



CITYCHAMP
WATCH & JEWELLERY GROUP LIMITED
冠城鐘錶珠寶集團有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code : 256



Environmental, Social and Governance Report

2025

ABOUT THE GROUP

Citychamp Watch & Jewellery Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”) is committed to being more than just a profitable business. As a responsible corporate citizen focused on sustainability, we actively manage our social and environmental impacts while creating value for our stakeholders and the wider community. We believe that ethical practices and social responsibility form the foundation for sustainable success and long-term value creation.

ABOUT THE REPORT

Reporting Period

This Environmental, Social and Governance Report 2025 (the “Report”) outlines the Group’s policies, responsibilities, and performance in environmental, social, and governance areas from 1 January to 31 December 2025.

Reporting Scope and Principles of Reporting

This Report is written in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix C2 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Guide includes “Comply or Explain” provisions and adheres to the reporting principles of materiality, quantitative measurement, and consistency.

The Report encompasses the Group’s principal operating entities (hereinafter referred to as the “Reporting Entities”), which comprise office operation in Hong Kong, watch manufacturing businesses in the PRC (the “watch businesses”) and banking services in Liechtenstein:

Scope of Business	Reporting Entities	Country	Area (m ²)
Watch Businesses	Zhuhai Rossini Watch Industry Limited (“Rossini”)	PRC	48,000
	EBOHR Luxuries International Limited (“EBOHR”)	PRC	13,669
Banking Business	Bendura Bank AG (“Bendura” or the “Bank”)	Liechtenstein	5,310
Total			66,979

The Report is available in both English and Chinese and can be found on the Stock Exchange website (www.hkexnews.hk) and the Company website (<https://www.irasia.com/listco/hk/citychamp>) in compliance with the Listing Rules. Please refer to the Company’s 2025 annual report for information on corporate governance.

STATEMENT FROM THE BOARD OF DIRECTORS

On behalf of the Board of Directors, it is our honor to present our Environmental, Social and Governance Report for 2025. The Board maintains ultimate oversight and accountability for the Group’s ESG strategy, demonstrating our unwavering commitment to sustainable business practices. Our governance framework encompasses comprehensive ESG risk assessment, strategic management guidance, and robust internal control mechanisms.

In alignment with global sustainability trends, we have integrated climate considerations and ESG principles into our core business strategy. Our annual corporate risk assessment process systematically evaluates ESG and climate-related risks and opportunities, enabling us to adapt and respond effectively to emerging challenges. Besides, the Board actively steers our sustainability agenda through direct involvement in material ESG decisions, from initial risk assessment to strategy formulation and policy execution. The Group coordinates its environmental initiatives across relevant departments, with a focus on achieving emission reduction and energy efficiency targets.

As we move forward, we remain dedicated to strengthening our ESG performance and expanding our sustainability programs. Through these efforts, we strive to cultivate an exemplary workplace environment while generating sustainable value for our stakeholders and the broader community.

SUSTAINABLE INVESTMENT

As a socially responsible bank, Bendura continues to strengthen its commitment to ESG investment principles in 2025, responding to the growing global demand for sustainable investment solutions. Sustainability remains at the core of Bendura's strategy. The Bank has enhanced its employee training programs in 2025, focusing on the latest ESG standards and regulations. Investment professionals of Bendura undergo regular training to stay current with evolving sustainability guidelines and best practices in ESG portfolio construction.

In 2025, Bendura offers customized asset management portfolios based on the client's individual ESG preference. Therefore, an ESG profile of every asset management client is created, supported by its comprehensive ESG evaluation framework.

Looking ahead, Bendura is actively exploring opportunities to expand its ESG investment offerings beyond Asia and Europe. As a trusted financial institution, The Bank remains committed to promoting sustainable finance and generating positive environmental and social impact through investment activities.

PARTICIPATION AND SIGNIFICANCE OF STAKEHOLDERS

The Group prioritizes active engagement with our diverse stakeholders, including shareholders, investors, business partners, employees, customers, and regulatory authorities. This engagement is fundamental to our business success and sustainable growth.

Through various communication channels, we maintain regular dialogue with our stakeholders to understand their perspectives and address their concerns. We are committed to strengthening these relationships and responding effectively to stakeholder feedback, which helps us create long-term value while contributing to a more inclusive and sustainable society.

Shareholders & Investors

- General meetings
- Annual reports and interim reports, and results announcements
- Corporate communications such as announcements and circulars
- Company's website

Business Partners

- Supplier management system and periodic assessment
- On-site inspection
- Safety questionnaire
- Cooperation meetings

Employees

- Staff gatherings
- Recreational associations
- Feedback sessions
- Internal memos
- Training courses
- Voluntary activities

Customers

- Regular operating interactions
- Watch exhibitions
- Customer hotline
- Service/product feedback mechanism
- Membership

Administrative Authorities

- Conferences relating to compliance operation and environmental protection
- Document correspondence
- On-site inspection
- Selection and certification

Regulatory Authorities

- Active implementation of regulatory requirements and involvement in regulatory oversight processes
- Communication and correspondence
- Regular meetings
- Compliance report

