

2025

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT



顺客隆
Simple kind life

中國順客隆控股有限公司
CHINA SHUN KE LONG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code : 974

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UNDERSTANDING OUR ESG REPORT

REPORT OVERVIEW

This report is the annual environmental, social and governance (“ESG”) report (the “Report”) published by China Shun Ke Long Holdings Limited (the “China Shun Ke Long”, the “Company”, and together with its subsidiaries, the “Group” or “We”) for the disclosure of the Group’s commitments, practices and performance in ESG from 1 January 2025 to 31 December 2025 (the “Reporting Period”, the “Year”, “FY2025”, or “2025”). This Report is available on the websites of The Hong Kong Stock Exchange Limited (“HKEx” website (<http://www.hkexnews.hk>)) and the Company.

REPORTING SCOPE

This Report discloses the Group’s ESG performance of its retail and wholesale distribution operations in the People’s Republic of China (PRC), as well as its offices in both the China mainland and Hong Kong Special Administrative Region of the PRC (hereinafter “Hong Kong”).

The reporting scope is determined by the financial significance and the materiality of each Group entity to our business and operations as well as their impact on sustainability. We will review and update the reporting scope, where appropriate, on a regular basis to enhance sustainability performance disclosure of the Group.

REPORTING FRAMEWORK

This Report has been prepared in compliance with all the applicable provisions set out in the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on HKEx (“Listing Rules”). Please refer to the HKEx Content Index in this Report for information on the location of specific disclosures.

REPORTING PRINCIPLES

In the process of preparation of this Report, the Group has adhered to the reporting principles stipulated in the ESG Reporting Code as the following:

- | | |
|---------------------|---|
| Materiality | A materiality assessment was conducted to identify material issues during the Reporting Period, thereby acknowledging the material issues as the focus for preparation of this ESG Report. Please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” for further details. |
| Quantitative | Our ESG key performance indicators (KPIs) are developed and reported to ensure they are measurable and consistent with prior-year data. Each KPI includes a clear definition and a transparent calculation approach, aligned with the Code and relevant internationally recognised methodologies. |
| Consistency | The preparation approach of this ESG Report is substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure or calculation methodologies. |
| Balance | The ESG Report is completed based on fact and actual data disclosure to avoid biased judgement and misleading information to the report readers. |

UNDERSTANDING OUR ESG REPORT

FORWARD-LOOKING STATEMENTS

This Report includes forward-looking statements based on the Group's current expectations, estimates, forecasts, beliefs, and assumptions about its business, operating markets, and subsidiaries. These statements are not assurances of future performance and are subject to market risks, uncertainties, and factors outside the Group's control. Accordingly, actual results and returns may differ materially from those expressed or implied in this Report.

INTERNAL AND EXTERNAL DATA CHALLENGES

Effective measurement, governance, and transparent reporting of progress against our climate-related objectives depend on the availability of high-quality, accessible, comparable, and reliable internal and external data. This also relies on our ability to collect, validate, and process relevant information in a timely manner across our operations and value chain.

As climate reporting continues to evolve, newer data sources and emerging topics may be difficult to verify using traditional assurance approaches. This challenge is amplified by the diversity of external data providers, differences in organisational boundaries and activity classifications, and complex operational structures, all of which can complicate data consolidation and lead to inconsistencies if not carefully governed. In addition, some internal classifications may not fully align with the analytical requirements for emissions accounting across different segments of the value chain, requiring mapping and periodic refinement of methodologies.

We continue to strengthen our ESG data and analytics capabilities by developing more standardised data definitions, improving system-based collection and controls, and enhancing dashboards and analytics tools to support emissions accounting, target tracking, scenario analysis, and decision-making. Given our reliance on third-party information and, in some cases, manual collection processes, we apply enhanced verification procedures on a sample basis, including management review and internal control checks. Where applicable, we also seek limited external assurance on selected climate – and ESG-related disclosures to further enhance the credibility and robustness of our reporting.

CONTACT US

We greatly value your feedback, which is essential to our continuous improvement. We welcome any comments or suggestions regarding this Report. Please share your views on the Report and our sustainability performance by emailing us at ir@skl.com.cn.

BOARD STATEMENT AND ESG GOVERNANCE STRUCTURE

BOARD STATEMENT

The Board remains firmly committed to advancing the Group's Environmental, Social, and Governance (ESG) initiatives as a core element of our business strategy. We believe sustainable practices are vital to long-term growth and to creating lasting value for all stakeholders. Our efforts focus on strengthening transparency, fostering diversity and inclusion, and minimising our environmental footprint. We regularly review our progress to ensure alignment with applicable laws, regulations, and ethical standards. Ongoing stakeholder engagement is a key priority, as responding to their concerns supports meaningful contributions to our communities and the environment. Collectively, we are dedicated to meeting our ESG objectives and building a more sustainable future for the Group and the communities we serve.

The Board

- Oversee all ESG matters across the Group to ensure robust governance, effective management, and clear accountability.
- Develop and implement ESG management frameworks and strategies aligned with the Group's values and long-term objectives.
- Review and assess the Group's ESG goals to ensure they are ambitious, measurable, and consistent with industry best practices.
- Monitor material developments and performance relating to climate-related risks and opportunities.

The ESG Committee

- Collect, analyse, and assess ESG data to generate insights and evaluate the effectiveness of existing policies and procedures.
- Take proactive steps to support the effective execution of plans designed to achieve ESG objectives.
- Ensure full compliance with applicable ESG-related laws and regulations.
- Provide regular updates to the Board on ESG performance and progress, and coordinate the preparation of annual ESG report.
- Oversee the establishment of targets for climate-related risks and opportunities, and monitor progress against these targets.

BOARD'S OVERSIGHT OF ESG ISSUES

At the most senior level, the Board sets the Group's sustainability direction and holds overall accountability for ESG matters. To reinforce transparency and accountability, the Group has established an ESG Committee, with delegated authority clearly set out in its terms of reference. Supported by the ESG Committee, the Board evaluates the Group's key focus areas – such as occupational health and safety, protection of employee rights, anti-corruption, and the management of emissions and waste – and uses these assessments to define strategic policies, operational targets, and development priorities. The Board also provides oversight of Management to ensure objectives are met accurately and sustainability initiatives are implemented effectively.

To strengthen performance management, the Group will comprehensively review and refine its existing management system to ensure the evaluation framework is properly applied. Progress against targets and overall performance will be closely monitored, and corrective actions will be taken where results do not meet expectations. Maintaining effective communication with key stakeholders throughout the target-setting and implementation process is essential, as it promotes engagement and encourages stakeholders to play an active role in achieving the Company's objectives.

BOARD STATEMENT AND ESG GOVERNANCE STRUCTURE

The Board confirms that it has reviewed and approved this Report and, to the best of its knowledge, that the Report fairly presents the material issues identified and accurately reflects the Group's ESG approach and performance.

THE ESG COMMITTEE

The ESG Committee is responsible for coordinating and executing ESG management across the Group. In FY2025, the Committee comprised an executive director, the deputy CEO, the chief financial officer, and the company secretary. Its duties include updating the Board on ESG goals, strategies, and initiatives; supporting the preparation of ESG reports; collecting, monitoring, and recording environmental and social data; and assessing and responding to stakeholder expectations. The Committee regularly reports ESG progress and material matters to the Board to support effective governance and oversight.

