



2025  
ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT



CAI CORP  
CAI控股

Stock Code: 80

# Content

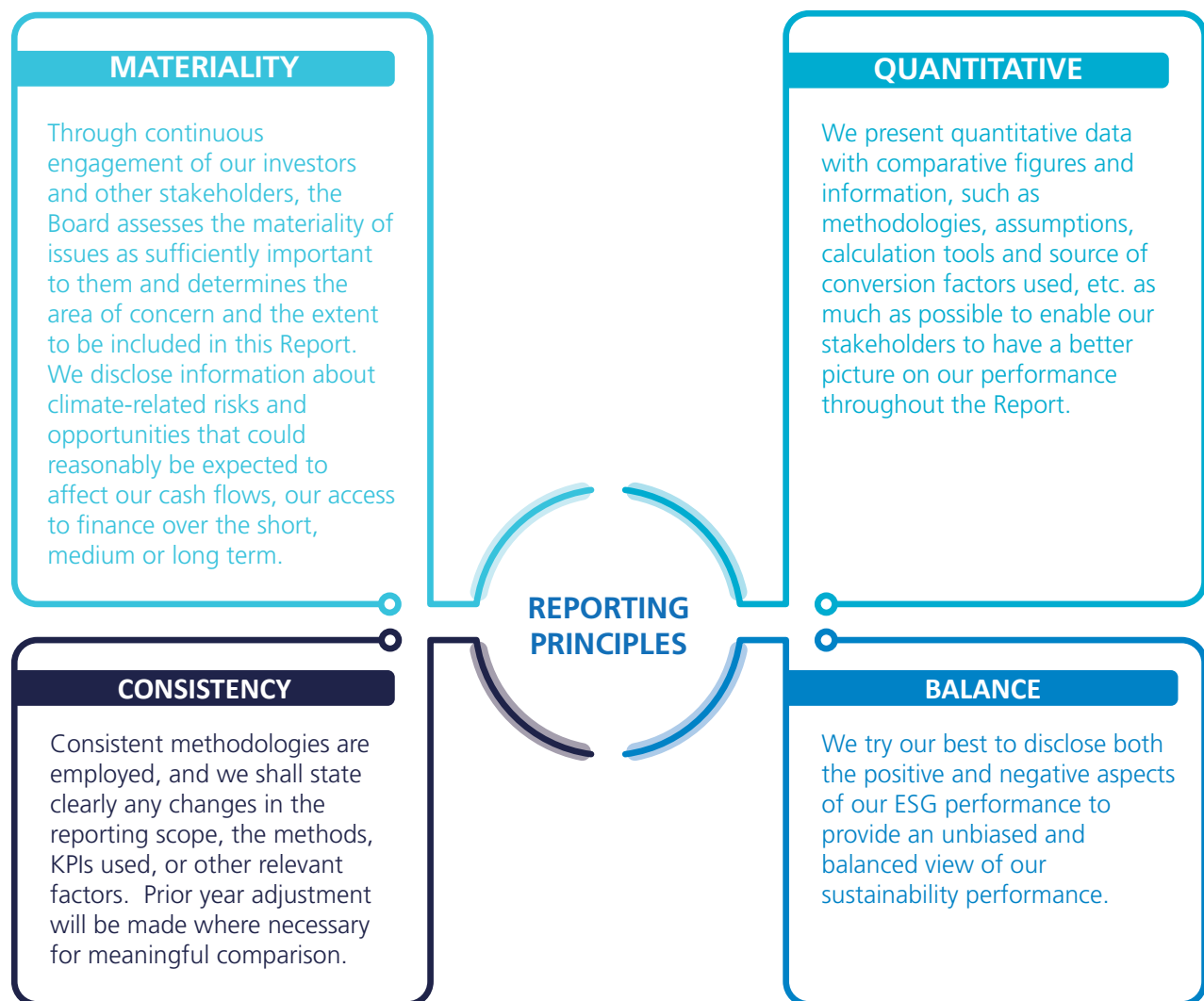
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# Reporting Approach

## Reporting Standards and Reporting Principles

We are pleased to present the Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) of CAI Corp (the “**Company**” together with its subsidiary as the “**Group**” or “**CAI**”) for the year ended 31 December 2025. This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “**Code**”) as set out in Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “**HKEX**”) (the “**Listing Rules**”) and has complied with all the mandatory disclosure requirements and “comply or explain” provisions of the Code.

In the preparation of the Report, we consider the following reporting principles as proposed in the Code.



# Reporting Approach

## Reporting Scope

This Report aims to provide an annual update on the sustainability performance of the Group to our stakeholders. It discloses and highlights our commitments and performances on the environment, climate-related risks and opportunities and other disclosures, as well as social commitments in our people, supply chain, product responsibility, ethics, and the community, as guided by our sustainability strategy.

This Report covers the Group's operations in Hong Kong. The Group's business is investment in both private and public enterprises within a diversified portfolio supported by the new economies of Greater China.

This report covers the period from 1 January 2025 to 31 December 2025 (the "**Reporting Year**"). There is no significant change to the scope of this Report from that of 2024.

# Our Sustainability Approach

## Sustainability Governance

### The Board

The board of directors (“**Board**”) of CAI Corp serves as the highest governing body responsible for overseeing the Group’s corporate governance and risk management frameworks, ensuring effective business operations. The Board plays a crucial role in guiding the Group’s sustainability strategy and regularly evaluates the ESG-related risks and opportunities in collaboration with the designated ESG officer.

While the Board maintains overarching responsibility for ESG matters, the management and execution of environmental and social initiatives are delegated to a designated ESG officer. The Board is committed to ensuring that our ESG framework is implemented effectively and uniformly, with ongoing assessments of the ESG processes to align with our sustainability objectives.

We are in the course of establishing environmental targets that support our long-term ESG objectives. The Board will regularly review the progress towards these targets and revise the action plans where necessary to stay on course for achieving our objectives.



### Risk Committee

The Risk Committee consists of two executive directors, relevant operational staff, and consultants. It oversees the risk management system and internal controls of the Group. It monitors operational and portfolio risks as well as ensures compliance with established investment objectives, policies, and restrictions. Regular reviews will be conducted to assess whether these guidelines are being effectively adhered to by the Group.

The Risk Committee meets regularly during the financial year. Any actual and potential material risks identified by the operational staff will be reported to the Risk Committee, which will formulate recommendations to the Board on appropriate remedial actions to be taken.

# Our Sustainability Approach

## Designated ESG Officer

Our Chief Operating Officer (COO), as the designated ESG officer, is designated to collaborate with the Board, the Risk Committee, and other staff on all ESG initiatives. He evaluates the significance of ESG risks and climate-related risks, and devises mitigation measures to address such risks. He also identifies potential climate-related opportunities for the business.

The COO reports to the Board and the Risk Committee regularly on the significant ESG and climate-related risks and opportunities of the Group and the corresponding internal controls and mitigation measures in place for addressing these risks.

