KWOON CHUNG BUS HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)

(Stock Code: 306)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2025/2026

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About this Report

Purpose, Reporting Scope and Period

Kwoon Chung Bus Holdings Limited (the "Company", together with its subsidiaries, collectively "Kwoon Chung" or the "Group" or "we" or "us") is pleased to present the Environmental, Social and Governance ("ESG") Report (the "Report") for the period from 1 April 2025 to 31 March 2026 (the "Reporting Period"). The Report is intended to communicate the major strategies and performance related to the Group's sustainability to stakeholders.

Unless otherwise stated, the scope of this Report primarily covers our business segments in Hong Kong, which account for approximately 90% of the Group's total revenue during the Reporting Period. Our operations in Hong Kong include the following areas:

I. Provision of non-franchised bus services

II. Provision of franchised bus and public light bus ("PLB") services

III. Provision of limousine services

The reporting boundary is determined based on the materiality to ESG concerns and significance to our Group.

Reporting Standards

This Report is prepared in accordance with the disclosure requirements under the Environmental, Social and Governance Reporting Code as set out in Appendix C2 (the "ESG Reporting Code") to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "HKEX").

Reporting Principles

Reporting Principles		Our Application
Materiality	The threshold at which ESG issues determined by the board of directors of the issuer are sufficiently important to investors and other stakeholders that they should be reported.	In the preparation of this Report, a materiality assessment was conducted to identify issues that are significant to both the Group and its stakeholders. A focused approach was employed to gather and disclose pertinent information on these critical matters.
Quantitative	Key Performance Indicators ("KPIs") in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	This Report delivers quantitative and comparative data and KPIs, with ample explanation provided where relevant.
Balance	The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	This Report provides an impartial assessment of our ESG performance, outlining both accomplishments and obstacles in an objective manner.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	This Report follows a consistent methodology in its preparation and provides a clear explanation of any changes made to the methods compared to the previous year.

Access to the Report

The Report has been prepared in both English and Chinese and is available on the Group's website at http://www.kcbh.com.hk. In case of discrepancy, the English version shall prevail.

Feedback

To achieve sustainable growth, the Group recognises the importance of the opinions of all stakeholders in its decision-making processes. Should you have any opinion on this Report or our sustainability performance, please contact us at info@kcm.com.hk.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About the Company

Vision and Mission

Kwoon Chung is dedicated to embedding ESG principles across our business through sustainable transportation solutions, responsible environmental practices, robust governance, and a commitment to social well-being. We aim to support a lower carbon future, drive innovation in smart mobility, and contribute to resilient, inclusive, and sustainable urban development.

Throughout our operations, the Group is committed to the following ESG-driven missions:

Environmental stewardship and sustainable mobile
To promote environmental awareness in:

- Caring for the environment
- Minimising pollution and waste generation
- Maximising resource efficiency through recycling and reuse
- Supporting low-carbon, eco-friendly travel options
- Continuously improving the environmental performance of its fleet and transportation services

Customer-centricity and regulatory compliance
- Systematically identifying, understanding, and meeting customer requirements
- Ensuring full compliance with applicable laws, regulations, and emerging sustainability standards
- Embedding regulatory and risk-management expectations into operational and strategic planning
- Protecting stakeholders and enhancing long-term resilience

Inclusive, responsible, and accountable governance
- Introducing and strengthening a governance policy that emphasises coordination, collaboration, and transparent stakeholder interaction
- Supporting ethical decision-making, continuous improvement, and long-term sustainability
- Contributing to environmentally responsible growth and the well-being of the communities we serve

Awards and Recognitions

Bus Safety Excellence Award 2025

The Hong Kong Council of Social Service – Caring Company 2025

Kwoon Chung Bus Holdings Limited
Chinalink Express Holdings Limited

ISO 39001:2012 Road Traffic Safety (RTS) Management System

ISO 14001:2015, ISO 9001:2015, ISO 45001:2018

ISO 26000:2010 Social Responsibility

New Lantao Bus Company (1973) Limited

LRQA

Certificate of Approval

NEW LANTAO BUS COMPANY (1973) LIMITED

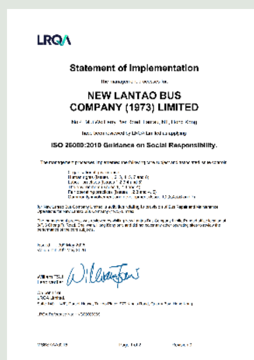
ISO 39001:2012

LRQA

Certificate of Approval

NEW LANTAO BUS COMPANY (1973) LIMITED

ISO 14001:2015, ISO 9001:2015, ISO 45001:2018



LRQA

Statement of Implementation

NEW LANTAO BUS COMPANY (1973) LIMITED

ISO 26000:2010 Guidance on Social Responsibility

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our Approach to Sustainability

Kwoon Chung is steadfastly dedicated to embedding ESG principles at the heart of our operations and strategic decision-making across all management levels. We recognise that harmonising robust sustainability practices with business expansion is fundamental to delivering enduring value for stakeholders. Accordingly, we rigorously prioritise employee health and safety, actively minimise environmental impacts, and contribute to the communities we serve. Anchored by our unwavering core principle – "We protect our people" – we drive sustainable growth, enhance productivity, and champion transformative ESG leadership to secure a resilient, greener legacy for future generations.

ESG Governance

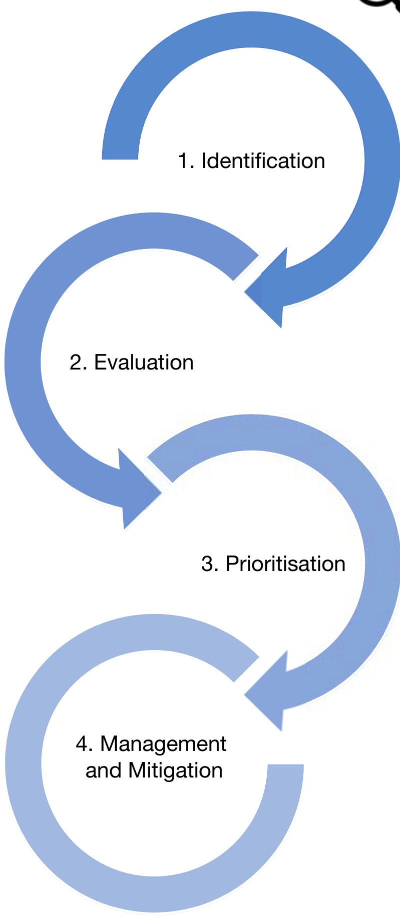
An effective sustainability governance structure is the cornerstone of our continued success. To ensure that sustainability is an integral part of our corporate agenda, we have established an ESG governance structure, wherein the board of directors of the Company (the "Board") holds the ultimate responsibility for the Group's ESG strategy, performance, and reporting. The Board also provides oversight of the Group's ESG issues, including climate-related issues, risks and opportunities. We continuously enhance our sustainability management approach, strategy, and measures, with an emphasis on the Group's long-term development and positioning. The Board regularly discusses and evaluates the Group's sustainability-related risks and opportunities. Delegated by the Board and supported by the ESG Working Group, the executive management and the ESG Committee assist the Board in overseeing ESG management approach and issues driving the planning and implementation of the Group's ESG initiatives. Through regular meetings, the ESG Committee and executive management advise the Board on ESG-related matters to ensure that the Board stays abreast of the Group's ESG performance, risks and opportunities, as well as the implementation progress of relevant plans.

The Board	Executive Management	ESG Committee	ESG Working Group
• Review the ESG framework and oversee the ESG strategy and goals • Monitor and manage material ESG-related risks and opportunities (including but not limited to climate-related and supply chain-related risks and opportunities) • Establish ESG-related goals and targets in relation to the businesses • Review the progress made against ESG-related goals and targets	• Oversee policies and practices related to ESG issues • Review and implement the Group's ESG strategy • Identify and review the Group's ESG-related risks and opportunities	• Implement board-approved ESG goals, targets and strategy across business units • Coordinate with the ESG Working Group across operations, HR, finance, and other business units to ensure consistent execution • Lead the preparation of ESG disclosures for review by the executive management and the Board	• Implement ESG-related programmes • Regularly communicate with stakeholders • Collect ESG information and data for reporting

ESG-related Risk and Opportunity Management

Effective ESG-related risk and opportunity management is crucial for achieving sustained business success in today's ever-changing world. As part of the Board's role in steering the long-term sustainability direction of the Group, the Board bears the ultimate responsibility for overseeing the Group's ESG-related risk and opportunity management, enabling us to remain resilient in the face of unprecedented changes and challenges.

We regularly conduct ESG-related risk and opportunity assessment to identify, evaluate, prioritise and manage risks and opportunities. The following outlines the steps of how the Group assesses ESG risks and opportunities.



1. Identification

- Reference the latest market and international ESG disclosure standards, as well as materiality maps published by leading ESG rating agencies, including the Sustainability Accounting Standards Board ("SASB") Standards, IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information, IFRS S2 – Climate-related Disclosures, MSCI ESG Industry Materiality Map, and the risks and opportunities faced by international peers.
- Identify industry ESG risks and opportunities with management, with a focus on climate-related risks and opportunities, supply chain-related ESG risks, and emerging sustainability trends.
- Disclose climate-related risks and opportunities in response to growing stakeholder expectations. For further details, please refer to the "Climate Resilience" section.

