



China Resources Enterprise, Limited

Sustainability Report 2024



華潤創業

CR ENTERPRISE

About This Report

This annual report is the 11th sustainability/social responsibility report publicly issued by CR Enterprise. It highlights CR Enterprise's key initiatives and practices in sustainability and social responsibility throughout 2024.

Reporting scope	The reporting period covers January 1 to December 31, 2024. Some content may extend beyond this timeframe.
Name explanation	For ease of expression, China Resources Group is referred to throughout this report as "CR Group", "CR", or "the Group". China Resources Enterprise, Limited is referred to as "China Resources Enterprise", "CR Enterprise", "the Company", or "we".
Reporting standard	<i>The Guide for Business Action on the SDGs</i> (SDG Compass) <i>ISO 26000: Guidance on Social Responsibility</i> <i>Global Reporting Initiative Standards</i> (GRI Standards) <i>Guidance on Social Responsibility Reporting</i> (GB/T36001-2015) <i>Guiding Opinions on High-standard Fulfillment of Social Responsibility by Central Enterprises in the New Era</i> <i>HKEX - Appendix C2 Environmental, Social and Governance (ESG) Reporting Guide</i> <i>China Enterprise Sustainable Development Report Guidelines (CASS-ESG 6.0)</i> <i>China Enterprise Corporate Social Responsibility Report Guidelines (CASS-CSR 4.0)</i> <i>Social Responsibility Work Management Measures of China Resources Group</i> <i>"1+N" Social Responsibility Indicator System Management Manual of China Resources Group</i>
Data source	The data presented in this report is sourced from official documents and statistical reports of CR Enterprise, and has been reviewed by relevant departments. In the event of discrepancies between this report and the annual financial report, the latter shall prevail. Historical data may differ from previous reports; in such cases, the figures provided in this edition take precedence. To enhance the accuracy of data communication, certain indicators and materials may be revised, with explanations given on the reasons and potential impact. Financial data in this report is presented in Hong Kong dollars, unless otherwise stated. All data has been verified and approved by senior leadership, and therefore, no external assurance has been obtained for this report.
Preparation process	Preparatory work – report drafting – content review – design and publication – reader feedback
Reporting commitment	The Company commits that this report contains no false statements, misleading information, or material omissions, and assumes full responsibility for its authenticity, accuracy, and completeness.
Access to the Report	<p>This report is available in both Chinese and English, and is published in electronic and print formats. You may read the electronic version on CR Enterprise's official website under the Social Responsibility section at https://www.cre.com.hk/, or through our official WeChat account. Printed copies can be requested by contacting the Company directly.</p> <p>Address: 39/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong Tel: (852) 2827 1028 Fax: (852) 2598 8453 Email: Info@cre.com.hk</p>

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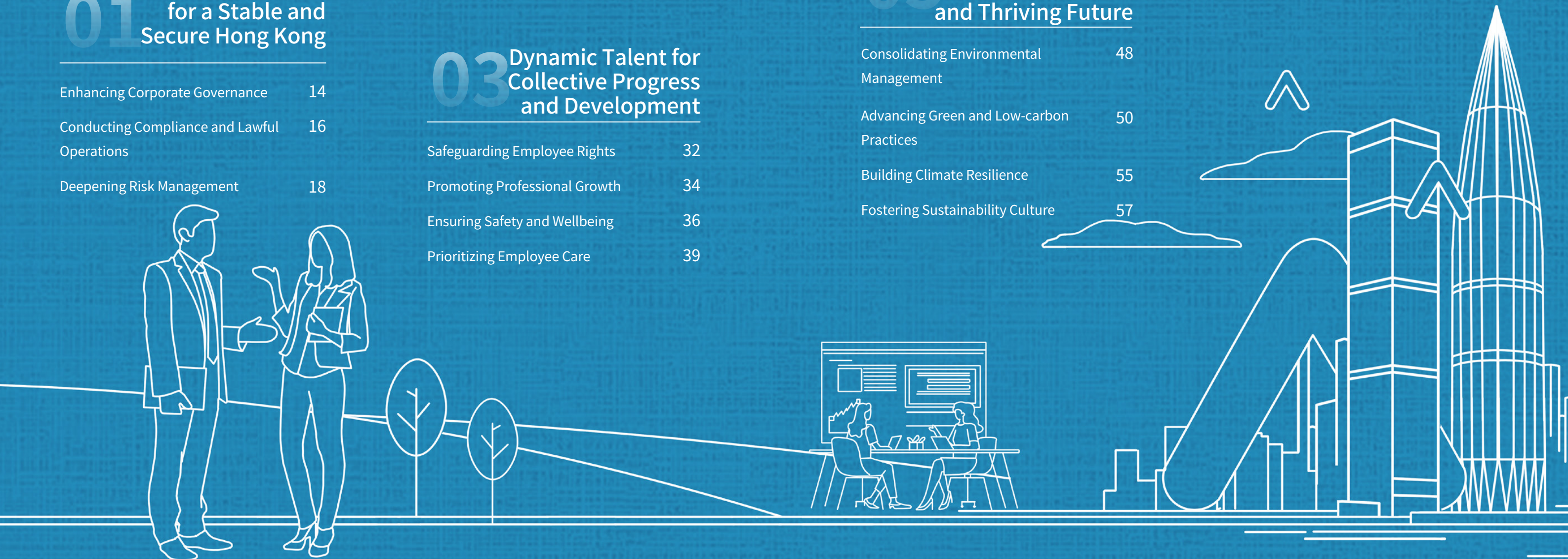
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Message from the Chairman



Cheng Jie
Chairman of China Resources Enterprise, Limited

Technological innovation serves not only as a core driver of social progress, but also the cornerstone for breaking corporate development bottlenecks and moving toward sustainability. At the threshold of a new epoch, only by firmly embracing technological innovation can we stay ahead amid fierce market competition and chart a new chapter in our corporate journey. 2024 marked a pivotal year for CR Enterprise to implement the 14th Five-Year Plan and deepen transitional development. We remain committed to our mission of "boosting our influence in Hong Kong SAR and developing an investment and incubation platform for new industries". Despite a complex and tough market environment alongside demanding reform and development tasks, we have held firm to our strategy of "enhancing core role, boosting core competitiveness, and developing new quality productive forces" and the reshaping of values, business, organizational structure, and ethos. We have made steady progress and quality improvements, rallying significant momentum for deeper reform.