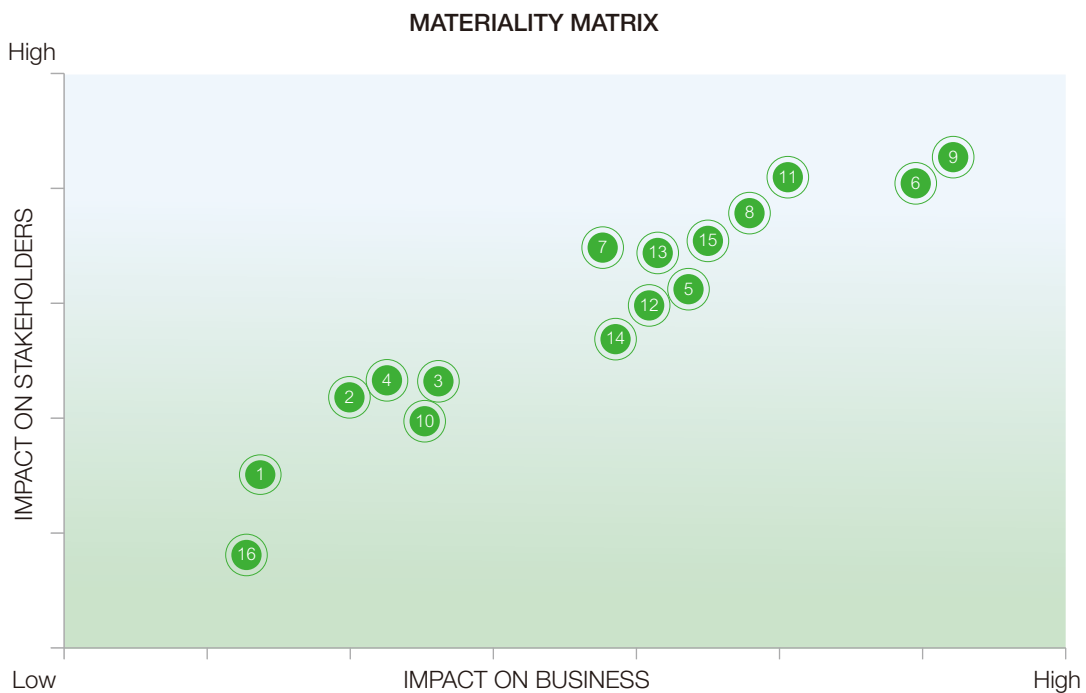
By setting three- to five-year strategic objectives, the Group can create a clear implementation plan and stay focused on its long-term vision. In doing so, the ESG Committee carefully evaluates the practicality and achievability of these targets in line with the Group's ambitions and overall goals.

MATERIALITY ASSESSMENT

We proactively identify and prioritise key ESG matters and continuously strengthen our management practices to reduce potential negative impacts on stakeholders and protect their interests.

After considering market developments and stakeholder feedback, the Board determined the 16 most relevant ESG issues for the year. We carefully reviewed questionnaire responses to assess the importance of each issue to the Group's sustainable operations and to stakeholder concerns. The ESG Committee then examined the materiality assessment outcomes to confirm that all critical factors were adequately addressed. Following internal discussions, the finalised ESG issues were approved for adoption.

To ensure effective oversight of ESG risks linked to each material issue, these matters have been incorporated into the Group's overall risk management framework. The key results are summarised in the matrix below:



No. Material Issues

1. Climate change adaptation
2. Emissions and waste management
3. Use of resources
4. Protection of environment and natural resources
5. Compliance with employment regulations
6. Occupational health and safety
7. Employee development and training
8. Employee rights protection

No. Material Issues

9. Supply chain management
10. Green and sustainable procurement
11. Product responsibility and safety
12. Anti-corruption and anti-bribery
13. Customer service and complaints
14. Responsible marketing
15. Business ethics
16. Community investment

STAKEHOLDER ENGAGEMENT

The Group is committed to acting as a responsible corporate citizen by continuously creating value and contributing positively to society. We place strong emphasis on our stakeholders and view their expectations as essential to shaping our ESG strategy and management practices. Our key stakeholders include shareholders and investors, customers, employees, suppliers, local communities, the wider public, and government and regulatory authorities.

We aim to strengthen stakeholder relationships through ongoing, proactive engagement and collaboration. To support effective communication, we use a range of online and offline channels, including meetings, in-person discussions, interviews, and stakeholder surveys. We give careful consideration to stakeholder views in addressing key issues that influence our business development, and we systematically collect feedback to guide decisions and implement targeted improvements.

Major Stakeholders

Engagement Channels

Shareholders and Investors

- Annual General meetings
- Financial reports
- Announcements and circles
- Company websites

Customers

- Customer service hotline
- Customer complaint mechanism
- Social media
- Satisfaction Questionnaires

Employees

- Training, seminars, and briefing sessions
- Performance reviews
- Employee complaint mechanism
- Internal communication

Suppliers

- Supplier evaluation meeting
- Supplier audit
- Tender selection
- Regular communication

Communities and NGOs

- Community activities
- Volunteer activities
- Sponsor and donation

Media and the Public

- ESG Report
- Company website
- Social media platforms

Government and Regulator Authorities

- Written or electronic correspondence
- Regular performance report
- Information disclosure

ENVIRONMENTAL

The Group considers environmental protection a central pillar of its sustainable development. As a leading retailer of the area, we are committed to reducing the environmental impact of our day-to-day operations while advancing green purchasing practices and supporting a circular economy. Our employees also take an active role in environmental initiatives and implement energy-saving and emissions-reduction measures to improve resource efficiency. The Group believes that strong environmental management not only strengthens corporate reputation but also reflects our responsibility to society and future generations.

ENVIRONMENTAL TARGETS

Achieving carbon neutrality requires active involvement and sustained support from the wider community. As a responsible corporate citizen that recognises the urgency of tackling climate change, the Group has established clear, measurable environmental KPIs with 2025 set as the target year. These KPIs provide a framework for tracking progress and assessing performance. Our most recent progress update is summarised below:

Aspect (Unit)	2021 (Base Year)	2025 Target	2025 (Results)
Energy consumption intensity (MWh/employee) ¹	19.66	↓ 5%	31.98
Energy consumption intensity (MWh/mil revenue) ²	30.54	↓ 5%	31.66
Water consumption intensity (m ³ /employee)	96.20	↓ 5%	145.23
Water consumption intensity (m ³ /mil revenue)	149.44	↓ 5%	143.77
GHG emissions intensity (tCO ₂ e/employee)	15.91	↓ 5%	16.82
GHG emissions intensity (tCO ₂ e/mil revenue)	24.70	↓ 5%	16.65
Waste production intensity (tonnes/employee)	0.21	↓ 5%	0.42
Waste production intensity (tonnes/mil revenue)	0.32	↓ 5%	0.42

Although the Group's business activities are not expected to materially affect the environment or natural resources, we place strong emphasis on responsible environmental management and are committed to meeting our obligations to society. Accordingly, we have established an ISO 14001:2015 – accredited Environmental Management System (EMS) and implemented environmental policies guided by the “Reduce, Reuse, Recycle and Replace” (4R) principles. By embedding these principles into our operations, we manage emissions and resource consumption effectively, seek to reduce our environmental footprint, and support green development.

In FY2025, the Group's energy consumption intensity (MWh/employee) increased compared with the 2021 baseline. This was primarily driven by a significant reduction in headcount during the year. While the Group's total energy consumption decreased noticeably compared with FY2024, the decrease in the number of employees was more significant. As a result, the reported energy consumption intensity per employee increased due to a denominator effect, rather than indicating a deterioration in overall energy management performance.

Given the sensitivity of per-employee intensity metrics to workforce fluctuations, the Group monitors energy performance using multiple indicators (including absolute energy consumption and intensity measures) to provide a more balanced view of energy efficiency and operational performance. The Group will continue to implement energy-saving measures and optimise facility operations to manage overall energy consumption.

¹ Energy intensity (MWh/employee) = Total energy (MWh) ÷ Number of employees (at end)

² Energy intensity (MWh/million RMB) = Total energy (MWh) ÷ (Revenue (RMB) / 1,000,000)

ENVIRONMENTAL

A1. EMISSIONS

During the Year, the Group was not aware of any material non-compliance with applicable environmental laws and regulations relating to exhaust gas and greenhouse gas (“GHG”) emissions, discharges to water and land, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. Relevant requirements include, but are not limited to, the Environmental Protection Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, and the Air Pollution Control Ordinance of Hong Kong.

