

嘉華國際集團有限公司 K. WAH INTERNATIONAL HOLDINGS LIMITED

於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability

Stock code 股份代號 00173

Resilience Amid Challenges: Preserving Distinctive Quality and Value

守質創值 堅韌維優

Environmental, Social
and Governance
Report 2025



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ABOUT THIS REPORT

Report Overview

This annual ESG Report (the “Report”) presents an overview of K. Wah International Holdings Limited’s (“KWIH” or “the Group”) environmental, social and governance (“ESG”) management approach. It outlines the key sustainability-related initiatives undertaken by entities under the Group’s operational control during the reporting period.

Reporting Period and Scope

The reporting period of this Report covers the period from 1 January 2025 to 31 December 2025 (the “reporting period”, the “year” or “2025”).

Unless otherwise specified, the scope of the Report includes the Group’s portfolio in Hong Kong and Mainland China under our operational control. The portfolio primarily comprises residential developments, Grade-A office towers, hotels and serviced apartments, and retail complexes.

Reporting Standards and Frameworks

This Report has been prepared in accordance with Appendix C2 ESG Reporting Code of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). For a comprehensive list of ESG aspects, key performance indicators (“KPIs”), and the corresponding references in this Report, please refer to the HKEX ESG Reporting Code Content Index at the end of the Report.



SUSTAINABILITY AT KWIH

Sustainability is a core pillar of KWIH's business strategy. We remain committed to advancing our sustainability and ESG agenda, with a clear focus on strengthening long-term business resilience and value creation. As the business community continues its transition towards a low-carbon economy, we are enhancing our climate resilience while focusing on enhancing resource efficiency and promoting green building practices. Through these ongoing efforts, we strive to optimise our environmental footprint and drive sustainable growth.

In 2025, we made tangible progress in our climate strategy, including the continued development of our Scope 3 greenhouse gas (GHG) emissions inventory and the advancement of Climate-related Risks and Opportunities (CRRO) analysis. These initiatives enable us to gain deeper insights into value chain impacts, transition risks and physical risks, while strengthening the Group's ability to adapt to an evolving regulatory and operating landscape.

We firmly believe that employee engagement is essential to driving the Group's sustainable development. Our employees are our most valuable asset and the driving force behind the achievement of our sustainability objectives. Over the years, we have cultivated a people-centric and inclusive workplace culture that encourages open and constructive communication, supports professional development, and places employee well-being at the forefront.

Looking ahead, KWIH will continue to drive its business forward guided by the principles of innovation, sustainability and inclusiveness. We will deepen collaboration with stakeholders, create long-term shared value, and remain committed to building a more prosperous and sustainable future for our communities and society at large.

About KWIH

K. Wah International Holdings Limited is the listed property flagship of K. Wah Group, with a strong foothold established in Hong Kong. The Group is principally engaged in delivering premium projects built to an uncompromising standard of quality, large-scale residential communities, and comprehensive development comprising premium residential developments, Grade-A office towers, hotels, serviced apartments and retail premises, with a strategic focus on Hong Kong, and the Yangtze River Delta and Pearl River Delta regions.

Committed to delivering high-quality developments, KWIH adopts a prudent and long-term approach to its businesses and project development. Sustainability is integrated into the Group's business strategy and operations, with an emphasis on responsible development, resource efficiency and stakeholder engagement, supporting long-term business resilience and value creation.

For detailed insights into KWIH's business and financial performance, please refer to its ***Annual Report 2025***.

OUR SUSTAINABILITY APPROACH

KWIH's sustainability strategy integrates ESG priorities across all aspects of its operations and is implemented under the rigorous oversight of the Board, ensuring operational transparency and enhancing the Group's long-term resilience.

Corporate Governance

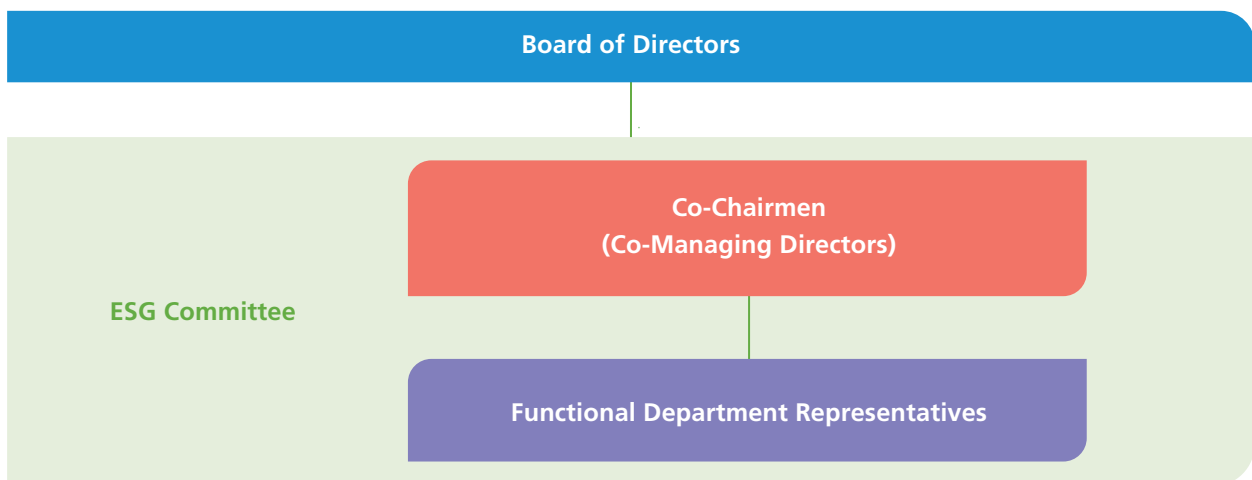
At KWIH, strong corporate governance underpins the Group's commitment to long-term sustainability and stakeholder well-being. ESG oversight is embedded within the Group's governance framework and implemented under the supervision of the Board of Directors (the "Board"), ensuring that ESG considerations are systematically integrated into strategic decision-making, risk management and daily operations across the Group.

The Group is supported by four Board-level committees, namely the Executive Board, the Audit Committee, the Remuneration Committee and the Nomination Committee. These committees work collaboratively to provide effective oversight of the Group's business direction, sustainability practices, corporate governance and financial performance, thereby ensuring operational transparency, accountability and long-term resilience.

For details on the Group's corporate governance, risk management and internal control systems, please refer to the "Corporate Governance Report" and "Biographical Information of Directors" sections of KWIH's **Annual Report 2025**.

Sustainability Governance and Board Statement

The Board plays an active role in overseeing KWIH's overall ESG strategy and performance, including the management of climate-related risks and opportunities. The ESG Committee, co-chaired by the Co-Managing Directors and comprising representatives from functional departments, is responsible for driving the integration of ESG initiatives across the Group's operations. In addition to supporting the Board in formulating sustainability strategies, the ESG Committee oversees the processes used to identify, evaluate, prioritise and manage material ESG-related topics, including climate-related transition risks, physical risks and emerging opportunities. The Committee also reviews the Group's progress in achieving ESG and climate-related targets, monitors performance and impact, and makes recommendations to the Board as appropriate.



The Group has engaged an independent consultant to conduct a materiality assessment to identify and assess ESG topics that are most relevant to its business operations and stakeholders. Climate-related topics are considered as part of this assessment process, with the insights reviewed by both the Board and the ESG Committee.

Risk Management and Internal Control

The Board oversees the Group's risk management system, ensuring that effective strategies are in place to address both risks and opportunities, including those related to ESG issues that may influence business operations. The Audit Committee, which reports directly to the Board and is supported by the Internal Audit Department, is responsible for monitoring and reviewing the Group's risk management and internal control systems to ensure their effectiveness in addressing operational risks.

Meanwhile, the ESG Committee works closely with internal and external stakeholders to identify, assess and evaluate risks associated with sustainability and real estate operations. The Board is regularly updated on consolidated risk assessment findings, including any risks that may have a material impact on the Group's strategic direction or financial performance.

Ethical Business Behaviours

In line with our commitment to corporate responsibility, we maintain a zero-tolerance approach to corruption and unethical conduct, as set out in our Code of Business Conduct under the Human Resources Policy/Guideline. All employees are required to adhere to this Code and comply with applicable laws and regulations. Any intentional breach of the Code of Business Conduct will result in appropriate disciplinary action. During the reporting period, KWIH recorded no confirmed cases of non-compliance with laws and regulations¹ relating to bribery, extortion, fraud or money laundering.

To promote a culture of accountability and ethical transparency, the Group has established a Whistleblowing Policy and Employee Communications Guideline as part of its Human Resources Policy/Guideline. These policies outline the Group's whistleblowing and grievance mechanisms, ensuring confidentiality and providing a secure channel for stakeholders to report concerns related to corruption or unethical behaviour.

Whistleblowing cases are handled with strict confidentiality and managed by designated personnel for further investigation. Any intentional violations are addressed in accordance with their severity, with disciplinary actions that may include summary dismissal or referral for criminal prosecution under relevant laws and regulations¹. To ensure the ongoing effectiveness of the whistleblowing mechanisms, the Group regularly reviews and updates its related policies and procedures.

To foster an open and transparent workplace culture, the Group provides training on anti-corruption practices and ethical conduct. In addition, integrity and business ethics training sessions were conducted at regional offices, such as induction training for new employees at the Shanghai office. Through these initiatives, the Group seeks to promote a proactive and healthy "speak up" culture, equipping employees with the knowledge to identify and report unethical behaviour.

¹ Including but not limited to the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

Stakeholder Engagement

KWIH's stakeholders include internal and external parties that have a significant impact on our business or are materially affected by our operations. We engage proactively with these stakeholders through appropriate channels to foster mutual understanding and constructive collaboration.

The Group maintains ongoing and diverse communication channels to engage with stakeholders, enabling us to better understand their expectations and areas of concern. Relevant feedback gathered through these engagements is systematically considered and incorporated into our business decision-making processes and sustainability strategy.



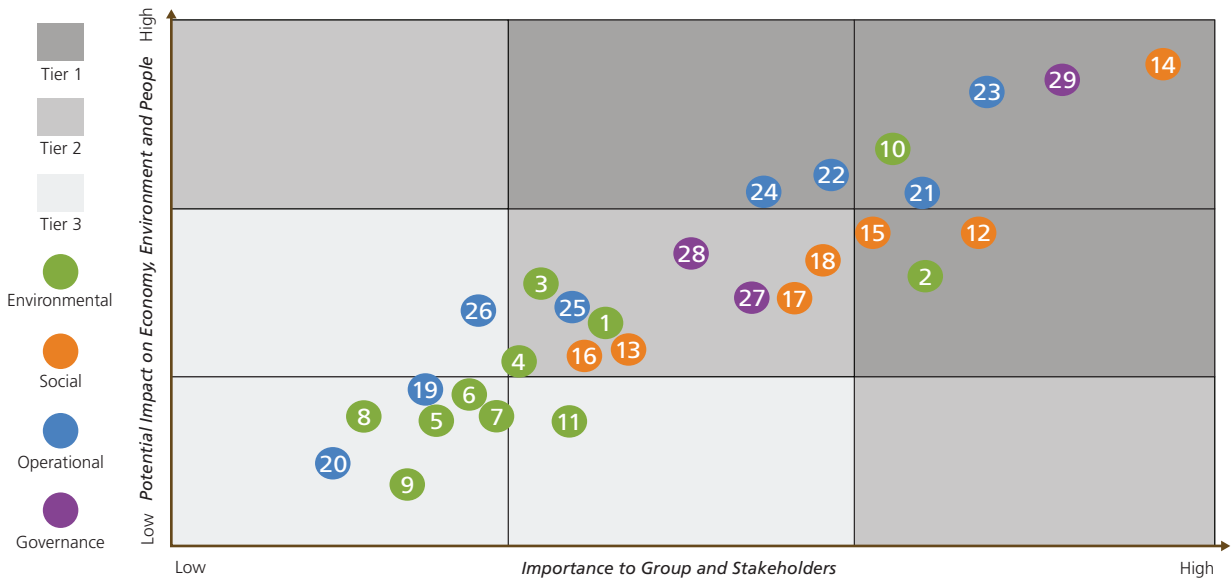
Materiality Assessment

The Group previously engaged external specialists to conduct its materiality assessment, ensuring that the selected topics are aligned with industry-specific issues identified by peers and the broader market. The assessment considered the significance of key topics to both stakeholders and business operations, and strengthened the Group’s ability to integrate sustainability into its business strategy, assess environmental impacts, and align its ESG reporting with global best practices.