Breaking new ground for change

We have established collaborative innovation platforms aligned with our technological innovation strategy, closely partnered with universities and research institutes in Hong Kong SAR, and profoundly engaged in the Research, Academic and Industry Sectors One-plus Scheme (RAISE+ Scheme), earning recognition as the Hong Kong government's Strategic Enterprise Partner of the Office for Attracting Strategic Enterprises and First Partner of Hong Kong-Shenzhen Innovation and Technology Park. To forge an innovative and high-performance team, we have launched the Bauhinia Plan, Pioneering Hong Kong SAR Plan, and Sci-Tech Innovator Plan, building a talent pipeline of 121 technical professionals. To foster an innovation ecosystem, we have focused on two strategic emerging fields, including AI robotics and bio-detection, to stimulate the innovation-driven development engine. Our qPCR project team has filled a segment gap through a successful domestic substitution of imported components, driving a qualitative leap in technological innovation.

Pursuing excellence for accumulation

We steadfastly advance high-quality development. Committed to leadership in logistics infrastructure ownership and smart operations across the Greater Bay Area, China Resources Logistics (hereinafter referred to as "CRL") has thoroughly implemented the Two Horizontal and Two Vertical Axes to facilitate the construction of Northern Metropolis. Through asset-light transformation, CRL has created a second growth trajectory, leveraging smart logistics to evolve from goods-focused to shipping-oriented. Committed to epitaxial and connotative growth, China Resources Enterprise Property Investment Company Limited (hereinafter referred to as "CREP") has contributed to the global expansion of Chinese brands, and embraced new opportunities, such as creating the community business center brand WTT Square and a "1+N" smart community platform. Positioned as a light catering platform promoting cultural exchanges between China and the West, Pacific Coffee Company Limited (hereinafter referred to as "PCC") has innovated across processes, technologies, products, services, marketing, supply chain, and organizational structure, demonstrating increasingly robust resilience.

Prioritizing action for synergy

We actively fulfill our social responsibilities. While strengthening our capabilities, we have made unique contributions to implementing the One Country, Two Systems policy in Hong Kong SAR. We have further expanded the influence of our youth social welfare initiatives, including Dream Weavers, Dream Gliders, and Beyond Dreams by organizing over 100 activities throughout Hong Kong SAR's 18 districts and reaching 180,000 young people. We respect every contributor to our corporate value. By offering smooth promotion and career development paths, a sound workplace, and competitive benefits, we have inspired our workforce to strive for synergistic growth with us. We have strengthened environmental awareness, accelerated our green, low-carbon transition, and boosted a dynamic balance between economic and environmental responsibilities, working together toward a sustainable future.

Paddling with perseverance, we will navigate new horizons with innovation. Based in Hong Kong SAR, we build consensus, pool strengths, thoroughly study and implement President Xi Jinping's important instructions on work in Hong Kong SAR, and follow CR Group's "1246 model". We will march forward more enthusiastically, confidently, and pragmatically, contributing to the Group's evolution into a state-owned capital investment company with CR characteristics and a world-class enterprise!

Company Profile

About Us

Established in Hong Kong in 1992, CR Enterprise is the first listed company under China Resources Group. Since inception, we have taken on the role of incubating business units for the Group. Over the past three decades, we have spun off five listed companies and operated across 15 industries. Since the start of the 14th Five-Year Plan period, we have clarified our value positioning around the Group's strategic directions of Major National Livelihood and Key National Industries. We aim to become "a key force in Hong Kong, a catalyst for science and technology innovation, and an incubator for investments". Our core operations span key areas of Hong Kong life, including warehousing and logistics, commercial property, coffee, and retail. At the same time, we focus on sci-tech innovation and emerging industries. By expanding our presence in strategic emerging industries, we have built a dual-pillar structure (livelihood services and strategic new industries) supported by two platforms (innovation and investment), reinforcing our role as the Group's key force in Hong Kong, advancing technological transformation and commercialization, and fostering growth in new and strategic sectors.

We have actively built the youth-focused Dream Weavers, Dream Gliders, and Beyond Dreams. Targeting Hong Kong youth across different age groups, these initiatives address their practical challenges in "education, employment, and entrepreneurship", reflecting our commitment to fulfilling corporate social responsibility and creating smooth pathways for talent growth.

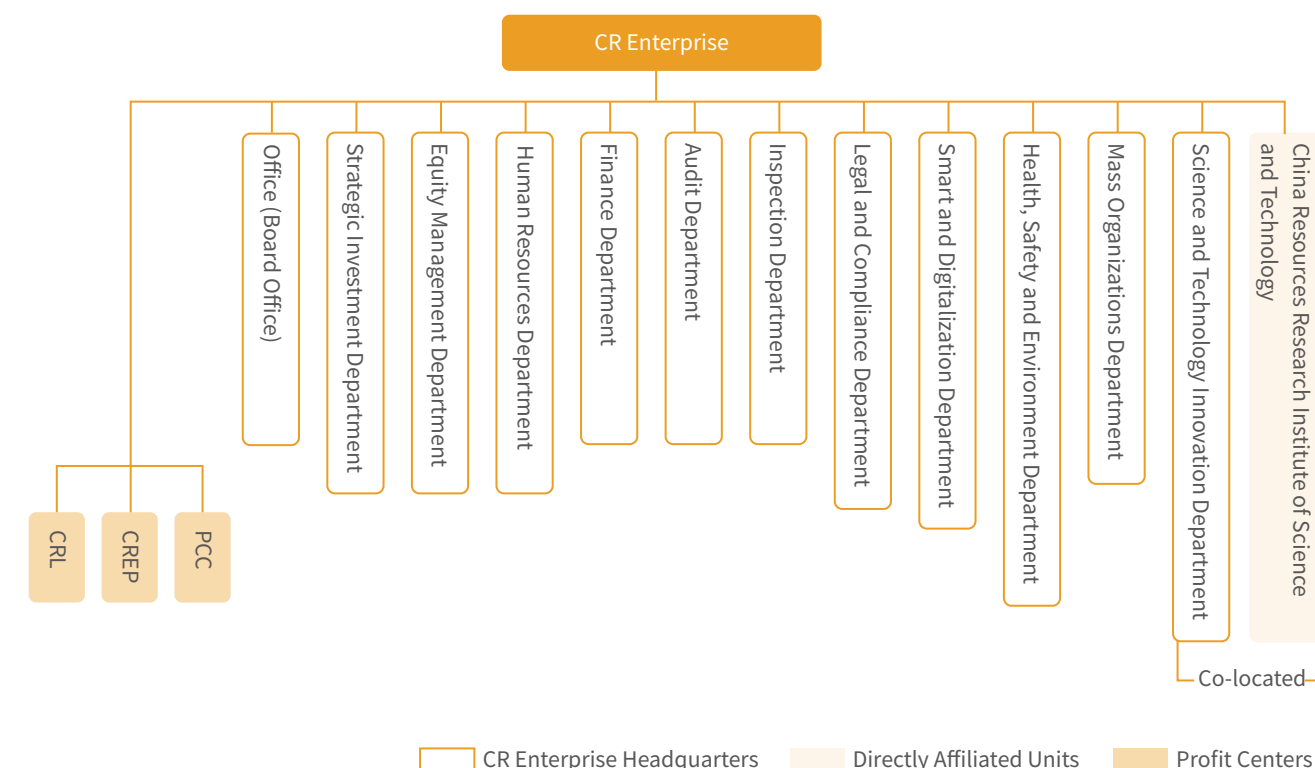


Business Layout

Leveraging our unique strengths, we have built core capabilities in science and technology research and applied innovation to empower both existing and future industries. This drives steady growth in new livelihood-focused businesses and supports our mission to expand our influence in Hong Kong and contribute to the Group's development of strategic emerging industries.