2. Evaluation

- Evaluate the potential impacts and likelihood of the identified key ESG-related risks and opportunities by considering quantitative and qualitative factors. Quantitative information was derived from historical data, while qualitative considerations cover industry trends, economic conditions, recent major events, and disasters.

3. Prioritisation

- Prioritise key ESG risks and opportunities based on their potential impact and likelihood.

4. Management and Mitigation

- Implement appropriate risk mitigation and internal control measures for ESG-related risks and opportunities.
- Oversee the effectiveness of these control measures at the Board level to provide guidance when necessary.

Stakeholder Engagement

We recognise the value of maintaining strong relationships with our stakeholders. By actively promoting open dialogue with our major stakeholders, we strive to understand the sustainability issues that most of them concern and respond to their needs and expectations. We engage with stakeholders regularly to gather a range of perspectives along the value chain. Our identified key stakeholders, the respective concerned topics and the major engagement channels are as follows:

Key Stakeholders	Concerned Topics	Major Engagement Channels
Investors, potential investors and shareholders	• Financial performance • Corporate governance • Risk management • Operation and strategy	• Annual general meeting and other shareholder meetings • Corporate reports and announcements • Meeting with investors and analysts (if applicable)
Employees	• Welfare and benefits • Working environment • Training and development • Occupational health and safety • Self-actualisation	• Regular meetings • Task force • Training, seminars and briefing sessions • Intranet and emails • Annual performance appraisal
Customers	• Safe and high-quality services • Stable relationship • Information transparency • Integrity and business ethics	• Company website, brochures, corporate reports and announcements • Email and customer service hotline • Feedback and report • Passengers Liaison Group ("PLG") meetings for Franchised Bus Division
Suppliers/ Sub-contractors	• Long-term partnership • Honest cooperation • Fair and open • Information resources sharing	• Regular business meetings, supplier conference, phone calls and interviews • Supplier review and assessment • Tendering process • Emails, circulars and manuals • Company website

Key Stakeholders	Concerned Topics	Major Engagement Channels
Government/ Regulators	• Taxation compliance • Regulatory compliance • Business ethics	• On-site inspections and checks • Research and discussion through work conferences, work reports preparation and submission for approval • Corporate reports and announcements • Company website • Compliance control
Non-Government Organizations	• Social responsibilities	• Voluntary work • Charity and social investment • Company website
Media	• Corporate image • Social responsibilities	• Company website • Company event • Charity and social investment
Peers	• Honest cooperation • Fair and open • Partnership opportunities	• Company website • Business meetings
Industry Association	• Industry involvement	• Industry conference • Company website
Community	• Community involvement • Social responsibilities • Transparent information	• Voluntary work • Charity and social investment • Company website

Materiality Assessment

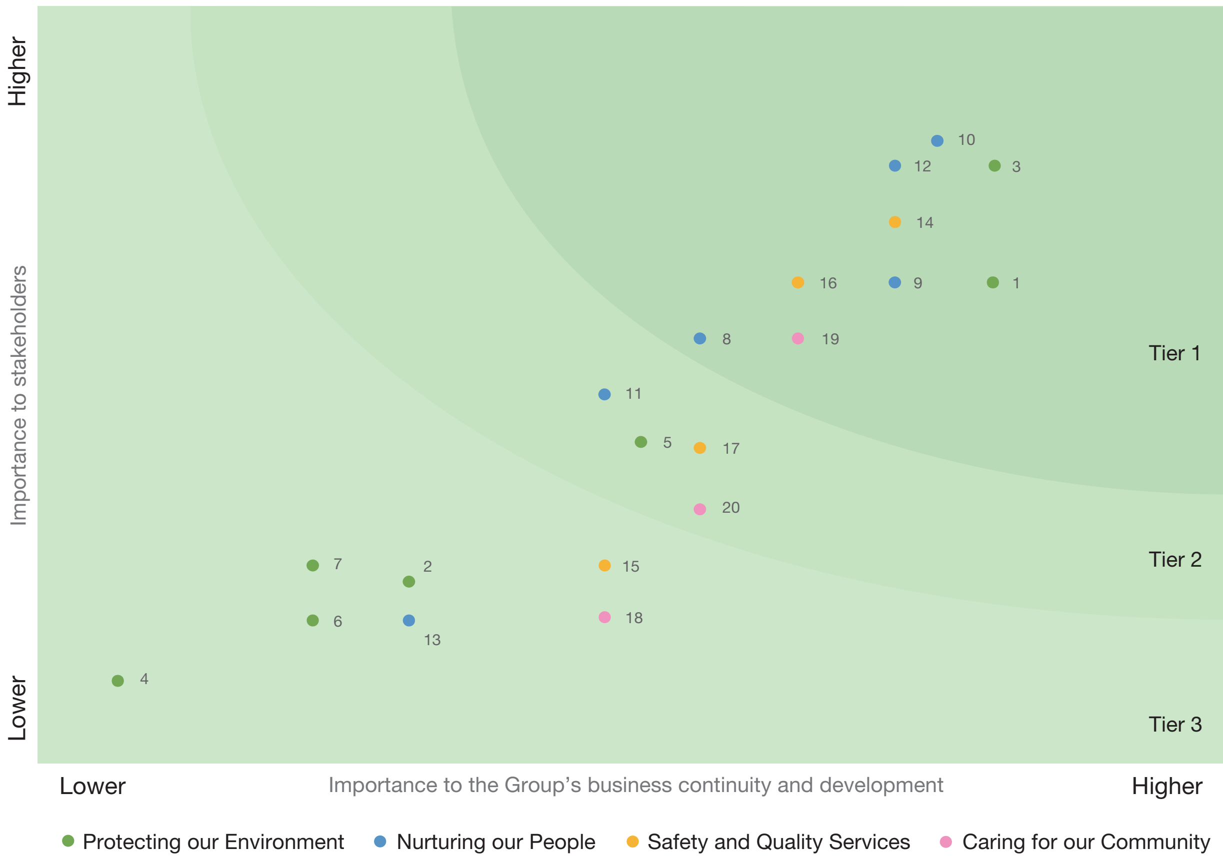
We consider materiality assessment to be a critical process in identifying sustainability topics of high importance to our stakeholders and the Group. This enables us to report on the relevant material sustainability topics in accordance with the materiality reporting principle. Along with our standard communication channels, we engaged an independent consultant to aid in conducting a materiality assessment during the Reporting Period. The outcomes of the materiality assessment and relevant sustainability issues are reviewed and discussed by the management and the Board. Our materiality assessment process involves identifying issues, prioritising them based on materiality ranking from survey analysis, and validating the issues.

The materiality assessment process is shown as below:

Step 1 Identification	In accordance with the ESG Reporting Code and the current industry trend, we have identified a total of 20 sustainability issues that are relevant to our business. These issues are categorised into two main areas: environmental and social.
Step 2 Prioritisation	Stakeholders were invited to participate in an online survey, where they ranked 20 sustainability issues based on their perceived level of importance.
Step 3 Validation	The final ranking of sustainability issues was determined through the integration of feedback from both internal and external stakeholders. The results were then presented to the Board for discussion to ensure alignment with our business strategy and relevant material issues. A total of 9 sustainability issues, prioritised as the most material during the Reporting Period, were identified.

The materiality of the 20 sustainability issues to both our business continuity and development, as well as to our stakeholders, is illustrated in the following materiality matrix. Based on the results of the online questionnaire, a total of 9 sustainability issues were identified as the most material during the Reporting Period and are presented in Tier 1 of the materiality matrix. Information relevant to these most material sustainability issues has been addressed in the subsequent sections of this Report.

Materiality Matrix



1	Air Emissions	14	Customer Service
2	Waste Treatment	15	Marketing Promotion and Advertisement
3	Carbon Emissions and Energy Saving	16	Data Protection and Cybersecurity
4	Water Resource Management	17	Anti-Fraud and Anti-Corruption
5	Climate Change and Resilience	18	Community Investment
6	Green Procurement	19	Economic Performance
7	Environmental Risks along Supply Chain Management	20	Business Expansion
8	Employee Welfare		
9	Equal Opportunity, Diversity and Anti-discrimination		
10	Occupational Health and Safety		
11	Employee Training and Development		
12	Employment Compliance		
13	Social Risks along Supply Chain Management		

Safety and Quality Services

Our business is built upon the foundation of quality and safety, which are critical to our customers. We continuously strive to improve our safety, reliability, and customer service, as these are key components of our overall value proposition.

During the Reporting Period, our provision of bus repair and maintenance operations was certified with the ISO 9001:2015 Quality Management System as well as ISO 39001:2012 Road Traffic Safety (RTS) Management System, affirming our adherence to internationally recognised safety and quality standards.

We believe in the philosophy of "Serving with Pride and Dedication" and aim to embed a strong safety culture, known as "Safety-We Care", that is embraced by all employees. This culture serves as a guide for personal and organisational behaviour, reducing the Group's risk profile on an ongoing basis. To this end, we have launched a training, safety, and performance management department led by a team of industry professionals with strong backgrounds in the local and international public transport markets. The department adheres to industry best practices and utilises the latest technology to develop appropriate policies, provide support for line management oversight, and enhance monitoring of daily bus operations.