To maintain continuity in its sustainability strategy, the Group’s management reviewed the 29 topics identified in the previous year, and confirmed that they remain relevant during the reporting period. At the same time, the materiality ranking of certain topics underwent adjustments to reflect prevailing business priorities and stakeholder expectations.

Following these, the number of key material topics remained at 10 in the current reporting period.


The Group’s materiality matrix is illustrated as below.



Tier 1		Tier 2		Tier 3	
2	Energy Usage	1	Green Procurement	5	Environmental and Natural Resources
10	Green Building	3	Waste Management	6	Climate Change Adaptation
21	Customer Satisfaction	4	Greenhouse Gas (“GHG”) Emissions	7	Air Emissions
22	Quality Monitoring and Assessment	25	Protection of Intellectual Property Rights	8	Usage of Packaging Materials
23	Protection of Customer Privacy	13	Recruitment and Retention	9	Water Usage
24	Products and Services Quality Management	16	Diversity and Equal Opportunities	11	Renewable Energy
12	Employee Well-being	17	Community Investment	19	Innovative Products and Services
14	Occupational Health and Safety	18	Prevention of Child and Forced Labour	20	Supply Chain Management
15	Staff Training and Career Development	27	Corporate Governance	26	Building Design and Lifecycle Management
29	Business Ethics and Integrity	28	Anti-corruption		

● Environmental ● Social ● Operational ● Governance

Major Awards and Certificates



<p>2012–2025</p> <p>Caring Company</p> <p>★</p> <p>The Hong Kong Council of Social Service</p>	<p>2016–2025</p> <p>Employer of Choice Award</p> <p>★</p> <p>JobMarket</p>
<p>2013–2025</p> <p>ERB Manpower Developer Award</p> <p>★</p> <p>Employees Retraining Board</p>	<p>2023–2025</p> <p>ESG Best Practice Award</p> <p>★</p> <p>HRise</p>
<p>2024–2025</p> <p>GHR Pioneer Employer of the Year Award</p> <p>★</p> <p>GHRIlib</p>	<p>2025</p> <p>Good Employee Recognition Campaign (ESG Team)</p> <p>★</p> <p>Labour Department</p>
<p>2020–2025</p> <p>Good Employer Charter</p> <p>★</p> <p>Labour Department</p>	<p>2014–2025</p> <p>Good MPF Employer Award</p> <p>★</p> <p>The Mandatory Provident Fund Schemes Authority</p>
<p>2018–2025</p> <p>Happiness at Work Promotional Scheme</p> <p>★</p> <p>Hong Kong Productivity Council</p>	<p>2022–2025</p> <p>Hong Kong's Top 10 Developers</p> <p>★</p> <p>Hubexo Asia</p>



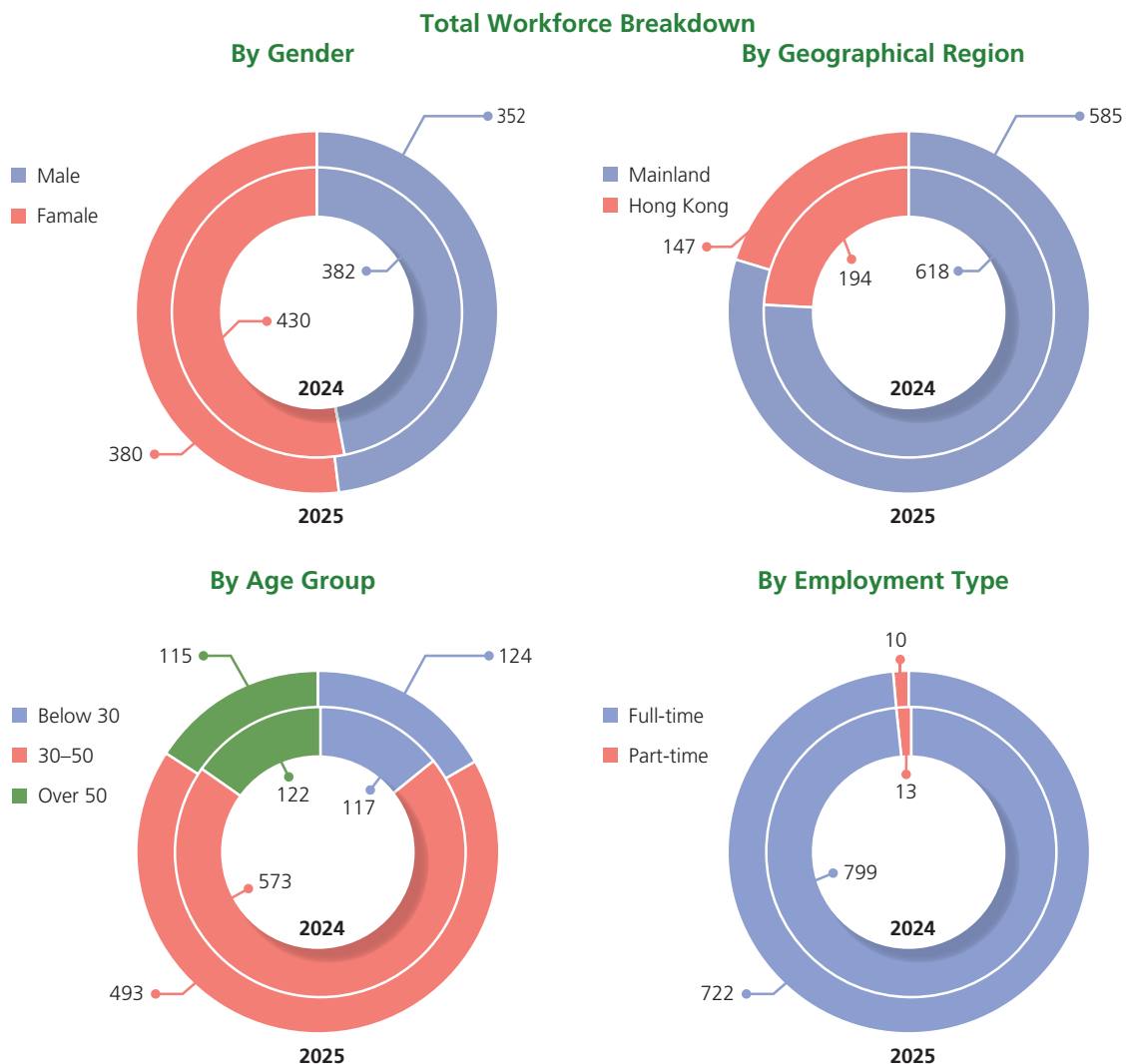
OUR PEOPLE AND TALENT DEVELOPMENT

We believe that people are the cornerstone of long-term corporate success and sustainable growth, and we are committed to fostering an inclusive, supportive and empowering workplace that enables our employees to thrive.

Workforce Profile and Diversity

Talent is the key to a company’s long-term success. In this regard, the Group has developed a comprehensive Staff Handbook and Code of Business Conduct, which clearly outlines employment terms, workplace policies, and employee rights. The Group provides promotion and development opportunities to high-performing employees through a transparent, performance-based evaluation system, helping them realise their full potential and support the company’s sustainable development.

During the reporting period, the Group strictly complied with applicable employment and labour laws, regulations, and industry standards, effectively safeguarding the legitimate rights and interests of employees, while promoting mutual progress between the company and its workforce.



Diversity and Inclusion Overview

The Group is committed to fostering a diverse, equal, and inclusive work environment, regularly reviewing the employment terms in our Human Resources Policies/Guidelines to ensure they remain up-to-date and aligned with industry best practices. During the recruitment process, we adhere to the Group's Equal Opportunities Legislations Policy, striving to provide equal opportunities for all applicants. Recruitment and promotion decisions are made solely based on job requirements, work capabilities, qualifications, and performance, without being influenced by factors such as age, gender, marital and family status, disability, race, skin colour, nationality, religious beliefs, or any other unrelated criteria. We maintain a zero-tolerance policy toward any form of discrimination, harassment, insult, or other improper behaviour, and emphasise respect and fairness in the workplace.

The Group strictly prohibits the use of child labour and forced labour in its business and supply chain. During the recruitment process, we rigorously verify applicants' identity information to ensure compliance with the legal minimum working age requirements.

If any violations are found, we will initiate an investigation and corrective action, and, if necessary, will halt recruitment or terminate the employment relationship. We will handle violators in accordance with applicable laws and regulations. Additionally, the Group strictly adheres to the statutory working hour regulations of the operating locations and prevents any form of forced overtime.

During the reporting period, no incidents of harassment, discrimination, forced labour or child labour were identified.

Talent Attraction and Retention Performance Management Framework

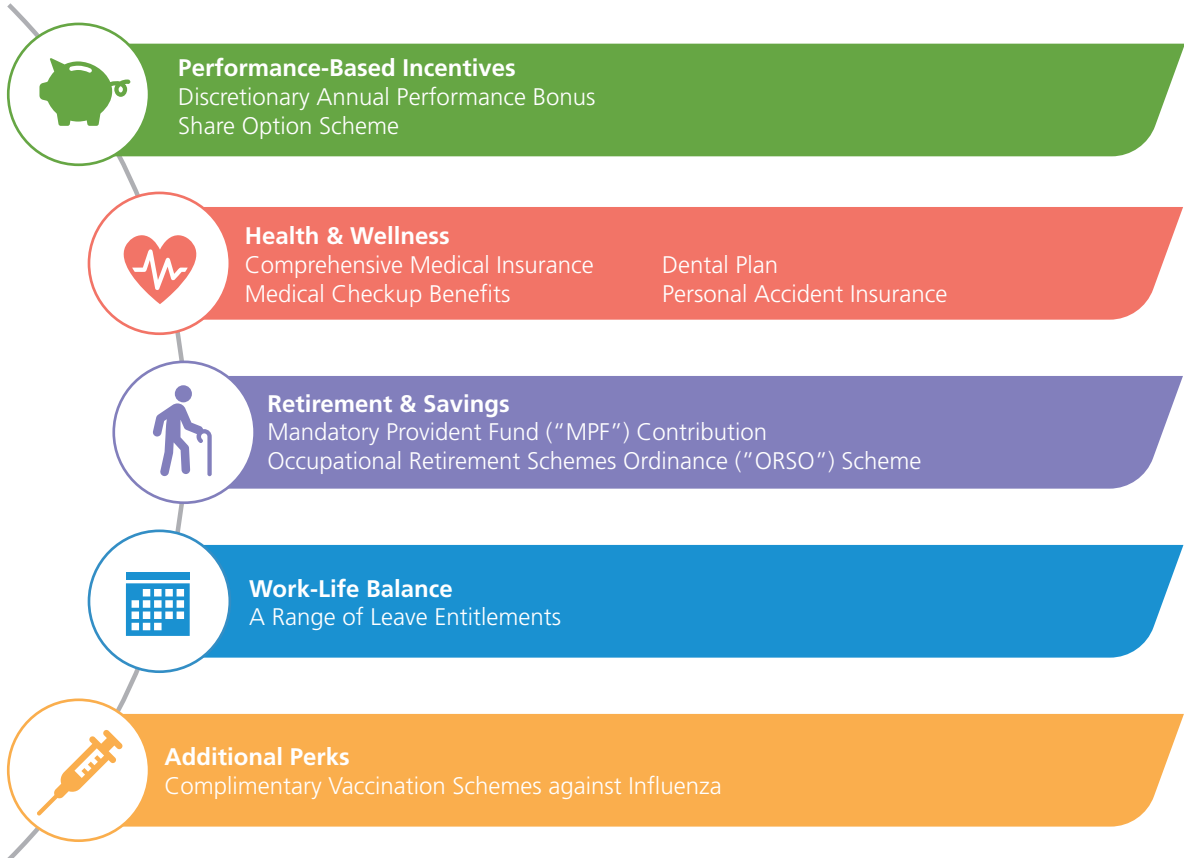
The Group adopts a transparent and consistent performance management mechanism, under which employees' past performance, future performance benchmarks, and professional development objectives are reviewed on a regular basis, in order to support capability enhancement and career development. Performance appraisal results also serve as an important reference for remuneration reviews, promotion arrangements, and performance recognition, thereby motivating employees to realise their full potential.