Organizational Structure



Corporate Culture

Corporate Ethos

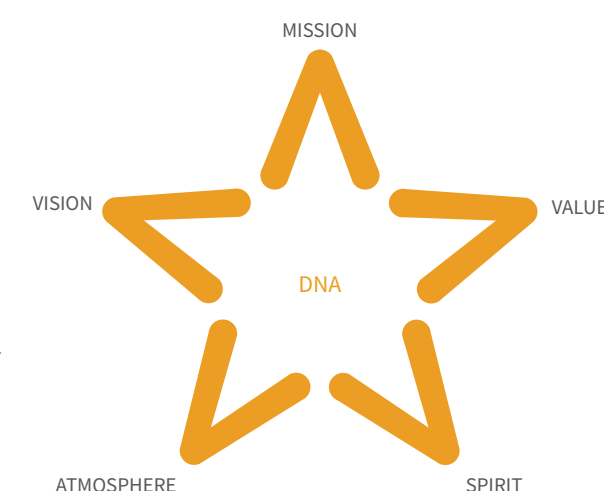
Founded to uphold the nation's rejuvenation
Committed to creating a better life for the people
Dedicated to driving national economic prosperity

Value

Integrity, Accountability, and Performance
People Orientation and Win-Win Collaboration

Mission

To pioneer business advancement
To co-create a better future



Spirit

The devotion to serve the nation
The courage to innovate and lead
The perseverance to stay the course
The resilience to never yield

Vision

To become an internationally leading industrial investment company
Serving Hong Kong's community
Connecting the world through innovation

Atmosphere

Sincerity, Solidarity
Openness, Advancement

Special
Feature

Hong Kong's Future Shining with Youth-led Innovation

By the end of 2024

We had organized 62 sessions of the Dream Weavers Workshops in total

with its three core programs reaching more than 168,700 young people across Hong Kong and covering over a quarter of the city's primary and secondary schools

"Hong Kong will prosper only when its young people thrive; Hong Kong will develop only when its young people achieve well-rounded development; and Hong Kong will have a bright future only when its young people have good career prospects."
"We must help young people with their difficulties in studies, employment, entrepreneurship, and purchasing of housing."

—President Xi Jinping's Address at the meeting celebrating the 25th anniversary of Hong Kong's return to the motherland

Enhancing academic value

The Dream Weavers aims to promote values through artistic expression, offering an academic enhancement system comprising three core series. Designed to align with the diverse cultural backgrounds and strong critical thinking skills of Hong Kong's youth, it explores engaging and shareable innovative activities, encouraging young people to move forward in step with the times.



- We emphasize the establishment of a mainstream value system centered on patriotism and love for Hong Kong, aligned with the principle of One Country, Two Systems. To this end, we have launched immersive civic education programs. Collaborating with more than 30 national-level representatives, including members of the Standing Committee of the National People's Congress (NPC), NPC deputies, members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), and Hong Kong Legislative Council members, we promote national conditions education, as well as education on the *Constitution*, the *Basic Law*, and national security through diverse formats such as expert lectures and cultural salons.



- We promote Chinese excellent traditional culture through a mobile cultural and art education program. Focused on the six classical disciplines of rites, music, archery, charioteering, calligraphy, and mathematics, we have organized the Six Arts for Gentlemen Program, produced and promoted related videos, and offered free traditional arts workshops for youth from grassroots families. These efforts aim to provide equal educational opportunities to children from underprivileged groups within the community.



- Aimed at fostering interest in science and technology among youth, we have launched a series of mobile science education lectures. Through the Dream Weavers Science Lecture, we have invited 26 academicians and researchers from the Chinese Academy of Sciences for two consecutive years to give talks at over 80 primary and secondary schools on topics ranging from aerospace and astronomy to biology, superconductivity, and rail transit. In addition, we have held five sessions of the Dream Weavers Painting Competition, drawing participation from more than 10,000 young artists. Inspired by themes such as Celebrating Together Across Regions and Biodiversity, they have portrayed the landscapes of China, the beauty of Hong Kong, and dreams of space exploration with brushes, with outstanding works receiving gold, silver, and bronze awards for recognition.



Dream Weavers Dunhuang Cultural Clay Modeling Workshop for parents and children



Dream Weavers Painting Competition

We remain committed to our Hong Kong-based positioning by advancing a strategic transformation of our operations in the city, centering on the academic development of Hong Kong's youth. We have launched the flagship Dream Weavers, bringing together government, community, schools, and families to build an academic enhancement system centered around the Dream Weavers Workshop, Six Arts for Gentlemen Program, and Dream Weavers Painting Competition. This initiative aims to foster patriotism, ethnic confidence, and innovation literacy among Hong Kong's young generation, helping them integrate into the broader national development. It not only enhances our corporate reputation in Hong Kong but also strengthens national identity among the new generation of Hong Kong residents, uniting them in a shared sense of purpose and progress.

Driving empowerment through collaboration

Since 2020, we have pioneered an innovative Three Linkages, Three Entries, Three Coverages approach. By connecting institutions, talents, and business sectors, we reached Hong Kong kindergartens and primary and secondary schools through community outreach, school programs, and in-store activities. This academic enhancement system features diverse public education sessions and competitive events, forming a sustained initiative to support and engage youth in Hong Kong.

Mobilize talents into communities: We have invited prominent figures from the education and cultural sectors as honorary advisors to guide, promote, and endorse the initiative. Meanwhile, we have appointed legislators of the Group, members of the three committees, and representatives from external friendly organizations as Dream Ambassadors. Activities have reached all 18 districts across Hong Kong, serving over 1,000 students. These workshops not only provide resources to support grassroots efforts, but also deepen public engagement, helping plant the seeds of patriotism and love for Hong Kong in the hearts of the younger generation.