Air Emissions

The Group’s air emissions primarily arise from company vehicles, including emissions of nitrogen oxides, sulphur oxides, and particulate matter.

Types of Air Emissions	Unit		2025	2024
Nitrogen Oxides (NO _x)	kg	▼	996.32	1,194.41
Sulphur Oxides (SO _x)	kg	▼	0.82	1.28
Particulate Matter (PM)	kg	▼	60.05	80.22

In FY2025, the Group’s air emission indicators continued to decline across all monitored pollutants, reflecting the effectiveness of our strengthened emission management practices and enhanced control over transportation activities. These reductions were driven by ongoing initiatives to optimise vehicle usage and operating conditions, including tighter management of vehicle deployment and speed, consistent implementation of engine shutdown practices during idling or parking, and improved inspection, routine servicing and preventive maintenance for company vehicles, generators and other fuel-consuming equipment. In addition, the continued adoption of cleaner fuel options and adherence to the latest applicable emission standards for internal transportation further supported the overall reduction in emissions and reinforced the year-on-year downward trend in air emission performance.

GHG Emissions

GHG emissions are widely recognised as a major contributor to climate change and global warming. Within the Group, Scope 1 emissions comprise direct emissions from vehicle fuel consumption and refrigerants, while Scope 2 emissions comprise indirect emissions from purchased electricity, including electricity used to charge electric vehicles. During the Reporting Period, the Group's total GHG emissions were 8,022.21 tonnes of carbon dioxide equivalent ("tCO₂e"), representing an overall decrease year-on-year. This reduction was primarily driven by our fleet optimisation strategy, under which older, less efficient vehicles were progressively retired and replaced with newer electric vehicles. The continued transition to electric mobility supports the Group's sustainability objectives and contributes to broader efforts to mitigate climate change.

Scopes of GHG Emissions ³	Unit		FY2025	FY2024
Scope 1	tCO ₂ e	▼	221.76	258.70
Scope 2	tCO ₂ e	▼	7,800.45	7,865.88
Total GHG emissions (Scope 1 and 2)	tCO ₂ e	▼	8,022.21	8,124.58
GHG Emissions Intensity	tCO ₂ e/employee ⁴	▲ ⁵	16.82	10.36
GHG Emissions Intensity	tCO ₂ e/mil revenue ⁴	▲	16.65	13.70

Sewage Discharge

The Group's business activities did not consume a significant volume of water during FY2025; therefore, the Group did not generate a material amount of sewage from daily operations. Information on the Group's water consumption is set out in the section below, "Water Resources."

Waste Management

The Group remains committed to promoting optimal resource utilisation across all operational locations as part of our waste reduction efforts. Given the nature of our retail and wholesale business, the Group's generation of hazardous waste is relatively minimal. Nevertheless, we maintain responsible waste management practices and have implemented guidelines to manage any hazardous waste that may arise. Where hazardous waste is generated, the Group engages qualified and licensed chemical waste collectors to ensure proper handling, transportation, and disposal in accordance with applicable requirements.

Store managers are required to establish and maintain a waste disposal management system, strengthen oversight of waste disposal activities, and designate responsible personnel for waste handling, transportation coordination, and record-keeping. Dedicated containers or designated areas are provided for waste storage and are clearly labelled to distinguish different waste types. Liquid waste and waste with volatile odours are stored in sealed containers. Waste is cleared on a daily basis to help ensure timely processing and removal.

³ Note: GHG emission data are presented in tonnes of carbon dioxide equivalent (tCO₂e) and were prepared with reference to, including but not limited to, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (WRI/WBCSD), HKEX's How to Prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs, and the latest published national average electricity emission factor for China released by the Ministry of Ecology and Environment.

⁴ In FY2025, the intensity of the environmental KPIs is calculated based on the number of the Group's employees at end (2025: 477; 2024: 784). Recorded revenue (2025: RMB\$481.82 mil; 2024: RMB\$592.94 mil).

⁵ The increase in GHG emissions intensity in FY2025 was primarily attributable to a significant reduction in headcount (i.e., a smaller denominator), even though absolute GHG emissions decreased.

ENVIRONMENTAL

Most of the Group's non-hazardous waste continues to arise from cardboard cartons used for supplier packaging and paper used in office administrative activities. Our key strategy is to maximise recycling and encourage reuse to extend the service life of these materials. Recovered cartons are repurposed for operational needs such as storage and internal transportation.

Types of Waste Disposal	Unit		FY2025	FY2024
Total Hazardous Waste Produced	tonnes	–	–	–
Total Non-hazardous Waste Produced	tonnes	▼	201.43	211.52
Non-hazardous Waste Intensity	tonnes/employee ⁴	▲	0.42	0.27
Non-hazardous Waste Intensity	tonnes/mil revenue ⁴	▲	0.42	0.36
Recycled Non-hazardous Waste	tonnes	▼	198	208.00

A2. USE OF RESOURCES

The Group cherishes all resources, including energy, water and raw materials, and is committed to strengthening sustainable and responsible business practices across its operations. Guided by the Group's Energy and Resources Policy, we continue to explore energy-saving initiatives and green management measures in our day-to-day operations, with the aim of reducing resource consumption where practicable.

Energy Management

Electricity consumption in our retail stores and offices remains the Group's most significant source of energy use during daily operations. We recognise the importance of optimising electricity consumption to reduce environmental impact and enhance energy efficiency. During FY2025, the Group continued to promote energy-conscious practices and monitor electricity usage across our premises, with a view to improving operational efficiency and supporting our sustainability objectives over time.

Types of Energy Consumption	Unit		FY2025	FY2024
Total Direct Energy Consumption	MWh	▼	717.79	847.87
– Diesel	MWh	▲	366.30	333.83
– Petrol	MWh	▼	351.49	514.04
Total Indirect Energy Consumption	MWh	▼	14,536.81	14,658.74
– Purchased Electricity	MWh	▼	14,517.4	14,626.29
– Electric Vehicles	MWh	▼	19.41	32.45
Total Energy Consumption	MWh	▼	15,254.59	15,506.61
Total Energy Consumption Intensity	MWh/employee ⁴	▲	31.98	19.78
Total Energy Consumption Intensity	MWh/mil revenue ⁴	▲	31.66	26.15

In line with our commitment, the Group continued to implement robust energy management practices in FY2025 and regularly monitored energy consumption performance across our operations.

ENVIRONMENTAL

During the year, the Group recorded a moderate year-on-year reduction in total energy consumption, driven mainly by lower direct (petrol) energy use. Purchased electricity, which remains our primary source of energy consumption for retail stores and offices, decreased slightly as we continued to strengthen energy-efficiency measures in daily operations. Electricity consumption related to electric vehicle charging also declined, reflecting improved usage management and operating patterns.

For direct energy consumption, the Group achieved a notable reduction overall. This was primarily attributable to a significant decrease in petrol consumption, which more than offset a slight increase in diesel consumption during the year.

To support these outcomes and enhance energy efficiency, we continued to implement measures including the use of energy-efficient lighting systems, optimised HVAC (Heating, Ventilation and Air Conditioning) settings, and metering arrangements to monitor and manage energy usage. These initiatives help reduce energy consumption while maintaining a comfortable shopping environment for customers. In office areas, we continued to deploy energy-efficient appliances and equipment, encourage the use of natural light where practicable, and apply power management practices. Air-conditioners are adjusted according to weather conditions and are not set below 26°C during summer. Employees are encouraged to adopt energy-conscious behaviours, such as turning off lights and equipment when not in use, and to actively participate in energy-saving initiatives.