With respect to the management of employment relationships, any termination of employment contracts is handled in accordance with established internal policies and procedures, and in compliance with applicable laws and regulations in Hong Kong and Mainland China, so as to avoid any unfair or non-compliant dismissal practices. By continuously tracking employees' work performance and contributions, we cultivate a culture of excellence that supports employee growth and promotes the Group's sustainable development.



Compensation and Incentive Structure

The Group believes its long-term growth and success depend upon the quality, performance and commitment of its employees. The Group's remuneration policy aims to offer competitive remuneration packages to attract, retain and motivate talents. Through result-driven incentive programmes built upon our established performance management framework, the Group believes the remuneration packages of its employees are fair, reasonable and competitive in relation to comparable organisations with similar business interests.



Employee Care and Wellness Initiatives

To promote a healthy work-life balance, the Group organises a variety of activities and programmes, including seminars, team-building dinners, employee birthday celebrations, festive gatherings and dragon boat championships, providing platforms for employee engagement beyond daily work. These initiatives aim to enhance employee well-being and foster an inclusive and collaborative workplace culture. The Group also strengthens internal communication through channels such as K-Channel and the KWIH mobile app "One K. Wah".



Spring Dinner in Shanghai Office



Employee Birthday Celebrations



Lion Dance Celebration for the New Year



New Year Work Commencement Ceremony



Dragon Boat Championships



Celebrating Mid-Autumn Festival with Employees

Outstanding Employer

During the year, KWIH was awarded the “Employer of Choice” by JobMarket for the tenth consecutive year, and was also recognised by the Labour Department under the “Good Employer Charter”, reflecting the Group’s continued efforts to enhance employee management and well-being arrangements alongside business development. These accolades demonstrate market recognition of the Group’s talent management strategy and people-first culture.

In addition, the Group was presented with the “ERB Manpower Developer” award by the Employees Retraining Board, recognising our ongoing commitment to skills training and capability enhancement to help employees adapt to a changing workplace. We will continue to roll out diversified training programmes, with an emphasis on continuous learning and professional capability building, to support employees’ long-term development.



Inspiring Young Talent in the Greater Bay Area

KWIH has participated in the “Innovating Hong Kong” initiative for several consecutive years, with the aim of supporting young people’s career development and helping them understand and seize employment opportunities in the Greater Bay Area. The platform integrates recruitment channels with information forums, through which the Group introduces its businesses and job opportunities to candidates, and attracts suitable talent to learn more about employment opportunities within the Group.



Learning, Training and Capability Building

The Group places strong emphasis on continuous learning and professional development, and is committed to organising a wide range of training programmes on a regular and systematic basis to support employees in enhancing the knowledge and skills required for their roles. Training initiatives are designed in alignment with role-specific requirements and business needs, with learning resources covering areas such as business knowledge, hard and soft skills enhancement and also incorporating digital learning platforms and AI enablement, ensuring that the training content is closely aligned with employees’ day-to-day work requirements.

Building on this training framework, and as set out in the Human Resources Policy/Guideline, the Group also arranges for employees to participate in external training programmes through the Financial Assistance Scheme for External Training to strengthen professional capabilities and keep pace with industry trends.

During the year, KWIH’s Shanghai office nominated employees from different functions to attend an asset management training programme, enabling them to stay abreast of the latest market and industry developments and supporting the Group’s business growth.

Percentage of Employee Trained



Total Training Hours



Total Training Hours



Average Training Hours per Employee

Corporate Visits and Exchange Programme

KWIH organised corporate visits and exchange activities, arranging for colleagues to visit the headquarters of Tencent and BYD in Shenzhen. Through on-site observation and peer exchange, participants gained insights into practical experience in areas such as new energy, intelligent manufacturing, and digital technologies, and engaged in discussions on topics including corporate management, innovation culture, and operating models.



AI Tools Sharing Session

Amid the rapid development of artificial intelligence technology, KWIH organised an AI tools and data collection sharing session for its employees, aimed at exploring the latest trends in AI and its applications in everyday work. The Information Technology Department introduced how to effectively utilise AI tools and shared various auxiliary tools to enhance work efficiency.



Corporate Cybersecurity Training Programme

The Nanjing office organised a corporate cybersecurity training programme to enhance employees' ability to identify common cybersecurity risks and strengthen awareness of appropriate response measures. The programme also guided employees to handle suspicious incidents promptly in accordance with established procedures, thereby reducing information security risks arising from improper operations.



Management Trainee Programme

In 2025, the Shanghai office continued to provide management trainees with development opportunities, and organised site visits to projects across different regions of the Group. These activities helped management trainees gain a deeper understanding of diverse business formats and project operations.



Trainings on HR Practices and Organisational Development

To strengthen employees' compliance awareness and practical handling capabilities, the Shanghai office invited an experienced labour law specialist to provide a thematic briefing on the practical implications of newly introduced laws and regulations, including those related to "delayed retirement".

In addition, in collaboration with human resources service provider HRise, a corporate event titled "Discussing Cultural Heritage and Organisational Vitality" was organised, with external HR professionals invited to visit WYSH, Shanghai. Through a dual-track model of "immersive space & brainstorming", the event integrated industrial aesthetic space experience with in-depth exchange on organisational development.



OCCUPATIONAL HEALTH, SAFETY AND WELLNESS

We place the health and safety of our employees, contractors and business partners as a top priority, and are committed to providing a safe working environment through robust management systems and continuous improvement to prevent incidents and safeguard well-being.

Occupational Health and Safety Management

The Group strictly complies with applicable occupational health and safety laws and regulations in the locations where it operates. Relevant provisions on the Safety & Health Ordinance are set out in the Human Resources Policies/Guidelines, which clearly define the Group's management requirements, standards and expectations for providing and maintaining a safe and healthy workplace, and serve to guide regional companies in implementing the relevant arrangements.

The Group actively adopts standard management systems, supported by internal control mechanisms, to continuously strengthen risk identification and hazard inspections, with a view to preventing incidents and managing occupational health and safety risks, thereby safeguarding employees' health and well-being.

To further enhance safety management, the Group's property management arm in the Mainland, Cresleigh Property, having obtained ISO 45001 certification for its occupational health and safety management system, successfully passed a new round of certification audits under the same system during the reporting period. In addition, two projects — WYSH in Shanghai and Avanti in Suzhou — were newly brought under the certified management system, contributing to the continuous improvement of property service management standards.

In addition, to safeguard workplace safety in day-to-day operations, the Group continues to implement preventive management measures, including regular inspections of safety devices, personal protective equipment and workplace hygiene conditions, and promotes sound housekeeping practices to reduce potential safety risks.

Safety Training and Emergency Preparedness

The Group regularly arranges occupational safety-related training programmes and emergency response training on a periodic basis in accordance with operational needs. These initiatives help employees and tenants strengthen their emergency response and self-rescue capabilities, thereby reducing the risks associated with unexpected incidents and safeguarding personal safety.



Promoting Workplace Safety among Tenants at WYSH, Shanghai

To enhance tenants' fire safety awareness and emergency response capabilities, regular fire drill exercises were organised at WYSH, the Group's urban redevelopment project on Wuyi Road in Shanghai. Evacuation and escape exercises were arranged to help the tenants familiarise with office evacuation routes and key emergency response procedures.



First aid training was also offered to staff at Cresleigh Property in the Shanghai region to better prepare them for emergencies.



CUSTOMERS, PRODUCTS AND VALUE CHAIN

Guided by customer needs, we are committed to delivering high-quality and responsible products and services, while working closely with our value chain partners to enhance product quality, operational efficiency and the overall sustainability performance of the value chain.

Customer Data Privacy and Information Security

KWIH is committed to delivering high-quality projects and services that meet the needs and expectations of its customers. The Group exercises close oversight over its day-to-day operations, maintains constructive relationships with its value chain partners for operational excellence, and prioritises customer and tenant health and safety. It collaborates closely with internal and external stakeholders, including contractors and suppliers, to ensure compliance with all relevant regulatory requirements.

In particular, KWIH places great emphasis on information security and the protection of customer data privacy. The Group strictly complies with applicable laws and regulations in the jurisdictions in which it operates, and has established our Human Resources Policy/Guideline regarding the Personal Data (Privacy) Ordinance, together with data security standard operating procedures relating to customer privacy across its various operating regions, which are applicable to the relevant business operations of the Group. These measures ensure that customer data is properly safeguarded throughout the processes of collection, storage, use and transmission.

The Group reinforces data privacy and information security through clear internal policies, regular employee training and ongoing policy reviews, while providing customers with designated channels to manage their privacy preferences, and any breach of data protection requirements is subject to disciplinary action and, where applicable, legal consequences.

Product and Service Responsibility

Advertising Ethics and Intellectual Property Protection

KWIH is committed to upholding advertising ethics and intellectual property rights protection, ensure that all advertising content is lawful, accurate, factual and appropriate, and compliant with applicable local laws, regulations and relevant ethical standards in the jurisdictions in which the Group operates.

Through internal management policies and the Online Advertising Publication Agreement, the Group explicitly prohibits the publication of any advertisements containing false or misleading information, or those that infringe upon the copyrights, trademarks or other intellectual property rights of third parties, and ensures transparency and integrity of all advertising and promotional activities. This is achieved through verification of the legality and authenticity of advertising content with supporting documentation, legal and compliance reviews, and independent reviews of promotional content in line with platform risk management requirements.

Quality Assurance and Control

KWIH is committed to delivering premium projects and ensuring the meticulous application of quality standards. To ensure that its projects and services comply with all relevant regulatory requirements and meet the Group's quality standards, the Group has established a series of management systems, including the Performance Monitoring and Measurement Management Procedure and Property Management and Service Delivery Management, which have been implemented across its operations in Hong Kong and Mainland China. These systems set out clear internal standards as well as requirements applicable to suppliers and contractors.