Collaborate with institutions to reach schools: By actively partnering with authoritative bodies such as the Education Bureau of Hong Kong, the Hong Kong Federation of Education Workers, the Standing Committee on Values Education, the Hong Kong Artists Association, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), the Customs Youth Leader Corps, the Hong Kong Police Force's Junior Police Call, and the Immigration Department Youth Leaders Group, we promote China's excellent traditional culture.

Integrate initiatives into operations: By combining the Dream Weavers with PCC's retail network, we have set up cultural experience zones in stores and regularly host diverse workshops to engage local youth. So far, these activities have reached over 60 branches, attracting more than 200,000 community residents and families.



CREP, in collaboration with the Business and Professionals Alliance for Hong Kong (BPA), jointly organized the Dream Weavers Celebrating Homecoming event



Heritage Harbour, Artisan Trails Parent-Child Oil Painting Workshop in Kowloon, held by PCC and East Kowloon District Residents' Committee

Innovating business models

Leveraging the wide distribution and broad reach of our PCC branches across Hong Kong, we have created new consumer products, scenarios, and business models. We launched Dream Weavers themed stores to promote national values education among youth and foster cultural exchange between China and the world.



Developed a new line of cultural creative mooncakes: Leveraging the Mid-Autumn and National Day holidays, we have printed artworks by young creators on mooncake boxes, and promoted them through an "experience + interaction + immersion" approach, showcasing both the mooncakes and the paintings. The project has also participated in the United Nations' Children's Visual Art Exhibition and the International Astronautical Congress tour, attracting a total of over 37,000 visitors.



Created new in-store engagement experiences: The Dream Weavers themed stores, during off-peak hours, have reached communities across Hong Kong, hosting 62 public creative events within a year. These activities have attracted a large number of young people, art enthusiasts, and philanthropists to participate in store.



Cultivate a new cultural coffee experience: In collaboration with Beijing United Publishing Co., Ltd., we have launched a cross-industry partnership, bringing books into cafés and coffee into bookstores. Promoting the concept of "sipping a cup of coffee, reading a good book, and opening a world of ideas", we have driven the practice of the "Culture+" effect, actively contributed to the development of Hong Kong as a center for Sino-foreign cultural exchange, and built deeper connections with community consumers, creating a mutual embrace between coffee and culture.



Dream Weavers cultural and creative mooncakes



Dream Weavers workshops at PCC

Amplifying social impact

By the end of 2024

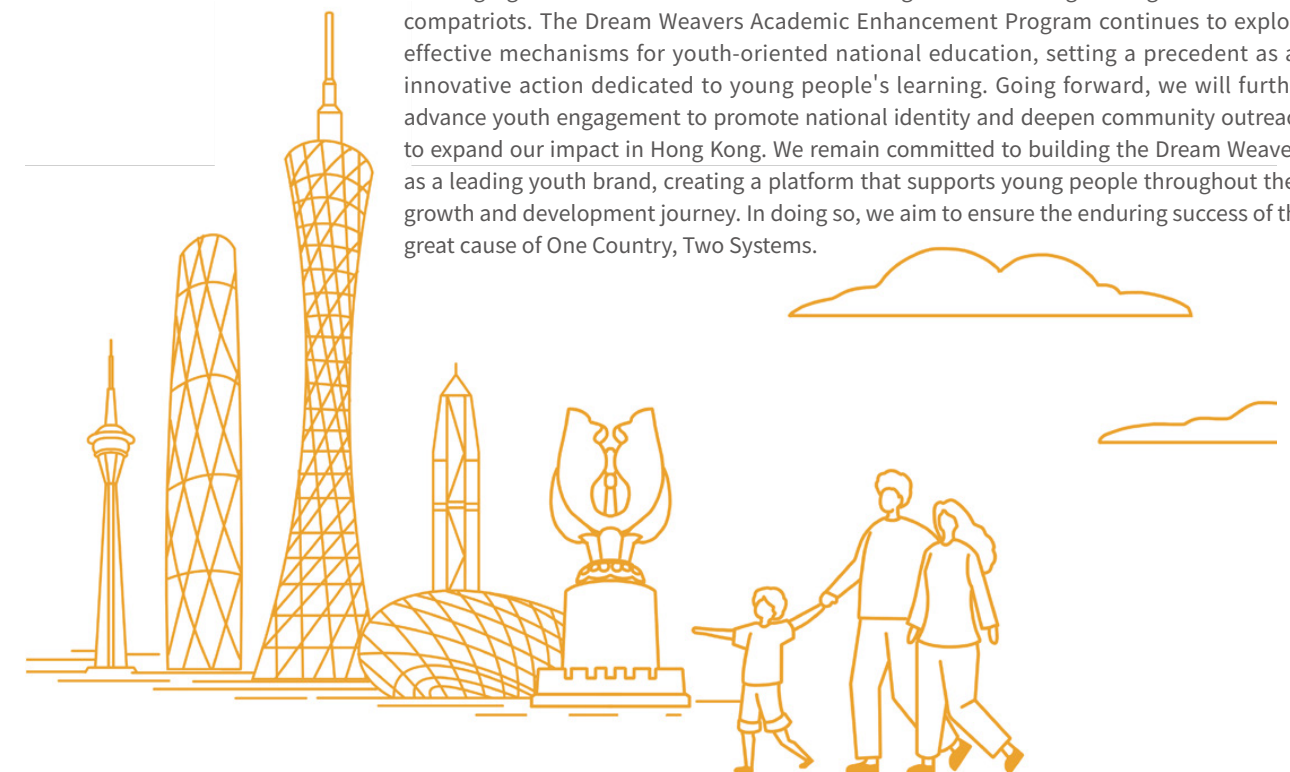
The initiative has also drawn extensive media coverage,

with over **150** reports from

mainstream outlets such as Xinhua News Agency, ecns.cn, HKTKWW, Phoenix New Media, and Orange News.

The Dream Weavers has received strong recognition and widespread praise from higher-level authorities and the broader society. Senior officials and influential figures, including Yin Zonghua, Deputy Director of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region; Wang Xiangming, Chairman of China Resources Group; Cheung Kwok-kwan, Secretary for Justice of the HKSAR government; Li Huiqiong, member of the Standing Committee of the NPC; Yu Xiao, President of the Hong Kong Chinese Enterprises Association; and Wong Kam-leung, Chairman of the Hong Kong Federation of Education Workers (HKFEW), have all visited event sites to offer guidance and support. The initiative has also drawn extensive media coverage, with over 150 reports from mainstream outlets such as Xinhua News Agency, ecns.cn, HKTKWW, Phoenix New Media, and Orange News, generating significant social impact. In recognition of these efforts, we have been honored with multiple awards, including the GBA Corporate Sustainability Award and the GBA Best Social Responsibility Award, both presented by Chief Executive John KC Lee. We have also received the Best ESG Pioneer Award and ESG Recognition Certification under the Hong Kong International ESG Awards.

