b>Industry-based metrics</b>		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group will consider the applicability of industry-based metrics for future reporting.

Paragraph	Description	Section/Statement
<b>(IV) Metrics and Targets</b>		
<b>Climate-related targets</b>		
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: <ul style="list-style-type: none"> <li>(a) the metric used to set the target;</li> <li>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</li> <li>(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);</li> <li>(d) the period over which the target applies;</li> <li>(e) the base period from which progress is measured;</li> <li>(f) milestones or interim targets (if any);</li> <li>(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and</li> <li>(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</li> </ul>	Environmental Targets
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: <ul style="list-style-type: none"> <li>(a) whether the target and the methodology for setting the target has been validated by a third party;</li> <li>(b) the issuer’s processes for reviewing the target;</li> <li>(c) the metrics used to monitor progress towards reaching the target; and</li> <li>(d) any revisions to the target and an explanation for those revisions.</li> </ul>	The targets are not validated by a third party. Environmental Targets

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



Paragraph	Description	Section/Statement
<b>(IV) Metrics and Targets</b>		
<b>Climate-related targets</b>		
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer’s performance.	Environmental Targets
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	Environmental Targets
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
	(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	The Group considers the target to be a gross GHG emissions target.
	(d) whether the target was derived using a sectoral decarbonisation approach; and	The targets were not set using a sectoral decarbonisation approach.
	(e) the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	The Group will consider the feasibility of using carbon credits to offset GHG emissions in the future.
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
<b>Applicability of cross-industry metrics and industry-based metrics</b>		
41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	The Group will consider the applicability of cross-industry metrics and industry-based metrics for future reporting.



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