Water Resources

The Group's wastewater is mainly generated from cleaning and sanitation activities at our retail outlets and office premises. During the Reporting Period, the Group's overall water consumption decreased year-on-year, primarily due to the closure of certain retail outlets during the year, which reduced operational water demand.

Water Consumption	Unit		FY2025	FY2024
Total Water Consumption	m ³	▼	69,273	70,328
Total Water Consumption Intensity	m ³ /employee ⁴	▲	145.23	89.7
Total Water Consumption Intensity	m ³ /mil revenue ⁴	▲	143.77	118.61

In FY2025, the Group continued to strengthen water stewardship by implementing measures to improve the utilisation efficiency of water resources across its operational premises. Regular maintenance of water taps, pipelines and water storage facilities was enhanced, and leakage tests and inspections were conducted to identify and rectify defects in the water supply system in a timely manner.

During the Reporting Period, the Group recorded total water consumption of 69,273 m³ (FY2024: 70,328 m³), representing a 1.50% decrease year-on-year, mainly attributable to changes in the Group's operating footprint, including the closure of certain retail outlets. Water consumption intensity increased to 145.23 m³ per employee (FY2024: 81.075 m³ per employee), primarily due to changes in the number of employees during the year.

The Group also continued to promote water-saving behaviour by advocating water preservation and reinforcing the "Water Preservation" concept among employees. In parallel, the Group maintained its focus on water conservation within the supply chain and, where practicable, prioritised suppliers that have obtained environmental management system certification to support a high-quality and water-friendly supply chain.

ENVIRONMENTAL

Packaging Materials

The Group recognises the environmental impact associated with plastic bag usage. Given the nature of our retail operations, plastic roll bags remain the primary packaging material provided to customers, mainly for the hygienic and convenient storage of fresh produce, fruits and frozen food items.

To minimise unnecessary consumption of packaging materials, the Group has placed clear reminders in retail stores to encourage customers to use plastic bags responsibly and only when needed.

Use of Packaging Materials	Unit		FY2025	FY2024
Total Packaging Materials Consumption	tonnes	▼	34.18	35.24
Packaging Materials Consumption Intensity	tonnes/employee	▲	0.07	0.045
Packaging Materials Consumption Intensity	tonnes/mil revenue	▲	0.07	0.06

A3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group remains attentive to its impacts on the environment and natural resources and is committed to reducing the environmental footprint arising from its daily operations. To support this commitment, the Group has implemented a range of environmental protection measures aimed at improving operational efficiency and mitigating negative environmental impacts.

The Group also maintains strict compliance with applicable environmental laws and regulations, and continues to strengthen its management approach to promote sustainable development and foster a balanced, long-term relationship between business growth, society and the natural environment.

Working Environment

As a retail-focused group, we recognise that indoor environmental quality directly affects both employee wellbeing and customer experience. The Group continues to prioritise a safe, healthy and comfortable working environment by maintaining high indoor air quality across our stores, offices and back-of-house areas.

Smoking remains strictly prohibited in all premises, including sales floors, storerooms and office areas, to protect employees, customers and visitors and to maintain a clean indoor environment. Any breach of this requirement is handled in accordance with the Group's established disciplinary procedures.

To support consistent indoor air standards, the Group maintains air purification equipment in appropriate locations and conducts regular inspection, cleaning and maintenance of air-conditioning and ventilation systems to help reduce dust and other airborne pollutants. We also incorporate green plants into selected stores and offices to enhance the environment and contribute to a fresher indoor atmosphere.

A4. CLIMATE CHANGE

Climate change continues to be a significant global challenge and has increasing relevance for retail operations, including energy consumption in stores (e.g., lighting, air-conditioning and refrigeration where applicable), potential disruptions to logistics and supply chains, and changes in customer expectations and regulatory requirements. Governments and regulators continue to advance decarbonisation efforts, including China's target to achieve carbon neutrality by 2060 and Hong Kong's commitment to reach net-zero carbon emissions by 2050.

In response, the Group continues to identify and manage climate-related risks and opportunities, with attention to both physical risks (such as extreme weather affecting store operations, deliveries and inventory) and transition risks (including evolving regulations, market expectations and energy-related cost impacts). Climate change considerations remain integrated into the Group's enterprise risk management framework to enhance business resilience and support informed decision-making.

Climate Change Governance

The Group continues to integrate climate change considerations into its corporate governance and strategic planning. This includes developing practical pathways to reduce carbon emissions across retail operations, strengthening the identification and management of climate-related risks, establishing and refining internal policies to support climate action, enhancing transparent disclosure of climate-related information, and regularly reviewing the effectiveness of climate strategies and implementation measures. Through these efforts, the Group aims to contribute to broader decarbonisation objectives, including progress towards carbon peaking and carbon neutrality.

The Board retains ultimate oversight and accountability for the Group's climate-related risks and opportunities. To support effective governance, the Board appoints the ESG Committee to oversee key climate-related matters, including the identification, assessment and management of climate risks and the monitoring of related initiatives and performance. This governance structure helps ensure climate considerations are embedded into decision-making and that the Group remains proactive in strengthening resilience and advancing its sustainability agenda.

Climate Risk Assessment and Strategy

The Group has continued to assess climate change risks across its retail operations and value chain, with risks classified into two main categories: physical risks and transition risks. Physical risks may arise from extreme weather events and longer-term climate shifts that could disrupt store operations, affect product availability, and impact logistics and distribution. Transition risks may result from evolving regulations and reporting expectations, changing customer preferences, and potential increases in energy and operating costs. In response to the risks identified, the Group has developed and continues to enhance appropriate mitigation measures and response strategies.

At the same time, the Group identifies climate-related opportunities to support long-term resilience and competitiveness. These opportunities include improving energy efficiency in stores and offices, optimising operational practices to reduce emissions, and strengthening offerings and practices that respond to increasing demand for more sustainable products and services.

ENVIRONMENTAL

By incorporating climate-related risks and opportunities into business planning, the Group continues to refine its development strategy and resource allocation. This supports the implementation of sustainable development initiatives and the pursuit of low-carbon growth. The Group remains committed to advancing greener operations, managing climate-related impacts responsibly, and contributing positively to the communities in which it operates.

The following chart (FY2025) summarises the Group's key potential climate-related risks and the corresponding response strategies for a retail business.

Risks/ Opportunities	Descriptions	Impact	Strategies
Physical Risks	<ul style="list-style-type: none"> • Heat • Extreme wind • Extreme precipitation • Flooding • Fires 	Retail stores <ul style="list-style-type: none"> • Increased cooling costs • Damage to buildings and inventory 	<ul style="list-style-type: none"> • Disaster preparedness and response • Refrigeration maintenance and upgrades • Resilient sourcing for produce • Support for sustainable commodities initiatives • Public policy advocacy
		Supply chain <ul style="list-style-type: none"> • Commodity shortages due to temporary or permanent yield reduction • Disruption in the production and distribution of agriculture-reliant products 	
		Communities <ul style="list-style-type: none"> • Physical and mental health impacts • Financial well-being 	
Transition Risks	<ul style="list-style-type: none"> • Regulation and legislation • Technology • Market • Reputation 	<ul style="list-style-type: none"> • Changes to carbon pricing regimes • Policy targets and fuel/engine standards; subsidies and incentives for zero-emission vehicles and infrastructure • Changes in energy and commodity prices driven by climate-related weather events and consumption behaviours, leading to higher costs • Shifts in consumer demand for low-carbon products and services • Stakeholder perceptions of the Group's climate response 	<ul style="list-style-type: none"> • Policy monitoring and integration into business and financial planning • Ongoing assessment of regulations and legal risks • Monitoring market trends • Reporting climate and environmental performance to investors • Engaging with stakeholders via digital and traditional media

B1. EMPLOYMENT

The Company recognizes that its long-term success is closely linked to the well-being of the people and communities it serves. As a retail business interacting daily with customers, employees, suppliers, and local communities, the Company is committed to fostering a responsible, inclusive, and people-centered operating environment. Our social responsibility approach focuses on creating a safe and supportive workplace, promoting diversity and equal opportunities, delivering high standards of customer service and product safety, and building fair and ethical relationships with suppliers. By prioritizing employee development, customer trust, and community engagement, the Company aims to generate positive social value while supporting sustainable and responsible business growth.