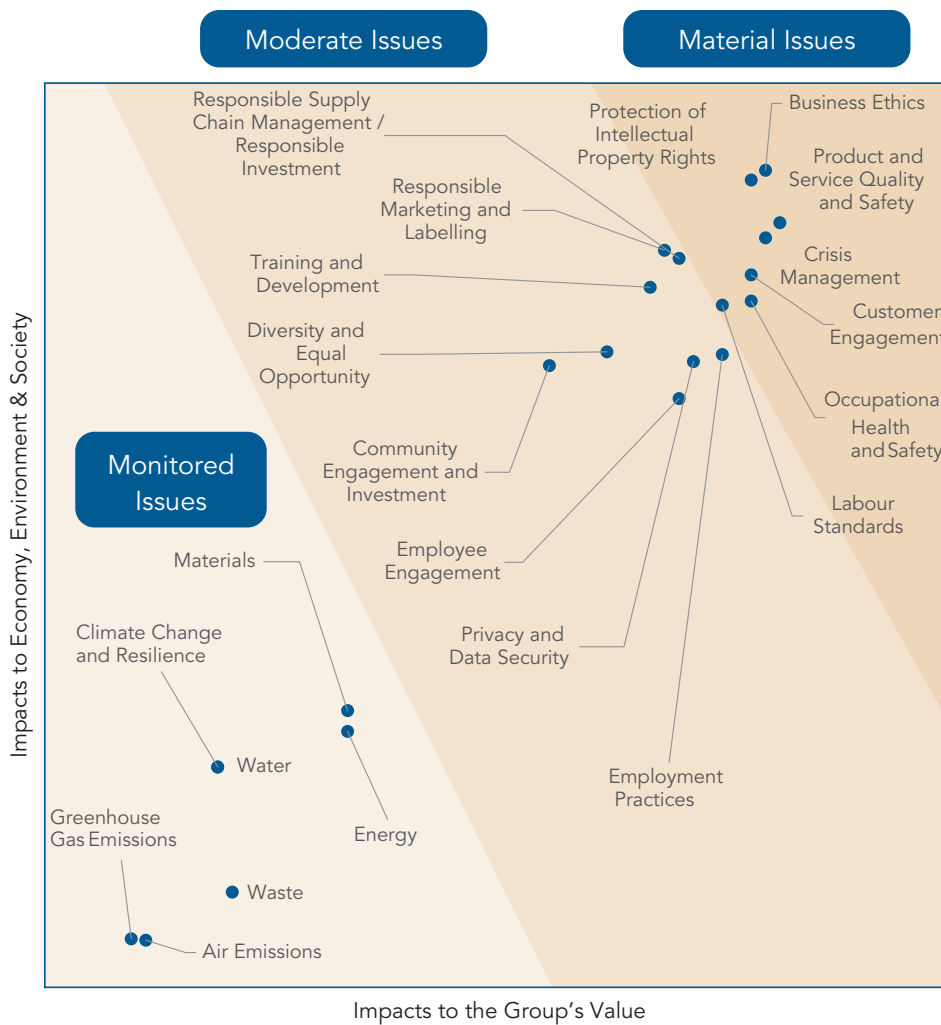
Communities

- Charity and poverty aid
- Caring for the elderly and loving the children
- Supporting education
- Nurturing the youth
- Promotion of science education and the watch culture

MATERIAL ISSUES

The Group conducted a comprehensive materiality assessment through online survey to inform and enhance our sustainability strategy. This thorough evaluation process encompassed extensive stakeholder engagement, including structured consultations with our Board of Directors, employees across all levels, and valued clients. Through systematic analysis of these consultations, we identified and prioritized the most material ESG issues impacting our operations and long-term success according to the issues’ impacts brought to the enterprise’s value and the well-being of the public.

The detailed findings of this assessment are presented in the following section:



Of the 21 relevant ESG issues evaluated in our materiality assessment, 7 were identified as the most significant. The Report’s structure reflects these findings to directly address our stakeholders’ primary concerns.

Material Issues

- | | |
|--|--------------------------------|
| Business Ethics | Crisis Management |
| Product and Service Quality and Safety | Customer Engagement |
| Protection of Intellectual Property Rights | Occupational Health and Safety |
| Labour Standards | |

OUR SUSTAINABILITY PERFORMANCE

The Operation

Ethical Operation

Anti-corruption

Watch Businesses

The Group maintains a robust anti-corruption framework built on our core values of “Harmonious Development” and “Corporate Prosperity with Integrity.” Our approach combines stringent internal controls, clear policies, and regular training to uphold the highest standards of business ethics.

Our anti-corruption strategy rests on three pillars:

1. Policy Implementation and Oversight
 - Comprehensive anti-bribery policies and Code of Business Conduct
 - Robust credibility mechanisms with clear duty segregation
 - Systematic supplier assessment protocols with integrity criteria
 - Zero-tolerance stance on corruption with strict enforcement
2. Internal Control Systems
 - Regular external audits and enhanced financial oversight
 - Transparent procurement through open tenders
 - Strict partner selection and qualification verification
 - Comprehensive whistleblowing system with standard procedures
 - Regular subsidiary audits with structured reporting
3. Training and Compliance
 - Ethics training is included in the induction program for new employees
 - Regular compliance workshops on corporate values
 - Ethics principles embedded in employee handbook and guidelines
 - Ongoing monitoring through internal and external audits

Our anti-corruption measures have proven effective: in 2025, no corruption-related litigation cases were filed against the Reporting Entities or their employees (2024: Nil).

To maintain high governance standards, EBOHR's audit department performs annual subsidiary reviews, with findings reported directly to senior management. Any corruption issue will be followed by investigation and corrective action procedures, which may include video conference training sessions to help prevent recurrence.

Banking Business

Bendura has implemented strong internal control framework featuring a comprehensive Code of Conduct, as well as whistleblowing procedures for employees to raise concerns. Through our dedicated reporting office, employees can confidentially escalate concerns to the Head of Internal Audit, who ensures complete confidentiality and whistleblower protection. Bendura upholds strict compliance standards through yearly training programs on national anti-corruption laws and Wolfsberg Anti-Bribery and Corruption principles, reflecting our dedication to the highest standards of business integrity.

Protection of Customer Privacy and Intellectual Property Rights

Watch Businesses

The Group maintains strict protocols for intellectual property management, ensuring full compliance with national laws and regulations on trademarks, patents, and copyrights. We follow comprehensive procedures to protect our intellectual assets — including trademarks, product designs, technologies, and processes. All procurement and cooperation contracts undergo thorough legal review to safeguard intellectual property rights.

EBOHR follows strict data protection protocols for customer information management. We collect data only through authorized business channels with explicit customer consent. Access to customer information is tightly controlled, with strong safeguards to prevent unauthorized access and third-party disclosure.

Banking Business

As a regulated financial institution, we uphold the highest standards of intellectual property protection and customer privacy. Our operations fully comply with all relevant legislative and regulatory requirements for data security and intellectual property rights.

Operating under the Financial Market Authority of Liechtenstein, Bendura implements robust data protection measures that align with strict regulatory requirements. Our Compliance Department maintains systematic monitoring protocols to ensure secure handling of sensitive information. The bank's IT infrastructure is built on four essential security principles — confidentiality, integrity, authenticity, and availability — backed by sophisticated technical and organizational controls that meet Liechtenstein's rigorous banking standards.

The Group is committed to safeguarding the privacy and security of personal data in compliance with applicable data protection laws and regulations, we collect, process, and store personal data responsibly, ensuring its confidentiality, integrity, and availability. Personal information is used only for legitimate business purposes, such as regulatory compliance, investor relations, and corporate communications. Appropriate security measures are in place to prevent unauthorized access or misuse. We continuously strengthen our network security through systematic updates to our protective measures, ensuring robust protection of all data assets.

Supply-chain Management

Watch Businesses

The Group's supply chain management framework is built on three core policies: the Supplier Development Procedure, Daily Supplier Management Procedures, and Supplier Management System. These policies set strict standards for evaluating suppliers throughout their engagement, focusing on quality assurance, delivery performance, and operational support.

Through our Sourcing Risk Assessment framework, we aim to identify and address supply chain risks. We perform due diligence to ensure suppliers comply with environmental regulations at all levels — national, local, and industry specific. Where non-compliance is identified, contract termination may be considered as part of our corrective measures, reflecting our strong commitment to environmental protection.

Environmental responsibility is essential for our suppliers. They must show ongoing progress in reducing environmental impact and managing occupational health and safety (OHS) risks. We ensure compliance through required environmental certifications and regular quality assessments.

During 2025, our watch divisions maintains strategic partnerships with 64 suppliers (2024: 96). EBOHR uses a collaborative approach where quality control, purchasing, and design departments jointly manage supplier relationships following established corporate guidelines.