Our Standard Operating Procedures (SOPs) set out a tiered tendering and approval process for project management in Mainland China. Priority is given to contractors that not only comply with health and safety regulations but also demonstrate a commitment that exceeds statutory compliance requirements. A three-tier review mechanism is implemented, covering project site management teams, regional offices and the Group's headquarters, to ensure close monitoring of construction works and the maintenance of compliance standards. Further details of the supplier and contractor assessment process are set out in the section headed "Responsible Supply Chain Management" of this Report.

Hong Kong Projects:

- The Group conducts a pre-qualification screening that assesses contractors based on our quality-related requirements.
- In the construction phase, KWIH commissioned a Clerk of Works to manage the site and to ensure the building workmanship is up to standard. Projects that are assessed under green building standards such as the Building Environmental Assessment Method ("BEAM") will be appropriately monitored by a qualified BEAM coordinator or consultant.

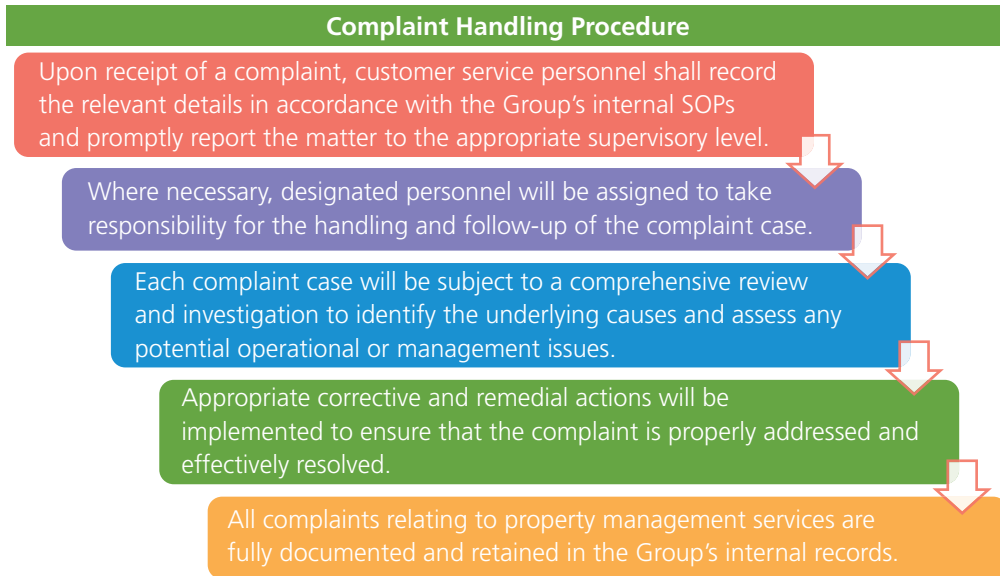
Mainland Projects:

- The Group has implemented a quality assurance system, which includes a pre-qualification assessment to obtain a list of contractors that meets our standards of quality, expertise, and safety, and regularly conducts site audits to ensure full compliance with relevant codes and regulations.
- We have SOPs in place to guide the design, tender and quality control processes, which includes guidance on KWIH's principles for material usage in the design phase (e.g., materials that meet national requirements and reflect industry best practices).

The Group's Mainland China property management division, Cresleigh Property, has obtained certification for the ISO 9001 Quality Management System. Through the proactive identification of potential hazards and the implementation of appropriate preventive measures, the Group minimises the likelihood of accidents and effectively manages occupational risks. At present, the above management system is applied to the property management service projects like Grand Summit and EDGE, with plans to progressively extend its application to other service projects.

Complaint Handling Mechanism

In reviewing and maintaining its quality standards, the Group places strong emphasis on customer feedback and has established a Customer Complaint Handling Policy. All customer concerns are addressed in a timely manner in accordance with the relevant complaint-handling SOPs.



Responsible Supply Chain Management

The Group recognises the critical role of supply chain management in advancing sustainable development. By establishing systematic environmental policies and supplier assessment standard operating procedures, and in accordance with the KWIH Environmental Policy, the Group integrates climate change and other environmental considerations into its procurement processes. The scope of supply chain management covers construction tendering, procurement of materials and equipment, and supplier management, with the objective of promoting responsible business conduct among suppliers and fostering strong partnerships.

Supplier Management Process

Supplier Assessment and Evaluation

- **Pre-qualification (Hong Kong):** Prospective vendors in Hong Kong undergo a structured pre-qualification process covering historical performance, ESG track record, relevant certifications and compliance history. This due diligence supports the identification and management of value chain risks prior to onboarding.
- **Risk-Based Evaluation (Mainland China):** Vendors in Mainland offices are assessed through a three tier review conducted by project teams, regional offices and the Hong Kong headquarters, where applicable, before inclusion in the approved supplier list. Sustainability and operational risks are considered as part of the evaluation process.
- In the Shanghai region, supplier selection incorporates energy efficiency considerations for key building components, such as air conditioning systems, facade, exterior wall insulation and energy saving features, supporting near-zero energy consumption objectives and long-term asset resilience.

Monitoring and Compliance

- **Continuous Performance Monitoring:** Suppliers and contractors are subject to regular audits, site inspections and quality assessments to ensure ongoing compliance with the Group's operational and ESG standards.
- **Corrective and Escalation Measures:** Where non-compliance is identified, corrective action plans are required. Persistent breaches may lead to enhanced oversight or termination in accordance with contractual and risk management requirements.

Sustainability Integration

- **Lifecycle and Climate Considerations:** Environmental and climate-related factors are integrated into procurement decisions, with consideration of lifecycle impacts and resource efficiency, where relevant.
- **Preference for Sustainable Sourcing:** Where practicable, priority is given to locally sourced materials and products with lower embodied carbon and environmental impact.

As of 2025, we have registered a total of 415 key suppliers², of which 167 are from Hong Kong and 248 are from Mainland China. All suppliers are required to comply with the aforementioned supplier-related policies and procedures.




² Key suppliers are those contracted for projects or subcontracted processes to provide a wide range of construction materials, including concrete, steel, interior decoration materials, as well as a variety of services such as labour, design, and consulting.

CLIMATE AND ENVIRONMENTAL STEWARDSHIP

We are committed to addressing climate change through responsible environmental stewardship and climate action, enhancing resource efficiency, reducing our environmental footprint, and contributing to a more resilient and sustainable future for society.

Climate Governance

The Group attaches great importance to climate change and has put in place the climate governance structure below. For more details on the governance of climate-related issues, please refer to the *Corporate Governance* section.

Governance Body	Climate-related Roles and Responsibilities	Reporting Frequency
 <p>Board of Directors</p>	<ul style="list-style-type: none"> Provides overall oversight and accountability for KWIH’s climate strategy and performance, including oversight of targets related to climate risks and opportunities. 	Receives updates from the ESG Committee on a regular basis throughout the year
 <p>ESG Committee</p>	<ul style="list-style-type: none"> Supports the Board in formulating and advancing climate-related strategy. Oversees the processes for identifying, assessing, prioritising and managing climate-related risks and opportunities. Reviews progress against climate-related targets and KPIs. 	Reports to the Board on a regular basis throughout the year
 <p>Functional Departments</p>	<ul style="list-style-type: none"> Implement ESG initiatives in day-to-day operations, including climate-related actions. 	Reports implementation progress to the ESG Committee on a regular basis throughout the year

The Group recognises the need to ensure that the Board and relevant management have appropriate competencies to oversee strategies addressing climate-related risks and opportunities. The Group continues to enhance climate-related capabilities and, where appropriate, draws on external specialist support.

Climate Strategy and Risk Management

The Group has established an Environmental Policy, and we are committed to formulating and implementing mitigation, adaptation and resilience strategies aligned with industry best practice to strengthen our climate risk management capabilities. During the reporting period, we carried out a qualitative assessment of climate-related risks and opportunities, considering their potential impacts over different time horizons and prioritising key areas to guide our climate risk response and follow-up actions.

Climate Scenario Selection

The Group applies climate scenarios to assess potential impacts on its operations and long-term strategy, considering both physical and transition risks.

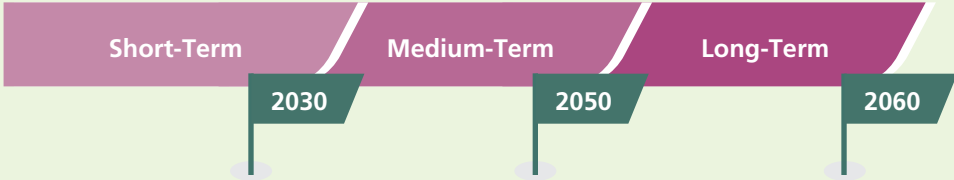
Applied Scenario			
Physical Risk	Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report — Shared Socioeconomic Pathways (SSPs)	<ul style="list-style-type: none"> • SSP1–2.6 Scenario • SSP5–8.5 Scenario 	Global mean surface temperature change under IPCC SSP scenarios
Transition Risk	International Energy Agency (IEA) scenarios	<ul style="list-style-type: none"> • Net Zero by 2050 (NZE 2050) Scenario • Stated Policies (STEPS) Scenario 	Energy-related CO ₂ emissions under IEA scenarios

Reasons: The Group selected scenarios from recognised international sources, including the IPCC and the IEA, covering pathways from low-carbon transition to high-emissions outcomes. These scenarios consider both transition and physical risks to assess the resilience of the Group’s operations and strategy under different assumptions. The IEA NZE 2050 scenario is aligned with the 1.5°C transition pathway, broadly consistent with the Paris Agreement temperature goals.

Physical Risk				Transition Risk				
	Sea level rise	Temperature rise	Scenario description	Scenario description	Economy	Climate policy	Commitment level	
SSP 1-2.6	By 2100, sea levels are projected to rise by approximately 0.32 to 0.62 metres, posing a relatively low risk to coastal infrastructure.	Global warming is expected to be limited to no more than 2°C above pre-industrial (1850) levels by 2100.	Amid ongoing global cooperation and progress in sustainable development China is prioritising the development of clean energy and implementing effective environmental policies, aiming to achieve carbon neutrality by 2075.	The global energy sector has outlined pathways to achieve net-zero CO ₂ emissions by 2050, aiming to limit the global temperature increase to 1.5°C by 2100.	Broad investments in clean energy and technological innovation are expected to serve as key drivers of global GDP growth by 2030.	Governments are rigorously implementing policies and have established clear climate targets along with concrete action plans.	Under the support of government policies, businesses and consumers are collaborating to drive behavioral changes, accelerating the transition to a low-carbon economy.	NZE 2050
SSP 5-8.5	By the end of this century, sea levels are projected to rise by approximately 0.63 to 1.01 metres, posing significant risks to coastal areas.	By 2100, global average annual temperatures are projected to increase by approximately 3.3°C to 5.7°C.	Global reliance on fossil fuels continues at high levels, resulting in a persistent increase in greenhouse gas emissions.	Based on implemented and announced government policies, and assuming no further major climate actions, greenhouse gas emissions are expected to remain high, resulting in an average global temperature increase of around 2.4°C above pre-industrial levels by 2100.	The continued reliance on fossil-fuel-based economic models is hindering the development of renewable energy.	The implementation of new climate policies remains limited, and there is a lack of a comprehensive framework to further support global emission reductions.	Limited public awareness of climate change and insufficient societal motivation pose challenges to advancing climate-related reforms.	STEPS

Assessment Dimensions

This climate scenario analysis follows the same boundary as the ESG report and covers the Group’s Hong Kong and Mainland China business portfolio under operational control. The assessment considers when risks/opportunities may arise and how significant their potential impacts may be.