We unlock the driving force behind Hong Kong's rejuvenation, helping a new generation of young people maintain a positive outlook and vibrant energy. This plays a vital role in bridging hearts and minds across the two regions and strengthening bonds among compatriots. The Dream Weavers Academic Enhancement Program continues to explore effective mechanisms for youth-oriented national education, setting a precedent as an innovative action dedicated to young people's learning. Going forward, we will further advance youth engagement to promote national identity and deepen community outreach to expand our impact in Hong Kong. We remain committed to building the Dream Weavers as a leading youth brand, creating a platform that supports young people throughout their growth and development journey. In doing so, we aim to ensure the enduring success of the great cause of One Country, Two Systems.



Sound Governance for a Stable and Secure Hong Kong

Our commitment

We continue to refine our corporate governance framework by enhancing the *CR Enterprise Authority and Responsibility Handbook*, dynamically updating the board's list of delegated decision-making matters, and proactively streamlining legal entity layers. These efforts reflect a strategic commitment to strengthening governance systems and ensuring standardized operations. We fully embrace rule-by-law principles, establishing Three Lists across ten key areas to enhance our ability to manage major risks, thereby safeguarding long-term, stable, and sustainable development.

Key performance

Recurring EBIT: HKD

1.757 billion

State asset preservation and appreciation rate:

105.79%

Shareholders' equity: HKD

33.263 billion

Anti-corruption training sessions:

21

Contributing to the UN SDGs



Enhancing Corporate Governance

Building the governance framework

We strictly comply with local laws, regulations, and our *Articles of Association*, continuously improving our governance mechanisms. We have clarified the authority, decision-making processes, and operational rules of governance bodies such as the board of directors and the management team, establishing a governance system characterized by legally defined powers and responsibilities, coordinated operations, and effective checks and balances. This framework ensures that all governance entities exercise their duties in a scientific, standardized, and efficient manner.

We have improved and released lists detailing board-level and delegated decision-making matters, as well as agendas for the chairman's special meetings and the executive office meetings. The *CR Enterprise Authority and Responsibility Handbook* has been updated to clarify follow-up procedures. For all board resolutions and recommendations from board committees, the board continues to review progress reports until each matter is fully addressed and concluded.



We have strengthened the reporting mechanism from the management team to the board, strictly enforcing requirements for the management team to submit proposals and updates to the board. By inviting directors to attend quarterly management meetings, annual conferences, and regular communication sessions, we have enhanced dialogue and collaboration between the board and the management team.



Standardizing board operations

As of the end of 2024

The board consisted of **8** members

We strictly implement the requirements for standardized board operations set by the Group, adhere to the principles of "establishing boards wherever required" and "external directors holding the majority", and ensure high-quality and science-based decision-making. As of the end of 2024, the board consisted of eight members, including five external directors. A board secretary is also appointed, alongside specialized committees, including the Audit and Risk Committee and the Remuneration and Appraisal Committee. Most board members have financial expertise and extensive management experience.



including **5** external directors

We have strengthened end-to-end meeting management, establishing a full-process chain to ensure thorough review before decisions, independent voting during meetings, and follow-up enforcement after resolutions are made. We also adhere to the Three Must Discuss, Three Must Not Discuss principle, namely issues relating to strategic planning, major investment projects, and asset disposal must be discussed, while issues with insufficient research, incomplete review procedures, or inadequate pre-meeting consultation must not be discussed. This ensures the quality of all agenda issues.



We have improved the mechanisms for routine information sharing and research support by establishing a cloud-based platform to facilitate external directors' duties. We have also enhanced communication between directors, the management team, and headquarters departments. During periods when the board is not in session, we regularly provide external directors with updates on business operations and proactively invite them to attend key corporate meetings such as executive management meetings, business plan briefings, and the annual general meeting, creating opportunities for external directors to engage in company affairs. In 2024, a total of eight board committee meetings and 17 external director meetings were held.

Enhancing investor relations

We always uphold the principle of compliant operations, strictly adhering to all applicable laws, regulations, and regulatory requirements. Protecting the legitimate rights of minority investors, including their rights to information, participation, and oversight, remains a top priority. We continuously enhance engagement with investors through multiple channels, providing real-time updates on corporate developments via our official website, WeChat account, and other platforms. This ensures timely, accurate, and effective disclosure, contributing to greater overall transparency. In addition, we regularly publish reports that comprehensively reflect our business performance and sustainability efforts, reinforcing investor confidence through clear actions and measurable outcomes.

Promoting responsible investment

We deeply integrate sustainable development into our investment practices, actively aligning with national strategic priorities. Leveraging Hong Kong's geographic advantages and our own core capabilities, we have established a long-term mechanism for strategic coordination and implemented differentiated, precision-based equity management. We have fulfilled shareholder responsibilities in accordance with the law, strengthened oversight of appointed personnel, and built a capable management committee for invested companies to ensure strategic alignment between invested entities and our broader goals. At the same time, a long-term business empowerment framework has been put in place, centered on full lifecycle management. By leveraging financing and investment tools, we have mobilized growth capital, and introduced the Group's 6S strategic management methodology to enhance coherence in strategy, organization, and culture across invested companies.

As of December 2024, our associate company CRVSC had operated 47 nursing homes across 14 cities, offered more than 10,000 beds, served over 7,000 residents, and created more than 2,500 jobs. In 2024, Oatly partnered with Luckin Coffee, rolling out its products to over 18,000 Luckin stores and entering China's top three coffee chain channels. By the end of the year, Oatly had expanded into more than 100,000 coffee shops, 30,000 restaurants, and 28,000 retail outlets nationwide.