The work and objectives of the COO are as follows:

- Takes advice from and reports to the Board and the Risk Committee on ESG strategies and develops ESG initiatives to achieve the sustainability objectives.
- Engages and communicates with stakeholders to carry out materiality assessment.
- Collaborates with operational department staff to implement initiatives and practices aimed at delivering ESG objectives, and to address ESG risks and opportunities identified by the operational departments.
- Monitors the ESG activities for on-going development and improvement.
- Determines the metrics and targets for measuring ESG performances.
- Compiling the annual ESG report for the Board to approve.

## Operational Departments

The operational department staff are responsible for carrying out the ESG initiatives and achieving our targeted results. Under our risk management system, staff in each operational unit are responsible for identifying the risks and opportunities from their daily operations, including those risks related to ESG. They are responsible for maintaining an effective internal control system and devising mitigation measures to minimise the impact of identified risks. In addition, they are obliged to report the sustainability progress and performance regularly to the designated ESG officer for review and evaluation.

## Stakeholders

The COO and the operational departments maintain regular communication with engaged stakeholders to understand their interests and concerns regarding our sustainability development and performance.

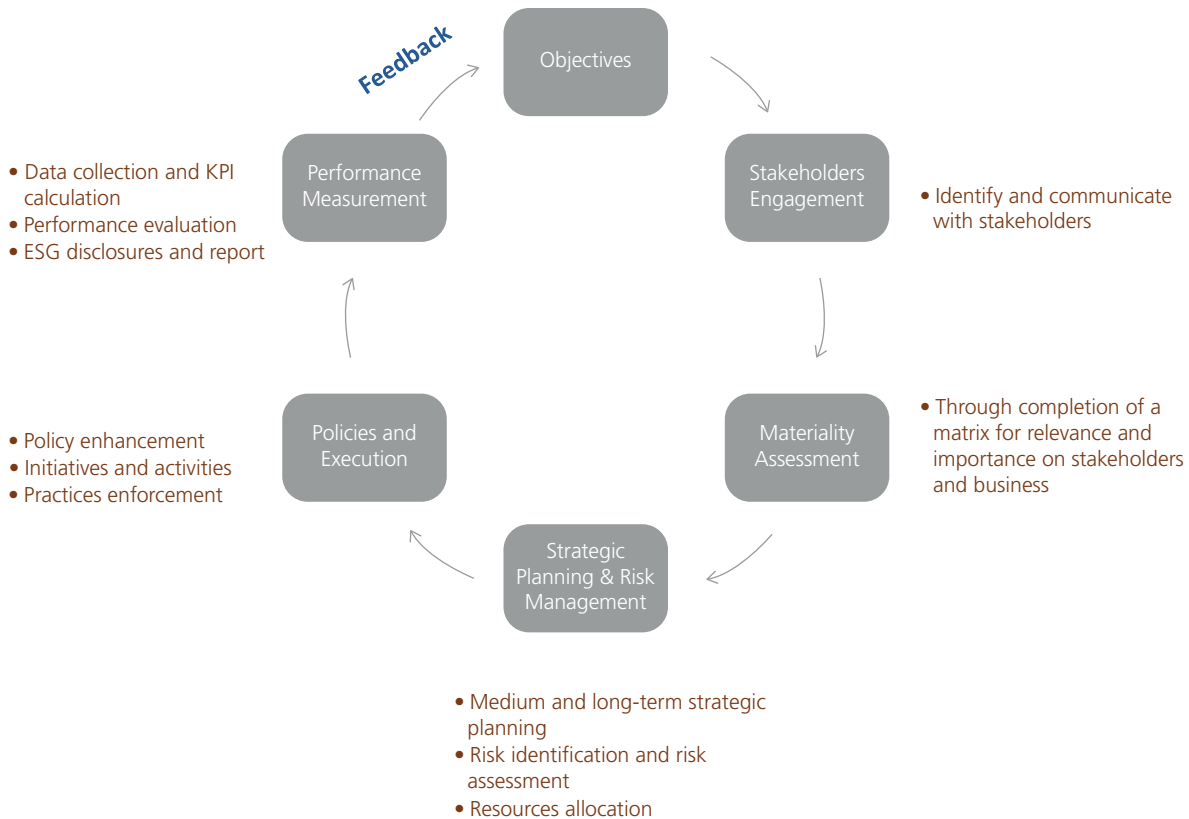
# Our Sustainability Approach

## Our Sustainability Value Creation Process

Our ESG objectives are set and regularly reviewed by the Board to align with prevailing circumstances. Following stakeholder engagement and collection of their feedback, a materiality assessment is conducted based on relevance and importance. This assessment identifies ESG issues that are important to business, as considered by the top management, as well as those deemed important by stakeholders.

Through this process, we identify the material ESG issues, and the associated risks within our operations. We prioritise these material issues, focusing on them in our medium and long-term planning, and ensure that adequate manpower and financial resources are allocated to meet these strategic objectives. We continuously assess the effectiveness of our ESG plans and initiatives and where the existing policies fall short of meeting our ESG objectives, these policies will be enhanced and improved.

The COO ensures that those initiatives and action plans are effectively executed by the operational departments. ESG data are accumulated continuously and analysed annually for evaluation of sustainability performance. A feedback mechanism on the ESG performance is in place for the Board to revise and update the ESG objectives based on the results. In addition, the ESG processes are reviewed periodically as part of an ongoing effort to reflect our achievements throughout this journey.



# Our Sustainability Approach

## Stakeholder Engagement

Stakeholder engagement is crucial for identifying material ESG issues in our operations and is essential to the sustainable development and value creation of our Group. We actively engage key stakeholders to gain insights into their concerns regarding our sustainability developments. Such engagement enables us to prioritise sustainability development and effectively implement ESG initiatives.

We facilitate two-way communication with stakeholders through various channels. As a result, not only can we identify the opportunities and challenges for shaping our business strategies, but we can also strengthen our commitment to corporate social responsibility.

## Our Stakeholder Groups and Engagement Channels

The chart below highlights the various communication channels with our stakeholders:

Major Stakeholder Groups	Example of Engagement Channels
Employees	<ul style="list-style-type: none"><li>• Staff appraisal meetings</li><li>• Staff social activities</li><li>• Email communications</li><li>• Seminars, workshops, and trainings</li></ul>
Shareholders and Investors	<ul style="list-style-type: none"><li>• Shareholders and investors meetings</li><li>• Regular corporate publications, including financial reports and ESG reports</li><li>• Company website and company enquiry email, fax, telephone</li></ul>
Suppliers and Business Partners	<ul style="list-style-type: none"><li>• Physical and phone meetings</li><li>• Industry seminars</li></ul>
Government and Regulators	<ul style="list-style-type: none"><li>• Telephone enquiry hotline</li><li>• Daily, monthly, and annual reporting</li><li>• Seminars on regulations</li><li>• Government/regulators' announcements and publications</li><li>• Government/regulators' surveys</li></ul>
Community and NGO	<ul style="list-style-type: none"><li>• Participation in community activities</li><li>• Charitable donation and corporate sponsorship</li><li>• Community news</li></ul>

# Our Sustainability Approach

## Materiality Assessment

We conduct a comprehensive materiality assessment annually to identify relevant and important ESG issues for reporting which helps to develop our ESG strategy. By engaging with our stakeholders, we gain insight into their concerns and prioritise reporting those issues that are significant to them.