Recruitment, Promotion, and Dismissal

The Group sets out its core human resources management practices in the Employee Handbook. We are committed to providing all candidates with equal and fair access to recruitment information and opportunities, and to implementing a robust, transparent, and merit-based hiring process.

Recruitment is conducted through multiple channels, including the Group's website, employment agencies, internal referrals, and campus recruitment. The Human Resources Department and the recruitment team are responsible for candidate screening and interviews. During the interview process, candidates are provided with clear information on the working environment, job responsibilities, remuneration, and employee benefits. Hiring decisions are made based on objective criteria, including capability, academic qualifications, practical job requirements, functional knowledge, and language proficiency, to ensure a professional and respectful recruitment experience.

The Group adopts an open and fair performance assessment system and gives priority to employees with outstanding performance for promotion as recognition of their contributions. Staff appraisals are conducted regularly and serve as the basis for promotion and salary adjustments. Evaluations are carried out in accordance with the principles of merit, talent development, and competitiveness.

The Group respects and safeguards employees' lawful rights and interests in line with the Employee Handbook. We maintain zero tolerance for unfair dismissal and ensure that any dismissal or contract termination is handled through a fair, transparent, and well-defined procedure. Relevant procedures, conditions, and requirements for dismissal and contract termination are clearly set out in the Employee Handbook.

Working Hours and Rest Periods

The Group clearly sets out employees' working days, working hours, and rest arrangements in the Employee Handbook, and maintains zero tolerance for any form of forced labour. Overtime work is voluntary and is compensated in accordance with applicable requirements. Where relevant, the Group provides overtime allowances to cover reasonable expenses such as meals and travelling.

In addition to annual leave, employees are entitled to various types of leave and holidays, including statutory holidays and other paid leave (e.g., marriage leave, maternity leave, paternity leave, and compassionate leave). Information on attendance requirements, leave arrangements, and employee benefits is clearly stated in the employment contract.

The Group promotes a work-life balance culture by organising activities that support employee well-being, including year-end gatherings, birthday celebrations, and sports activities. The Group also arranges recreational activities during festivals such as International Women's Day, the Mid-Autumn Festival, and the Spring Festival, to foster a positive workplace experience and enhance employee engagement.

Equal Opportunity, Diversity, and Anti-discrimination

The Group is committed to fostering an inclusive, respectful, and collaborative workplace culture. We treat employees fairly and equitably regardless of nationality, race, age, gender, religious beliefs, or cultural background, and we safeguard the legitimate rights and interests of female employees.

The Group maintains zero tolerance for workplace discrimination, harassment, or any inappropriate conduct, and is committed to preventing such behaviour. All employees are entitled to enjoy their lawful rights on an equal basis, including remuneration, rest and leave, occupational safety and health protection, social insurance, and welfare benefits.

The Group is dedicated to building a diverse and inclusive workforce. Any employee who experiences or witnesses intimidation, humiliation, bullying, or harassment (including sexual harassment) may report the matter to the employee representative or submit a complaint directly to the management representative or the General Manager. The Group will handle all complaints seriously, promptly, and fairly, and take appropriate action upon receipt.

Remuneration and Benefits

The Group has established a fair, reasonable, and competitive remuneration framework. All eligible employees are provided with competitive wages, comprehensive insurance coverage, and medical benefits.

In accordance with the Social Insurance Law of the PRC, the Group enrolls China Mainland employees in the statutory "five social insurances and one housing fund", including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and the housing provident fund. For employees in Hong Kong, the Group makes contributions to the Mandatory Provident Fund (MPF) in compliance with the Mandatory Provident Fund Schemes Ordinance.

The Group conducts an annual review of remuneration and benefits packages to ensure market competitiveness and to support talent attraction and retention.

Employee Communication

To strengthen employee engagement and communication, the Group has established multiple communication channels, including work reporting and performance assessments, staff satisfaction surveys, and suggestion boxes. These channels help the Group understand employees' views on corporate development, employment relationships, remuneration, as well as their responsibilities and obligations. All feedback and information collected from employees are handled on a confidential basis.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. Relevant requirements include, without limitation, the Labour Law of the PRC, the Labour Contract Law of the PRC, and the Employment Ordinance in Hong Kong.

Employee Composition

As of 31 December 2025, the Group employed a total of 477 staff members. The employee composition is summarised as follows:

Breakdown of Employees	FY2025	FY2024
Total	477	784
By Gender		
Male	151	254
Female	326	530
By Age		
Below 30	57	97
30–50	350	570
Above 50	70	117
By Geographical Location		
Mainland China	477	776
Hong Kong	0	8
By Employment Type		
Full-time	431	632
Part-time	46	152
By Employment Categories		
Management Staff	47	99
General Staff	430	685

Employee turnover rate

During the Reporting Period, the Group’s overall net employee turnover rate⁶ was approximately 39.2% and the employee turnover rate⁷ was approximately 91%. The turnover details are set out below:

Employment Turnover Rate⁷ (%)	FY2025	FY2024
By Gender		
Male	30%	35%
Female	61%	45%
By Age		
Below 30	15%	37%
30–50	43%	31%
Above 50	33%	97%
By Geographical Location		
Mainland China	89%	42%
Hong Kong	2%	13%
Overall	91%	42%

⁶ Net employee turnover is calculated by the net decrease number (784-477=307)/784

⁷ Employee turnover rate is calculated by the number of employees left during the Reporting Period/Total number of employees as of 31 December 2025×100%

SOCIAL

B2. HEALTH AND SAFETY

The Group places strong emphasis on occupational health and safety and is committed to providing a healthy and safe working environment for employees. During FY2025, the Group maintained its occupational health and safety management system with reference to recognised standards (including OHSAS 18001). The Group arranged regular workplace risk assessments conducted by independent third parties to identify potential hazards and implement appropriate control measures. Relevant policies, measures and practices were reviewed and updated where necessary to support continuous improvement in health and safety performance.

The Group implemented occupational health and safety measures and guidelines, including the provision of suitable personal protective equipment. During the hot season, the Group provided heat-prevention support, such as complimentary drinks and rest breaks, to reduce heat-related risks.

To enhance safety awareness and emergency preparedness, the Group provided induction health and safety training to new hires and delivered safety education to existing employees covering emergency response scenarios, including traffic accidents and public health events. The Group also maintained fire safety management arrangements in accordance with the Fire Protection Law of the PRC. Employees received training on the use of fire-fighting equipment (including fire extinguishers), and fire drills were conducted periodically. Fire evacuation plans were maintained and reviewed regularly.



The Group arranged physical examinations for eligible employees and provided insurance coverage, including labour, work-related injury and commercial insurance. In the event of work-related accidents, the Group provided timely support to facilitate recovery and assisted with relevant arrangements in accordance with internal policies and applicable requirements. Paid sick leave was provided to eligible employees as appropriate. The Group also organised activities promoting work-life balance and healthy living to support employees' well-being.

The Group attaches great importance to providing a healthy and safe working environment and safeguarding employees' well-being. The Group has maintained a zero work-related fatality rate for four consecutive years.

During the Reporting Period, there were four work-related injuries. The increase in lost working days was mainly attributable to a limited number of traffic accidents involving employees commuting to stores or occurring during work. The Group provides timely support to injured employees and allows sufficient time for rest and recovery.

The Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group during the Reporting Period. Relevant laws and regulations include, but are not limited to, the Law of the PRC on the Prevention and Control of Occupational Diseases, the Production Safety Law of the PRC, and the Occupational Safety and Health Ordinance of Hong Kong.