Banking Business

Bendura's supplier network includes service providers who specialize in critical facility maintenance — emergency sprinkler systems, gas extinguishing systems, electrical infrastructure, and security systems. The Bank conducts thorough due diligence during supplier evaluation to ensure compliance with all regulatory standards and industry requirements.

Our procurement strategy assesses suppliers' environmental credentials and product quality through a competitive selection process. We prioritize eco-friendly solutions while upholding strict quality standards. To reduce our carbon footprint, we focus on partnering with local suppliers for restoration systems and equipment.

In our banking operations, we maintained strong relationships with fewer than 10 European suppliers throughout 2025 (2024: 71), with 100% of our supplier base implementing our sustainability practices and standards. The reduction in supplier count reflects a refinement in our supplier classification to include only those with significant operational engagement.

Number of suppliers by geographic region

Region	2025		2024	
	Watch Businesses	Banking Business ¹	Watch Businesses	Banking Business
Mainland China	59	0	86	0
Hong Kong	4	0	7	0
Japan	1	0	2	0
Europe	0	<10	0	71
Others	0	0	1	0
Total	64	<10	96	71

As the Hong Kong operation premise is mainly for office operation, there are no suppliers that have a significant impact on the overall business operations. Therefore, the relevant data is not included in this table.

¹ The 2024 supplier count (71) included many one-time or low-materiality vendors, which inflated the number and lacked ESG relevance. In 2025, a bank-specific definition was applied, counting only critical and recurring service providers such as IT, telecom, audit/legal, facility management, and payment services, resulting in fewer than 10 suppliers.

Environmental and Social Risk Management

The Group enforces high standards for supplier partnerships, requiring all vendors to demonstrate reasonable ESG risk management practices that align with our corporate values. We use a comprehensive monitoring system to evaluate and track ESG compliance across operations. In fiscal year 2025, our Banking Business did not identify any instances of non-compliance with ESG requirements among its suppliers.

The People

The Group prioritizes relationships with stakeholders throughout our value chain, recognizing that lasting success depends on strong human connections. Our people-centered approach extends beyond employees to clients, suppliers, and communities. We uphold high standards in human capital development through competitive compensation, clear advancement paths, and an inclusive workplace that values diversity. Our stakeholder engagement strategy emphasizes transparent communication, ethical partnerships, and customer-focused service. Through active dialogue and effective feedback systems, we strengthen relationships with all stakeholders, ensuring their perspectives shape our decisions. This comprehensive approach reflects our core belief that sustainable growth depends on the wellbeing and satisfaction of everyone connected to our operations.

Employees

The Group considers human capital essential to our long-term success. We take a systematic approach to talent management through competitive pay and comprehensive benefits to develop and retain top professionals. We actively support our employees’ career growth and personal development goals. Through targeted policies and practices, we promote workplace diversity and inclusion, attracting diverse talent and creating an environment where every employee can succeed.

Occupational Health and Safety

Reporting Entities strictly comply with relevant laws and regulations relating to occupational health and safety in their places of operation.

PRC	Liechtenstein
Work Safety Law of the People’s Republic of China	Regulation on Safety and Health Protection of Employees in the Workplace

The Group maintains strict compliance with all occupational safety regulations across our operational locations, ensuring a secure work environment and protecting employee health and wellbeing. Our comprehensive workplace safety framework encompasses multiple layers of protection and oversight.

Our commitment to occupational health and safety is demonstrated through rigorous management systems and standardized procedures, particularly in our manufacturing facilities. We have implemented comprehensive policies, including the Occupational Health and Safety/Daily Environmental Control and Supervision Procedures and the Safety Production Standardization Management Guidelines. These protocols undergo regular review and updates to maintain effectiveness across diverse operational scenarios.

The Group’s safety management program includes annual safety training initiatives, monthly facility inspections, and regular emergency response drills. Post-drill evaluations facilitate continuous improvement of our safety protocols. This systematic approach enables proactive hazard identification, risk assessment, and implementation of preventive measures.

	2025	2024	2023
Work-related fatalities in the past three years (including Reporting Period)	0	0	0
Work-related injuries in the past three years (including Reporting Period)	4	2	0
Lost days due to work-related injuries	87	30	0

Both Rossini and EBOHR have achieved certification under the Occupational Health and Safety Management System (OHSAS) 18001 standard, validating our commitment to workplace safety excellence. Our comprehensive safety measures include:

- Regular occupational health and safety assessments
- Annual employee health examinations and pre-employment medical screening
- Advanced surveillance systems and hazard monitoring equipment in manufacturing and office facilities
- Independent third-party safety audits and system reviews

Employment Management

Reporting Entities strictly comply with relevant laws and regulations relating to employment in their places of operation.

PRC	Liechtenstein
<ul style="list-style-type: none"> • Labour Law of the People's Republic of China • Labour Contract Law of the People's Republic of China 	<ul style="list-style-type: none"> • General Civil Code (ABGB), Section 1: Individual Employment Contract; Law on Work in Industry, Commerce and Trade together with its Regulations • Determination Act • Law on Persons and Companies (PGR)

Recruitment, Promotion and Dismissal

The Group maintains a streamlined organizational structure and management framework that aligns with our strategic objectives. Our performance evaluation system ensures accountability and rewards excellence at all levels. We conduct recruitment and staffing through our established "Employee Recruitment Procedure," carefully considering both operational needs and strategic planning goals.

Rossini manages performance through its "Management Measures for Performance Appraisal System," which combines monthly evaluations with annual self-assessments. These reviews directly guide decisions on compensation, career advancement, bonuses, and recognition of excellence.

EBOHR attracts talent through its "Recruitment Management System," using diverse channels — digital platforms, executive search, direct recruitment, university partnerships, and employee referrals. The company promotes internal mobility through competitive positions. Its "Management Measures for Employee Promotion at the company headquarters" offers two clear career paths — management and technical — providing structured development opportunities that align with operational needs.

The Group follows clear employment termination protocols in accordance with relevant laws and regulations, as detailed in the employee handbook. These include provisions for contract termination due to policy violations, severe negligence, or unlawful conduct, with appropriate notice requirements.

Compensation, Other Benefits and Welfare

The Group maintains a competitive and comprehensive compensation structure designed to recognize employee contributions and drive organizational success. Our remuneration framework encompasses base salary, performance-based incentives, and an extensive benefits package that aligns with industry standards and regional requirements.

Employee benefits include comprehensive medical coverage, meal allowances, wellness programs, and statutory leave provisions including maternity, marriage and bereavement leave. To enhance workplace accessibility, EBOHR provides complimentary shuttle services and residential support to enhance workplace accessibility.

Working Hours and Rest Periods

The Group prioritizes employee wellbeing and professional development through a comprehensive work-life balance program. We demonstrate our commitment to sustainable work practices by maintaining standard working hours of 8 hours per day and 40 hours per week at EBOHR.

To promote employee wellness and engagement, the Group has established recreational facilities at both Rossini and EBOHR locations. These facilities support a wide range of physical activities and social programs. Rossini's performance team enriches corporate culture through presentations at major events and community service activities. EBOHR enhances employee engagement through diverse activities — including skills competitions, sports events, professional development sessions, and seasonal celebrations like Spring Festival gatherings and family programs.