Our Vehicle Fleet

We conduct regular reviews of our bus specifications to ensure we meet high standards of safety, comfort and accessibility. In particular, our double-deck buses have been equipped with features, such as a straight staircase for improved access to the upper deck, priority seating, and more spacious seats. Our entire double-deck fleet also offers super-low floor access. Additionally, our bus fleet is equipped with speed limiters to enhance safety on the roads.

Safety Measures

Regular Maintenance

The Group has implemented a comprehensive inspection and maintenance program to ensure that our fleet is in optimal condition and meets safety regulations. We conduct regular quality inspections on a set cycle and some vehicles undergo thorough monthly inspections, including checks on emission data, components, and braking systems. In addition, the Transport Department would assign vehicle examiners to conduct random checks.

Safety Facilities

To ensure the safety of our passengers and bus captains, we have implemented the following measures:

Surveillance Cameras

- In order to ensure the safety of passengers and protect the interests of bus captains, a comprehensive surveillance system has been installed on all new buses. These cameras are capable of real-time monitoring, if necessary, and include forward-facing dashboard cameras as well as indoor cameras. This system allows the Group to more effectively monitor road conditions and the behaviour of bus captains and other road users.

Electronic Stability Programme ("ESP")

- ESP is a crucial safety feature that prevents a bus from skidding or overturning when cornering or operating on a slippery road surface. This feature is designed to enhance the vehicle's stability and control, reducing the risk of accidents and ensuring the safety of our passengers and bus captains.

Electronic Braking System ("EBS")

- EBS enables optimisation of the drive and braking operations on our vehicles. It also facilitates monitoring and maintenance of the braking system.

Driver Monitoring System ("DMS")

- DMS is an advanced safety system that assesses and monitors our bus captains' alertness through a driver-facing camera mounted on the dashboard. The camera tracks the driver for any signs of drowsiness or other distractions, issuing warnings and alerts in real-time to ensure the driver's attention is back on the road. This monitoring device uses image processing and advanced facial recognition technology to detect the driver's level of alertness. Early audio alerts and vibration warnings are activated when fatigue or an abnormal situation is detected.

Advanced Driver Assistance Systems ("ADAS")

- ADAS, working in conjunction with DMS, enhance road safety and strengthen operational risk management. These systems enable real-time monitoring of driver behaviour and road conditions, detect irregularities such as fatigue driving, mobile phone use, smoking, hands off the steering wheel, and distracted driving, and automatically capture footage for management review. The majority of our bus fleet is equipped with AI-powered safety systems, and we have recorded an approximately 10% reduction in accident rates following their deployment, with the technology successfully preventing incidents by identifying driver fatigue and medical distress in real time. These systems also operate offline, ensuring continuous monitoring in areas with weak network coverage, such as tunnels and outlying island routes.

Geo-fencing

- By implementing and merging geo-fencing and global positioning system ("GPS") technology as well as the road speed restriction data, our vehicles' systems can identify the prevailing legal speed limit. Alerts and warnings can then be activated to remind the bus captains to reduce the speed in the event that reaches the speed limit at any given moment during its journey.

Safety Belts

- All seats on our new buses are equipped with safety belts, and the majority of our existing fleets have also been retrofitted with this feature. To further promote the use of safety belts among our passengers, we are implementing measures to increase awareness of their availability and benefits.

We perform monitoring of the functionality of safety belts and vehicle telematics systems regularly. In addition, bus captains are required to conduct daily pre-service inspections to ensure the safety of the buses.

Intensive Staff Training

To meet our commitment to delivering safe and reliable transportation services that align with our "Safety–We Care" culture, we expect all staff members, including bus/limousine captains, station assistants, school bus escorts, and control room officers, to conduct themselves in a professional manner that meets or exceeds customer expectations. To enhance safety awareness among our employees, we provide a range of training programs that utilise actual video footage of past accidents. These programs are designed to equip our employees with the necessary skills and knowledge to deliver transportation services that are both safe and reliable. The following examples illustrate training content for various staff members:

Bus/Limousine Captains	• Emotional management • Excellent service quality • Standard operating procedure • Concept of defensive driving • Major causes of traffic accident
School Bus Escorts	• Personal appearance/attitude • Children's safety and discipline • Standard operating procedure • Emergency handling
Maintenance Staff	• Basic electricity theory • Safety of vehicles maintenance • Workshop safety • Training for new model buses

Providing Great Travel Experience

Listening and acting upon customers' feedback

We consider customer feedback to be a crucial source of market intelligence that enables us to achieve continuous improvements in our service quality levels. To this end, we employ a variety of methods to collect feedback from customers, including communication channels on public platforms, meetings with corporate customers, schools, and residents associations to review service performance. During the Reporting Period, 6 PLG meetings were hosted by our Franchised Bus Division to communicate with the public. We are committed to understanding the root cause of each complaint and taking prompt and effective actions to prevent similar incidents from recurring in the future, to the extent reasonably practicable.

The Group received complaints and suggestions regarding franchised bus services referred by the Transport Complaints Unit of the Transport Advisory Committee under the Transport and Logistics Bureau of the Government of the Hong Kong Special Administrative Region (the "Government"), which were related to the adequacy and standard of services. All complaints were thoroughly investigated and managed in accordance with the Group's internal guidelines.

During the Reporting Period, no material complaints were received in relation to our services that had a significant impact on the Group (2024/25: nil).

Regular internal quality inspection

We take a proactive approach to identifying and addressing areas for improvement, ensuring that we provide safe and reliable transportation services to our customers. We regularly conduct "mystery customer" programs and internal surveys in our depots (and across our operating area) to inspect and identify deficiencies. The results of these inspections and investigations are reported and tracked by management to ensure that necessary actions are taken to achieve our goal of delivering continuous improvements in service quality.

Due to our business nature, recall procedures are not applicable.

Advertising and Privacy Protection

To ensure that customers' right to know is protected, the advertisement of our services is strictly regulated to avoid misleading information.

In the course of our daily operations, we process a significant amount of private information about the Group, its customers, and other stakeholders. To protect their rights and interests, we handle this information with caution and comply with the Personal Data (Privacy) Ordinance (Cap. 486). For instance, we clear all CCTV recordings after three months to safeguard our customers' privacy. We are committed to data privacy, which ensures that we maintain the trust of our customers and stakeholders by providing them with safe and reliable transportation services.

During the Reporting Period, the Group was not aware of any material breach of applicable laws and regulations in relation to advertising and privacy protection, including but not limited to the Trade Descriptions Ordinance (Cap. 362) and the Personal Data (Privacy) Ordinance (Cap. 486).

With regard to our business nature, product labelling is not applicable to the Group and intellectual property is considered as an immaterial issue.

Protecting our Environment

The Group places great importance on environmental protection and sustainability and considers it as one of our top priorities. As a road transport operator in Hong Kong, we are fully aware of the impact our operations have on the environment and the public.

To reinforce our environmental management practices, our provision of bus repair and maintenance operations was certified under the ISO 14001:2015 Environmental Management System during the Reporting Period. Furthermore, our subsidiary, New Lantao Bus Company (1973) Limited, is an active participant in the Civic-Exchange initiated “Zero Emissions Mobility Consortium”. Through collaboration with other industry players, we are working towards achieving the goal of zero emissions for Hong Kong and creating a roadmap for decarbonising road transport within a specific timeframe.

During the Reporting Period, the Group was not aware of any material breach of environmental laws and regulations, including but not limited to:

- Air Pollution Control Ordinance (Cap. 311)
- Air Pollution Control (Construction Dust) Regulation (Cap. 311R)
- Waste Disposal Ordinance (Cap. 354)
- Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C)
- Noise Control Ordinance (Cap. 400)
- Environmental Impact Assessment Ordinance (Cap. 499)
- Buildings Energy Efficiency Ordinance (Cap. 610)
- Ozone Layer Protection Ordinance (Cap.403)

Climate Resilience

Governance

Board's Role and Oversight

The Board bears ultimate responsibility for overseeing climate-related risks and opportunities. Assisted by the ESG Committee, the Board supervises the Group's climate-related issues, including climate change policies, management of climate-related risks and opportunities, and the progress of climate targets. The ESG Committee reports to the Board on sustainability-related matters through meetings at least once a year, including climate-related issues, risks and opportunities. The Board considers trade-offs between climate factors in strategy formulation, major transaction decisions, and risk management processes, balancing them against other business, financial and operational priorities, as well as progress on the implementation of climate targets, thereby integrating climate considerations into the Board's overall decision making. The Board has sufficient knowledge of climate-related issues and the impacts of such issues on the Group's business and operations. To maintain up-to-date climate-related knowledge, the Group provides regular training and informational materials on climate-related topics to the Board.

Management's Role

Under the supervision of the Board and supported by the ESG Working Group, the executive management and the ESG Committee are responsible for assessing and managing climate-related risks and opportunities, planning and implementing climate-related measures, and reviewing climate-related policies to ensure that the Group incorporates climate-related considerations into its daily operations.

For details, please refer to the section "ESG Governance".

Strategy

During the Reporting Period, we deepened the breadth and depth of our climate strategy planning, assessed both the financial and non-financial implications of climate change across our business operations, supply chain and market environment, thereby further enhancing our climate resilience. The table below summarises the material climate-related risks and opportunities we have identified, their potential impacts on our business model and value chain, as well as our response actions and transition measures over three distinct time horizons. We continue to apply time horizons that are aligned with our strategic decision-making and planning, and global and/or national best practices. However, given that data availability and quantitative methodologies are still in a stage of continuous development and evolution, the Group will conduct ongoing monitoring and, to the extent feasible, disclose where climate-related risks and opportunities are concentrated in its business model and value chain. With the progressive advancement of relevant research and analytical approaches, the Group expects to enhance its understanding of climate risks and opportunities, thereby enabling a more comprehensive identification of such risks and opportunities involved in its core business operations.