Looking ahead, the Group will remain committed to reducing the work-related injury rate and further strengthening traffic safety education and workplace safety management, with a view to continuously improving health and safety performance.

KPI	Unit		FY2025	FY2024	FY2023	FY2022
Fatalities due to work injury	Case	–	0	0	0	0
Work injury cases	Cases	▼	4	7	3	7
Lost days due to work injury	Days	▲	298	239	0	49

B3. DEVELOPMENT AND TRAINING

The Group places great importance on talent development and has established an internal training and development system to enhance employees' capabilities and support sustainable business growth. The Group strives to address the diverse learning needs of employees through a variety of training programmes, including new-joiner orientation, best-practice sharing, and business and job-related skills training.

Training arrangements are designed with reference to employees' roles and responsibilities. General employees and management personnel are provided with different training courses and development programmes tailored to their respective job functions, with the objective of improving professional competence, operational effectiveness and management capability.

To ensure that new recruiters are well-prepared for their responsibilities, the Group requires them to attend induction courses designed to equip them with the necessary skills and role-specific knowledge. In addition, the Group provides regular on-the-job training to existing employees to help them stay up to date with evolving industry practices. Training materials are reviewed and updated on an ongoing basis to maintain relevance and effectiveness, and to enhance employees' skills, knowledge and competency in performing their duties.

The Human Resources Department and the Administrative Department are responsible for planning and evaluating training activities, including setting training objectives and designing training programmes. Training records are maintained by the Human Resources Department. Upon completion of training, the Group conducts evaluations through employee questionnaire forms, the results of which are used to inform and refine future training plans. The Group continuously enhances training quality by taking into account employee feedback on trainers, training effectiveness and programme structure, thereby driving iterative improvement of its training initiatives.

Through continued investment in staff training and development, the Group aims to strengthen overall employee competency while also identifying opportunities for technological and organisational improvement across the Group.

SOCIAL

During the Reporting Period, the Group delivered 792 hours (2024: 4,735 hours) of training, with average training hours of approximately 1.7 hours per employee (2024: 6.0 hours). The percentage of employees who received training is set out below:

Percentage of Employees Received Training ⁸	FY2025	FY2024
Overall	42%	102%
By gender		
Male	44%	104%
Female	41%	101%
By employee type		
Management	51%	110%
General employees	41%	101%

The breakdown of total employees by gender and employment categories is as follows:

Breakdown of Employees Received Training ⁹	FY2025	FY2024
By gender		
Male	33%	33%
Female	67%	67%
By employee type		
Management	12%	14%
General employees	88%	86%

Average Training Hours Received per Employee ¹⁰	FY2025	FY2024
Overall	1.7	6.0
By gender		
Male	1.8	6.2
Female	0.4	6.0
By employee type		
Management staff	0.6	2.8
General employees	2.1	6.5

⁸ Formula for calculating the percentage of employees trained = number of employees trained/total number of employees at 31 December 2025 * 100%. Formula for calculating the percentage of employees in relevant categories = Employees in the specified category, who took part in training/total number of employees in the specified category * 100%.

⁹ Formula for calculating the breakdown of employees trained = number of employees trained under x category/total number of employees trained at 31 December 2025 * 100%. Formula for calculating the breakdown of employees in relevant categories = Employees in the specified category, who took part in training/Employees who took part in training * 100%.

¹⁰ Formula for calculating average training hours per employee = Total number of training hours/Total number of employees. Formula for calculating average training hours of employees in relevant categories = Total number of training hours for employees in the specified category/Number of employees in the specified category.

B4. LABOUR STANDARDS

The Group remains fully committed to upholding human rights and maintains a zero-tolerance policy toward child labour and forced labour. During the recruitment process, the Group verifies candidates' identity documents and conducts appropriate background checks to prevent any instance of child labour. In line with the Group's policy, individuals under the age of 16 are not permitted to work within the Group.

To protect employees' lawful rights and interests, all employees are required to enter into voluntary and legally binding labour contracts with the Group. These contracts clearly set out key employment terms, including working hours, work location and principal duties, to ensure role clarity and prevent any improper deviation from assigned responsibilities. Where overtime work is required, it is arranged on a voluntary basis and is properly compensated in accordance with applicable laws and regulations through additional pay and/or time off in lieu, thereby preventing forced overtime.

The Group also adopts a zero-tolerance approach to verbal abuse, intimidation, oppression and sexual harassment in the workplace. Any substantiated breach may result in disciplinary action, including termination of employment or termination during the probation period, as applicable. In addition, the Group includes explicit clauses in contracts with suppliers and subcontractors to expressly prohibit illegal labour practices, reinforcing the Group's commitment to preventing human rights violations throughout its supply chain.

During FY2025, the Group was not aware of any material non-compliance with laws and regulations relating to child labour and forced labour that would have a significant impact on the Group. Relevant requirements include, but are not limited to, the Labour Law of the PRC, the Labour Contract Law of the PRC, and the Employment Ordinance of Hong Kong.

OPERATION

The Group's rapid growth in the retail industry is underpinned by efficient operational management. We remain committed to a customer-centric approach and continuously enhance our supply chain and inventory management to help ensure consistent product quality and service standards. Through robust supplier management and transparent product labelling and advertising practices, the Group strives to provide safe and reliable products that meet customer expectations and support the Group's long-term sustainable development.

B5. SUPPLY CHAIN MANAGEMENT

The Group regards each supplier as a key business partner and sets clear commercial, environmental and social expectations for suppliers, including compliance with business ethics, human rights protection, environmental protection, and occupational health and safety.

The Group has established a stringent supplier selection and management framework with reference to ISO 20400:2017 Sustainable Procurement Guidance. Under the Group's internal "Material Procurement Management Regulations", supplier selection is assessed against multiple factors, including regulatory and contractual compliance, pricing, product quality, supply stability, and after-sales service. In view of the nature of the Group's business, the Group places particular emphasis on food quality and safety. Suppliers are required to provide regular product testing reports to demonstrate ongoing compliance with the Group's quality requirements. The procurement and quality management functions conduct on-site supplier assessments where appropriate to evaluate operational and quality control capabilities.

To enhance efficiency and strengthen governance, the Group operates a unified procurement platform to standardise procurement workflows and safeguard confidentiality. The platform is operated in accordance with internal confidentiality requirements and includes procedures for supplier withdrawal and ongoing supplier management. In addition, the Group maintains a supplier database to keep supplier information current and to facilitate periodic review of supplier performance and qualification status.

When onboarding new suppliers, the Group evaluates their basic qualifications, business scale, quality management systems, operational capabilities, and environmental and social responsibilities, ensuring alignment with the Group's sustainability objectives and corporate responsibility principles. Environmental and social considerations are embedded in the assessment process. The Group reviews, among other things, whether a supplier holds relevant environmental management system certification, its environmental and hygiene conditions, compliance with applicable laws and regulations, and whether it has had any incidents in recent years relating to environmental pollution, gender discrimination, or child labour.

Suppliers that fail to meet the Group's standards may be disqualified from engagement or removed from the approved supplier list, depending on the circumstances. The Group also maintains policies and procedures designed to promote transparency and fairness in supplier engagement, providing suppliers with a consistent and objective basis for participation. To support continuous improvement and long-term collaboration, the Group organises and participates in supplier interactions such as technical seminars, training sessions, on-site visits, meetings, and audits, enabling ongoing communication and information exchange on market and operational developments.

The Group does not tolerate discrimination against any supplier and prohibits any form of corruption or bribery. To manage conflicts of interest, employees or other parties with an interest in a supplier are not permitted to participate in related procurement activities. The Group prioritises suppliers with a sound track record and no serious breaches of business ethics.

During FY2025, the Group engaged a total of 439 suppliers (2024: 456), all of which were located in China Mainland. The Group expects suppliers to comply with its internal requirements and standards, reinforcing responsible sourcing and supporting environmentally and socially responsible practices throughout the supply chain.