The Group has previously supported various employee interest groups focused on sports, arts, and culture. These include sports clubs, cultural activities, and performing arts. These activities, which are continuously promoted, contribute to enhancing employees' physical and mental well-being while also strengthening interdepartmental collaboration.

Equal Opportunities, Diversity and Anti-discrimination

The Group maintains a strong commitment to workplace equality and fair employment practices, ensuring compliance with all relevant standards and regulations. Our workplace policies create an environment where all employees have equal opportunities for professional growth and advancement. We implement equality principles throughout our employment practices and maintain zero tolerance for discrimination or harassment.

Our corporate culture promotes professional courtesy and mutual respect in all interactions. We use structured recruitment processes that promote workforce diversity while maintaining merit-based selection. The Group provides clear feedback channels and grievance procedures to address employee concerns promptly. These policies cover all stakeholders — employees, contractors, suppliers, and customers.

The Group strictly prohibits workplace discrimination, unethical conduct, and harassment. Regular training programs reinforce these policies, while compliance frameworks ensure consistent implementation across all operations.

Labour Standards

The Group is committed to protecting fundamental human rights through strict policies that prohibit child labour and forced labour across all operations. Our “Employee Handbook” outlines rigorous recruitment protocols that ensure compliance with labour laws and regulations while promoting workplace equality. The Reporting Entities maintain comprehensive employee handbooks that cover essential aspects of human resource management — including HR policies, employee rights and duties, compensation, benefits, career advancement, professional development, performance evaluation, and communication channels. These handbooks undergo continuous improvement to meet regulatory requirements.

		2025		2024	
		Watch	Banking	Watch	Banking
		Businesses	Business	Businesses	Business
		Number of Employees		Number of Employees	
Total		1,022		981	
By gender	Male	242	76	305	73
	Female	640	64	537	66
By age group	18-29	55	Below 30: 39	73	Below 30: 29
	30-39	223	30-50: 84	227	30-50: 93
	40-49	434	Above 50: 17	345	Above 50:17
	50-59	167		192	
	60 or above	3		5	

During the year, the turnover rate of the watch businesses and banking business were 38.01% and 21.58% respectively. In the Hong Kong office, we have a total of 33 employees, among them, 16 are male and the other 17 are female, all of whom are full-time employees, with the turnover rate at 18.00%.

Training and Development

The Group places paramount importance on employee development and well-being through strategic investment in professional growth opportunities and workplace quality. Our comprehensive approach focuses on talent retention through structured career advancement pathways and continuous skill enhancement programs.

The Group implements a wide array of customized training initiatives designed to elevate professional capabilities. These include systematically designed programs spanning induction training, safety protocols, technical know-how, and administrative management. Training needs are identified through comprehensive surveys, with program content carefully curated based on detailed feedback analysis. These initiatives serve as strategic instruments for developing exceptional human capital aligned with organizational objectives and growth trajectories. The Group’s investment in employee development encompasses both internal resources and external expertise throughout employees’ professional journey.

Throughout 2025, the Reporting Entities executed diverse training initiatives encompassing both technical proficiency and personal development. Programs included specialized courses in short video production, watch repair skills exchange, and practical application of office software. Training delivery methods incorporated both internal workshops led by company trainers and seminars conducted by external subject matter experts. Key training programs implemented include:

- Comprehensive orientation programs for new employees that facilitate workplace integration and understanding of organizational responsibilities, operations, and corporate culture
- Regular training for existing personnel covering corporate culture, business ethics, safety protocols, and occupational health
- Tailored customer service and product knowledge training for sales personnel
- Advanced technical training for watch craftsmen and technicians to ensure excellence in product innovation and quality
- Management courses that enhance business expertise and industry knowledge, complemented by intensive leadership development and rotational programs to support middle managers' career advancement
- Continuous professional development for Directors of the Company to enhance their board contributions, supported by reports from time to time covering Listing Rules, Corporate Governance Code, regulatory updates, market trends, and Group strategy

During the year, 375 employees across our watches and banking businesses participated in training programs, totaling 6,752 hours.

		2025 ²		2024	
		Watch Businesses	Banking Business	Watch Businesses	Banking Business
		Percentage of employees trained (%) ³ & Average training hours per employee (hour) ⁴			
By gender	Male	53.31% (5.72hr)	50.33% (34.03)	65.90% (6.31hr)	32.88% (27.77hr)
	Female	22.63% (2.60hr)	34.65% (12.55hr)	45.25% (3.89hr)	18.18% (15.35hr)
By employment level	Executive management	66.40% (7.14hr)	Senior management: 111.11% (68.67hr)	106.04% (7.86hr)	Senior management: 100% (63.2hr)
	Professional technician	78.69% (8.46hr)	Middle management: 40.00% (10.80hr)	114.47% (10.80hr)	Middle management: 17.65% (14.29hr)
	Production workers	56.77% (6.09hr)	Clerks and others:	52.03% (4.70hr)	Clerks and others:
	Sales personnel	14.51% (1.56hr)	41.34% (28.73hr)	26.01% (2.83hr)	25.00% (22.38hr)

In terms of the Hong Kong office, there are a total of 18 employees (males: 8; female:10) participated in the training, all of them were executive management, with an average training duration of 18.25 hours per person.

² Due to further revisions by the Group this year to align the calculation formula for employee training ratios with HKEX relevant requirements, the overall employee training ratios may show significant differences compared to last year. Additionally, since the relevant data includes employees who have already left the Company, the related training ratios may exceed 100%.

³ Percentage of trained employees = (Number of employees trained in that category / Total number of employees in that category) × 100%

⁴ Average training hours per employee = (Total training hours for that category of employees / Total number of employees in that category)

Customers

Products & Service Responsibility

PRC	Liechtenstein
<ul style="list-style-type: none"> • Trademark Law of the People's Republic of China • Intellectual Property Law of the People's Republic of China • Law of the People's Republic of China on the Protection of Consumers' Rights and Interests • Provisions on the Responsibilities for Repair, Replacement, and Return of Certain Products 	Customer Data Protection Laws, regulated by the Financial Market Authority of Liechtenstein

Watch Businesses

The Group maintains dedicated organizational structures to ensure product quality and customer satisfaction. The Market Management Department oversees sales and service delivery, while the Corporate Planning Department handles advertising and brand promotion. Our commitment to safety and quality is reflected in our 2025 performance: We achieved zero product-related injuries, and EBOHR continued to maintain a 0% product recall rate, well below our 1.80% target. The After-Sales Service Department manages customer support and defective product protocols, ensuring swift resolution of product issues.

We have implemented comprehensive quality and safety policies based on our core principle that "quality is the life of an enterprise." Our system features clear accountability for quality and safety, backed by a sophisticated incident reporting mechanism. We demonstrate transparency by regularly publishing quality credit reports on our official website.