Meanwhile, to support more robust strategy formulation, the Group conducted climate scenario analysis for the first time during the Reporting Period to proactively assess transition and physical risks under different pathways. The assessment was based on various climate scenarios, including the 2050 Net Zero scenario and Current Policies scenario developed by the Network for Greening the Financial System[1] ("NGFS"), with a focus on potential climate impacts from the present to mid-century. The results of the assessment subsequently served as the underlying assumptions for the development of response and transition measures.

[1] NGFS is a group of central banks and supervisory authorities dedicated to sharing best practices, facilitating the development of climate and environmental risk management in the financial sector, and mobilising mainstream capital to support the transition to a sustainable economy.

Climate-related Risks	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Physical Risks			
Acute Risk Ⓢ Ⓜ Ⓛ More severe and frequent extreme weather events, such as cyclones, heavy rainfall and floods, have the potential to damage the assets	**Current Financial Impacts** • Increased equipment maintenance, repair and replacement costs **Anticipated Financial Impacts** • Increased insurance premiums over the short, medium, and long term • Temporary disrupt service delivery over the short, medium, and long term, affecting revenue and contract profitability	• Increased safety risks for employees and customers • Decline in customer confidence and adverse impact on the Group's reputation for reliable service delivery due to frequent disruptions	• Implement a Climate Change Policy to enhance mitigation and adaptation capabilities against climate-related risks • Monitor weather alerts closely and activate site-specific emergency response procedures during extreme weather events to safeguard critical assets and employees • Maintain comprehensive insurance coverage to mitigate the potential loss from extreme weather conditions
Chronic Risk Ⓜ Ⓛ Long-term shifts in climate patterns, such as prolonged high temperatures	**Current Financial Impacts** • Higher energy costs driven by increased cooling demand as average temperatures rise **Anticipated Financial Impacts** • Potential increase in maintenance costs due to heat-related stress on assets in the medium to long term • Potential investment in higher-efficiency or heat-resilient cooling solutions to manage long-term temperature increases in the medium and long term	• Increased risk of harm to employee health in high-temperature working environments, leading to fatigue and a higher likelihood of work-related incidents • Negative impact on workforce retention and operational stability under more challenging working conditions	• Establish emergency response plans to ensure operational continuity during disruptions • Optimise cooling systems to reduce electricity consumption during periods of rising temperatures

Ⓢ Short Term (2030) Ⓜ Medium Term (2040) Ⓛ Long Term (2050)

Climate-related Risks	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Transition Risk			
Policy and Legal Risk Ⓜ Ⓛ In response to the increasingly frequent impacts of climate change, governments and regulatory authorities worldwide continue to strengthen greenhouse gas ("GHG") emission reduction policies	**Current Financial Impacts** • Additional compliance-related expenditures to meet newly introduced mandatory requirements **Anticipated Financial Impacts** • Additional capital expenditure may be required for the replacement of non-compliant diesel/petrol coaches with electric or fuel-cell alternatives • Operating costs may increase due to the implementation of carbon pricing mechanisms	• Strategic misalignment, regulatory penalties, and brand reputation damage due to a failure to adapt to policy changes or meet disclosure requirements	• Trial electric commercial vehicles (e-CVs) on selected routes to assess operational efficiency and eliminate tailpipe emissions • Monitor high-emitting vehicles and carry out repairs to restore performance and meet strict exhaust emission standards

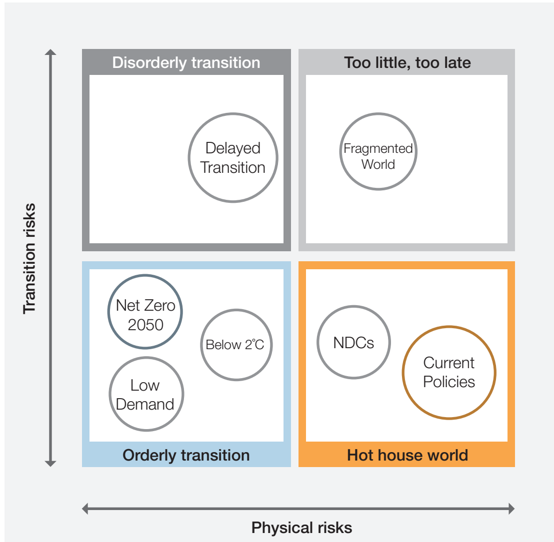
Ⓢ Short Term (2030) Ⓜ Medium Term (2040) Ⓛ Long Term (2050)

Climate-related Opportunities	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Markets Ⓜ Ⓛ Consumer preference shift toward sustainable transportation	**Current Financial Impacts** • Revenue growth driven by rising demand for sustainable transportation, supported by environmental policy direction and shifting consumer preferences **Anticipated Financial Impacts** • Growing interest from green investors sustainable transportation, creating potential for long-term sales growth	• Enhance brand reputation, market competitiveness, and strengthen the corporate image	• Accelerate the replacement of older bus models to reduce air pollutants and GHG emissions from operations • Explore the feasibility of transitioning to electric buses and hydrogen fuel cell buses, evaluating fleet electrification pathways and charging infrastructure requirements to inform our fleet modernisation strategy
Resource Efficiency Ⓢ Ⓜ Improving energy and resource efficiency reduces operational costs, lowers emissions, and enhances overall environmental and business performance	**Current Financial Impacts** • Reduced energy consumption operating costs **Anticipated Financial Impacts** • Reduced energy consumption lowers GHG emissions and future regulatory costs	• Compliance with stringent current and future carbon emission regulations and disclosure requirements by reducing operational emissions • Enhance brand reputation and market competitiveness	• Implementation of comprehensive vehicle maintenance programmes to ensure diesel-powered generators, refrigeration systems, and air-conditioning systems operate efficiently and comply with applicable standards • Application of advance GPS tracking devices to optimise route planning, scheduling, and bus type selection, improving operational efficiency while reducing traffic congestion and fuel consumption

Ⓢ Short Term (2030) Ⓜ Medium Term (2040) Ⓛ Long Term (2050)

Climate Scenario Analysis

During the Reporting Period, the Group initiated its first climate scenario analysis to assess the resilience of its strategy and business model to a range of potential climate outcomes. The analysis was conducted across core operations in Hong Kong at the Group level and was designed to inform strategic planning and risk management. The results informed our strategic planning, risk management and resource allocation for various time horizons.



Scenario and Modelling Approach

As NGFS is an internationally recognised, publicly available scenario data source that is directly relevant to the Group, we have adopted its database as our primary data source, and selected low-carbon scenarios (e.g. "Net Zero 2050 Scenario") and high-carbon scenarios (e.g. "Current Policies Scenario"), respectively. The scenarios were not intended to be predictions of the future; rather, they sought to stress test our business against several plausible future states. The assessment is subject to uncertainties, including the current limitations in available literature and data in quantifying the influence of climate with a high degree of certainty. Our current approach was based on a snapshot of our current situation and assumed no change in our major business operations, operating locations or carbon mitigation measures, and no correlation between different climate risk variables. Going forward, we will continue to refine our approach to climate scenario analysis as new credible data and methodologies become available.

In terms of analysis indicators, we integrated global climate models, regional climate data, and industry forecasts to evaluate physical and transition risks relevant to the Group's operations. The analysis considered physical risk indicators such as cyclones, floods, and heatwaves, as well as transition risk factors impacting operating costs and transition pressures, including carbon pricing. The results indicate that, across all assessed scenarios, identified risks remain low. Please refer to the tables below for an overview of the selected time horizons, climate scenarios, and analysis results.

Time Horizons and Climate Scenarios Selection

Risk Indicators/Variables		Time Horizons	NGFS Scenarios Selection
Physical Risk	**Acute Risk:** • Cyclones • Flooding **Chronic Risk:** • Heatwaves	2030 (short term) 2040 (medium term) 2050 (long term)	**Net Zero 2050 Scenario (Orderly):** • Assuming rapid climate policies and technological transition, to achieve net zero CO_2 emissions by around 2050, while limiting warming to 1.5°C[2] with a minimal overshoot, with limited physical risks but high transition risks.
Transition Risk	**Policy and Legal Risk:** • Carbon Pricing		**Current Policies Scenario (Hot House World):** • Assuming only current policies are maintained, leading to continuous emission growth until 2080 and a temperature rise of approximately 3°C, triggering multiple severe physical risks, including irreversible impacts such as sea-level rise.

[2] Aligned with the Paris Agreement's goal in limiting warming to 1.5°C above pre-industrial level.

Scenario Analysis Results

Impact level: ● High ● Moderate ● Low

Risk Indicators/Variables		Hong Kong	Impact Level					
			Net Zero 2050 Scenario			Current Policies Scenario		
			2030	2040	2050	2030	2040	2050
Physical Risk	Cyclones	✓	●	●	●	●	●	●
	Flooding	✓	●	●	●	●	●	●
	Heatwaves	✓	●	●	●	●	●	●
Transition Risk	Carbon Pricing	✓	●	●	●	●	●	●

Climate Resilience and Adaptive Capacity

The results of climate-related scenario analysis help the Group assess the resilience of its strategy and operating model under different scenarios and time frames. The analysis deepens our understanding of the potential impacts of climate change on the Group's operations and strategic positioning, and provides a basis for identifying priority areas that require strengthening risk management, strategic adjustment or resource allocation.