01 Time Horizon	Refers to the likely timeframe in which the climate-related risk or opportunity may first arise or become evident. For the purpose of this assessment, time horizons are grouped with reference to the Hong Kong Climate Action Plan 2050 and China’s dual-carbon targets: <ul style="list-style-type: none"> • Near term: up to 2030 • Medium term: up to 2050 • Long term: up to 2060 
02 Potential Impacts	Refers to the extent to which climate-related risks may affect the Group’s operations, value chain and financial performance.

Assessment Results

Climate-related Risk

The results indicate that the Group’s physical risks increase over time, and climate risks are more pronounced under the higher-emissions scenario. Extreme weather events and rising temperatures are assessed to be among the most material physical risks for the Group.

Under both the lower- and higher-emissions scenarios, the Group’s transition risks are generally assessed to be moderate over the medium to long term. Accordingly, the Group will continue to allocate appropriate resources to strengthen its transition preparedness, including enhancing internal governance and capabilities, improving data and KPI management, and supporting the planning and implementation of relevant low-carbon measures in response to evolving regulatory, market and stakeholder expectations.

Physical Risk	Relevance Assumptions	SSP1–2.6			SSP5–8.5		
		2030	2050	2060	2030	2050	2060
Extreme weather events	The Group referenced the IPCC SSP scenarios to qualitatively assess key physical risks and their potential implications for KWIH’s asset locations and values, based on its asset footprint and operating characteristics. The 2025 analysis assumes asset locations remain broadly unchanged over the relevant period.	●	●	●	●	●	●
Rising Temperature		●	●	●	●	●	●
Water Stress		●	●	●	●	●	●



Transition Risk	Relevance Assumptions	NZE 2050			STEPS		
		2030	2050	2060	2030	2050	2060
Tightening Building Codes and Standards	We expect regulators in Hong Kong and Mainland China to progressively expand climate-related information disclosure, which may result in additional compliance costs.	●	●	●	●	●	●
More Stringent Disclosure Requirements		●	●	●	●	●	●
Adoption of Low-Carbon Technology	We expect that deploying low-carbon technologies will require higher upfront capital expenditure and R&D investment and will involve risks relating to technology maturity and operational stability.	●	●	●	●	●	●
Limited Supply of Low-Carbon Construction Materials	We expect competitors to increasingly offer renewable or lower-carbon energy solutions as part of their building propositions.	●	●	●	●	●	●
Renewable Energy Growth		●	●	●	●	●	●
Shift in Consumer Preferences to Green Properties	We expect that consumers will increasingly consider environmental performance in their purchasing and leasing decisions, which could affect demand and reputation.	●	●	●	●	●	●

● Lower Risk	The risk is not very likely to materialise within the relevant “time horizon” and is expected to have only a limited “potential impact” on the Group within that period.
● Medium Risk	The risk has a moderate likelihood of materialising within the relevant “time horizon” and is expected to have a moderate “potential impact” on the Group within that period.
● Higher Risk	The risk is more likely to materialise within the relevant “time horizon” and is expected to have a significant “potential impact” on the Group within that period.



Climate-related Opportunity

The results indicate that climate-related opportunities are expected to materialise predominantly in the medium term (around 2050), with a moderate likelihood in the near term (around 2030) and a lower likelihood in the longer term (around 2060). This profile is consistent across policy and legal, market and technology opportunities as the Group progresses in its low-carbon transition.

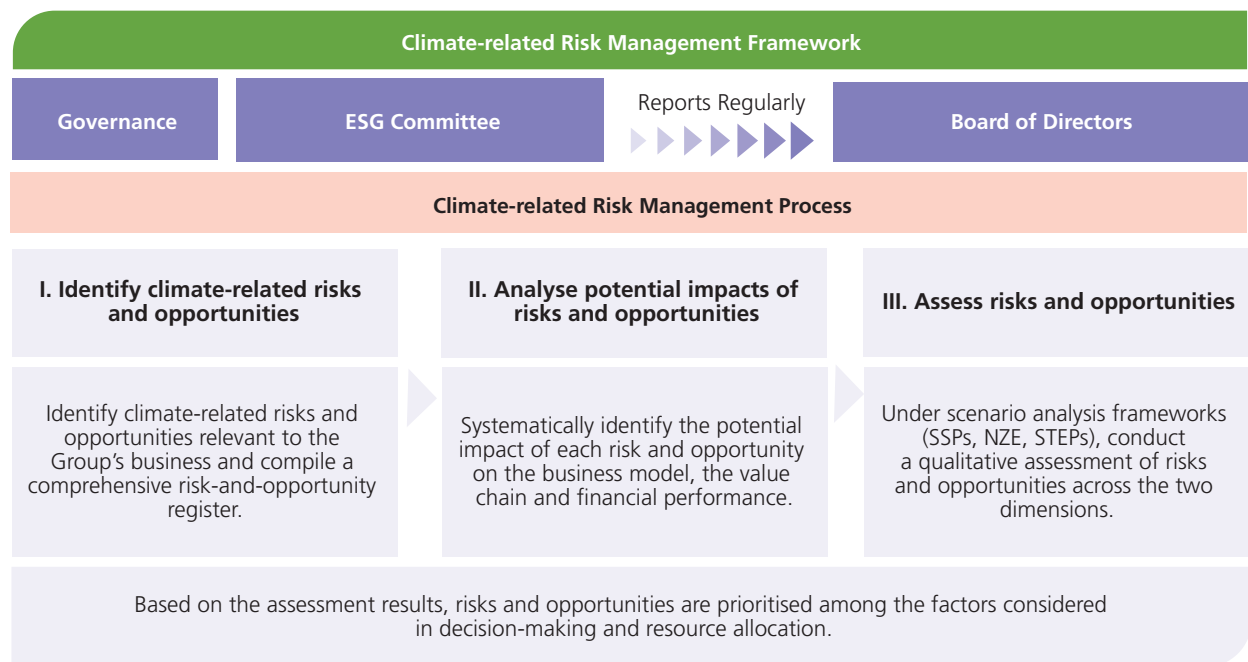
Opportunity	Relevance Assumptions	Expected Time of Realisation		
		2030	2050	2060
Incentives in Sustainable Finance	We assessed the estimated timing of climate-related opportunities emerging during the Group’s low-carbon transition.	★★	★★★	★
Increased Market Demand for Green Properties		★★	★★★	★
Adoption of Energy Efficient Technology		★★	★★★	★

- ★★★ High likelihood of opportunity realisation
- ★★ Medium likelihood of opportunity realisation
- ★ Lower likelihood of opportunity realisation

For details regarding the potential impacts of the respective climate risks and opportunities on the Group, please refer to **Appendix VI — Climate Risk and Opportunity Potential Impact**.









Risk Management Framework

The Group incorporates climate risk considerations in its overall risk management system. The climate-related risk management framework covers the following key areas:



Environmental Management Practices

To strengthen environmental oversight, the ESG Committee works closely with functional teams in Hong Kong and Mainland China to set objectives and develop action plans on key environmental priorities. These include improving energy efficiency and assessing the feasibility of transitioning to electric vehicles, with the aim of enhancing resource efficiency and reducing carbon emissions. KWIH has also established measurable, quantitative targets across four key areas.

Aspects		2025 Targets	2025 Progress
	GHG Emission Intensity³	Reduce GHG emissions intensity by 26% from 2016 baseline	 Achieved 50% reduction in 2025 from 2016
	Energy Intensity	Reduce energy intensity by 39% from 2016 baseline	 Achieved 45% reduction in 2025 from 2016
	Paper Recycling Rate	Maintain paper recycling rate in the Hong Kong office by at least 60% per year	 Achieved 92% recycling rate in 2025
	Sustainable Buildings	For all our new residential developments in Hong Kong and investment properties in the mainland, we aim to obtain a green building certification	 Achieved

³ To maintain consistency and comparability of targets and data, the GHG emissions intensity for FY2025 is calculated based on Scope 1, Scope 2 and Scope 3 Category 6 (business travel) emissions only.

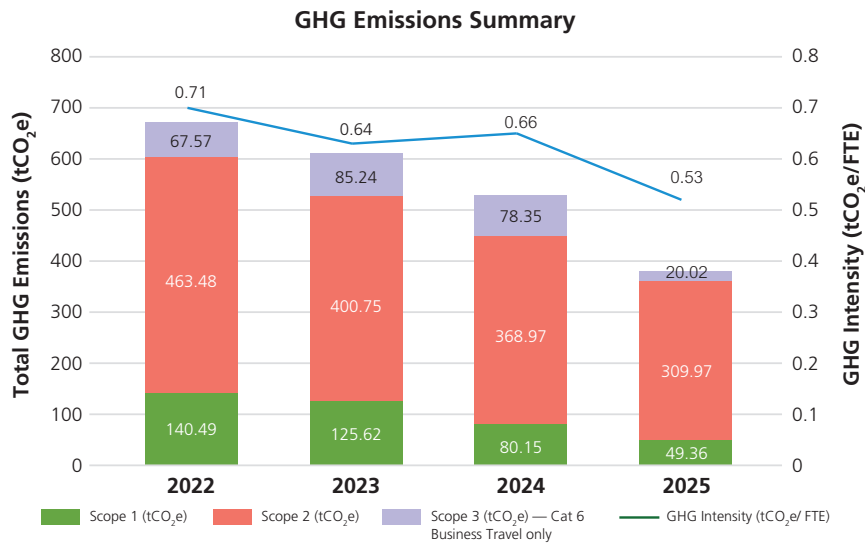
GHG Emissions

The Group proactively identifies and manages climate-related physical and transition risks. In 2025, we integrated sustainable design elements into new developments, such as Shanghai P18 and Nanjing P20 projects, to mitigate potential climate risks. These features include sub-metering, occupancy sensors, and lighting control timers. Through our energy management systems, we collect electricity data to estimate carbon emissions and support corporate carbon footprint management.

To reduce Scope 3 emissions, we have enhanced communication with suppliers to prioritise the procurement of low-carbon building materials. Furthermore, we continue to encourage employees to opt for high-speed rail for business travel, promoting a greener mode of transport.

In 2025, the Group continued to disclose its Scope 1⁴ and Scope 2⁵ GHG emissions and initiated the development of its Scope 3 GHG emissions inventory⁶. Through this exercise, we identified the Scope 3 categories with relatively significant impacts on the Group’s business, namely *Category 1 — Purchased Goods and Services*, *Category 5 — Waste Generated in Operation*, *Category 6 — Business Travel*, *Category 11 — Use of Sold Products*, and *Category 13 — Downstream Leased Assets*, and disclosed the corresponding carbon emissions.

In 2025, KWIH’s Scope 1 GHG emissions amounted to 49.36 tCO₂e, while Scope 2 GHG emissions totalled 309.97 tCO₂e. Compared with the previous year, total Scope 1 and Scope 2 GHG emissions decreased by approximately 20%, primarily due to reduced vehicle usage and lower electricity consumption. Total Scope 3 GHG emissions amounted to 255,867.26 tCO₂e, with *Category 11 - Use of Sold Products* representing the largest contributor, accounting for approximately 70.1% of total Scope 3 emissions.



⁴ Scope 1 GHG emissions mainly arise from direct emissions associated with fuel consumption by the Group’s vehicle fleet.






⁵ Scope 2 GHG emissions primarily result from indirect emissions arising from the Group’s purchased electricity consumption.

⁶ The Group’s GHG emissions calculation methodologies and emission factors are developed with reference to *How to Prepare an ESG Report – Appendix II: Environmental Key Performance Indicators Reporting Guidance* issued by The Stock Exchange of Hong Kong Limited and the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard*. The calculation and reporting methodologies for Scope 3 greenhouse gas emissions are set out in **Appendix III** of this Report titled “**Scope 3 Emissions Inventory and Reporting Methodology**”.