Our quality management framework includes a specialized risk management system for product quality and safety. Each timepiece features our "one watch, one code" identification system for complete traceability. Notably, Rossini became the first watch manufacturer in China to receive the prestigious "National Quality Award."

Rossini has established and follows two key quality assurance protocols: the Quality Inspection Procedures (《品質檢驗流程》) and Procedures for Handling Unqualified Products (《不合格品處理流程》). Under these procedures, the production department first conducts and documents self-inspection of internally manufactured products before sending them to the quality control department for comprehensive evaluation. For external components, purchasing staff initiate the inspection process, and items can only enter the warehouse after quality control verification and approval. Any non-conforming items undergo standard return or exchange procedures according to quality management guidelines.



The quality of products of Rossini was well recognised by different organisations

Banking Business

Bendura, a financial institution based in Liechtenstein, operates under the Financial Market Authority of Liechtenstein’s oversight and follows all data protection laws and regulations. The Bank’s Compliance Department uses systematic monitoring to oversee customer data usage, ensuring strict protection of all sensitive information. The Bank’s robust IT security framework protects four key areas: confidentiality, integrity, authenticity, and availability. These are maintained through comprehensive technical and organizational measures. As part of Liechtenstein’s strict banking sector, the Bank upholds high compliance standards that align with the jurisdiction’s reputation for banking excellence.

Customer Service

In 2025, we handled 68 complaints (down from 103 in 2024) — 0 for EBOHR and 68 for Rossini. Quality-related issues made up 34% of these complaints. We did not record any significant complaints from the Banking Business.

EBOHR’s “Three Guarantees Policy” is designed to protect consumers through merchandise returns, exchange and replacement services, and maintenance services. Its e-commerce platform offers seven-day unconditional returns, supported by nationwide authorized service centers. Our factory-mode maintenance workshop follows strict standards, emphasizing technical expertise and professionalism. Through specialized technician training, we provide efficient, high-quality repairs and maintenance, enhanced by our customer-focused service model.

In fiscal year 2025, Rossini upheld excellent complaint resolution standards through its "Customer Complaint Management Procedure." The company achieved 100% compliance with response time requirements. Our dedicated customer relations team thoroughly consulted with each complainant, successfully resolving all reported issues. The company maintained a zero rate of secondary complaints.

The Group has evaluated the materiality and importance in ESG aspects through the steps: (i) material ESG area identification by industry benchmarking; (ii) key ESG area prioritisation with stakeholder engagement; and (iii) validation and determining material ESG issues based on results of communication among stakeholders and the management. Hence, this can enhance understanding of their degree and change of attention to each significant ESG issue and can enable us to more comprehensively plan our sustainable development work in the future. Those important and material ESG areas identified during our material assessment were discussed in this Report.

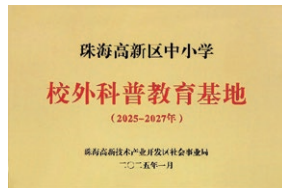
The Society

The Group exhibits an exemplary commitment to social responsibility through its comprehensive charitable initiatives and active community engagement programs. Their dedication to societal betterment is demonstrated through carefully targeted financial contributions across multiple sectors of social need.

The Group demonstrates its commitment to social responsibility through charitable initiatives and community engagement programs, with a focus on education, public health, elderly care, and volunteer activities.

In the educational sphere, the Group has provided ongoing support for learning and development initiatives. Its contributions to public health have included donations directed towards health-related causes and medical support programs. The Group has also shown particular attention to the elderly community, including through donations of products for elderly visiting activities.

In 2025, the Group and its employees continued these efforts by donating supplies to a local elderly home and engaging volunteers in community service activities. These wide-ranging charitable endeavors exemplify the Group's commitment to fostering positive change across diverse segments of society, reinforcing its position as a socially conscious corporate citizen dedicated to sustainable community development.



The contributions of Rossini in public welfare were recognised and awarded by society.

The Planet

Relevant Laws & Regulations:

PRC	Liechtenstein
<ul style="list-style-type: none"> • Law of the People's Republic of China on Appraising Environment Impacts (《中華人民共和國環境影響評價法》) • Regulations on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) • Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) • Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) • Measures of Guangdong Province on the Prevention and Control of Environmental Pollution by Solid Wastes (《廣東省固體廢物污染環境防治條例》) • Implementation Measures of Guangdong Province on the Strictly Control of Administrative Permits for Waste Disposal (《廣東省嚴控廢物處理行政許可實施辦法》) • Administrative Measures of Shenzhen on the Transfer of Dangerous Wastes (《深圳市危險廢物轉移管理辦法》) • Standards on Pollution Control over Storage of Dangerous Wastes (《危險廢物貯存污染控制標準》) 	<ul style="list-style-type: none"> • Environmental Impact Assessment Act

The Group implements a sophisticated environmental management framework that adheres to stringent international standards and regulatory requirements. Our comprehensive approach encompasses systematic monitoring protocols, precise measurement methodologies, and continuous enhancement of environmental performance metrics across all operational divisions. Through the implementation of robust policies and procedures, we effectively minimize our environmental impact, with strategic emphasis on optimizing energy efficiency, minimizing waste generation, and preserving natural resources.

Our commitment to environmental stewardship is demonstrated through regular, thorough environmental audits and compliance assessments. These evaluations ensure strict adherence to regulatory requirements while identifying areas for strategic enhancement. Furthermore, we cultivate a culture of environmental responsibility through specialized employee development programs. Senior management conducts periodic reviews of environmental objectives and performance indicators to ensure the continuous advancement of sustainable practices across the organization.

The Group maintains rigorous protocols for reducing operational pollutants and emissions. Our comprehensive waste and emissions reduction strategy encompasses the following key initiatives:

- Implementation of Control Procedures Based on Laws and Regulations and Other Requirements, incorporating a systematic approach to identifying, collecting, and ensuring compliance with quality, safety, environmental protection, and occupational health and safety (“OHS”) regulations. This framework includes a comprehensive Compliance Evaluation Form for Applicable Laws and Regulations and Other Requirements, establishing the foundational legal framework for our environmental protection systems.
- Establishment of a dedicated Work Safety Management Committee responsible for conducting thorough environmental assessments, maintaining the List of Material Environmental Factors, and developing comprehensive Environmental/Occupational Health and Safety Goals, Indicators and Management Plans.
- Development and implementation of stringent operational procedures and systems, encompassing Control Procedures on Hazardous Chemicals, Management Process on Hazardous Wastes, Standard for Classification of Wastes, Management and Control Procedures on Solid Wastes, and Management Regulations for Emissions of Sewage, Exhaust and Noise.
- Strategic deployment of organization-wide initiatives focused on energy conservation, resource optimization, and pollution reduction.