Through existing risk management and strategic planning processes, the Group maintains its ability to adjust its strategy and operating model in the short, medium and long term. The scenario analysis results have been incorporated into relevant processes to assist the Group in making timely and prudent decisions, effectively responding to evolving climate-related risks and opportunities, and thereby enhancing long-term operational resilience and promoting sustainable value creation.

Risk Management

The Board bears ultimate responsibility for formulating and implementing the risk management framework. Supervised by the Board and assisted by the ESG Working Group, we have conducted sustainability risk and opportunity assessments, including climate-related risks and opportunities, in addition to assessing their potential impacts and likelihood, and prioritise them accordingly. Based on the assessment results, the Group has developed corresponding mitigation measures to enhance our risk response capability and climate resilience.

Metrics and Targets

In support of Hong Kong's Climate Action Plan 2050, which is formulated in response to the goals of Paris Agreement, an international climate accord aimed at limiting global warming to 1.5°C above pre-industrial levels, the Group has formulated a clear decarbonization pathway based on its business characteristics, steadily advancing its low-carbon transition. Central to this transition is KC Smart Mobility Company Limited, which functions as our innovation hub, driving the development and deployment of low-carbon and future mobility solutions, as well as green transport systems. Within this framework, we have established a dual-horizon target structure[3]: a short term 2030 climate target, and a long term 2050 carbon neutrality target within our own business operations. We prioritise direct emission reductions in our operations through energy efficiency measures and responsible resource management. For residual emissions that cannot be eliminated in the short term, we will consider using quality carbon credits, where appropriate, to address unabated emissions in a credible and transparent manner. The ESG Committee reports to the Board on the progress of target implementation at least once a year, enabling continuous oversight and enhancement of our environmental performance.

2030	2050
Reduce GHG (Scopes 1 and 2) Emissions Intensity by **15%** Target Year: FY2029/30 Base Year: FY2025/26	Achieve **carbon neutrality** within our own business operations

Green Targets

In addition, we have established the following green targets:

Our Green Targets		Progress
Emissions	• To reduce air emissions through implementing environmentally friendly measures.	◐
Waste	• To minimise waste by promoting recycling, waste reduction at source.	●
Energy	• To optimise energy use efficiency and advocate for energy-saving practices.	●
Water	• To enhance water efficiency and advocate for water conservation by implementing water-saving practices.	●

● Completed ◐ On Track

For further details, please refer to their relevant sections below for measures implemented to achieve the above target.

3 Our GHG target applies to our core business segments. Details of the scope are set out in section headed "Purpose, Reporting Scope and Period", and covers three GHG as defined under the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).

Environmental KPIs[4]

	2025/26	2024/25	Unit
Air Emissions[5, 6]			
Nitrogen Oxides (“NOx”)	**600.53**	559.80	Tonnes
Sulphur Oxides (“SOx”)	**0.55**	0.51	Tonnes
Particulate Matter (“PM”)	**44.01**	41.06	Tonnes
GHG Emissions[5, 7]			
Total GHG Emissions (Scopes 1 and 2)	**94,149.35**	87,820.68	tCO_2e
Total GHG Emissions (Scopes 1,2 and 3)	**95,147.08**	–	tCO_2e
Direct Emissions (Scope 1)	**93,525.80**	87,265.62	tCO_2e
Energy Indirect Emissions (Scope 2)	**623.55**	555.06	tCO_2e
Other Indirect (Scope 3) Emissions[8]	**997.73**	–	tCO_2e
Intensity of Total GHG Emissions (Scopes 1 and 2)	**37.20**	38.55	tCO_2e/million HKD revenue
Intensity of Total GHG Emissions (Scopes 1,2 and 3)	**37.60**	–	tCO_2e/million HKD revenue
Carbon Offset[9]	**217.00**	–	tCO_2e
Energy Consumption[10]			
Total Energy Consumption (Direct and Indirect)	**345,079.07**	322,209.33	MWh
Direct Energy			
Diesel	**319,183.95**	298,652.86	MWh
Gasoline	**23,456.39**	21,634.71	MWh
Liquefied Petroleum Gas (“LPG”)	**797.05**	602.16	MWh
Indirect Energy			
Purchased Electricity	**1,641.68**	1,319.60	MWh
Intensity of Total Energy Consumption	**136.36**	141.42	MWh/million HKD revenue

4 Totals may not be the exact sum of numbers shown here due to rounding.

5 Our reporting on air and GHG emissions are mainly based on the requirements in “How to prepare an ESG Report” published by the HKEX and “GHG Protocol Corporate Accounting and Reporting Standard (revised edition)” published by the World Business Council for Sustainable Development and World Resources Institute. Operational control approach is adopted when defining organizational boundary for the purpose of GHG accounting and reporting.

GHG emissions is presented in carbon dioxide equivalent (CO_2e). In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, Scope 2 indirect emissions are resulted from the generation of purchased or acquired electricity, heating, cooling, and steam consumed within the Group, while Scope 3 (other indirect) emissions occur within the Group’s value chain.

6 The travel distance of the mobile vehicle is estimated based on Energy Consumption Indicators and Benchmarks provided by Electrical and Mechanical Services Department, using the recommended amount of mobile fuel per distance.

7 Carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O) are included in GHG calculations.

8 Scope 3 emissions include available data from applicable categories, namely Category 6: Business travel and Category 7: Employee commuting.

9 In 2025/26, the Group retired 217 tCO_2e of carbon credits from a wind energy project in India, which was verified by Verra. The net total Scopes 1 and 2 GHG emissions and associated emissions intensity were 93,932.35 tCO_2e and 37.12 tCO_2e/ million HKD revenue respectively.

10 Our total energy consumption includes purchased electricity and non-renewable fuels consumed. The relevant conversion factors are reference from the “Technical Note: Conversion of fuel data to MWh” published by CDP.

	2025/26	2024/25	Unit
Water Consumption[11]			
Total Water Consumption	**19,031.20**	22,795.20	m^3
Intensity of Total Water Consumption	**7.52**	10.00	m^3/million HKD revenue
Hazardous Waste			
Liquid Waste			
Total Hazardous Waste (Liquid)	**109.02**	120.64	Tonnes
Spent Lube Oil	**77.80**	79.40	Tonnes
Spent Lube Oil (Waste Water)	**31.00**	41.00	Tonnes
Spent Oil Filter	**0.23**	0.24	Tonnes
Intensity of Total Hazardous Waste (Liquid)	**0.04**	0.05	Tonnes/million HKD revenue
Solid Waste			
Total Hazardous Waste (Solids)	**8.39**	10.58	Tonnes
Waste Battery	**8.39**	10.58	Tonnes
Intensity of Total Hazardous Waste (Solids)	**0.003**	0.005	Tonnes/million HKD revenue
Non-hazardous waste			
Total Non-hazardous Waste	**58.74**	51.98	Tonnes
General Refuse	**4.80**	4.36	Tonnes
Tyres	**53.94**	47.62	Tonnes
Intensity of Total Non-hazardous Waste	**0.02**	0.02	Tonnes/million HKD revenue

11 Some of the operating premises under the Group of which the water supply was solely controlled by the respective building management which considered the provision of water consumption data or sub-meter for individual occupant not feasible. Hence, the water consumption data excluded consumption from those operating premises.

Energy Consumption, Air and GHG Emissions

Our business operations heavily rely on vehicles and electricity consumption for our offices, ticketing points, bus stations, and depots. Fuel usage and electricity consumption are our major sources of energy consumption, air, and GHG emissions. To minimise the impact on the environment, the Group has implemented internal measures to manage vehicle use and plans to achieve carbon neutrality by the Year 2050 in accordance with the Government's target. We regularly review and revise our bus routes and schedules to optimise environmental performance and have invested in new state-of-the-art bus and crew scheduling software to improve operational efficiency and eliminate unnecessary vehicle movements. We also monitor engine idling with advanced GPS tracking devices and have successfully converted some key bus routes from a high frequency single decker bus operation to a slightly lower frequency double decker bus mode, resulting in reduced noise, air emissions, and fuel consumption without compromising customer service. These measures have helped improve traffic congestion, reduce vehicular flow, and improve roadside air quality.

Carbon Offsetting Initiative

- As part of its commitment to supporting climate action, the Group participated in a voluntary carbon offsetting initiative through the purchase and retirement of certified carbon credits from a wind power project in India. Through this initiative, the Group supported carbon offsetting and contributed to the development of renewable energy and the transition to a low-carbon economy.

Water Consumption

During the Reporting Period, we did not experience any issues in sourcing water as it is provided by local suppliers in the areas where we operate, primarily in Hong Kong. However, we recognise the significance of water conservation and aim to improve water efficiency by promoting conservation efforts. To raise staff awareness and encourage water conservation, we have been posting reminders in our offices. Our commitment to water conservation reflects our dedication to sustainability and responsible resource management.