As of December 2024

Our associate company CRVSC had operated **47** nursing homes across 14 cities



offered more than **10,000** beds



served over **7,000** residents



created more than **2,500** jobs



Oatly had expanded into more than **100,000** coffee shops

restaurants

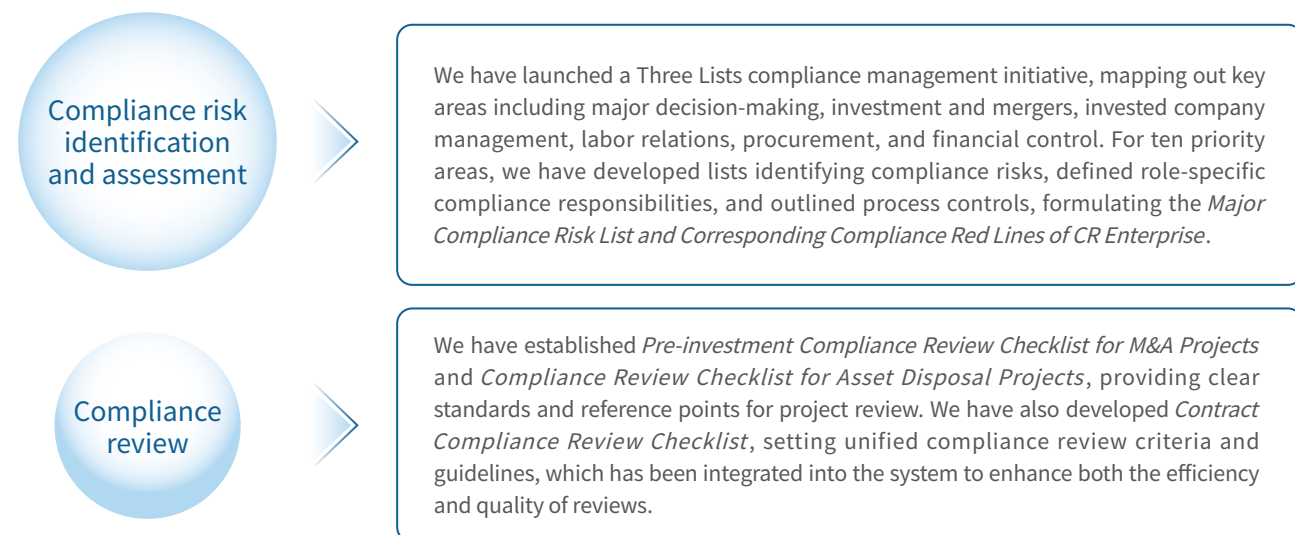
28,000 retail outlets nationwide



Conducting Compliance and Lawful Operations

Establishing a robust compliance system

We fully embrace rule-by-law principles and continue to strengthen our compliance management system. In line with the *Measures for Compliance Management of Central Enterprises* and relevant regulations of the Group, we have updated key policies including the *Compliance Management System* and the *Code of Conduct on Preventing Conflicts of Interest*. We have also formed our first team of compliance officers across headquarters departments, established a joint compliance meeting mechanism, enhanced compliance risk management and review processes, and effectively improved internal control efficiency. In 2024 alone, we completed 63 legal and compliance reviews before issuing new policies.



Upholding business ethics

We remain committed to a strict and unwavering stance, maintaining a high-pressure environment against corruption. We consistently foster a culture of integrity, reinforcing the belief that "integrity creates value and compliance safeguards development". These efforts aim to cultivate a clean, upright, and motivated working atmosphere that supports honest and principled growth.



CREP convening a company-wide audit and disciplinary warning education meeting

Strengthening deterrence against corruption

We have launched targeted campaigns to address corruption in bidding and infrastructure construction, strictly investigating all forms of misconduct and illegal activities in business operations. In close collaboration with local supervisory commissions and the Independent Commission Against Corruption (ICAC), we have referred multiple individuals to anti-corruption agencies in operational regions. In 2024, disciplinary actions increased by 40% compared to the previous year.

Building strong barriers against corruption

We leverage the outcomes of case investigations by issuing disciplinary inspection recommendations, highlighting management loopholes and potential risks, and urging relevant units to address vulnerabilities at the source and prevent corruption risks. We continue to promote the use of the Shouzheng platform across all units, cutting off channels of improper benefits in procurement and bidding. Meanwhile, the Run Travel platform has been fully launched to effectively mitigate integrity risks in business travel expense reporting.

Building a firm foundation against corruption

We proactively explore and innovate approaches tailored to local needs, advancing meaningful and impactful integrity education in Hong Kong. By strengthening warning education, we help employees and management understand the importance of staying away from red lines and upholding ethical standards. We also emphasize positive incentives, work with ICAC district offices to implement customized anti-corruption campaigns for each business unit, and conduct targeted sessions on compliance and integrity for key personnel in procurement, engineering, finance, and other critical roles. In 2024, the Company held two integrity warning education conferences, reaching more than 470 participants in total.



Combating unfair competition

We regularly issue antitrust risk alerts and compliance recommendations to relevant units, based on the *Antitrust and Anti-unfair Competition Information Bulletin of China Resources Group* and other risk notifications from the Group. For business activities identified with potential antitrust risks, we assess whether a concentration notification obligation is triggered by examining factors such as the turnover and assets of the involved parties, whether control over or decisive influence on another entity has been obtained, or if joint control exists. When necessary, we prepare the required documentation and filing information accordingly. In addition, we continue to update the Three Lists for antitrust compliance management in key areas, along with the *List of Major Compliance Risks and Corresponding Compliance Red Lines*, to prevent monopolistic and unfair competitive practices and uphold a fair and transparent market order.

As of end of 2024

We had held **286** registered domestic trademarks

75 registered overseas trademarks

Protecting intellectual property

We regard intellectual property (IP) protection as a core strategic driver for innovation, build a systematic institutional framework, and implement targeted protective measures to continuously strengthen IP management capabilities. At the headquarters level, trademarks are centrally managed, with approval proposals submitted uniformly through the LMS system. The China Resources Research Institute of Science and Technology has established a dedicated IP position and issued the *Patent Application Guidelines*, setting up a standardized management mechanism covering the entire lifecycle of patents from identification and filing to maintenance. This has led to the formation of a dual-driven IP protection model combining "institutional support" with "project-based advancement".

In 2024, we added one new valid domestic patent and filed eight invention patents under the qPCR testing technology project. As of the end of 2024, we had held 286 registered domestic trademarks and 75 registered overseas trademarks, with a total of 15 patent applications filed and three granted patents domestically and internationally.