The top management of the Group evaluates the importance of each identified ESG issue for the business. In conjunction with the stakeholders' feedback, we derive a ESG materiality matrix. This materiality matrix allows us to identify the materiality level of various ESG issues. Below is a summary of our findings:

Materiality/Priority	Environmental Sustainability	Social Sustainability	Governance
High		<ul style="list-style-type: none"> <li>Employee Development and Training</li> </ul>	<ul style="list-style-type: none"> <li>Governance of ESG and Climate Change</li> <li>Risk Management in ESG and Climate Change</li> <li>Anti-corruption</li> </ul>
Medium	<ul style="list-style-type: none"> <li>Hazardous and Non-hazardous Waste</li> <li>Air Pollutants and Greenhouse Gas ("GHG") Emissions</li> <li>Energy Consumption</li> <li>Climate-related Risks and Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Employment Practices</li> <li>Sex and Racial Diversity and Equal Opportunities</li> <li>Human Rights and Anti-discrimination</li> <li>Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>Infringement of Intellectual Property Rights</li> </ul>
Low	<ul style="list-style-type: none"> <li>Water Consumption and Sources</li> <li>Impacts on Environment and Natural Resources</li> </ul>	<ul style="list-style-type: none"> <li>Child Labour and Forced Labour</li> <li>Workforce and Employee Turnover</li> </ul>	<ul style="list-style-type: none"> <li>Customer Data Privacy Protection</li> <li>Supplier/ Business Partner Engagement Practices</li> </ul>

# Environmental

The Group is fully aware of our responsibility for environmental protection and sustainable development. We integrate environmental responsibility into our business operations and office management.

We strictly comply with following environmental laws and regulations in Hong Kong:

- Air Pollution Control Ordinance (Cap. 311)
- Water Pollution Control Ordinance (Cap. 358)
- Waste Disposal Ordinance (Cap. 354)

During the Reporting Year, we were not aware of any non-compliance with the laws and regulations that had a significant impact on the Group relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

## Emissions

### Air Emissions

During the Reporting Year, we neither owned any motor vehicles nor consumed any fuel, as such our operations did not produce air emissions or pollutions from combustion of fuel due to the nature of the Group's business.

### Waste

Due to our business nature, we do not generate hazardous waste. The non-hazardous waste we produced is mainly paper waste and small amount of general office waste in our office. The non-hazardous waste is collected by the property management company of our office building for further disposal.

#### Key Performance Indicator – Non-hazardous Waste

	2025 kg	2024 kg
Non-hazardous Waste – paper waste	75	50
Non-hazardous Waste Intensity (kg/employee)	15	10

## Use of Resources

Our business activities are mainly office-based. The major use of resources is the consumption of electricity and water for office use. Electricity and water charge of our leased office were paid by the landlord. No data for our usage of electricity and water was available before we moved in a new leased office in September 2025. Our consumption data of electricity and water was obtained from the new landlord covering the period from September to December 2025.

### Energy Consumption

Electricity for our office is the main source of energy consumption. Electricity is mainly used for office lighting, air-conditioning, computer systems, and other office equipment.

#### Key Performance Indicator – Energy Consumption

	2025 kWh	2024 kWh
Electricity	6,263	–
Energy Consumption Intensity (kWh/employee)	1,253	–

# Environmental

## Water Consumption

Our business operations do not consume much water. Water is mainly used in our office for drinking and office cleaning. Water supply is managed by the property management company of our office premises. There is no issue in sourcing water that was fit for the purpose of the Group's operations in the Reporting Year.

### Key Performance Indicator – Water Consumption

	2025	2024
	m <sup>3</sup>	m <sup>3</sup>
Water Consumption	75	–
Water Consumption Intensity (m <sup>3</sup> /employee)	15	–

## Packaging Material

As an investment company, we did not consume any packaging material for the Reporting Year.

## The Environment and Natural Resources

As an investment company, most of our business operations are limited to activities in the office, therefore our activities do not have a significant impact on the environment and natural resources. Nonetheless, we are committed to sustainability and actively implement green practices in our daily operations.

To reduce our carbon footprint, we adhere to the principles of recycling and waste reduction:

- Keep track of paper usage to avoid unnecessary printing.
- Use of recycled paper and double-sided printing is encouraged to foster a paper-conscious culture.
- Avoid using single-use items to reduce office waste.

Energy and water saving initiatives are implemented in our office to reduce the use of energy and resources:

- Workplace temperature is maintained.
- Switch off air conditioning, lighting and office equipment that are not in use.
- Water saving advice is given to employees to enhance their awareness on saving water.

Moreover, we hold virtual business meetings, where feasible, to reduce the need for business travel. Employees are encouraged to use mass transit when going out for meetings to reduce their carbon footprint.

# Social

## Employment

We value our employees, recognising them as our most valuable assets. We are committed to providing a fair and supportive working environment for our employees and maintaining a working environment free of discrimination. All our employees are treated equally regardless of age, marital status, pregnancy, race, and religion. We have implemented policies and procedures, which are stated in our employee handbook to protect our employees' rights and interests. In the employee handbook, we outline general procedures and practices related to employment, working hour, rest periods and other benefits and welfare.

We have strictly adhered to the relevant labour laws and regulations on employment in Hong Kong, including:

- Employment Ordinance (Cap. 57)
- Minimum Wage Ordinance (Cap. 608)
- Employees' Compensation Ordinance (Cap. 282)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485)
- Sex Discrimination Ordinance (Cap. 480)
- Disability Discrimination Ordinance (Cap. 487)
- Family Status Discrimination Ordinance (Cap. 527)
- Race Discrimination Ordinance (Cap. 602)

During the Reporting Year, we were not aware of any non-compliance with the relevant laws and regulations that had a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

As of 31 December 2025, we employed 5 employees (2024: 5 employees). The composition and turnover rate of our workforce are as follows:

### Key Performance Indicator – Breakdown of Workforce

Category		Number of Employees	
		2025	2024
Gender	Male	3	3
	Female	2	2
Employment Type	Full time	4	5
	Part time	1	–
Age Group	30 – 50	4	5
	Above 50	1	–
Geographical Region	Hong Kong	5	5

# Social

## Key Performance Indicator – Turnover Rate of Workforce

Category		Employee Turnover Rate*	
		2025	2024
Total Turnover Rate		80%	46%
Gender	Male	100%	29%
	Female	50%	67%
Geographical Region	Hong Kong	80%	46%
Age Group	30 – 50	89%	18%
	Over 50	–	100%

\* The employee turnover rate is calculated by dividing the number of employees in the specified category who left during the year by the average total number of employees in the specified category.