Waste Management

During our daily operation, waste oil and batteries used in our vehicle fleet are the major hazardous waste generated. To manage and reduce hazardous waste associated with our operations, the Group has adopted the following measures:

- Developed a "Waste Handling Policy and Guideline" for corresponding departments
- Assigned trained technicians to perform recycling
- Stored and handled such waste in designated areas at bus depots (before disposal)
- Engaged with qualified and registered service-providers to collect and process such waste in a proper way in accordance with the statutory standards

Waste tyres, scrapped vehicles, used paper, and general refuse are the primary contributors to non-hazardous waste generation. The Group is committed to responsible recycling, storage, and disposal of waste to reduce non-hazardous waste production. Our dedication to waste reduction reflects our commitment to sustainability and responsible resource management.

To minimise the amount of landfilled waste, the Group has adopted below measures:

- Raised staff's environmental protection awareness by training

- Issued guidelines and reminders aimed at reducing waste at source

In addition, the Group is not involved in any use of packaging materials for finished goods.

Green Operations

Apart from the aforementioned practices, we adopted various measures to minimise our impact on the environment and natural resources, including:

Euro VI vehicles

To improve roadside air quality and protect public health, the Group plans to replace aging buses, particularly Euro IV Diesel Commercial Vehicles ("DCV"), with Euro VI or better in the coming years. At the end of the Reporting Period, over 34% of our bus fleet was Euro VI DCV.

As compared with Euro V, the NOx and RSP (PM10) emissions of Euro VI heavy diesel vehicles are approximately 80% and 50% less respectively, and the NOx emissions of Euro VI light diesel vehicles are approximately 55% less. We believe that replacing aging buses with Euro VI DCV can enhance the environmental performance by reducing the GHG emissions of the Group.

Regular maintenance

The Group offers comprehensive vehicle maintenance programs to ensure that diesel-fuel generators, refrigeration, and air-conditioning systems in vehicles are properly maintained for energy efficiency and compliance with standards. Our repair technicians and frontline operational staff are vigilant in identifying high-emitting vehicles and carrying out repairs to restore their capacity and meet the strict exhaust emission standards set by the European Council of Environmental Ministers. Our management regularly reviews the emission inspection system to ensure compliance with regulations. This includes strengthening enforcement and enhancing testing procedures and executions to minimise errors and prevent the appearance of high-emitting vehicles.

CO_2 concentration

We strive to adhere to all legal and regulatory requirements in all aspects of our operations. In order to ensure that the levels of CO_2 concentration in our buses meet the required standards, we conduct regular random testing. Additionally, we have also engaged the services of professional third parties to perform testing on CO_2 concentration in our vehicles.

Waste water treatment

To treat effluents before discharge, our depots are equipped with sewage treatment facilities as well as grease traps. Waste is collected by eligible professional third parties regularly.

Advocating eco-friendly habits for driving

As part of our commitment to reduce our carbon footprint, we actively promote eco-friendly driving habits among our bus/limousine captains. In addition to upgrading to more environmentally friendly vehicles, we encourage our bus/limousine captains to switch off idling vehicles to minimise engine idling.

Promoting eco-friendly habits for office operation

For office operations, we have issued guidelines on electricity saving, water conservation, and the use of paper and other office supplies to reduce waste and enhance employees' environmental awareness.

Implementation of electric buses

To achieve the Government's carbon neutrality target by 2050, we are promoting the use of electric vehicles ("EVs") and other environmentally friendly vehicle propulsion technologies. EVs only run on electricity and have zero tailpipe emissions. Replacing conventional vehicles with EVs can help improve roadside air quality and reduce GHG emissions. A wider use of EVs also contributes to the development of environmental industries. At the end of the Reporting Period, our fleet included 21 electric private cars and 16 single-decker electric buses.

The regular repair and maintenance of the electric buses, as well as the repair of the charging station and high voltage portion of the electrical system, are now conducted by the electric vehicles manufacturer or other contractors. We will consider procuring necessary maintenance equipment and training up in-house maintenance staff to cope with the growing need for electric buses in the future.

Nurturing our People

The Group is committed to creating a safe and harmonious work environment for our employees, while also providing competitive and reasonable benefits. To protect the rights of both our employees and the Group, we strive to comply strictly with all relevant labour laws and regulations in our areas of operation, including but not limited to the Employment Ordinance (Cap. 57), Employees' Compensation Ordinance (Cap. 282), Minimum Wage Ordinance (Cap. 608), and Employment of Children Regulations (Cap. 57B).

During the Reporting Period, the Group was not aware of any material non-compliance of labour-related laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other welfare and benefits.

Employee Overview

As of 31 March 2026, the Group has 3,120 employees (2024/25: 3,051 employees) in Hong Kong. The distribution of employees by gender, employment type as well as age group is outlined below:

Employee Composition	2025/26	2024/25	Unit
Total number of employees	**3,120**	3,051	No. of employee
By Gender			
Male	**2,303**	2,397	No. of employee
Female	**817**	654	No. of employee
By Employment Type			
Full-time	**2,217**	2,127	No. of employee
Part-time	**903**	924	No. of employee
By Age Group			
30 or below	**223**	200	No. of employee
31-50	**1,144**	1,104	No. of employee
51 or above	**1,753**	1,747	No. of employee

Dismissal and relevant compensation distribution follow the Group's code of conduct and comply with relevant labour regulations of its place of operations. The breakdown of the Hong Kong's employee turnover rate by gender and age group are as the following:

Employee Turnover Rate[12]	2025/26	2024/25	Unit
Turnover rate	**25**	26	%
By Gender			
Male	**24**	23	%
Female	**29**	39	%
By Age Group			
30 or below	**52**	48	%
31-50	**21**	26	%
51 or above	**24**	24	%

Human Resources Strategy and Practices

The Group strives to be a desirable employer by following the principles of equal opportunity, non-discrimination, and diversity in various labour-related procedures such as recruitment, compensation determination, promotion, training and development. Our selection process is solely based on work ability, and we do not consider any factors such as age, gender, race, religion, sexual orientation, or disability that may affect our selection.

To ensure a workplace free from discrimination based on personal characteristics protected by law, such as gender, sexual orientation, disability, age, race, skin colour, national or ethnic origin, and family status, we have formulated and strictly implemented the internal "Equal Opportunities Policy". Any form of workplace discrimination or harassment is not accepted.

We believe that open dialogue and feedback are essential in establishing a harmonious working environment and building a close relationship with our valuable employees. Therefore, we encourage all employees to raise any issues, concerns, grievances, or appeals through designated communication and whistle-blowing channels without fear of retaliation.

12 The employee turnover rate is calculated based on the total workforce at the end of the Reporting Period.

Staff Benefits and Welfare

Creating a harmonious and dynamic working environment is vital for talent retention and enhances employees' sense of belonging to the Group. Therefore, we provide our employees with competitive remuneration packages and benefits. Our compensation and benefits include base salary, discretionary bonuses, health care plans, stock options, transportation allowances, and housing allowances (as appropriate). In addition, we ensure that our compensation packages are competitive enough by tracking relevant market information. We also regularly conduct salary assessments and promotion reviews based on the annual appraisal. The Group's leave policy is based on the standard rules set out in the Employment Ordinance (Cap. 57), which entitles employees to different kinds of leave such as annual leave, public and statutory leave, sick leave, and maternity leave. Furthermore, we have presented the "Long Service Award" to employees who have made significant contributions to the Group over an extended period of time. The award includes a commemorative gold medallion as a token of our appreciation for their dedication and commitment to the Group. During the Reporting Period, a total of 125 employees were honoured with the "Long Service Award". Among them, 43 employees received the 10-year award, 27 employees received the 20-year award, 3 employees received the 30-year award, 1 employee received the 40-year award and 51 employees received the award for retirement.

Occupational Health and Safety

Ensuring the health and safety of our employees has always been a top priority. We strive to provide our employees with appropriate occupational health and safety policy and measures in compliance with relevant laws and regulations, such as the Occupational Safety and Health Ordinance (Cap. 509). The Group provides a staff medical insurance scheme for all full-time employees. For employees aged 60 and above, the medical insurance plan offers regular medical check-ups.

To ensure the health and safety of our frontline staff, we provide helmets, safety goggles, and anti-fall safety belts, as well as appropriate assisting equipment such as mobile working platforms. We also post safety notices and reminders at the workplace in addition to personal equipment.

In addition, we have established a Safety Committee, chaired by the Operations Director, to investigate and review any injuries and accidents that occur. Our goal is to ensure that all bus services are operated safely and reliably at all times. To achieve this, we have feedback loops in place to incorporate lessons learned into our safety and risk management processes as we move forward. The Safety Committee is also responsible for overseeing the implementation and effectiveness of our health and safety measures and relevant procedures.

In each of the past three years, including the Reporting Period, we did not record any work-related fatalities. However, a total of 3,368 working days (2024/25: 2,814 lost days) were lost due to work injuries or occupational diseases in the Reporting Period.

As part of our commitment to creating a healthy and safe work environment, we promote a culture that is free from smoking and encourage our employees to embrace it. The Group has developed a "Smoke-free Policy", along with a variety of effective measures, to ensure the safety and productivity of our employees. Through this policy, we aim to motivate smokers to quit or reduce their cigarette consumption and to raise awareness of the harmful health effects associated with smoking.

Talent Development

The Group values our employees as our most valuable assets and is committed to supporting their continuous career development. We provide our employees with ample training and promotion opportunities through a comprehensive promotion and training system that offers abundant training and development resources. To enhance employees' ability for long-term career development and personal growth within the Group, we provide training and development opportunities and encourage employees to undertake overseas training through internal and external training programs, as well as training subsidy programs.