The Group’s performances of different environmental aspects are as follow:

Emissions

Air Pollutants

	Hong Kong Office	2025 Watch Businesses	Banking Business	Hong Kong Office	2024 Watch Businesses	Banking Business
NO _x (kg)	6.61	53.25	13.71	11.51	28.77	527.30
SO _x (kg)	0.10	2.43	0.22	0.18	1.35	33.66
Respirable Suspended Particulates (kg)	0.49	2.63	1.01	0.85	1.97	1.50

Our emissions primarily come from industrial operations, food service facilities, and vehicle. We’ve implemented comprehensive treatment strategies to reduce these emissions. For industrial and kitchen exhaust, all gases go through sophisticated treatment — including water bath systems, water-mist dust removal, and high-pressure electrostatic precipitation — before release through elevated discharge points. For vehicle emissions, we’ve optimized our management system to improve operational efficiency and reduce unnecessary travel, lowering our transportation-related carbon footprint.

Greenhouse Gases Emissions

	Hong Kong Office	2025 Watch Businesses	Banking Business	Hong Kong Office	2024 Watch Businesses	Banking Business
Scope 1 (tCO ₂ e-)	18.84	65.74	37.63	32.78	83.52	55.44
Scope 2 (tCO ₂ e-)	17.86	2,757.09	126.32	19.75	2,777.89	98.61
Scope 3 (tCO ₂ e-)	23.73	1,764.12	1,405.69	32.58	19.24	51.71
Total (tCO ₂ e-)	60.43	4,586.95	1,569.64	85.11	2,880.65	205.76
Intensity (kg CO ₂ e- per unit of production capacity)	n/a	12.10	n/a	n/a	6.86	n/a
Intensity (per m ² of office area)	n/a	n/a	0.30	n/a	n/a	0.04

Note: The increase in emission intensity for the watches business and the banking segment primarily reflects an expanded reporting scope for Scope 3 emissions, which now includes a broader range of upstream and downstream activities compared to previous years. The Group continues to refine its data collection methodologies to improve consistency and comparability over time.

The Group's greenhouse gas emissions fall into three distinct categories. Scope 2 emissions — our largest source — come from purchased electricity for business operations and heating services in our European facilities, which is necessary due to local climate conditions. Besides, scope 1 emissions originate from fuel consumption in our manufacturing processes and vehicle fleet, including the use of natural gas, diesel, and petrol. For Scope 3 emissions, they originate from upstream and downstream activities across the supply chain. In 2025, we expanded our Scope 3 emissions reporting by applying the GHG Protocol standard more comprehensively than in previous years. The primary sources are concentrated in employee commuting and business travel.

To reduce our carbon footprint, the Group promotes sustainable transportation practices among employees. We encourage public transportation for daily commutes and emphasize virtual meetings over in-person gatherings. For essential business travel, employees must opt for high-speed rail instead of flights when possible — aligning with our decarbonization goals.

Waste

	2025		2024	
	Watch Businesses	Banking Business	Watch Businesses	Banking Business
Non-hazardous waste (tonnes)	9.25	16.94	4.41	13.14
Intensity (kg CO ₂ e- per unit of production capacity)	0.02	n/a	1.26	n/a
Intensity (per m ² of office area)	n/a	0.0032	n/a	0.0020
Hazardous waste (tonnes)	0.30	0	0.76	0.11
Intensity (kg per employee)	0.34	n/a	0.90	n/a
Intensity (per m ² of office area)	n/a	0	n/a	0.0002

Note: The 2024 non-hazardous waste figure has been restated to 4.41 tonnes following an improvement in the data calculation methodology.

In the Hong Kong office, since there is only general domestic waste and no hazardous waste is generated, no relevant data is recorded.

In 2025, our watch manufacturing and banking operations generated approximately 26.2 tonnes of non-hazardous waste (watches: 9.25 tonnes; banking: 16.94 tonnes), primarily consisting of packaging materials such as paper and stainless steel cutting waste.

Compared to the restated 2024 baseline of 4.41 tonnes for the watches business, the reported non-hazardous waste increased in 2025. This increase primarily reflects the inclusion of additional waste categories in the 2025 reporting scope, providing a more comprehensive view of waste generation. The Group continues to implement measures to improve waste segregation, recycling, and process efficiency, and will further refine its waste reporting practices to support consistent year-on-year comparison in future reports.

Meanwhile, in our watch manufacturing operations, hazardous waste materials are generated, primarily consisting of polishing and cleaning effluents, polishing dust residue, and spent mineral oils. The Group maintains strict compliance with environmental regulations by implementing a comprehensive waste management system. All hazardous materials are systematically collected and transported to authorized industrial waste treatment facilities, which are fully certified by relevant environmental protection authorities for specialized processing and disposal.

Following our Management and Control Procedures on Solid Wastes and Management Regulations for Emissions of Sewage, Exhaust and Noise, EBOHR maintains comprehensive waste management protocols. These protocols strictly prohibit the disposal of hazardous materials. All such materials are decontaminated and stored in designated containers for collection by authorized recycling partners.

To further reduce the amount of non-hazardous waste generated, we maintain a comprehensive no disposable items policy across our facilities, prohibiting the use of disposable utensils and drink containers in favour of reusable alternatives. This initiative has successfully eliminated single-use plastics and polystyrene from our workplace operations, demonstrating our strong commitment to environmental protection. Our waste reduction strategy extends to office operations through several initiatives, including partnerships with authorized vendors for printer cartridge recycling, the use of modular, reusable furniture in office spaces, and a robust maintenance program managed by our Administrative Department. Through regular inspections and repairs, we ensure our furniture maintains functionality for over a decade, significantly reducing resource consumption and waste generation.

Resources Consumption

Water Consumption

	2025		2024	
	Watch Businesses	Banking Business	Watch Businesses	Banking Business
Water Consumption (m ³)	37,314	532	48,886	586
Industrial Wastewater disposed (m ³)	9,428	n/a	740	n/a
Water Consumption Intensity (m ³ per unit of production capacity)	0.10	n/a	0.12	n/a
Intensity (per m ² of office area)	n/a	0.10	n/a	0.09

Note: The increase in industrial wastewater discharge primarily reflects the inclusion of data from EBOHR for the first time in 2025 (8,688 cubic metres), whereas no such data was reported in the previous year. The Group will continue to expand the scope of its data coverage to include all operating entities.

In terms of the Hong Kong office, there are no significant water demand for daily operations. Additionally, as the owner has not been able to split the relevant water consumption data and the office has not set up an independent water meter, no relevant data can be disclosed in the above table.

The Group is committed to responsible water resource management through comprehensive conservation and efficiency initiatives. Our water management strategy encompasses three key areas: consumption reduction, wastewater treatment, and water recycling.

To optimize water usage efficiency, we have implemented the Requirements for Water Supply Management policy framework. This includes employee awareness programs, systematic monitoring of water consumption patterns, and strategic deployment of water-saving technologies across our facilities. A notable initiative involves the sustainable utilization of landscape pool water for irrigation purposes, demonstrating our commitment to innovative water conservation solutions.

Our state-of-the-art industrial wastewater treatment infrastructure delivers exceptional performance, achieving an 80% water reclamation rate. The remaining 20% of concentrated solution undergoes specialized treatment through certified external contractors, ensuring compliance with environmental standards. The system incorporates advanced filtration processes for manufacturing-generated polishing dust, which is subsequently transferred to authorized waste management facilities.