## Health and Safety

We are dedicated to creating a safe, healthy, and comfortable working environment to safeguard our employees against the risk of occupational diseases. We adhere strictly to the Occupational Safety and Health Ordinance (Cap. 509) in Hong Kong.

All employees are entitled to the hospitalisation and out-patient medical insurance offered by the Group. We regularly monitor safety measures in our workplace and conduct inspections to assess the conditions of office facilities. Our workplace is equipped with safety facilities, such as first-aid box, to provide a safe working environment and minimise health and safety risks. In addition, employees are required to maintain cleanliness and tidiness of the workplace.

Given the nature of our business, we face relatively less occupational hazards in our daily operations. Over the past three years, we have not recorded any work-related fatality and lost day due to work-related injury. During the Reporting Year, the Group was not aware of any non-compliance with relevant laws and regulations that had a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

## Development and Training

The Group recognises the importance of continuing professional education and the development of our employees. Relevant training courses are provided to ensure employees possess the skills and knowledge required to cope with the evolving market environment and regulatory requirements. We encourage continuous learning not only for enhancement of skills and knowledge for their daily tasks, but also to support their long-term career development. During the Reporting Year, our employees attended various training courses and seminars covering:

- Knowledge on the regulatory and operational considerations of investment solutions
- Regulatory trends in the funds industry
- Trends and practical issues of financial regulatory investigations
- Digitalisation of intellectual property and its legal implications
- Legal and practical considerations for businesses leveraging generative AI
- Knowledge on legal aspects of arbitration and commercial disputes

# Social

## Key Performance Indicator – Percentage of Employees Taken Part in Training

Category		2025	2024*
Percentage of employees trained	Total	40%	60%
Gender	Male	50%	66%
	Female	50%	34%
Employment category	Senior management	100%	34%
	General staff	–	66%

\* The comparative figures have been adjusted to align with current year's presentation.

## Key Performance Indicator – Average Training Hours Completed Per Employee

Category		2025 (hours)	2024 (hours)
Overall average training hours completed per employee		2.4	18.2
Gender	Male	3.5	18.3
	Female	0.8	18.0
Employment category	Senior management	4.0	16.5
	General staff	–	19.0

## Labour Standards

The Group strictly prohibits any child labour or forced labour. We are fully aware that child labour and forced labour violate fundamental human rights and they pose threat to sustainable social and economic development.

During the recruitment process, we carefully check personal data of selected candidates and verify their personal identification documents. Background checks may also be conducted if necessary. We ensure the age and background of selected candidates adhere to the Employment Ordinance of Hong Kong and are suitable for the position concerned. If dishonest or fraudulent information is discovered, the Group will address the situation by closely following the necessary procedures in accordance with laws and regulations.

With respect to forced labour, we strictly follow the employment contracts and do not prejudice the employment relationship in any way between the employees and the Group, such as forcing them to work against their will under any kind of threat. All work, including overtime work, shall be voluntary. Employees are free to leave employment upon giving reasonable notice.

During the Reporting Year, we were not aware of any non-compliance with relevant laws and regulations that had a significant impact on the Group relating to preventing child and forced labour. No case of child or forced labour was reported in the Reporting Year.

# Social

## Supply Chain Management

Due to our business nature, we only engage with a few service providers for our investment operations. Environmental and social risks in the supply chain are relatively low. Supply chain of the Group is comprised of service providers providing legal consulting, securities brokerage, and custodian services. During the Reporting Year, we had 6 service providers (2024: 11) and all of them were based in Hong Kong.

The Group places strong emphasis on enhancing supply chain management practices and collaborates closely with business partners and suppliers to promote sustainable development. We implement practices to select our suppliers. We choose our suppliers based on their qualification, reputation, past work performance and price. Qualified suppliers are evaluated periodically to ensure that they follow our ethical and ESG standards. Suppliers with significant non-compliance with ESG issues would be terminated.

## Anti-Corruption

We do not tolerate any form of bribery, extortion, fraud, or money laundering in our operations and require our directors and employees to comply with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong) and relevant local regulations in which the Group invests.

We have laid down expectations of ethical behaviour for all employees in our employee handbook. Policies and procedures are formulated to ensure all directors and employees do not provide, undertake, or receive any improper and illegal benefits. We require our directors and staff to read the handbook regularly and adhere strictly to the Group's anti-corruption policies.

We have a whistle-blowing mechanism in place to encourage and protect our employees and related parties who wish to report suspected misconduct, malpractices, or illegal acts without fear of punishment or unfair treatment. If a report of suspected non-compliance or misconduct is submitted, the matter would be investigated by the Board and if confirmed, appropriate disciplinary actions would be taken. The Board reviews the mechanism regularly to monitor its effectiveness from time to time.

During the Reporting Year, there was no reported or concluded legal cases regarding corrupt practices brought against the Group and our employees. The Group was not aware of any incident of non-compliance with relevant laws and regulations that would have a significant impact on the issuer relating to bribery, extortion, fraud, and money laundering.

## Community Investment

The Group recognises its influence in society and is dedicated to supporting the community where it operates. We encourage our employees to engage in various local community activities and events that promote environmental protection and social welfare. Our commitment to social responsibility remains steadfast, and we will continue to leverage our influence and resources to support and care for our community.

# Climate-related Management

## Objectives and Pillars

We acknowledge the escalating occurrence and intensity of extreme weather events, rising sea levels, and changing climate patterns. They pose significant risks to the economic and business environment and have the potential to disrupt our operations, and increase financial and operational risks. The pressing imperative to tackle climate change also opens opportunities for innovation and business expansion. By comprehensively understanding and addressing both the challenges and opportunities presented by climate change, we aim to identify strategies that not only mitigate risks but also leverage opportunities to ensure the long-term resilience and sustainable growth of our business.

We have intensified our efforts to integrate climate considerations into our governance, strategy, and risk management frameworks. In response to evolving global standards, we have made our first climate-related disclosures by referencing to Part D of the Code, which requires disclosures in line with the ISSB IFRS S2, and we have structured the reporting around four pillars: governance, strategy, risk management, and metrics and targets.

Governance	The governance framework of the Group pertaining to the management of climate-related risks and opportunities.
Strategy	Information on short, medium, and long-term impacts of climate-related risks and opportunities on the Group's operations, strategy, and financial planning should be disclosed.
Risk Management	The Group's identification, assessment, mitigation, monitoring, and management of climate-related risks.
Metrics and Targets	The metrics and targets used to assess and manage material climate-related risks and opportunities.

## Governance

The governance for the management of climate-related risks and opportunities is embedded within the Group's sustainability governance framework as described in the previous section "Sustainability Governance" and the later "Risk Management" section.