Energy Management and Efficiency

Energy Saving Initiatives

The Group is dedicated to promoting energy conservation by implementing comprehensive measures across our business operations and workplaces. We have deployed energy consumption monitoring systems to effectively manage and optimise energy usage. These initiatives aim to enhance the energy performance of air-conditioning, lighting and fleet operations, striving to reduce carbon emissions and maximise resource efficiency.

	<p>Transition to Sustainable Transportation</p> <ul style="list-style-type: none"> 🌿 Regularly inspect company fleet to assess and monitor performance levels. 🌿 Mainland offices adopted hybrid vehicles as part of a commitment to greener mobility solutions.
	<p>Smart Lighting Systems Implementation</p> <ul style="list-style-type: none"> 🌿 Deploy automated timing controls and sensors for lighting systems. 🌿 Solar window film installation to reduce indoor heat gain while maximising natural light. 🌿 Ongoing LED light fixture replacement programme. 🌿 Switch to energy-saving mode when feasible.
	<p>Air Conditioning Efficiency and Zoning</p> <ul style="list-style-type: none"> 🌿 Regulate central air conditioning use, limit operation to weekdays. 🌿 Daily inspection to ensure systems are turned off in areas that are unoccupied. 🌿 Enforce temperature control for central air conditioning with implementation of air-conditioning zoning of offices.
	<p>Infrastructure Enhancements</p> <ul style="list-style-type: none"> 🌿 Recalibrate the operation schedule of the lifts based on demand analysis to optimise energy usage. 🌿 Replace busbar to enhance efficacy and reliability of the power supply system.
	<p>Deployment of Intelligent Energy Monitoring in New Development Projects</p> <ul style="list-style-type: none"> 🌿 Employ Energy Management Systems (EMS) for real-time meter reading and comprehensive monitoring of building-wide energy consumption. 🌿 Introduce power monitoring systems in substations to achieve granular oversight of power distribution and consumption.



Renewable Energy Application

The Group actively explores the adoption of clean energy, such as solar power, by extensively installing photovoltaic (PV) systems across new development projects. In 2025, Avenir, the residential proportion of the Huajing mixed-use project (P18) in Shanghai was granted an energy-saving subsidy by the Xuhui District authorities during the year, in recognition of its significant achievements in PV energy application. Furthermore, we leverage energy consumption management systems to dynamically monitor public areas such as fire lifts, communal lifts, communal lighting, emergency lighting, and PV systems, ensuring the optimal use of energy resources.

Driving Green Transition through Low-Carbon Design for Huajing Mixed-use Project in Shanghai

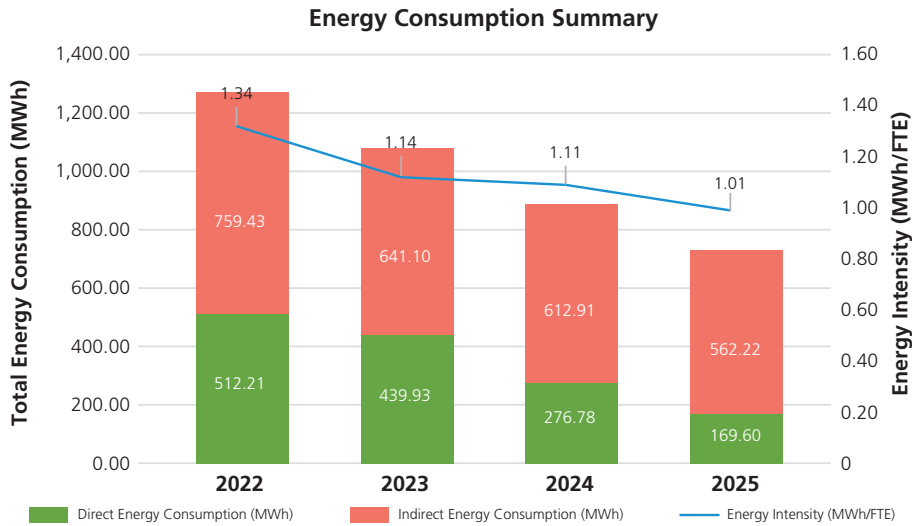
Located in Xuhui District, Shanghai, the Huajing mixed-use project is a large-scale integrated development comprising residential, commercial, and public facilities. It serves as a flagship exemplar of KWH's commitment to "low-carbon architecture" and "climate resilience". From its inception, the project has deeply integrated "low-carbon, circular, and smart" design principles, striving to set a green benchmark for urban renewal.

- Target "Near-Zero Energy" standards by adopting high-efficiency insulation materials and advanced heating, ventilation, and air conditioning (HVAC) systems.
- Deploy comprehensive PV panels, successfully securing government subsidies to achieve a dual benefit for both the environment and the economy.
- Implement an energy consumption management system combined with sub-meters and environmental sensors to achieve real-time monitoring and digitalised energy management.
- Provide precision data support for the ongoing optimisation of carbon reduction strategies.

The project successfully passed the government's Near-Zero Energy Building (NZEB) inspection during the year, achieving an estimated annual carbon emission reduction of approximately 824 tonnes.



During the reporting period, KWIH reported a decrease in the Group’s total energy consumption and energy intensity by 17.7% and 9.0% respectively as compared to 2024.



Resource Use and Waste Management

KWIH is dedicated to optimising resource efficiency and minimising waste generation throughout the entire lifecycle of our business operations. By integrating recycling technologies and refined management practices, we actively embrace the principles of a circular economy.

Waste Reduction and Compliant Disposal

The Group exercises strict classification and end-to-end supervision of construction and domestic waste. During the construction phase, we have established rigorous waste handling mechanisms. As articulated in the Group’s Environmental Policy, we maintain a clear commitment to responsible waste management, ensuring all waste disposal to water or land strictly complies with all relevant local legislation and environmental standards.



In our daily operations, we continue to promote paperless offices and encourage waste sorting among residents via mobile apps and promotional posters within our residential communities. Furthermore, to support our goal of near-zero energy green offices, we prioritise the procurement of high-energy-efficiency electrical equipment within our supply chain to reduce resource wastage at the source.

During the reporting period, the Group achieved the following paper recycling target in Hong Kong office.



Water Resources Management

We strive to reduce reliance on municipal water supplies by integrating advanced water treatment systems into our project designs. In key integrated complexes, we have deployed high-efficiency rainwater harvesting and reuse systems to collect roof and road runoff. After professional filtration, the recycled water is utilised for landscape irrigation, road washing, and basement cleaning.

Furthermore, in Nanjing P20 mixed-use project, we actively implement “Sponge City” construction requirements, incorporating facilities such as permeable paving, sunken green spaces, rainwater harvesting and storage tanks, and infiltration facilities, with relevant dedicated facilities having successfully passed local government inspections.

Green Buildings and Sustainable Development

To capitalise on climate-related opportunities, the Group integrates sustainability principles — encompassing materials use, energy efficiency, water conservation, and air quality — into all facets of building construction and management. For new property developments, sustainable elements are incorporated from the initial design phase, including water-saving fixtures, smart sub-meters, environmental sensors, and lighting timers. At the early stages of construction, the Group prioritises meticulous site planning and design to ensure projects are seamlessly integrated into the surrounding communities and environment.

Furthermore, we have established clear targets for sustainable construction, aiming to achieve green building certifications for all new residential projects and investment properties. The following sections highlight the Group’s recent key initiatives in advancing low-carbon construction and urban renewal:

⁷ The paper recycling rate is calculated as “total paper recycled divided by total paper consumption during the financial year and then multiplied by 100%”.

⁸ The emission factor for paper waste disposed at landfills is taken with reference to HKEX and equal to 4.8 kg CO₂e/kg.



AKIS, Nanjing — Establishing a Benchmark for Low-Carbon Sustainable Mixed-use Developments

KWIH is dedicated to the deep integration of sustainability principles with urban development. AKIS, KWIH's inaugural large-scale integrated landmark project in Nanjing, has earned widespread acclaim within the architectural industry for its exceptional green building practices and innovative spatial strategies. The project was honoured with the "Best Sustainable Complex of the Year" and "Best Commercial Complex of the Year — Gold" at the GBE Commercial Real Estate Awards.

The project incorporates sustainable technologies including high-efficiency heating, ventilation, and air conditioning (HVAC), and rainwater harvesting system. Designed under the TOD model, it features seamless metro links to promote green travel. By blending waterfront ecology with a stepped-terrace layout, AKIS optimises public space and serves as a blueprint for high-density, sustainable urban development.



Cosmo, Guangzhou — Synergising Diverse Spaces with Ecological Restoration

KWIH views landscape design as a vital nexus between humanity and nature. Guided by the "Earth Art" concept, The Earth Art Park at Cosmo transformed natural ecosystems into a space of profound aesthetic and educational value, winning the Gold Award at the 2025 MUSE Design Awards.

Embracing the philosophy of "Articulating Nature, Living through Art", the park utilises undulating topography and indigenous vegetation to create a "breathing" urban green lung. Beyond enhancing biodiversity, it integrates sustainability into residents' daily lives through interactive art installations. As the community's green heart, the project sets an exemplar for balancing ecological function with sophisticated landscape planning in residential developments.



WYSH, Shanghai — Urban Renewal and Creative Space Revitalisation

KWIH is actively committed to urban restoration. As our flagship renewal project in Shanghai, WYSH was honoured as an “Excellent Practice Case of Shanghai Urban Renewal” for its artistic transformation and functional repurposing of historical spaces.

Adhering to a philosophy of regenerative design, WYSH meticulously preserves cultural heritage while establishing a low-density district that integrates office, retail, exhibition and the arts. The project has released significant high-quality public space and enhanced land-use efficiency, setting a sustainable model for the adaptive reuse of heritage buildings within high-density urban centres.

For details of the Group’s achievements in green building, please refer to **Appendix IV — KWIH’s Green Building Portfolio**.

“GO GREEN @ K. Wah” — Raising Internal Environmental Awareness

KWIH continued to organise year-round initiatives under the theme “GO GREEN @ K. Wah” to enhance environmental awareness and promote sustainable practices among employees. Through internal communications, posters and email updates, employees were encouraged to adopt eco-friendly workplace behaviours, including energy saving and the “3Rs” (Reduce, Reuse and Recycle). A paperless working culture and energy-efficient practices, such as switching off electrical devices when not in use, were actively promoted.

Supporting “Walk for Nature” to Promote Ecological Conservation

KWIH supported World Wide Fund for Nature Hong Kong (WWF) Hong Kong’s “Walk for Nature 2025” at the Mai Po Nature Reserve. Colleagues and their families participated in wetland exploration activities, strengthening awareness of biodiversity and ecological conservation.





Red Packet Recycling

During the Lunar New Year, KWIH participated in the “Lai See Reuse and Recycle Programme”, encouraging employees to donate used red packets to Greeners Action for reuse and recycling, helping reduce festive paper waste.



Mooncake Box Recycling

During Mid-Autumn Festival, employees collected used paper and metal mooncake boxes for recycling, supporting responsible resource management.

COMMUNITY ENGAGEMENT AND SOCIAL IMPACT

We actively engage with the communities in which we operate, and through ongoing community engagement and diverse partnerships, seek to address social needs and generate positive social impact.

In alignment with our commitment to “giving back to society from which one has benefited”, KWIH has crafted a Corporate Communications Handbook to ensure that the Group’s community initiatives effectively benefit the community and enhance our overarching positive impact. Our community engagement work is dedicated to creating sustainable value and promoting upward social mobility for the next generation.