The Group maintains a sophisticated industrial sewage management system, featuring dedicated collection infrastructure and specialized storage facilities equipped with advanced purification technology. This integrated approach not only minimizes waste generation but also maximizes the potential for treated water reuse, creating both environmental and operational benefits. All hazardous waste materials are managed in strict accordance with environmental protection regulations, with disposal conducted exclusively through qualified environmental service providers who maintain appropriate regulatory certifications.

During the year, the Group primarily relied on municipal water supply and did not encounter any issues regarding access to suitable water sources.

Energy Consumption

	2025			2024		
	Hong Kong Office	Watches Business	Banking Business	Hong Kong Office	Watches Business	Banking Business
Direct Energy (MWh)						
– Diesel	n/a	0	79.92	n/a	0	213.57
– Gasoline	62.96	229.83	59.88	119.44	247.72	0
– Natural Gas	n/a	43.52	0	n/a	37.44	0
Indirect Energy (MWh)						
– Electricity	45.79	3,563.05	704.40	50.65	4,781.22	371.50
– Heat	n/a	0	0	n/a	0	120.00
Intensity (MWh per unit of production capacity)	n/a	0.01	n/a	n/a	0.01	n/a
Intensity (MWh per m ² of office area)	n/a	n/a	0.16	n/a	n/a	0.11

The changes in energy consumption within the banking business between 2024 and 2025 are primarily attributable to a series of operational adjustments, including a switch in heating energy sources and changes in electricity demand; they also reflect the ongoing refinement of data collection methods. The Group will continue to enhance the consistency of its energy reporting to ensure long-term accuracy and comparability.

The Group has established a comprehensive energy management framework to optimize efficiency and reduce environmental impact. Our approach focuses on three key areas: operational excellence, technological innovation, and employee engagement.

We have implemented strict operational protocols through detailed policies, including the Requirements on Safety Management of Electricity Utilization. These policies require regular circuit inspections and environmental controls, including maintaining optimal indoor temperatures as specified in EBOHR's Management System for Air Conditioning Usage.

To enhance energy efficiency, we have invested in advanced technology across our facilities. Key improvements include variable frequency drive air-conditioning systems and reactive power compensation equipment in our manufacturing facilities. Bendura Bank has also upgraded to A+++ rated LED lighting systems, demonstrating our commitment to energy-efficient solutions.

Employee involvement is essential to our energy management strategy. We provide regular training and awareness programs to ensure all staff actively participate in energy conservation efforts. This comprehensive approach has led to measurable reductions in energy consumption.

To further improve efficiency, we have implemented the Energy Resource Control Program and Equipment Management and Operating Environment Control Program, focusing particularly on reducing fossil fuel use across our operations.

Packaging Material & Paper Consumption

	2025		2024	
	Watch Businesses	Banking Business	Watch Businesses	Banking Business
Packaging Material (tonnes)	219.59	0	254.15	0.10
Paper (tonnes)	1.00	n/a	1.55 ⁵	n/a

Our watch manufacturing operations use a variety of packaging materials, including premium watch boxes, presentation cases, paper containers, protective foam bags, and electrostatic membranes. We have implemented a comprehensive waste management strategy focused on material efficiency and environmental sustainability. Through systematic recycling and reuse initiatives, we minimize waste while optimizing resource use across our operations. Our Hong Kong office, being service oriented, generated no packaging waste.

Having reviewed the environmental data and the scope of the report, the Group has extended the target timeline from 2025 to 2026 to ensure that progress remains realistic. To demonstrate our commitment to environmental stewardship, we have set clear sustainability targets. The Group aims to reduce both energy consumption and packaging material usage by 5% by 2026, compared to 2021 levels. This target reflects our ongoing dedication to improving resource efficiency and reducing waste.

The Group has also implemented comprehensive paper conservation and waste reduction initiatives across all offices. To minimize paper usage, employees must use digital communications and double-sided printing when possible. Our paper management policy requires recycled materials for internal documents and drafts. We also maintain an envelope reuse program to maximize efficiency. Recycling stations are placed throughout our offices to enable proper waste sorting, focusing especially on paper recycling. Building management collects these materials for professional recycling.

Impacts to the Environment

The Group's watch manufacturing operations consume substantial energy to maintain production efficiency, leading to direct and indirect greenhouse gas emissions and environmental impacts. We are firmly committed to environmental stewardship through comprehensive emission reduction strategies and sustainable practices.

Our subsidiaries have integrated environmental sustainability throughout their operations. Both Rossini and EBOHR hold ISO14001 Environmental Management System certification, demonstrating our commitment to excellence. These facilities run comprehensive resource optimization programs — including source reduction, waste management, and renewable energy adoption (particularly solar power) — reflecting our dedication to environmentally conscious manufacturing.

Our environmental management framework includes these key initiatives:

- Eco-friendly material selection and energy-efficient design in facility development and operation
- Advanced treatment systems for industrial emissions and pollutants that exceed regulatory requirements
- State-of-the-art dust-proof manufacturing facilities with cleanliness standards matching food industry requirements
- Precise emissions monitoring using Ringelmann Smoke Chart methodology for dynamotor exhaust control
- Advanced noise reduction systems for dynamotor operations
- Comprehensive annual environmental compliance audits and performance evaluations

⁵ The Group has refined its approach to tracking paper consumption in 2025, applying a more standardized methodology across all operations. For consistency, the 2024 figures have been recalculated using this enhanced methodology to enable meaningful year-on-year comparison.

The Group recognizes how industrial effluents and solid waste affect aquatic ecosystems and soil quality. We address these concerns through partnerships with certified waste management contractors and key operational improvements. We have eliminated electroplating processes to reduce heavy metal emissions and invested in advanced treatment systems for wastewater, exhaust emissions, noise, and oil vapor recovery.

Our water management system reclaims 80% of water, with certified contractors processing the remaining concentrated solution. All solid waste goes through authorized disposal channels. Our Hong Kong headquarters demonstrates environmental leadership through eco-friendly office practices that enhance resource efficiency, energy conservation, and operational efficiency.

Climate Change

Governance

The Board maintains ultimate oversight of climate-related risks and opportunities, providing strategic direction and ensuring these considerations are integrated into the Company's overall strategy. The Board reviews climate-related matters annually, monitoring subsidiary progress against established targets.

To support the Board, the Group has established an Environmental, Social and Governance Working Group ("ESG Working Group"). The ESG Working Group reports annually to the Board on ESG performance, including climate-related issues, and is responsible for coordinating across departments to ensure a consistent approach to managing climate risks and enhancing resource efficiency.

The Board will continue to strengthen its oversight capability, providing relevant training to management on climate-related matters and seeking external professional advice when necessary.

Strategy

Climate change risk is an integral component of our overall risk profile. We assess potential impacts by considering factors relevant to our operations, markets, and value chain across three time horizons: short-term (0–5 years), medium-term (5–10 years), and long-term (10+ years).