Deepening Risk Management

Risk management

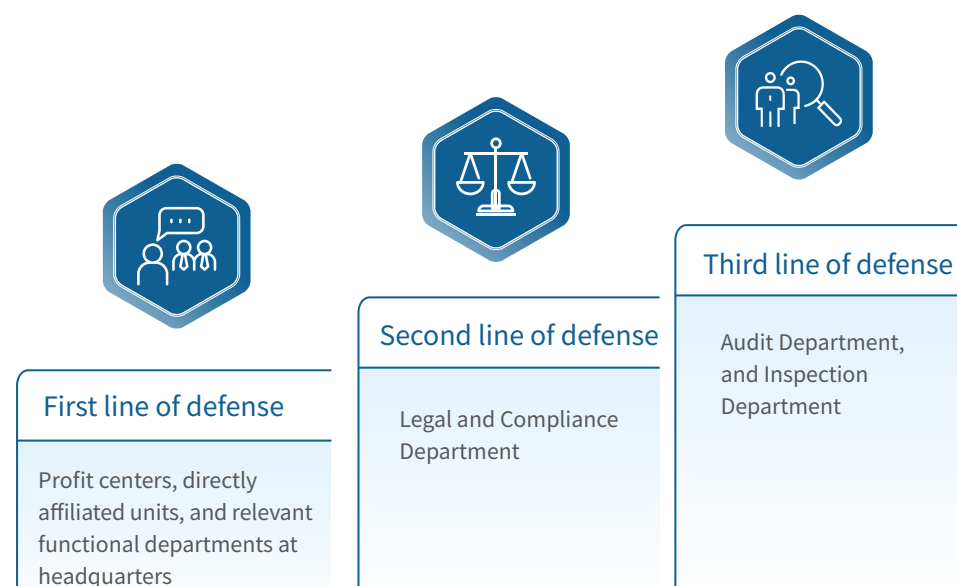
The Board of Directors serves as the highest decision-making body for risk control at CR Enterprise, actively fulfilling our mandate to "prevent risks". We guide the annual risk assessment process, with the Audit and Risk Committee overseeing the establishment and effective implementation of the risk management framework. A dedicated Committee on Law-based Governance, Risk Control, and Compliance has been established to lead and coordinate internal control and risk management initiatives, reinforcing the foundation for our high-quality and secure development. In 2024, the Company reported no major risk incidents.

In 2024

Our three lines of defense mechanism for risk management

The Company reported no

major risk incidents



Internal control

As of June 30, 2025

All corrective actions had been completed

We actively implement the requirements outlined in the *Notice on Matters Concerning the Construction and Supervision of Internal Control Systems for Central Enterprises in 2024* issued by the State-owned Assets Supervision and Administration Commission under the State Council (SASAC). In response, we have developed the *Internal Control System Construction and Supervision Work Plan for 2024 of CR Enterprise*, aimed at strengthening internal management capabilities. To enhance internal control oversight and evaluation, we have also formulated the *Work Plan for CR Enterprise Internal Control Evaluation (2023–2025)*. Supervisory bodies continue to monitor and urge the timely rectification of internal control deficiencies, with regular follow-ups conducted at the end of each quarter to track progress across relevant units in implementing internal control initiatives.

In 2024, we conducted a self-assessment of our internal control system, carrying out sample checks on projects in six key areas, including investment, procurement, accounts receivable, fund management, cybersecurity, and overseas commissions. At the overall level, no significant or material weaknesses were identified, though 49 minor deficiencies were found. As of June 30, 2025, all corrective actions were completed.

Financial management

We continue to strengthen our financial control framework based on core regulations such as the *Basic Financial Management System* and the *Financial Management Guidelines*. By establishing sound rules in advance, strictly enforcing them during operations, and conducting post-event self-inspections, we effectively manage and supervise financial risks. We carry out evaluations of basic financial management, tax administration, and conduct surprise inspections on fund management. For identified issues, we thoroughly review the nature of deficiencies and drive timely rectification. We place strong emphasis on financial risk prevention, identify high-risk areas, develop a categorized, tiered, and risk-based approach, and establish the Three Lists, the List of Major Compliance Risks, and the Red Line List across six key sub-areas of fund management. Additionally, we further enhance our risk early-warning mechanisms, establish a regular monitoring system for operating cash flow in invested companies, conduct periodic risk assessments for strategic investments, and develop targeted analysis and response measures for key risk items.



Diverse Industries for Inclusive and Shared Growth

Our commitment

We continue to enhance our industrial development capabilities and light-asset service offerings, firmly implementing the national and group-level strategies for innovation-driven development. Additionally, we strengthen our scientific innovation mechanisms and build ourselves into the Group's primary research platform in Hong Kong, fully leveraging technological innovation to support the city's ambition to become an international innovation and technology hub. At the same time, adhering to a customer-centric approach and committed to excellence and efficiency, we focus on delivering high-quality products and services that meet evolving customer needs.

Key performance

Professionals in sci-tech
team: **121**

Technology R&D
personnel: **79**

Technology management
personnel: **41**

Technical support
specialist: **1**

Contributing to the UN SDGs



Driving Industrial Development

Revitalizing livelihood-focused industries

Warehousing and logistics

Our logistics network in Hong Kong spans the city's geographical core, the Kwai Tsing port area, and the Northern Metropolis, covering a total of 15 warehouses with a combined area of 5.57 million square feet. In the Chinese mainland, we operate in key cities including Beijing, Shanghai, and Guangzhou, managing four warehouses totaling approximately 2 million square feet. Driving smart operations, we integrate warehousing, transportation, and distribution resources to build two core businesses of intelligent cross-border sorting platform and smart warehouse-logistics integrated solution. This marks a breakthrough in shifting from a product-focused to a logistics-driven business model.

Commercial property

We increase investment and operational focus on community commercial centers in residential areas. In Hong Kong, we manage a total of 10 retail properties, with a combined leased area of approximately 710,000 square feet. In 2024, Wan Tau Tong continued to set the benchmark for community malls in Hong Kong's residential districts, launching the WTT Square brand as a flagship for neighborhood-centered retail. Rooted in the integration of Science & Technology + Livelihood Services, we have built an innovative smart community consortium, and developed a first-of-its-kind digital service cloud platform to offer one-stop, scalable smart community solutions, creating a new retail ecosystem that combines community commerce, lifestyle engagement, and convenient public services.



WTT Square in WTT Plaza

PCC

We have built a coffee and light meal platform to promote cultural exchange between China and the world, actively organized and participated in a wide range of cultural events, and contributed to the development of the Future Food Research Center, using technology to drive product innovation. By the end of 2024, PCC had become the second-largest coffee chain in Hong Kong, operating 126 branches across the city, with a total membership base exceeding 600,000.