The Board, in collaboration with the COO, is actively integrating ESG considerations into the Group's long-term development strategy. It ensures the establishment and effectiveness of ESG related risk management and internal control systems. Key ESG risks, including those associated with climate change, are assessed and incorporated into the Group's decision-making processes.

# Climate-related Management

The Risk Committee ensures that the Group effectively identifies and responds to emerging risks in a timely manner. It oversees the climate-related risks and opportunities and assesses their impacts and implications on business operations. The Committee ensures potential risk exposures are properly addressed and appropriate strategies are developed to mitigate these risks. The COO implements the Group's strategies and prioritise material climate-related risks and opportunities. The COO also monitors and tracks the Group's ESG performance against the established targets. The Board and the Risk Committee are kept well-informed of climate-related risks and opportunities regularly during the year that may affect the Group.

To oversee strategies designed to address climate-related risks and opportunities, the designated ESG officer, who is the COO, must possess the requisite skills and competencies. To enhance these skills, an independent ESG consultant was engaged to collaborate and discuss with the COO on various topics during the Reporting Year, including, but not limited to, evolving disclosure standards, climate change risk management practices, and the assessment of short, medium, and long-term climate-related risks and opportunities.

## Strategy

The Board is aware of the physical and transition risks associated with climate change, along with the potential opportunities these present for the Group. This awareness is essential for us to formulate strategies aimed at mitigating these risks and enhancing resilience against the impacts of climate change.

To enhance our management's understanding of ESG issues and disclosures, we engaged an external consultant to collaborate on climate scenario analysis and climate-related disclosures. This initiative has enabled the Group to more effectively identify potential risks and opportunities within the evolving risk management landscape.

## Our Climate-related Risk Management Process

Identify Risks	<ul style="list-style-type: none"><li>• Physical Risks: Acute – rainfall, coastal flood, typhoon, heatwave</li><li>• Physical Risks: Chronic – heat stress</li><li>• Transition Risks: policy, technology, market, reputation</li></ul>
Evaluate Risks	<ul style="list-style-type: none"><li>• Analyse climate change scenarios</li><li>• Evaluate impacts of physical and transition risks on business over short, medium and long term</li></ul>
Manage Risks	<ul style="list-style-type: none"><li>• Develop and implement climate risk response strategies and mitigate risks</li></ul>
Monitor Risks	<ul style="list-style-type: none"><li>• Monitor and report risks using appropriate metrics and targets</li></ul>

# Climate-related Management

To evaluate the potential impacts of climate change on our business, we undertook a scenario analysis leveraging climate pathways developed by the globally recognised institution, the Intergovernmental Panel on Climate Change (IPCC). The scenario analysis employed two separate sets of models, the Representative Concentration Pathways (RCP) and Shared Socioeconomic Pathways (SSP). These scenarios focused on physical risks and transition risks, allowing us to accurately address distinct drivers of risks. The insights garnered from this assessment have significantly informed our climate strategy, enabling us to identify critical risks and formulate action plans to enhance our long-term resilience. The following are the scenarios we used in our assessment:

## Physical Risks Scenarios

IPCC Scenario	RCP 2.6	RCP 8.5
Projected Temperature Rise Above Pre-Industrial Levels by 2100	Around 1.5°C	3°C to 4.5°C
Scenario Description	This low GHG emissions scenario entails a substantial shift towards renewable energy, enhanced energy efficiency, and carbon capture technology, resulting in less frequent and less severe extreme weather.	A high GHG emissions trajectory with rising fossil fuel use, minimal technology change, and limited climate policy intervention, leading to more frequent and severe extreme weather events.
Risks Assessed	<b>Acute Risks:</b> <ul style="list-style-type: none"> <li>• Heavy rainfall</li> <li>• Rainfall flood</li> <li>• Typhoon and coastal flood</li> <li>• Heatwave</li> </ul> <b>Chronic Risks:</b> <ul style="list-style-type: none"> <li>• Extreme heat</li> </ul>	

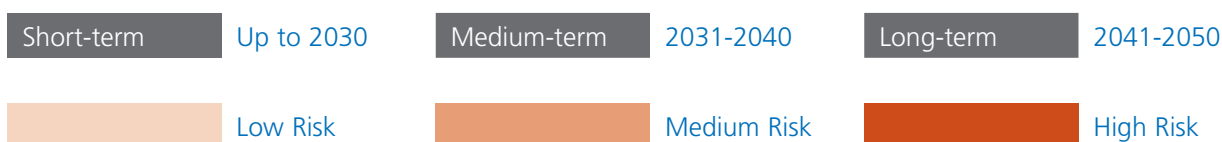
## Transition Risks Scenarios

IPCC Scenario	SSP 1–2.6	SSP 5–8.5
Projected Temperature Rise Above Pre-Industrial Levels by 2100	Around 1.5°C	3°C to 4.5°C
Scenario Description	It emphasises clean technology, sustainable agriculture. Global governments cooperate and engage in strong climate policies to reduce GHG emissions. It features inclusive economic growth, reduced inequality, and improved education and health.	It represents a fragmented world with little cooperation in global climate policy. Climate policies are minimal and economies continue to rely on fossil fuels leading to high GHG emissions. Socioeconomic inequality widens with disparities in access to technology and resources between and within countries.
Risks Assessed	<ul style="list-style-type: none"> <li>• Technology risk</li> <li>• Policy risk</li> <li>• Reputation risk</li> <li>• Market risk</li> </ul>	

# Climate-related Management

## Physical Risks Under Different Scenarios

In the short to medium-term, both acute and chronic risks present low to medium risks to the Group. As we have no outdoor operations and we do not require transportation of supplies in our business, we may only need limited resilient strategies in our business at present. However, in the long-term, typhoon and heavy rain are expected to pose high risk to our business under both scenarios, and heatwave and gradual increase in temperature under RCP 8.5 scenario will be at high risk. This increase in risk level necessitates proactive measures to mitigate potential risks across our operations in the future.



Physical Risks	Potential Operational and Financial Impact	RCP 2.6			RCP 8.5			Resilient Strategies
		Short Term	Med Term	Long Term	Short Term	Med Term	Long Term	
<b>Acute Risks</b>								
Heatwave	<ul style="list-style-type: none"> <li>Higher electricity cost due to increased cooling demand</li> <li>Potential impact on the financial performance and asset values of investee companies operating in vulnerable regions</li> </ul>	Low	Low	Med	Med	Med	High	<ul style="list-style-type: none"> <li>Establish contingency measures and plans to minimise operational risks</li> <li>Establish extreme weather policies to ensure the safety of our employees</li> <li>Improve human resource planning in advance of the typhoon season.</li> <li>Emergency arrangements in place for typhoon and black rain warnings.</li> <li>Conduct carbon footprint assessments of investment portfolio to identify high-risk investments</li> </ul>
Heavy rain and flood	<ul style="list-style-type: none"> <li>Disruption to business operations due to office closure or transportation disruptions</li> </ul>	Low	Med	High	Low	Med	High	
Typhoon and costal flood	<ul style="list-style-type: none"> <li>Risk to employee safety during extreme weather events</li> </ul>	Low	Med	High	Low	Med	High	
<b>Chronic Risks</b>								
Prolonged high temperature	<ul style="list-style-type: none"> <li>Higher electricity cost due to cooling demand</li> <li>Long term changes in climate patterns may affect or make certain industries vulnerable, leading to an adverse impact on the asset value of investee companies</li> </ul>	Low	Low	Med	Low	Med	High	<ul style="list-style-type: none"> <li>Upgrade to energy-efficient equipment and practices.</li> <li>Incorporate risk assessment of investee companies for vulnerability to long-term temperature rise.</li> </ul>