During the Reporting Period, the training analysis is outlined as below:

Employee Training Analysis[13]	2025/26	2024/25	Unit
Total training hours	**18,117**	17,386	hours
Average training hours	**4.64**	4.51	hours/person
Percentage of employees trained by gender			
Male	**86.0**	85.0	%
Female	**14.0**	15.0	%
Percentage of employees trained by employee category			
Senior Management	**0.2**	0.2	%
Middle Level Management	**0.2**	0.2	%
General and Technical Employees	**99.6**	99.6	%
Average training hours by gender			
Male	**6.22**	5.66	hours/person
Female	**0.35**	0.76	hours/person
Average training hours by employee			
Senior Management	**7.5**	7.5	hours/person
Middle Level Management	**0.42**	0.43	hours/person
General and Technical Employees	**4.72**	4.59	hours/person

The Group conducts annual performance appraisals to evaluate employees' qualifications, experience, technical abilities, attendance rate, and contributions to the Group. The results of these appraisals are used to assess salary and promotion eligibility, with an emphasis on performance. This practice is part of the Group's commitment to promoting employee development and recognising their contributions to the organisation.

Labour Standards

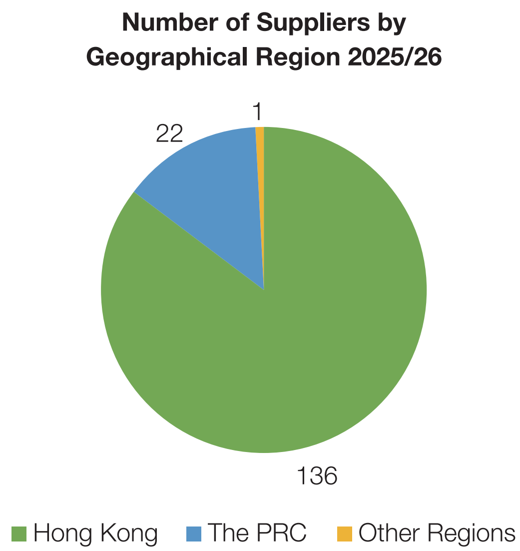
We have a zero-tolerance policy towards the use of child or forced labour in our recruitment process and daily operations. Our Human Resources department ensures that all candidates are of legal working age by verifying their personal identification documents to prevent child labour, and reviews the recruitment practices regularly to ensure the effectiveness of our existing measures against child and forced labour. We outline the terms of working hours, rest periods, compensation, and termination in employment contracts and other human resources policies to prevent any forced labour employment. The Group strictly adheres to the requirements of standardised labour contracts and does not tolerate any form of unfair employment relationship. If any cases of child labour or forced labour are found, the Group will take immediate action to terminate such employment, and investigations will be carried out. During the Reporting Period, the Group was not aware of any child labour or forced labour within the Group.

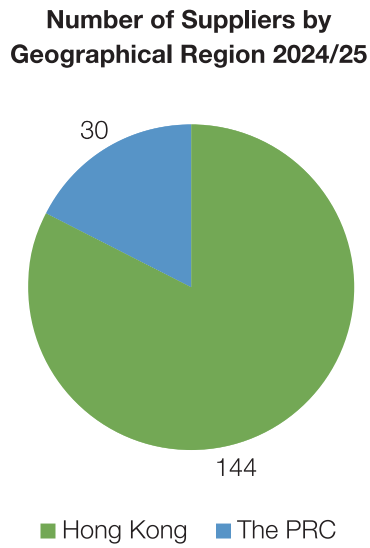
13 The calculation is based on the number of employees trained during the Reporting Period, including those employees having left the Group during the Reporting Period, in order to present a more accurate conclusion of the training resources invested by the Group.

Managing our Supply Chain

Suppliers' Overview

Our suppliers are primarily local bus manufacturers, fuel suppliers, repair and maintenance service providers. For the year ended 31 March 2026, we engaged with 159 major suppliers (2024/25: 174)[14]. The geographical distribution of these suppliers is detailed below:





Selection of Suppliers

In selecting our suppliers, the Group considers various criteria, including the quality of products, prices, reputation, and credibility. To embrace sustainability within our value chain, we prioritise suppliers that are environmentally and socially responsible. The majority of our suppliers are located in Hong Kong, which allows us to minimise GHG emissions from delivery. We also promote environmentally preferable products and services during supplier selection by encouraging green procurement practices, such as using less packaging and focusing on resource-efficient products.

Our chosen bus manufacturers are mainly internationally-renowned companies that demonstrate a high standard of integrity in environmental and social responsibilities. We only select suppliers with satisfactory assessment records, and before reaching any agreement, we require suppliers and other business partners to confirm that their businesses are not in violation of any business, labour, and local environmental regulations. The supplier engagement practices were applied on all suppliers.

We conduct annual assessments of our suppliers and other service providers to ensure that the services or products received meet acceptable quality standards. We also engage in informal discussions with top management and suppliers on an as-needed basis to improve the capabilities of our suppliers and service providers going forward. In addition, we have identified, evaluated, prioritised and managed the environmental and social risks along the supply chain. These risks will be closely monitored, and appropriate mitigation measures will be taken to ensure that our operations are conducted in a responsible and sustainable manner.

14 Major suppliers refer to those suppliers directly contribute to our operations, such as vehicle and fuel suppliers, repair and maintenance service providers.

Upholding Business Ethics

The Group does not tolerate any form of bribery, extortion, fraud, and money laundering. We strive to comply strictly with relevant laws and regulations, including the Prevention of Bribery Ordinance (Cap. 201). To further reinforce our commitment, we have established internal policies such as the "Employee Handbook" and "HR-Policy – Business Ethics & Integrity" to outline the procedures for declaring interests and combating corruption. We have also implemented a whistle-blowing system that includes a hotline and e-mail box. Our directors and employees undergo frequent anti-corruption training to stay aware of compliance issues. During the Reporting Period, anti-corruption training was provided to both directors and staff. The purpose was to enhance their awareness and provide guidance on anti-corruption practices. Additionally, we regularly reinforce the significance of anti-corruption measures to our directors and staff through sharing news excerpts on corruption and integrity-related sentencing, along with relevant rules and guidance to prevent such occurrences.

During the Reporting Period, we were not aware of any material non-compliance concerning bribery, extortion, fraud and money laundering. Besides, neither the Group nor our employees were involved in any concluded legal cases regarding corrupt practices brought against the Group or its employees.

Caring for our Community

Kwoon Chung recognises that our development depends on the resources and support of all sectors of society. To give back to the communities where we operate, we have invested resources to break down barriers and better integrate ourselves within the localities we serve. Our commitment to corporate social responsibility has been recognised by the Hong Kong Council of Social Service, which has awarded us the Caring Company Logo for multiple years. This award recognises our performance as a good corporate citizen and our commitment to prioritising care for society, our employees, and the environment.

Kwoon Chung has been committed to developing and promoting sports and culture in the community, while also extending support to those in need during times of crisis. During the Reporting Period, the Group made approximately HK$10,162,000 of donations and sponsorships to non-governmental organizations, including but not limited to Southern District Recreation and Sports Association Limited, and Aberdeen Kai-fong Welfare Association. We actively engaged in a range of community services, and charitable sponsorships, with a focus on community health and wellness as well as promotion of sports, including but not limited to:

Community Health and Wellness

Kwoon Chung Inclusive – Love in Motion

Kwoon Chung Inclusive and Accessible Transport Services Company Limited ("KCIS") was founded in 2019 with the aim of providing accessible transportation services to those in need, in line with the principles of social harmony. KCIS currently operates 16 Feeder Service routes and 9 routes for the Weekend Recreational Rehabus Service. Feeder Service routes cater to individuals with mobility impediments (including elderly individuals) and their companions, providing flexible boarding and alighting options along the route. The Weekend Recreational Rehabus Service is designed to enable persons with disabilities to visit tourist attractions in Hong Kong on weekends and public holidays, promoting the city as a barrier-free destination. We are committed to delivering the highest quality of service and ensure that our bus captains receive extensive training, including emergency training, as well as training on emotional management and disability awareness.

Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the "HK$2 Scheme")

All franchised bus routes and six residents' bus routes at Fairview Park of the Group participate in the HK$2 Scheme.

Free Rides Scheme of International Day of Disabled Persons ("IDDP")

Kwoon Chung supported the 2025 IDDP event in Hong Kong by providing the free rides to people with disabilities and their caregivers on 9 November 2025. On that day, we provided free rides on all of our franchised buses (except recreational route No. 1R and X11R) to eligible passengers holding either a valid Registration Card for People with Disabilities or the Personalised Octopus card with "Persons with Disabilities Status".

Free Rides for the Elderly on Senior Citizen's Day

To celebrate Senior Citizen's Day on 16 November 2025, eligible passengers aged 65 and above were offered free rides on all of our franchised buses (except recreational routes No.1R and X11R) by presenting their Senior Citizen Card or Hong Kong Identity Card, or tap their Elder Octopus card or JoyYou Card for fare payment when boarding. The amount deducted for such Octopus transactions will be set at HK$0 on that day. Passengers aged between 60 and 64 can continue to enjoy the HK$2 concession scheme using their JoyYou Card.

Free Rides for the Child on National Day

To commemorate the 76th anniversary of the founding of the People's Republic of China, we offered complimentary travel to children holding a valid Child Octopus Card on all of our franchised bus routes on National Day (1 October 2025), with the exception of Routes N1, N35, N37, and N38.