In 2025, the Group undertook an initial climate scenario analysis to better understand potential climate-related risks and opportunities. This analysis utilised publicly available scenarios from the Intergovernmental Panel on Climate Change (IPCC), considering:

- A low-emissions scenario (Paris-aligned): Assuming concerted global action limits warming to well below 2°C by 2100, associated with higher transition risks (policy changes, technological shifts) but lower physical risks.
- A high-emissions scenario (business-as-usual): Assuming current policies persist, resulting in warming of at least 3°C by 2100, associated with higher physical risks (extreme weather) but lower transition risks.

Based on this initial assessment, we have identified the following climate-related risks and opportunities material to our watch manufacturing and banking operations:

Risk/Opportunity Category	Description & Time Horizon	Potential Financial Impact	Response/Mitigation Measures
Physical Risk: Increased frequency and severity of extreme weather events (typhoons, floods, storms) disrupting manufacturing operations in the PRC and logistics networks.	<ul style="list-style-type: none"> Short- to Long-term 	<ul style="list-style-type: none"> Operating costs may increase due to logistics disruptions, supply chain delays, and higher insurance premiums. Capital expenditure may increase for facility repairs and infrastructure hardening. 	<ul style="list-style-type: none"> Implement infrastructure hardening measures at manufacturing sites. Diversify supply chains to reduce concentration risk. Maintain and regularly update emergency response protocols, including detailed action plans for various weather scenarios, emergency production protocols, and comprehensive evacuation procedures. Conduct regular inspections of drainage systems and facility integrity at manufacturing sites. Monitor real-time weather forecasts and government announcements for early warnings.
Physical Risk: Chronic changes in precipitation patterns and rising temperatures affecting water availability for manufacturing processes and worker health and safety.	<ul style="list-style-type: none"> Medium- to Long-term 	<ul style="list-style-type: none"> Operating costs may increase due to higher water sourcing costs, energy consumption for cooling, or reduced equipment efficiency. Staff welfare costs may increase due to heat-related health measures. 	<ul style="list-style-type: none"> Maintain advanced water treatment and recycling systems at manufacturing facilities, achieving an 80% water reclamation rate. Implement heat stress management protocols for workers, including rest breaks, hydration stations, and flexible working hours during peak temperatures.
Transition Risk: Stricter environmental regulations in the PRC regarding industrial emissions, energy efficiency, and waste management.	<ul style="list-style-type: none"> Medium- to Long-term 	<ul style="list-style-type: none"> Operating costs may increase due to compliance with stricter standards or potential carbon pricing. Capital expenditure may be required to upgrade equipment or install new emission control technologies. 	<ul style="list-style-type: none"> Monitor regulatory developments at national and local levels to anticipate and prepare for policy changes. Continue investing in energy-efficient technologies (e.g., variable frequency drive AC systems, LED lighting) and exploring opportunities to enhance resource efficiency. Maintain ISO14001 Environmental Management System certification at Rossini and EBOHR.

Risk/Opportunity Category	Description & Time Horizon	Potential Financial Impact	Response/Mitigation Measures
<p>Transition Risk: Changing customer preferences and market expectations for sustainable products, potentially affecting brand reputation and market access for luxury watches.</p>	<ul style="list-style-type: none"> • Medium- to Long-term 	<ul style="list-style-type: none"> • Revenue may be affected if customer demand shifts towards brands with stronger environmental credentials. • Marketing and communication costs may increase to demonstrate sustainability progress. 	<ul style="list-style-type: none"> • Enhance transparency by disclosing ESG performance and climate-related risks in this report. • Explore opportunities to enhance the sustainability profile of products and packaging, including the target to reduce packaging material usage by 5% by 2026.
<p>Opportunity: Growing demand for sustainable investment products presents opportunities for Bendura Bank’s ESG investment offerings.</p>	<ul style="list-style-type: none"> • Short- to Medium-term 	<ul style="list-style-type: none"> • New revenue streams may be developed by expanding ESG-focused asset management portfolios. • Competitive advantage may strengthen as clients seek financial partners with strong sustainability credentials. 	<ul style="list-style-type: none"> • Continue enhancing employee training on ESG standards and regulations. • Maintain comprehensive ESG evaluation frameworks for asset management clients. • Explore opportunities to expand ESG investment offerings beyond Asia and Europe.

To enhance resilience, the Group maintains emergency response protocols specifically designed for climate-related incidents. These include detailed action plans for various weather scenarios, emergency production protocols, and comprehensive evacuation procedures. Our emergency management system is supported by real-time weather monitoring and early warning capabilities, enabling rapid response to developing situations. The Group also closely monitors announcements from local meteorological authorities and government agencies to ensure timely updates and precautionary measures. All climate-related incidents and responses are documented and reviewed regularly to strengthen resilience strategies and improve emergency preparedness.

Risk Management

The Group integrates climate-related risks into its broader enterprise risk management framework. The ESG Working Group is responsible for identifying, assessing, and prioritising climate-related risks in collaboration with operational managers across our watch manufacturing and banking businesses.

The risk assessment process follows a standard risk-based approach:

- Establish the context: Define objectives, scale, time frame, and climate scenarios for assessment.
- Identify existing risks: Review historical records of climate hazards and current risk management strategies.
- Identify future risks and opportunities: Explore climate projections under selected scenarios to identify potential hazards and assess how existing risks may evolve.
- Analyse and evaluate risks: Identify business operations, assets, and geographic areas that may be at risk under future climate projections.

The ESG Working Group reports findings to the Board semi-annually, and the Board issues instructions for developing and implementing appropriate mitigation measures. The Group continues to raise awareness of climate-related risks through monitoring carbon and energy footprints in daily operations.

As the Group further develops its climate risk management capabilities, it will continue to refine its assessment methodologies and integrate climate considerations more deeply into business continuity planning and long-term strategy.

Metrics and Targets

The Group uses key metrics to measure and manage climate-related risks and opportunities. Energy consumption and greenhouse gas ("GHG") emissions are the primary indicators we consider to be material to our operations and critical for assessing our climate impact. We track these metrics regularly to evaluate the effectiveness of our emission reduction initiatives.

During the Reporting Period, we expanded our Scope 3 emissions calculation by adopting the GHG Protocol standard, allowing for a more comprehensive assessment than in previous years. Based on currently available data, the primary sources of Scope 3 emissions are concentrated in employee commuting and business travel. The Group will continue to refine its Scope 3 data collection methodologies over time.

To demonstrate our commitment to environmental stewardship, we have established the following sustainability goals. After reviewing the environmental data and reporting scope, the Group has extended the target timeline from 2025 to 2026 to ensure that the progress is realistic and achievable.

- Reduce energy consumption by 5% by 2026, compared to 2021 levels
- Reduce packaging material usage by 5% by 2026, compared to 2021 levels

These targets reflect our ongoing dedication to improving resource efficiency and reducing waste. The Board and ESG Working Group will review progress against these targets annually and consider establishing additional climate-related targets as our understanding and capabilities develop.