# Climate-related Management

## Transition Risks Under Different Scenarios

Category	Specific Description
Policy	Governments, regulators, and stock exchanges around the world have been formulating laws and regulations to reduce GHG emissions, enhance ESG practices and climate-related disclosures. The Hong Kong Institute of Certified Public Accountants and HKEX have issued standards and code respectively for listed companies to follow.
Technology	Transition to low carbon technology.
Market	Investors and shareholders change preference to sustainable greener investments.
Reputation	Investors and shareholders concern in ESG performance rating and compliance.

Short-term	Up to 2030	Medium-term	2031-2040	Long-term	2041-2050
	Low Risk		Medium Risk		High Risk

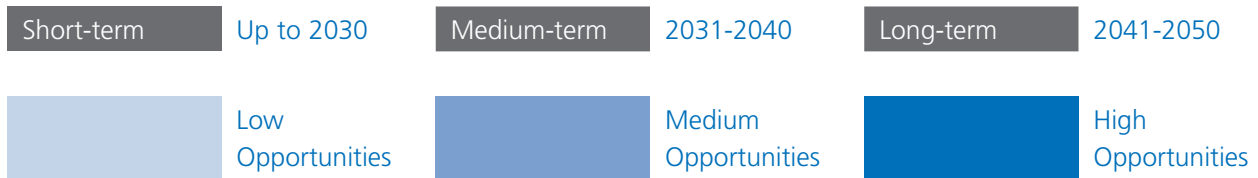
Transition	Potential Operational and Financial Impact	SSP 1-2.6			SSP 5-8.5			Resilient Strategies
		Short Term	Med Term	Long Term	Short Term	Med Term	Long Term	
Policy	<ul style="list-style-type: none"> <li>Increase compliance costs as a listed company, e.g. consultancy fees, assurance fees, carbon credit costs, and manpower for reporting, etc.</li> </ul>							<ul style="list-style-type: none"> <li>Enhance the Group's risk management system and relevant internal control policies and procedures</li> <li>Provide training to staff on compliance and regulatory requirements</li> </ul>
	<ul style="list-style-type: none"> <li>Implementation of stricter environmental regulations (e.g., carbon pricing, emissions targets) may impose additional costs or affect the viability of investments in high-emission sectors</li> </ul>							
	<ul style="list-style-type: none"> <li>Legal consequences and legal costs for non-compliance with relevant laws and regulations</li> </ul>							

# Climate-related Management

Transition	Potential Operational and Financial Impact	SSP 1-2.6			SSP 5-8.5			Resilient Strategies
		Short Term	Med Term	Long Term	Short Term	Med Term	Long Term	
Technology	<ul style="list-style-type: none"> <li>Need for expenditures on upgrading to low-carbon equipment and appliances</li> </ul>							<ul style="list-style-type: none"> <li>Provide staff training to ensure compliance with evolving regulations</li> <li>Keep the management stay informed about technology advancements on less GHG emissions equipment</li> </ul>
Market	<ul style="list-style-type: none"> <li>Less market demand for high carbon emissions companies may lead to lower liquidity, making it more difficult to sell investments without incurring loss</li> </ul>							<ul style="list-style-type: none"> <li>Diversify investments across various sectors to reduce exposure to specific risks associated with market risks of climate transition</li> <li>Collaborate with investee companies to encourage sustainable business models</li> <li>Integrate climate change factors into investment evaluation to prioritise sustainability</li> </ul>
	<ul style="list-style-type: none"> <li>Impact on revenue due to switching from high dividend, high carbon emissions companies to lower yielding investments that have strategies to address climate change</li> </ul>							
	<ul style="list-style-type: none"> <li>Increase time and costs on data collection, climate-related analysis, and portfolio restructuring including shift from traditional investments to greener investment portfolio</li> </ul>							
Reputation	<ul style="list-style-type: none"> <li>Deteriorate reputation due to low ESG rating or failure to meet investors' expectation regarding climate-related sustainability efforts and disclosure</li> </ul>							<ul style="list-style-type: none"> <li>Transparently communicate climate-related risk management strategies with investors and other stakeholders to build trust and support</li> </ul>

# Climate-related Management

## Climate-related Opportunities Under Different Scenarios



Opportunities	Potential benefits	SSP 1-2.6			SSP 5-8.5			CAI's Responses
		Short Term	Med Term	Long Term	Short Term	Med Term	Long Term	
Easier to access sustainability information on investees and for investors	<ul style="list-style-type: none"> <li>Improve exposure to potential investors by improving ESG ratings</li> <li>Improve management of the climate-related risks and opportunities in our Group's investment portfolio</li> </ul>							<ul style="list-style-type: none"> <li>Improve scope 3 GHG emissions disclosures</li> <li>Incorporate more comprehensive evaluation of climate-related information of investee companies in mid to long-term</li> </ul>
Transition to low-carbon technology	<ul style="list-style-type: none"> <li>More investment opportunities for investing in companies engaged in low carbon investment technology</li> </ul>							<ul style="list-style-type: none"> <li>Keep up to date on the technology and trend in the carbon reduction industry</li> </ul>
Entering Green products/ investments market	<ul style="list-style-type: none"> <li>Enhance revenue streams by investing in new markets for green products and green investment</li> </ul>							<ul style="list-style-type: none"> <li>Follow market trends, regulations, and technological advancement in sustainability</li> <li>In the medium term, start to investigate on investments in renewable energy projects and companies</li> </ul>
Investors' concern over ESG performance	<ul style="list-style-type: none"> <li>Enhance investors' confidence by enhancing the Group's ESG ratings and reputation</li> <li>Cheaper cost of capital with the recognition from investors</li> </ul>							<ul style="list-style-type: none"> <li>Reinforce the Group's ESG governance, practices, and reporting in medium and long-term</li> </ul>

# Climate-related Management

## Financial Position, Financial Performance and Cash Flows

Due to the absence of reasonable and supportable information, we are currently unable to quantitatively assess the financial impacts of climate-related risks and opportunities without incurring undue costs or efforts. However, given the nature of our business and the scale of our operations, we do not anticipate any significant impacts on our current financial position, financial performance, and cash flows for the Reporting Year, nor on anticipated financial position, financial performance, and cash flows in the short to medium term. Consequently, we do not foresee the need for material adjustment to the assets and liabilities for the next reporting year. In the long-term, we will refresh our climate resilience analysis to enhance our understanding of how climate-related risks and opportunities may affect our financial position, performance, and cash flows.