In 2025, we dedicated over **4,100** hours to volunteering

Social Contributions and Youth Development

KWIH recognises the vital role that nurturing young people plays in the development of society. With this in mind, we have actively supported and launched several programmes to cultivate young leaders, believing strongly in the potential of the younger generation.

Support for the “Strive and Rise Programme” for Three Consecutive Years

In a strong response to the “Strive and Rise Programme” led by the Chief Secretary for Administration, KWIH has been actively supporting the initiative for three consecutive years. We arrange colleagues to serve as volunteer mentors for secondary students from underprivileged families, assisting them in building self-confidence and providing them with diverse learning opportunities to expand their horizons.



Our colleagues shared their professional journeys and work experiences with the students. We organised job shadowing activities where students visited KWIH’s headquarters and toured show flats of our residential properties, gaining insights into the property sales business and corporate operations. In addition, in collaboration with the InterContinental Grand Stanford Hong Kong, students gained a detailed view of hotel operations.





Partnering with Hong Kong-Shanghai Youth Association to Support Youth Development

KWIH has partnered with the Hong Kong-Shanghai Youth Association for two consecutive years to promote youth development and support children's care in the broader community. With KWIH's support, the initiative provides youth volunteer training, visits to underprivileged children, and environmental protection activities, fostering a sense of social responsibility and positive values among participants.



Supporting Education to Benefit the Community of Cosmo, Guangzhou

The Group officially signed an agreement with Guangdong University of Foreign Studies and Huadu Education Bureau for the Guangdong University of Foreign Studies Airport Economic Zone School. The initiative will support the enhancement of the education for Jiaxing School, with an aim to benefit the community of Cosmo, Guangzhou.

Appendix I — Reporting Principles

In the preparation of this Report, we have applied the Stock Exchange’s reporting principles of materiality, quantitative, balance and consistency.

Reporting Principles

 <p>Materiality</p>	<p>Material ESG topics were identified through the annual materiality assessment and reviewed and validated by the ESG Committee and the Board. The relevant management approach for each material topic is outlined in the “Stakeholder Engagement” and “Materiality Assessment” sections.</p>
 <p>Quantitative</p>	<p>The standards, methodologies and relevant assumptions used in the calculation of KWIH’s key performance indicators (“KPIs”) are conducive to comparison with historical data.</p>
 <p>Balance</p>	<p>This Report provides a balanced overview of our ESG performance over the reporting period.</p>
 <p>Consistency</p>	<p>Unless otherwise stated, calculations and disclosures made in this report are consistent with previous reports and allow for historical comparisons. Any changes in the scope of disclosure or calculation methodologies in this Report that may affect its measurability against historical data are supplemented with explanations.</p>



Appendix II — Performance Data Summary

Environmental⁹

Air Emissions	Unit	2024	2025
Nitrogen oxides (NO _x)	Kg	9.17	9.60
Sulphur oxides (SO _x)	Kg	0.39	0.24
Particulate matter (PM)	Kg	0.68	0.71
Non-hazardous Waste (landfilled)	Unit	2024	2025
Paper to landfill	Tonnes	14.55	8.05
Total non-hazardous waste	Tonnes	14.88	9.88
Non-hazardous waste intensity	Tonnes/FTE¹⁰	0.02	0.01
Hazardous Waste	Unit	2024	2025
Total hazardous waste	Tonnes	0.07	0.34
Hazardous waste intensity	Tonnes/FTE	0.00¹¹	0.00¹²
Energy Consumption	Unit	2024	2025
Direct energy consumption	MWh	276.78	169.60
Petrol	MWh	276.78	169.60
Diesel	MWh	0	0.0
Indirect energy consumption	MWh	612.91	562.22
Purchased electricity	MWh	612.91	562.22
Total energy consumption	MWh	889.69	731.82
Energy consumption intensity	MWh/FTE	1.11¹³	1.01
GHG Emissions ¹⁴	Unit	2024	2025
Direct GHG emissions — Scope 1	tCO ₂ e	80.15	49.36
Energy indirect GHG emissions — Scope 2	tCO ₂ e	368.97	309.97
Other indirect GHG emissions — Scope 3 ¹⁵	tCO ₂ e	78.35	255,867.26
Total GHG emissions — Scope 1, 2 and 3	tCO₂e	527.48	256,226.59
GHG emissions intensity¹⁶	tCO₂e/FTE	0.66¹⁷	0.53
Water Consumption	Unit	2024	2025
Water consumption	Tonnes	2,619.40	2,644.00
Water consumption intensity	Tonnes/FTE	3.28¹⁸	3.66

⁹ Due to rounding, some figures may not exactly sum to the stated total.

¹⁰ As of 31 December 2025, the Group's full-time employees are 722 (2024: 799 full-time employees). This data will also be used for the calculation of other intensity data.

¹¹ The actual figure for hazardous waste intensity is 0.0001 tonnes/FTE but is represented as 0.00 for the sake of consistency in data presentation.

¹² The actual figure for hazardous waste intensity is 0.0005 tonnes/FTE but is represented as 0.00 for the sake of consistency in data presentation.

¹³ 2024 energy consumption intensity data have been restated to ensure consistency and comparability with the 2025 reporting methodology.

¹⁴ GHG emissions data are presented in terms of tonnes of CO₂ equivalent, with reference to, including but not limited to, "GHG Protocol", "How to prepare on ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX, "Announcement on the Release of 2023 Electricity CO₂ Emission Factors" issued by the Ministry of Ecology and Environment of the PRC, "2024 Sustainability Report" issued by the CLP Holdings Limited, "Sustainability Report 2024" issued by the HK Electric Investment Limited, and "Global Warming Potential Values" from the IPCC Fifth Assessment Report.

¹⁵ For FY2024, Scope 3 GHG emissions data cover Category 6 (business travel) only. For FY2025, the scope of disclosure has been expanded to include Categories 1, 5, 6, 11 and 13 with respect to HKEX's enhanced climate disclosure requirements.

¹⁶ To maintain consistency and comparability of targets and data, the GHG emissions intensity for FY2024 and FY2025 is calculated based on Scope 1, Scope 2 and Scope 3 Category 6 (business travel) emissions only.

¹⁷ 2024 GHG emissions intensity data have been restated to ensure consistency and comparability with the 2025 reporting methodology.

¹⁸ 2024 water consumption intensity data have been restated to ensure consistency and comparability with the 2025 reporting methodology.

Social

Workforce Profile	2024	2025
Total workforce	812	732
By gender		
Male	382	352
Female	430	380
By employment type		
Full-time	799	722
Part-time	13	10
By age group		
Below 30	117	124
30–50	573	493
Over 50	122	115
By employment category		
Senior management ¹⁹	24	21
Middle management ²⁰	205	188
General ²¹	583	513
By geographical region		
Hong Kong	194	147
Mainland China	618	585
By education level		
High school diploma or below	240	219
Undergraduate	484	439
Postgraduates	87	74
Others	1	0

¹⁹ Senior Management refers to employees at General Manager or above level.

²⁰ Middle Management refers to employees at Deputy General Manager, Assistant General Manager, Senior Manager and Manager level.

²¹ General refers to employees at Assistant Manager, Deputy Manager or below level.

Turnover Rate ²²	2024	2025
Total employee turnover rate	21.92%	16.80%
By gender		
Male	22.77%	17.05%
Female	21.16%	16.58%
By age group		
Below 30	55.56%	30.65%
30–50	16.06%	14.60%
Over 50	17.21%	11.30%
By geographical region		
Hong Kong	36.60%	18.37%
Mainland China	17.34%	16.41%

Occupational Health and Safety	2024	2025
Number of lost days due to work injury	398.5	31
Number of work-related fatalities	0	0
Rate of work-related fatalities	0	0

²² Turnover rate is calculated as “total number of employees leaving employment during the financial year divided by total number of employees at the end of the financial year and then multiplied by 100%”.

Training	2024		2025	
	The percentage of employees trained ²³	Average training hours completed per employee ²⁴	The percentage of employees trained	Average training hours completed per employee
Total	85.71%	14.65	84.56%	18.88
By gender				
Male	85.34%	14.92	80.97%	18.02
Female	86.05%	14.42	87.89%	19.67
By employee category				
Senior management	58.33%	7.55	80.95%	14.48
Middle management	94.15%	11.38	93.09%	16.65
General	83.88%	16.09	83.24%	20.24
Supply Chain			2024	2025
Total key suppliers			510	415
By geographical region				
Hong Kong			133	167
Mainland China			377	248
Anti-corruption			2024	2025
Concluded legal case			0	0

²³ The percentage of employees trained is calculated as "total number of employees trained during the financial year divided by total number of employees at the end of the financial year and then multiplied by 100%".

²⁴ Average training hours completed per employee is calculated as "total hours of employees trained during the financial year divided by total number of employees at the end of the financial year".

Appendix III — Scope 3 Emission Inventory and Reporting Methodology

Scope 3 Category	Methodology	Source of Emission Factor	2025 Emissions (Tonnes of CO ₂ e)
1: Purchased Goods and Services	Emissions are estimated using a spend-based approach, by applying relevant emission factors to the Group's procurement expenditure across goods and service categories.	US Environmentally-Extended Input-Output (USEEIO) Models	44,443.71
5: Waste Generated in Operation	Emissions from the treatment and disposal of waste generated during operations, calculated using waste-type-specific emission factors based on waste weight data from properties managed by the Group, with different emission factors applied for different disposal methods.	UK Department for Environment, Food & Rural Affairs (Defra): <i>Greenhouse Gas Reporting Conversion Factors 2025</i>	5.69
6: Business Travel	Emissions are estimated using a spend-based approach, by applying relevant emission factors to the Group's capital expenditure incurred during the reporting period.	ICAO Carbon Emissions Calculator	20.02
11: Use of Sold Products	Estimate carbon emissions from energy used in the lifetime of sold buildings. Emission factors are applied based on type of building sold and the corresponding locations, using emission factors sources from literature review, local power utilities and relevant institutions.	<ul style="list-style-type: none"> Literature review Ministry of Ecology and Environment of the PRC CLP Holdings Limited 	179,366.40
13: Downstream Leased Assets	Initial screening and estimating carbon emissions for downstream leased assets (property) using USEEIO data base.	<ul style="list-style-type: none"> US Environmentally-Extended Input-Output (USEEIO) Models UK Department for Environment, Food & Rural Affairs (Defra): <i>Greenhouse Gas Reporting Conversion Factors 2025</i> 	32,031.44

Appendix IV — KWIH’s Green Building Portfolio

Region	Project Name	Assessment Standard and Rating
Hong Kong	Kabitat Tin Hau	BEAM Plus New Buildings v2.0 Provisional Pre-requisites Achieved
	7 Hospital Road	BEAM Plus New Buildings v2.0 Provisional Pre-requisites Achieved
	La Mirabelle	BEAM Plus New Buildings v2.0 Provisional Gold
	30 Po Shan Road Project	U.S. LEED v4 Silver precertification
	Villa Garda	BEAM Plus New Buildings v1.2 Provisional Gold
	KT Marina	BEAM Plus New Buildings v1.2 Provisional Gold
	Victoria Voyage	BEAM Plus New Buildings v1.2 Provisional Gold
	Grand Mayfair	BEAM Plus New Buildings v1.2 Provisional Gold
	Grand Victoria	BEAM Plus New Buildings v1.2 Gold
	K. Summit	BEAM Plus New Buildings v1.2 Gold
	K.CITY	BEAM Plus New Buildings v1.2 Unclassified
	Solaria	BEAM Plus New Buildings v1.2 Unclassified
	The Spectra	BEAM Plus New Buildings v1.2 Gold
	Twin Peaks	BEAM Plus New Buildings v1.2 Bronze