Disaster Relief

Standing with the Community in Times of Need

The Group is deeply saddened by the impact of the severe fire at Wang Fuk Court in Tai Po on the livelihoods of local residents, and extends heartfelt gratitude to the frontline rescue personnel for their unwavering commitment. In support of the community's recovery efforts, we have contributed HK$1 million to the "Support Fund for Wang Fuk Court in Tai Po" established by the Government, aimed at delivering both immediate relief and sustained support to affected families. The Group is also fully cooperating with the Government to provide free transportation services for affected residents. We remain committed to standing by the community, supporting affected residents as they work to overcome adversity and restore stability to their lives.

Promoting Sports

Kwoon Chung Southern District Football Club

Kwoon Chung has actively supported Hong Kong football in recent years. We continued the title sponsorship of Kwoon Chung Southern District Football Club in the 2025/2026 season, contributing to the development of football and local sports in Hong Kong.

Kwoon Chung Southern District Charity Football Tournament

Since 2024, Kwoon Chung has been the title sponsor of the "Kwoon Chung Southern District Charity Football Tournament" for two consecutive years. By promoting a healthy and positive sporting culture and bringing the community together, we aim to extend care and joy to those in need, including families living in inadequate housing, low-income or unemployed individuals, and families with special needs.

Environmental, Social and Governance Reporting Code Index

Subject Areas, Aspects, General Disclosures and KPIs		Section	Page No.
Mandatory Disclosure Requirements			
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	ESG Governance	P. 6
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles (Materiality, Quantitative, Consistency) in the preparation of the ESG report.	About this Report	P. 3
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report	P. 2
A. Environmental			
Aspect A1: Emissions			
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 air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.**		Protecting our Environment	P. 16
KPI A1.1	The types of emissions and respective emission data.	Environmental KPIs	P. 24
KPI A1.2	Repealed 1 January 2025.	N/A	N/A
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental KPIs	P. 25
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental KPIs	P. 25
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Protecting our Environment	P. 23
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management	P. 26-27

Subject Areas, Aspects, General Disclosures and KPIs		Section	Page No.
Aspect A2: Use of Resources			
General Disclosure **Policies on the efficient use of resources, including energy, water and other raw materials.** Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		Protecting our Environment	P. 26-27
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Environmental KPIs	P. 24
KPI A2.2	Water consumption in total and intensity.	Environmental KPIs	P. 25
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Protecting our Environment	P. 23
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Consumption	P. 26
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The operation of the Group did not involve in any packaging materials	N/A
General Disclosure **Policies on minimising the issuer's significant impact on the environment and natural resources.**		Green Operations	P. 27-28
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operations	P. 27-28
B. Social			
Employment and Labour Standards			
Aspect B1: Employment			
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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.**		Nurturing our People	P. 29-30
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employee Overview	P. 29
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Overview	P. 30

Subject Areas, Aspects, General Disclosures and KPIs		Section	Page No.
Aspect B2: Health and Safety			
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 providing a safe working environment and protecting employees from occupational hazards.**		Occupational Health and Safety	P. 31
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety	P. 31
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety	P. 31
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety	P. 31
Aspect B3: Development and Training			
General Disclosure **Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.**		Talent Development	P. 32
KPI B3.1	The percentage of employees trained by gender and employee category.	Talent Development	P. 32
KPI B3.2	The average training hours completed per employee by gender and employee category.	Talent Development	P. 32
Aspect B4: Labour Standards			
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 preventing child and forced labour.**		Labour Standards	P. 32
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards	P. 32
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards	P. 32

Subject Areas, Aspects, General Disclosures and KPIs		Section	Page No.
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure **Policies on managing environmental and social risks of the supply chain.**		Managing our Supply Chain	P. 33
KPI B5.1	Number of suppliers by geographical region.	Suppliers' Overview	P. 33
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Selection of Suppliers	P. 33
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Selection of Suppliers	P. 33
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Selection of Suppliers	P. 33
Aspect B6: Product Responsibility			
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.**		Safety and Quality Services	P. 12
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to our business nature, we do not have products sold or shipped subject to recalls for safety and health reasons	N/A
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Providing Great Travel Experience	P. 15
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Due to our business nature, we do not consider intellectual property rights to be a material issue to the Group	N/A
KPI B6.4	Description of quality assurance process and recall procedures.	Providing Great Travel Experience	P. 14-15
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Advertising and Privacy Protection	P. 15

Subject Areas, Aspects, General Disclosures and KPIs		Section	Page No.
Aspect B7: Anti-Corruption			
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 bribery, extortion, fraud and money laundering.**		Upholding Business Ethics	P. 34
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Upholding Business Ethics	P. 34
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Upholding Business Ethics	P. 34
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Upholding Business Ethics	P. 34
Community			
Aspect B8: Community Investment			
General Disclosure **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.**		Caring for our Community	P. 34
KPI B8.1	Focus areas of contribution.	Caring for our Community	P. 34
KPI B8.2	Resources contributed to the focus area.	Caring for our Community	P. 34-35

Climate-Related Disclosures		Section	Page No.
(I) Governance			
19.	An issuer shall disclose information about:	Climate Resilience – Governance The Group has not yet incorporated climate-related performance indicators into its remuneration policies. We will explore the feasibility of enhancing our remuneration policies.	P. 17
	(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; and		
	(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		

Climate-Related Disclosures			Section	Page No.
	(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.		
(II) Strategy				
Climate-related risks and opportunities				
20.		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:	Climate Resilience – Strategy	P. 17-20
	(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;		
	(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.		

Climate-Related Disclosures		Section	Page No.
Business model and value chain			
21.	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:	Climate Resilience – Strategy	P. 17-20
	(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		
	(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).		
Strategy and decision-making			
22.	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:	Climate Resilience – Strategy Since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain.	P. 17-20
	(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:		
	(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		

Climate-Related Disclosures		Section	Page No.
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).		
23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	N/A	N/A
Financial position, financial performance and cash flows			
Current financial effect			
24.	An issuer shall disclose qualitative and quantitative information about:	Climate Resilience – Strategy We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.	P. 17-20
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and		
	(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.	No significant risk of a material adjustment within the next annual reporting period.	N/A

Climate-Related Disclosures		Section	Page No.
Anticipated financial effect			
25.	The issuer shall provide qualitative and quantitative disclosures about:	Climate Resilience – Strategy We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.	P. 17-20
	(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:		
	(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.		

Climate-Related Disclosures				Section	Page No.
Climate resilience					
26.	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:			Climate Resilience – Strategy	P. 21-22
	(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:			
		(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; and		
	(b)	how and when the climate-related scenario analysis was carried out, including:			
		(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);		

Climate-Related Disclosures		Section	Page No.
	(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.		
(III) Risk Management			
27.	An issuer shall disclose information about:	Climate Resilience – Risk Management	P. 22
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:		
	(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		
	(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.		

Climate-Related Disclosures			Section	Page No.
(IV) Metrics and Targets				
Greenhouse gas emissions				
28.	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:		Environmental KPIs	P. 24
	(a)	Scope 1 greenhouse gas emissions;		
	(b)	Scope 2 greenhouse gas emissions; and		
	(c)	Scope 3 greenhouse gas emissions.		
29.	An issuer shall:		Environmental KPIs	P. 24
	(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;		
	(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).		

Climate-Related Disclosures		Section	Page No.
Climate-related transition risks			
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.	N/A
Climate-related physical risks			
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.	N/A
Climate-related opportunities			
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.	N/A
Capital deployment			
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.	N/A

Climate-Related Disclosures		Section	Page No.
Internal carbon prices			
34.	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 **(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.	We have not yet incorporated internal carbon prices into our decision-making processes. We will explore the use of internal carbon prices in the future.	N/A
Remuneration			
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 has not yet incorporated climate-related performance indicators into its remuneration policies. We will explore the feasibility of enhancing our remuneration policies.	N/A
Industry-based metrics			
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.	N/A	N/A

Climate-Related Disclosures		Section	Page No.
Climate-related targets			
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:	Climate Resilience – Metrics and Targets	P. 23
	(a) the metric used to set the target;		
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);		
	(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);		
	(d) the period over which the target applies;		
	(e) the base period from which progress is measured;		
	(f) milestones or interim targets (if any);		
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and		
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.		
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Climate Resilience – Metrics and Targets We will explore the feasibility of having our targets validated by a third party.	P. 23
	(a) whether the target and the methodology for setting the target has been validated by a third party;		
	(b) the issuer's processes for reviewing the target;		
	(c) the metrics used to monitor progress towards reaching the target; and		
	(d) any revisions to the target and an explanation for those revisions.	No revisions have been made during the reporting period.	N/A

Climate-Related Disclosures		Section	Page No.
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.	Climate Resilience – Metrics and Targets	P. 23
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	Climate Resilience – Metrics and Targets	P. 23
	(a) which greenhouse gases are covered by the target;		
	(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;		
	(d) whether the target was derived using a sectoral decarbonisation approach; and	Environmental KPIs	P. 24
	(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:	Energy Consumption, Air and GHG Emissions At present, the target was not derived using a sectoral decarbonisation approach for target setting.	P. 26
	(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).		

Climate-Related Disclosures		Section	Page No.
Applicability of cross-industry metrics and industry-based metrics			
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 (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Environmental KPIs	P. 23