## Climate Resilience

We use two different scenarios of a more proactive global cooperation to reduce carbon emissions and a fragmented world with little government policies to reduce carbon emissions. These climate scenarios are integrated into our group risk management system for assessing the risk levels and impacts of our identified physical and transition risks, as well as the level of opportunities of the associated climate-related opportunities. The findings from this risk and opportunity assessment supports the development of our adaptive strategies over the short, medium, and long-term. This forward-looking approach ensures our business continuity, financial viability by minimising risks and capturing value-added opportunities, and the long-term climate resilience of our operations.

## Climate Risk Management

Our climate risk management is integrated into our cross-group risk management system. Within the risk management system, climate risks are identified, assessed, prioritised, monitored and reviewed regularly by the operational departments, the Risk Committee, and the Board. Based on the potential impact and likelihood of occurrence, the risks are consolidated in a materiality matrix. The risks are prioritised in accordance to their low, medium and high risk levels and it allows us to develop response plan and mitigation actions. For more details, please refer to “Our Sustainability Value Creation Process”

To understand better the potential exposures, we operate our risk management system in conjunction with climate scenario analysis. While scenario analysis offers forward-looking insights across different climate pathways, the Risk Management framework ensures that these insights are converted into actionable oversight and controls throughout the Group.

# Climate-related Management

## Metrics and Targets

### Greenhouse Gas Emissions

As an investment company, our greenhouse gas (GHG) emissions are comparatively low relative to other industries. During the Reporting Year, we did not own any motor vehicles or consume any fuel, resulting in zero Scope 1 direct GHG emissions from fuel combustion.

Regarding our leased office in Hong Kong, the electricity charges are included in our rental agreement and are supplied by the landlord. Consequently, we did not incur any Scope 2 indirect GHG emissions during the Reporting Year. Instead, GHG emissions associated with electricity consumption in our office are categorised as Scope 3 other indirect GHG emissions, specifically categorised as Category 8: Emissions from Upstream Leased Assets.

To measure our Scope 3 GHG emissions, we adhere to the categories outlined in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). The following Scope 3 emissions categories have been identified as relevant to our Group:

Scope 3 Category	Included in calculation of Scope 3 emissions	Definition and Exclusion Statement	Calculation Methodology	Data Source	Emission Factors (EF) Reference
Category 1 – Purchased Goods and Services	No	Emissions from purchase services are not calculated as the primary emissions data of the service providers is not available	N/A	N/A	N/A
Category 5 – Waste Generated in Operations	Yes	Emissions from paper waste disposed at landfills	Waste-type-specific method	<ul style="list-style-type: none"> <li>Internal waste produced record</li> </ul>	Hong Kong Stock Exchange Reporting Guidance on Environmental KPIs
Category 6 – Business Travel	Yes	Emissions from air travel of employees for business-related activities	Distance-based method	<ul style="list-style-type: none"> <li>Internal activity data</li> </ul>	International Civil Aviation Organisation (ICAO) Carbon Emissions Calculator
Category 7 – Employee Commuting	Yes	Emissions from the transportation of employees between their homes and office	Average-data method: <ul style="list-style-type: none"> <li>average travel distance</li> <li>transport mode</li> </ul>	<ul style="list-style-type: none"> <li>No. of staff from internal record</li> <li>Average distance passengers travelled from MTR Annual Report</li> </ul>	MTR Corporation Limited's Sustainable Finance Report
Category 8 – Upstream Leased Assets	Yes	Emissions from electricity use by leased office.	Asset-specific method	<ul style="list-style-type: none"> <li>Activity data from landlord</li> </ul>	HK Electric Investment Limited's Sustainability Report
Category 15 – Investments	No	Emissions arising from investments are not calculated as the Group's equity share in the investments as of 31 December 2025 are below the minimum holding threshold (20%) for calculating Scope 3 emissions	N/A	N/A	N/A

# Climate-related Management

## Key Performance Indicator – GHG Emissions <sup>1</sup>

	2025 tonnes CO <sub>2</sub> e	2024 tonnes CO <sub>2</sub> e
Scope 1	–	–
Scope 2 (Location Based)	–	–
Scope 3 <sup>2,3</sup>	<b>8.75</b>	0.24
Total GHG Emissions	<b>8.75</b>	0.24
GHG Emissions Intensity (tonnes CO <sub>2</sub> e/employee)	<b>1.75</b>	0.05

<sup>1</sup> GHG emissions are measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). The Group's GHG emissions includes carbon dioxide, methane, nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent (CO<sub>2</sub>e).

<sup>2</sup> In 2024, only category 5 was included. In 2025, categories 5,6,7 and 8 are included.

<sup>3</sup> In 2025, the following Scope 3 categories are excluded in the calculation of emissions as they are irrelevant to the Group:

- Category 2 – Capital goods: The Group did not acquire significant capital goods in the Reporting Year.
- Category 3 – Fuel- and energy-related activities: The emissions from the combustion of electricity consumed by the Group have been included in the emissions of Scope 3 Category 8.
- Category 4 – Upstream transportation and distribution: The Group did not purchase products from suppliers.
- Category 9 – Downstream transportation and distributions, Category 10 – Processing of sold goods, Category 11 – Use of sold products, Category 12 – End-of-life treatment of sold products: The Group did not sell any products.
- Category 13 – Downstream leased assets: The Group does not have any assets leased to other organisations.
- Category 14 – Franchises: The Group does not own any franchising business.

## Environmental and Climate-related Targets

In the Reporting Year, our usage of energy and water, as well as waste generated by us were minimal. The Group also did not have air emissions or Scope 1 and Scope 2 GHG emissions. Our Scope 3 GHG emissions were relatively low due to our investment-based operations with minimal value chain requirements. While the Group's operations do not significantly impact natural resources and the environment, the Group supports Hong Kong Government in achieving its decarbonisation goals for Hong Kong under the Climate Action Plan 2050.

While we have only captured partial-year data on energy use in the current reporting year, we anticipate using full-year data in the next reporting year as a baseline for setting our energy reduction target.

We strive to incorporate environmental risk assessments into our investment analysis and investment decisions to create positive outcome for both the environment and society. We will continue to implement various measures to enhance our employees' awareness of the importance of energy conservation and environmental protection. Through a range of initiatives, we aim to improve our energy and water efficiency while reducing the generation of non-hazardous waste.