B6. PRODUCT RESPONSIBILITY

The Group recognises that responsible corporate practices are fundamental to long-term business growth. The Group believes that delivering high-quality products and reliable customer service is essential to maintaining strong and sustainable customer relationships. To this end, the Group has established a set of policies, procedures and operational guidelines to support consistent service standards and continuous improvement in product and service quality.

Product Quality and Safety

The health and safety of customers remain the Group's top priority. Senior management oversees the maintenance of food quality standards and the provision of a healthy and safe shopping environment in accordance with the Group's internal requirements. The Group operates a Food Safety Management System under which raw materials and food ingredients are sourced primarily from an approved list of qualified suppliers.

For direct deliveries to stores, store personnel are required to verify relevant supplier qualifications, including the business licence, food production licence, food business licence and other permits as required by applicable laws and regulations. Inspection certificates are checked by product type and batch, and imported food must be accompanied by the required entry inspection and quarantine certificates. Relevant supporting documents are retained (in electronic and/or hard copy form) for record-keeping and traceability. The Group also monitors the freshness and quality of raw materials and food ingredients and may suspend or cease sourcing from suppliers that fail to meet the Group's quality requirements.

To maintain a hygienic in-store environment, the Group enforces workplace hygiene rules and prohibits behaviours that may compromise food safety, including smoking, chewing gum, eating and drinking while on duty. Employees must complete food safety training before commencing their roles and are only permitted to start work after meeting the training requirements. Store managers provide ongoing training on food safety, applicable laws and regulations and operational skills.

Employees handling raw food ingredients are required to comply with strict hygiene procedures, including hand sanitisation and wearing gloves prior to contact with ingredients, to reduce contamination risks. Sales assistants are subject to additional health requirements, including holding valid health certificates and completing annual health checks. Where employees display symptoms that may affect food hygiene (e.g. coughing, diarrhoea or fever), they must immediately leave their posts and may only return to work once the cause has been identified and resolved or treated, in order to safeguard the wellbeing of both customers and employees.

The Group also maintains an Expired Food Management and Food Safety System to strengthen food quality control and standardise daily warehouse and logistics operations. The Group conducts daily scans of food products to verify expiry dates to prevent the sale or use of expired products. Expired food is required to be disposed of securely and in an environmentally responsible manner by designated personnel, and the Group keeps records of disposed quantities to support monitoring and continuous improvement of waste management practices.

OPERATION

Through these measures, the Group continued to strengthen its food safety governance in FY2025, demonstrating its commitment to high standards of product quality and customer protection. No products were recalled during the period due to quality, safety, or health-related reasons.

Customer Service Quality

The Group considers customer feedback and complaints an important driver of continuous improvement in quality management. To enhance the customer experience and reduce potential customer churn, the Group maintains multiple customer service channels to provide timely support, including email, telephone, social media and in-store communication.

To ensure complaints are handled fairly, consistently and confidentially, the Group assigns dedicated personnel to receive, process, document and follow up on customer complaints. The identity of the complainant and the information relating to the complaint are handled with strict confidentiality to safeguard the legitimate interests of all parties. Complaints are required to be formally submitted and escalated to the relevant functions for investigation and resolution. Where an emergency incident has caused, or may pose, a risk to consumer health and safety, the operating unit is required to report promptly to the relevant local administrative authorities. The Group prohibits any act of concealment, misreporting or delayed reporting of food safety incidents, and strictly forbids the destruction of relevant evidence. To avoid conflicts of interest and ensure proper governance, employees are not permitted to enter into private settlements with complainants.

A dedicated service team is responsible for investigating complaint cases, addressing key customer concerns and identifying root causes. Where issues are attributable to internal service processes, the Group updates procedures in a timely manner to improve operational clarity, efficiency and transparency. Additional training is provided to relevant staff where necessary to strengthen service capability and ensure consistent service standards. No complaint cases were reported in FY2025.

Protection of Data and Privacy

In 2025, the Group continued to place strong emphasis on personal data protection and remained mindful of its responsibilities regarding the collection, storage, processing, and use of customer information. To safeguard sensitive information, the Group maintains a Business Confidentiality Agreement Policy set out in the Employee Handbook, which provides guidance to employees on handling and protecting confidential data. All employees are required to comply with the policy to prevent unauthorised disclosure, loss, or misuse of information.

The Group adheres to applicable privacy regulations and recognised best practices when collecting customer data. Personal information is obtained only with customers' explicit consent to ensure transparency and respect for privacy rights. The Group collects and retains personal data solely for defined business purposes, and access is restricted to authorised personnel on a need-to-know basis to support job duties.

To further strengthen governance around confidentiality, the Group maintains a dedicated Confidentiality Committee responsible for overseeing the implementation and enforcement of confidentiality measures across the organisation. The committee regularly reviews and updates security protocols, conducts risk assessments, and provides guidance and training to enhance data protection awareness and practices.

Advertisement and Labelling

In 2025, the Group continued to comply with applicable laws and regulations related to retail and wholesale services, with the objective of ensuring that advertising content is factual, objective, and not misleading or deceptive. The Group maintains a structured compliance approach that includes periodic assessments of applicable requirements and updates to internal controls to reflect regulatory developments.

The Group prohibits the false labelling of production dates or expiration dates on food products or food additives and prohibits the sale of products past their expiration dates. Unlabelled pre-packaged food products and food additives are not permitted for sale. Products suspended from sale due to non-compliant labels, markings, or instructions in relation to food safety standards may be returned to the producer in accordance with applicable requirements.

For bulk food, the Group requires clear display on containers or isolation facilities, including (where applicable) the product name, ingredient list, production date, expiration date, storage conditions, consumption methods, and the producer's name and contact information. The Group also requires a one-to-one correspondence between products and their labels to strengthen traceability and reduce compliance risk. This approach supports ongoing compliance and enables timely adjustments to management practices in response to changes in the legal and regulatory environment.

Intellectual Property Rights

The Group values and safeguards intellectual property rights. The Employee Handbook serves as a key reference for all employees and clearly sets out the Group's expectations for handling confidential information. Employees are strictly prohibited from disclosing any confidential information – including, but not limited to, the Group's strategies, business interests, know-how, inventions, and intellectual property – to any third party during their employment and after termination of employment. Employees are made aware that any breach may result in disciplinary action and could lead to legal proceedings and reputational damage to the Group.

The Group's commitment to intellectual property protection extends beyond its own assets. When cooperating with external organisations, the Group incorporates appropriate contractual terms to help ensure that products or services provided by partners do not infringe any third-party intellectual property rights.

During the Reporting Period, no products sold or shipped were subject to recall for safety and health reasons. The Group did not receive any complaints regarding products and services. The Group was not aware of any material non-compliance with laws and regulations concerning health and safety, advertising, labelling, and privacy matters in relation to products and services provided, or the methods of redress, that would have a significant impact on the Group. Relevant laws and regulations include, but are not limited to, the Law of the PRC on the Protection of Consumer Rights and Interests, the Product Quality Law of the PRC, the Patent Law of the PRC, the Advertising Law of the PRC, and the Personal Data (Privacy) Ordinance of Hong Kong.

OPERATION

B7. ANTI-CORRUPTION

The Group's Anti-corruption Policy sets out expected standards of conduct for employees and explicitly prohibits involvement in bribery, extortion, fraud, and money laundering. Employees are required to avoid circumstances that may give rise to actual or perceived conflicts of interest with the Group or its associated companies. Prior to commencing employment, employees are required to sign an acknowledgement confirming their understanding of, and commitment to comply with, the Group's code of conduct.

In the event of a breach, the Group will take appropriate actions in accordance with applicable laws and internal procedures, which may include disciplinary measures up to and including termination of employment. Losses suffered by the Group as a result of misconduct may be recovered at the Group's discretion. Where suspected criminal offences are identified, cases will be referred to relevant enforcement authorities in accordance with the law.