Region	Project Name	Assessment Standard and Rating
Nanjing	P20 Project	China Green Building 2 Stars (Planning stage) China Green Building 3 Stars (Planning stage) U.S. LEED CS Platinum (Planning stage) U.S. LEED CS Gold (Planning stage) U.S. LEED CS Silver (Precertification stage) U.S. WELL CORE Gold (Planning stage)
Shanghai	P18 Residential Building	Nearly Zero Energy Building (Drawing review stage)
	P18 Office Tower	China Green Building 2 Stars (Drawing review stage) China Green Building 3 Stars (Drawing review stage) U.S. LEED CS Gold / WELL Gold (Precertification stage)
	EDGE	U.S. LEED Gold Certification
Guangzhou	Guangzhou West (Phase I) Project	Residential Green Building 1 Star (Drawing review stage) Commercial Green Building 1 Star (Drawing review Stage)
	Guangzhou West (Phase II) Project	Residential Green Building 2 Stars (Drawing review stage)



Appendix V — Hong Kong Stock Exchange ESG Reporting Code Content Index

Mandatory Disclosure	HKEX ESG Reporting Code Requirements	Sections/Remarks
Governance Structure	A statement from the board containing the following: <ul style="list-style-type: none"> (i) 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. 	Our Sustainability Approach — Sustainability Governance and Board Statement
Reporting Principles	A description of, an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: <ul style="list-style-type: none"> a) Materiality: Topics considered material to sustainability by different stakeholder groups are identified by the necessary interactions. b) Quantitative: Data are presented in a manner conducive to comparison of year-on-year changes in performance. Performance Data Summary explicates the standards used for calculation of environmental performance indicators. c) Balance: Transparency is a major consideration and the report provides information on both positive and negative impacts. d) Consistency: Consistency and comparability of information is ensured by using the appropriate statistical methods. 	Appendix I — Reporting Principles Materiality: Conduct substantive issue assessments to identify ESG issues that have a significant impact on the Group and their risks. Quantitative: For the standards, methods, assumptions and calculation methods used in the data presented in this report, please refer to the “Performance Data Summary” in this report. Balance: The Group describes its performance in all aspects of sustainable development in a fair and transparent manner. Consistency: This report uses the same statistical methods and categories as in previous years. Quantitative data are presented in a consistent manner for comparison and analysis by stakeholders.
Reporting Boundary	Explain the reporting boundaries of the ESG report and describe 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 — Reporting Period and Scope

Mandatory Disclosure	HKEX ESG Reporting Code Requirements	Sections/Remarks
Environment		
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.	Climate and Environmental Stewardship — Environmental Management Practices
KPI A1.1	The types of emissions and the respective emissions data.	Appendix II — Performance Data Summary
KPI A1.3	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Appendix II — Performance Data Summary
KPI A1.4	Description of emissions target(s) set and steps taken to achieve them.	Climate and Environmental Stewardship — Environmental Management Practices
KPI A1.5	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Climate and Environmental Stewardship — Environmental Management Practices
KPI A1.6	The types of emissions and the respective emissions data.	Appendix II — Performance Data Summary
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Climate and Environmental Stewardship — Environmental Management Practices
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Appendix II — Performance Data Summary
KPI A2.2	Water consumption in total and intensity.	Appendix II — Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Climate and Environmental Stewardship — Environmental Management Practices
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for the purpose, water usage efficiency target(s) set and steps taken to achieve them.	Climate and Environmental Stewardship — Environmental Management Practices
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group's core property business.

Mandatory Disclosure	HKEX ESG Reporting Code Requirements	Sections/Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies for minimising the issuer's significant impact on the environment and natural resources.	Climate and Environmental Stewardship — Environmental Management Practices
KPI A3.1	Description of significant impacts of the Group's activities on the environment and natural resources and actions taken to manage them.	Climate and Environmental Stewardship — Environmental Management Practices
B. Social		
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 employee benefits and welfare.	Our People and Talent Development — Workforce Profile and Diversity Our People and Talent Development — Talent Attraction and Retention
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix II — Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix II — Performance Data Summary
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, Safety and Wellness — Occupational Health and Safety Management
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix II — Performance Data Summary
KPI B2.2	Lost days due to work injury.	Appendix II — Performance Data Summary

Mandatory Disclosure	HKEX ESG Reporting Code Requirements	Sections/Remarks
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health, Safety and Wellness — Occupational Health and Safety Management Occupational Health, Safety and Wellness — Safety Training and Emergency Preparedness
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People and Talent Development — Learning, Training and Capability Building
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix II — Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix II — Performance Data Summary
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 prevention of child or forced labour.	Our People and Talent Development — Diversity and Inclusion Overview
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People and Talent Development — Diversity and Inclusion Overview
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our People and Talent Development — Diversity and Inclusion Overview

Mandatory Disclosure	HKEX ESG Reporting Code Requirements	Sections/Remarks
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Customers, Products and Value Chain — Responsible Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Appendix II — Performance Data Summary
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.	Customers, Products and Value Chain — Responsible Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Customers, Products and Value Chain — Responsible Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Climate and Environmental Stewardship — Environmental Management Practices
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.	Customers, Products and Value Chain — Product and Service Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's core property business.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Customers, Products and Value Chain — Product and Service Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Customers, Products and Value Chain — Product and Service Responsibility

Mandatory Disclosure	HKEX ESG Reporting Code Requirements	Sections/Remarks
KPI B6.4	Description of quality assurance process and recall procedures.	Customers, Products and Value Chain — Product and Service Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Customers, Products and Value Chain — Customer Data Privacy and Information Security
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.	Our Sustainability Approach — Ethical Business Behaviours
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.	Appendix II — Performance Data Summary
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Our Sustainability Approach — Ethical Business Behaviours
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Our Sustainability Approach — Ethical Business Behaviours
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.	Community Engagement and Social Impact
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Engagement and Social Impact
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Engagement and Social Impact

Appendix VI — Climate Risk and Opportunity Potential Impact

Climate-related Risk	Impact on Business Model	Impact on Value Chain	Potential Financial Impact
Physical Risks			
Acute Risk: Extreme weather events	<ul style="list-style-type: none"> More frequent typhoons, rainstorms and flooding may disrupt project schedules and increase repair and maintenance needs across the residential and commercial portfolio. 	<ul style="list-style-type: none"> May damage construction sites and completed properties, disrupting construction activities and asset maintenance. 	<ul style="list-style-type: none"> Higher repair and remediation costs for damaged buildings, façades and infrastructure. Higher insurance premiums or reduced insurability for assets in high-risk areas.
Chronic Risk: Water stress	<ul style="list-style-type: none"> Water scarcity or supply variability may affect construction processes, landscaping needs and long-term building operations, particularly for projects requiring significant water use. 	<ul style="list-style-type: none"> May affect water-dependent activities across the value chain, particularly where water use is significant. 	<ul style="list-style-type: none"> Increased operating costs for water-efficient fixtures, irrigation, or water recycling systems. Higher construction costs due to water-saving technologies or alternative water sourcing.
Chronic Risk: Rising temperatures	<ul style="list-style-type: none"> Long-term temperature increases may raise cooling demand in residential, office and retail properties, affecting building operations and occupant comfort. 	<ul style="list-style-type: none"> May increase energy intensity requirements for new developments and increase cooling-related operating needs for managed/owned properties. 	<ul style="list-style-type: none"> Higher utility and operating expenses for cooling in managed or owned investment properties. Reduced tenant satisfaction or lower rental competitiveness if properties underperform on comfort and energy efficiency.



Climate-related Risk	Impact on Business Model	Impact on Value Chain	Potential Financial Impact
Transition Risks			
<p>Policy and Legal Risk: Tightening Building Codes and Standards</p> <p>Policy and Legal Risk: More Stringent Disclosure Requirements</p>	<ul style="list-style-type: none"> • Stricter green building codes, energy-efficiency requirements and low-carbon construction standards in Hong Kong and Mainland China may increase development complexity and compliance obligations for new projects. • Increasing climate-related disclosure rules (e.g. HKEX, IFRS S2) may require more detailed emissions reporting and scenario analysis. 	<ul style="list-style-type: none"> • Upstream and downstream enterprises need to work together to meet stricter climate disclosure and emission reduction requirements. 	<ul style="list-style-type: none"> • Higher development costs due to enhanced insulation, energy-saving systems, greener materials and certification requirements. • Potential penalties or approval delays if new standards are not met. • Higher administrative and reporting costs, including consultants, data systems and audits.
<p>Technology Risk: Adoption of Low-Carbon Technology</p>	<ul style="list-style-type: none"> • Rapid advances in low-carbon construction technologies may require investment in new equipment, smart-building systems or more efficient construction processes to remain competitive and compliant. 	<ul style="list-style-type: none"> • Increased need to source compatible low-carbon materials, energy-efficient systems and specialist solutions from suppliers. 	<ul style="list-style-type: none"> • Increased capital expenditure for energy-efficient building systems. • Retrofitting costs for existing investment properties to meet new technology expectations.



Climate-related Risk	Impact on Business Model	Impact on Value Chain	Potential Financial Impact
<p>Market Risk: Limited Supply of Low-Carbon Construction Materials</p> <p>Market Risk: Renewable Energy Growth</p>	<ul style="list-style-type: none"> Limited availability and higher prices of certified green/low-carbon construction materials may affect cost and delivery planning for new projects. As renewable energy adoption accelerates, tenants and buyers increasingly expect buildings to include green energy features or renewable energy procurement options. 	<ul style="list-style-type: none"> Longer lead times for certain low-carbon materials may affect sourcing and project schedules. May require integrating renewable options (e.g. rooftop solar, EV charging stations, or green power procurement) into building specifications to meet market expectations. 	<ul style="list-style-type: none"> Higher material prices for certified green or low-carbon materials. Capital expenditure for integrating renewable options (e.g. rooftop solar, EV charging stations, or green power procurement). Possible loss of market share if competitors provide greener energy solutions.
<p>Reputational Risk: Shift in Consumer Preferences to Green Properties</p>	<ul style="list-style-type: none"> As preferences shift towards greener properties, there is a risk of reputational challenges if the developments are perceived as less sustainable than competitors. 	<ul style="list-style-type: none"> May influence demand across the development and investment portfolio. 	<ul style="list-style-type: none"> Declining income and competitiveness for properties with weaker environmental performance.
Climate-related Opportunity	Impact on Business Model	Impact on Value Chain	Potential Financial Impact
<p>Policy and Legal Opportunity: Incentives in Sustainable Finance</p>	<ul style="list-style-type: none"> Improves access to funding for sustainable development projects. 	<ul style="list-style-type: none"> Supports project financing and delivery by enabling greener project specifications and implementation. 	<ul style="list-style-type: none"> Lower financing costs and/or improved financing terms (e.g. access to green loans or sustainability-linked financing).
<p>Market Opportunity: Increased Market Demand for Green Properties</p>	<ul style="list-style-type: none"> Supports stronger sales and tenant appeal for green properties. 	<ul style="list-style-type: none"> Encourages the integration of energy-efficient and environmentally friendly features across development and asset operations. 	<ul style="list-style-type: none"> Potential for improved sales performance and/or stronger leasing demand for green properties.
<p>Technology Opportunity: Adoption of Energy Efficient Technology</p>	<ul style="list-style-type: none"> Improves building performance. 	<ul style="list-style-type: none"> Enables more efficient building operations through the adoption of energy-efficient technologies. 	<ul style="list-style-type: none"> Potential long-term cost savings from improved energy efficiency.



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