# The HKEX ESG Reporting Code Checklist

ASPECTS	DESCRIPTION	PAGE REF/REMARK
<b>Mandatory Disclosure Requirements</b>		
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	4-8
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:  Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.  Quantitative: Information on the standards, methodologies, assumptions and/ or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.  Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	2
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	3
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
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.	9
KPI A1.1	The types of emissions and respective emissions data.	9
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	N/A
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	9
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	No emissions except GHG
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	9 Immaterial to set targets
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	9-10
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity.	9
KPI A2.2	Water consumption in total and intensity.	10
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Immaterial to set target
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	10
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	10

# The HKEX ESG Reporting Code Checklist

ASPECTS	DESCRIPTION	PAGE REF/REMARK
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	10
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	10
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	11
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	11
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	12
<b>Aspect B2: Health and Safety</b>		
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.	12
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	12
KPI B2.2	Lost days due to work injury.	12
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	12
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	12
KPI B3.1	The percentage of employees trained by gender and employee category.	13
KPI B3.2	The average training hours completed per employee by gender and employee category.	13
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	13
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	13
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	N/A
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	14
KPI B5.1	Number of suppliers by geographical region.	14
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.	14
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	14
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	14

# The HKEX ESG Reporting Code Checklist

ASPECTS	DESCRIPTION	PAGE REF/REMARK
<b>Aspect B6: Product Responsibility</b>		
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.	No product is sold
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	N/A
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A
KPI B6.4	Description of quality assurance process and recall procedures.	N/A
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	N/A
<b>Aspect B7: Anti-corruption</b>		
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.	14
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.	14
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	14
KPI B7.3	Description of anti-corruption training provided to directors and staff.	14
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
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.	14
KPI B8.1	Focus areas of contribution.	14
KPI B8.2	Resources contributed to the focus area.	14
<b>Climate-related Disclosures</b>		
<b>Governance</b>		
General Disclosure	Information about i. the governance body(s) responsible for oversight of climate-related risks and opportunities ("CRO"). In particular, how the body(s) determines appropriate skills and competencies are available, is informed of CRO, considers CRO in business decisions, and oversees and monitors progress and targets related to CRO; ii. management's role in managing and overseeing CRO including delegation to specific management position or committee, and using and integrating controls and procedures to support oversight of CRO.	15

# The HKEX ESG Reporting Code Checklist

ASPECTS	DESCRIPTION	PAGE REF/REMARK
<b>Strategy</b>		
Climate-related Risks and Opportunities	Information about the CRO identified by the issuer that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium, or long term.	17-21
Business Model and Value Chain	Information about the current and anticipated effects of CRO on the issuer's business model and value chain.	18-21
Strategy and Decision Making	Disclosure of information to enable an understanding of the effects of CRO on the issuer's strategy and decision-making. Specifically: <ol style="list-style-type: none"> <li>i. how the issuer has responded to CRO, including anticipated changes to business model, resource allocation, current and anticipated adaptation and mitigation efforts, climate-related transition plan, and climate-related targets;</li> <li>ii. how the issuer resources the responses in above;</li> <li>iii. disclosure of information about the progress of plans for above.</li> </ol>	18-21
Financial Position, Financial Performance and Cash Flows	Qualitative and quantitative information about <ol style="list-style-type: none"> <li>i. the impact of CRO on the issuer's current financial position, financial performance, and cash flows for the reporting period, and need for material adjustment to the assets and liabilities for next reporting period;</li> <li>ii. the impact of CRO on the issuer's anticipated financial position, taking into consideration its investment and disposal plans, and sources of funding, and on the anticipated financial performance, and cash flows over the short, medium and long term.</li> </ol>	22
Climate Resilience	Information about the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration of the issuer's identified CRO. The issuer shall use climate-related scenario analysis to assess its climate resilience. Specifically: <ol style="list-style-type: none"> <li>i. the implications for its strategy and business model;</li> <li>ii. the significant areas of uncertainty;</li> <li>iii. the issuer's capacity to adjust or adapt to its strategy and business model to climate change over the short, medium or long term;</li> <li>iv. information about the inputs used when the climate-related scenario was carried out, the key assumptions and the reporting period the analysis was carried out.</li> </ol>	16-22
<b>Risk Management</b>		
General Disclosure	Information about <ol style="list-style-type: none"> <li>i. processes and related policies to identify, assess, prioritise and monitor climate-related risks (including data sources and the scope; whether using of climate-related scenario analysis; how to assess the nature, likelihood and magnitude of risks; and how to prioritise and monitor risks);</li> <li>ii. processes used to identify, assess, prioritise, and monitor climate-related opportunities;</li> <li>iii. the extent to which, and how, the processes for identifying, assessing, prioritising, and monitoring CRO are integrated into and inform the issuer's overall risk management process.</li> </ol>	22

# The HKEX ESG Reporting Code Checklist

ASPECTS	DESCRIPTION	PAGE REF/REMARK
<b>Metrics and Targets</b>		
Greenhouse Gas Emissions	Information about: <ol style="list-style-type: none"> <li>i. scope 1, Scope 2, and Scope 3 GHG emissions;</li> <li>ii. the method used to measure GHG emissions;</li> <li>iii. the approach used to measure GHG emissions;</li> <li>iv. the location-based Scope 2 GHG emissions;</li> <li>v. categories included in the Scope 3 GHG emissions.</li> </ol>	23
Climate-related Transition Risks and Physical Risks	Information about the amount and percentage of assets or business activities vulnerable to climate-related transition risks and physical risks.	Due to absence of reasonable and supportable information, we are unable to determine the financial effects of climate-related risks and opportunities without undue cost or efforts for the time being.
Climate-related Opportunities	Information about the amount and percentage of assets or business activities aligned with climate-related opportunities.	
Capital Deployment	Information about the amount of capital expenditure, financing or investment deployed towards CRO.	
Internal Carbon Prices	Information about <ol style="list-style-type: none"> <li>i. explanation of whether and how the issuer is applying a carbon price in decision-making;</li> <li>ii. the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;</li> <li>iii. or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</li> </ol>	Not relevant. We are not applying internal carbon prices.
Remuneration	Information about whether and how climate-related considerations are factored into remuneration policy.	It is not formally factored into our remuneration policy currently.
Climate-related Targets	Information about <ol style="list-style-type: none"> <li>i. the qualitative and quantitative climate-related targets set by the issuer to monitor progress towards achieving its strategic goals, and any targets the issuer is required to meet by law or regulation (including metric used, the objective, the scope of application, the period and the base period, milestones if any, and whether they are absolute or intensity targets);</li> <li>ii. the issuer's approach to setting, reviewing, and monitoring the progress of each target;</li> <li>iii. the issuer's performance against each climate-related target and an analysis of trends or changes in the issuer's performance;</li> <li>iv. for each GHG emissions target, whether Scope 1, 2, or 3 GHG emissions are covered; whether it is a gross or net emissions target; whether it was derived using a sectoral decarbonisation approach; planned use of carbon credits to achieve any net GHG emissions target; the type of carbon credit; and the credibility and integrity of the carbon credits.</li> </ol>	24

# Contact Us

We welcome your comments and suggestions on our ESG initiatives and reporting for enhancing our sustainability values. Please share your views with us via email at [enquiry@longling.com](mailto:enquiry@longling.com).

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