Whistle-blowing Mechanism

The Group maintains a transparent and accountable whistleblowing channel to support early detection and timely handling of suspected misconduct. Employees may report concerns through suggestion boxes or email. All reports are handled confidentially to protect the whistle-blower's identity and privacy. The Group prohibits retaliation and seeks to protect whistle-blowers from unfair dismissal or retaliatory disciplinary actions, safeguarding their lawful rights and interests.

To strengthen anti-corruption awareness among management and employees, the Group provides internal guidance materials to enhance understanding of conflicts of interest and reinforce vigilance against corruption. The Group also encourages its trading partners to comply with appropriate anti-corruption standards. Statements of the Group's anti-corruption policies are displayed in public meeting areas to promote continuous awareness and compliance among employees and business partners.

During the Reporting Period, there was no concluded legal case regarding corrupt practices brought against the Group or its employees. The Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud, and money laundering that would have a significant impact on the Group. Relevant laws and regulations include, but are not limited to, the Anti-Unfair Competition Law of the PRC, the Criminal Law of the PRC, the Company Law of the PRC, and the Prevention of Bribery Ordinance of Hong Kong, as well as applicable laws relating to the prevention and suppression of bribery in the private sector.

B8. COMMUNITY INVESTMENT

In pursuing business growth, the Group recognises the importance of contributing to the communities in which it operates. Community engagement supports constructive relationships with stakeholders and contributes to the Group's sustainable development. The Group has established a policy to guide community investment initiatives, with an emphasis on fostering employees' sense of social responsibility and encouraging participation in community-benefiting activities.

To strengthen ties with local communities, the Group engages in charitable activities independently and in collaboration with local non-profit organisations. In recognition of its community contributions, Guangdong Shun Ke Long received a Certificate of Honour titled "2025 Enthusiastic Enterprise Supporting Farmers in Rural Revitalisation" (《2025年助力乡村振兴热心助农企业》).

During the Reporting Period, the Group continued to support community development initiatives. In response to local needs, the Group donated CNY30,000 to support sustainable community growth. Looking ahead, the Group will continue to promote community wellbeing through financial support, volunteer activities, and cooperation with local organisations. The Group will also periodically review and refine its resource allocation to enhance the effectiveness of community programmes and support long-term community development.



HKEX MDR item	Disclosure requirement	Section/Declaration/Page
1) Mandatory Disclosure Requirements (MDR)		
Board statement	Board-level governance of ESG matters, including oversight and ESG management approach/strategy	BOARD STATEMENT AND ESG GOVERNANCE STRUCTURE (p. 4)
Reporting principles	Materiality, quantitative, and consistency principles applied	Reporting Principles (p. 2)
Reporting boundary	Scope/entities covered and boundary explanation	Reporting Scope (p. 2)

HKEX KPI	Description	Section/Declaration/ Page
2) Environmental		
A1 Emissions		
A1: General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.	Emissions (p. 8)
A1.1	Types of emissions and data	Air Emissions (p. 9)
A1.2	GHG emissions (Scope 1 & 2) in total and intensity	GHG Emissions (p. 9)
A1.3	Hazardous waste in total and intensity	Waste Management (p. 11)
A1.4	Non-hazardous waste in total and intensity	Waste Management (p. 11)
A1.5	Description of emission target(s) set, and steps taken to achieve them.	Environmental targets (p. 8)
A1.6	Description of how hazardous and non-hazardous waste are handled, and a description of waste reduction target(s) set and steps taken to achieve them.	Emissions – Waste Management (p. 8-10)

HKEX ESG CONTENT INDEX

HKEX KPI	Description	Section/Declaration/ Page
A2 Use of Resources		
A2: General disclosure	Policies on efficient use of resources	A 2. Use of resources (p. 11)
A2.1	Energy consumption in total and intensity	Energy Management (p. 11)
A2.2	Water consumption in total and intensity	Water Resources (p. 12)
A2.3	Energy use efficiency initiatives; results	Energy Management (p. 11)
A2.4	Water efficiency initiatives; results	Water Resources (p. 12)
A2.5	Packaging material used; reduction measures	Packaging Materials (p. 13)
A3 The Environment and Natural Resources		
A3: General disclosure	Policies on minimising significant impacts on the environment and natural resources	A.3 The Environment and Natural Resources (p. 13)
A3.1	Significant impacts on the environment and natural resources; actions taken	A.3 The Environment and Natural Resources (p. 13)
A4 Climate Change		
A4: General disclosure	Policies on identifying and managing significant climate-related issues	A4. Climate Change (p. 14)
A4.1	Significant climate-related issues and impacts; actions taken	Climate Risk Assessment and Strategy (p. 14-15)
3) Social		
B1 Employment		
B1: General disclosure	Policies on compensation, recruitment, promotion, working hours, rest periods, diversity, etc.	B1. Employment (p. 16)
B1.1	Workforce composition	B 1.1 Employee Composition (p. 18)
B1.2	Employee turnover rate	B1.2 Employment Turnover Rate (p. 18)

HKEX KPI	Description	Section/Declaration/ Page
B2 Health and Safety		
B2: General disclosure	Policies on providing a safe working environment and compliance	B2. Health & Safety (p. 19)
B2.1	Number and rate of work-related fatalities	B2. Health & Safety (p. 20)
B2.2	Lost days due to work injury	B2. Health & Safety (p. 20)
B2.3	Occupational health and safety measures; results	B2. Health & Safety (p. 19)
B3 Development and Training		
B3: General disclosure	Policies on improving employee knowledge/skills	B3. Training & Development (p. 20)
B3.1	% of employees trained (by gender/employee category)	B3. Training & Development (p. 21)
B3.2	Average training hours	B3. Training & Development (p. 21)
B4 Labour Standards		
B4: General disclosure	Policies on preventing child and forced labour	B4. Labour Standards (p. 22)
B4.1	Child labour incidents; mitigation	B4. Labour Standards (p. 22)
B4.2	Forced labour incidents; mitigation	B4. Labour Standards (p. 22)
B5 Supply Chain Management		
B5: General disclosure	Policies on managing environmental and social risks of supply chain	B5. Supply Chain Management (p. 23)
B5.1	Number of suppliers by geography	B5. Supply Chain Management (p. 24)
B5.2	Practices to manage supply chain risks; implementation and monitoring	B5. Supply Chain Management (p. 23)

HKEX ESG CONTENT INDEX

HKEX KPI	Description	Section/Declaration/ Page
B6 Product Responsibility		
B6: General disclosure	Policies on product/service quality, customer safety, advertising, data privacy	B6. Product Responsibility (p. 24)
B6.1	Percentage of total products sold or shipped subject to recall for safety and health reasons.	Product quality and safety (p. 25)
B6.2	Number of products/services-related complaints; handling	Customer Service Quality (p. 25)
B6.3	Description of practices relating to observing and protecting intellectual property rights	Intellectual Property Right (p. 26)
B6.4	Description of quality assurance process and recall procedures	Product quality and safety (p. 25)
B6.5	Description of consumer data protection and privacy policies; compliance	Data and Privacy (p. 25)
B7 Anti-Corruption		
B7: General disclosure	Policies on preventing bribery, extortion, fraud, and compliance	B7. Anti-Corruption (p. 27)
B7.1	Number of concluded legal cases regarding corrupt practices	B7. Anti-Corruption (p. 27)
B7.2	Preventive measures and whistle-blowing procedures; monitoring and implementation	B7. Anti-Corruption (p. 27)
B8 Community Investment		
B8: General disclosure	Policies on community engagement and investment	B.8 Community Investment (p. 28)
B8.1	Focus areas of contribution	B.8 Community Investment (p. 28)
B8.2	Resources contributed	B.8 Community Investment (p. 28)