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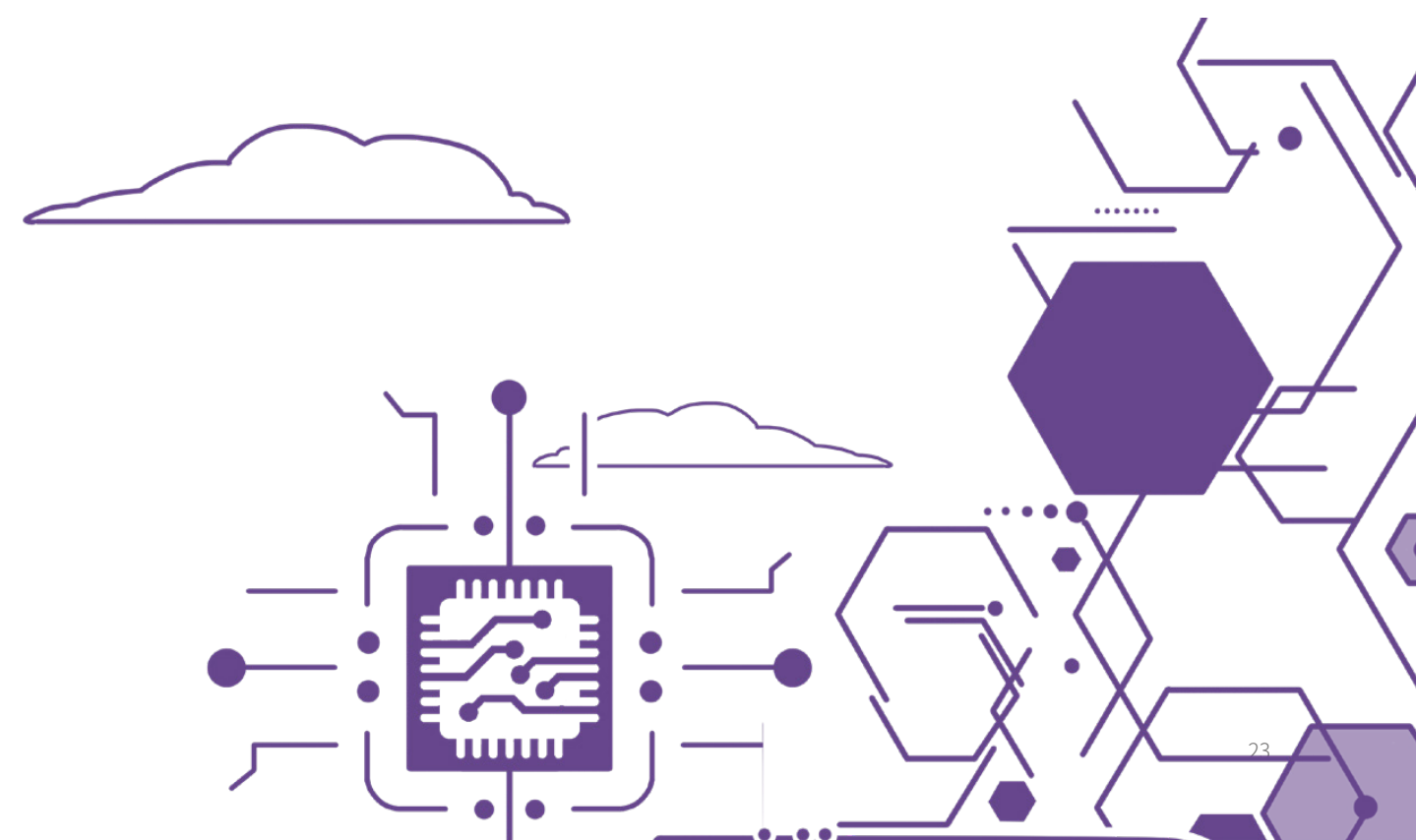
Fueling growth with strategic emerging industries

We align with SASAC's "9+6" strategic emerging industries and future industry scope, focusing on the national strategic layout of Key National Industries. We explore the fields of synthetic biology, biological detection, and artificial intelligence & robotics, and adopt a dual-drive approach of "investment + research" in the synthetic biology sector, aiming to strengthen the Group's overall layout and capabilities across key areas including scientific research, manufacturing, and product application, thereby supporting the construction of a synthetic biology industry platform. In the biological detection field, we focus on advancing feasibility studies for the transformation of existing biological detection products. As for the artificial intelligence and robotics domain, an initial development framework has been established, centered on building "an integrated robot industry ecosystem encompassing research, trial production, sales, and distribution". Leveraging Hong Kong's internationalization and research strengths, we fully integrate the Group's diverse industrial scale and application scenarios. By utilizing investment and industrial transformation strategies, we accelerate the incubation of technology startups. This effort aims to help more Hong Kong-based startups become leading science and technology unicorns or gazelles in the Greater Bay Area and globally.



CRL's smart cross-border distribution drives sustainable supply chain innovation

In December, CRL officially launched its smart cross-border distribution business in Hong Kong, providing integrated "transit warehouse + local delivery" services for e-commerce and electronic component customers in the Greater Bay Area. Adopting an asset-light strategy, the project avoids building warehouses, purchasing vehicles, or hiring dedicated staff. Instead, it consolidates external resources to create a shared logistics pool and maximize resource efficiency. Meanwhile, AI algorithms for intelligent load allocation and dynamic route optimization are leveraged to reduce vehicle usage and carbon emissions. Since its launch, cumulative revenue and gross margin have exceeded expectations, with EBIT turning positive ahead of schedule, validating the economic viability of the asset-light model and AI-driven optimization. This project has enhanced CRL's competitive edge while delivering measurable impact in environmental sustainability, social inclusion, and governance innovation.



Championing Innovation-led Growth

Innovating management mechanisms

We continue to refine our scientific research management framework, building on the development of the China Resources Research Institute of Science and Technology. By strengthening the sci-tech innovation system, enhancing sci-tech project management, and establishing a multi-tiered sci-tech talent structure, we have improved our innovation incentive mechanisms, boosted innovation vitality, and elevated overall research capabilities and levels. To support this effort, we have issued key regulations including the *Management Measures for Scientific Research Projects (Trial)*, the *Management Measures for Incentives in the Commercialization of Scientific Achievements (Trial)*, and the *Implementation Measures for Tolerance and Correction in Scientific Innovation (Trial)*. We have also held a briefing session on the tolerance-for-error policy to actively promote the commercialization of scientific research outcomes, and accelerate the application of technological advances in the market. In addition, we have organized various innovation workshops, lectures, and training sessions to spread the culture of innovation and encourage all employees to engage in innovative practices.



The 2024 Innovation Summit held by CR Enterprise

As of the end of 2024

We had established a sci-tech team of

121 professionals

including

79 technology R&D personnel

65%

41 technology management personnel

34%

Cultivating sci-tech talent

We actively build a pipeline of industry-leading sci-tech talent, exploring diverse recruitment strategies such as project-based hiring, targeted outreach, intermediary partnerships, and flexible employment models. We have introduced the *Management Measures for Sci-Tech Talent Recruitment (Trial)* and the *Management Measures for Part-time Scientific Personnel (Trial)*, enhancing our high-end research talent framework and forming high-caliber R&D teams. Through tiered and categorized management of sci-tech talent, we have unlocked a "chain effect" of talent attraction, aggregation, and development.

As of the end of 2024, we had established a sci-tech team of 121 professionals, primarily focused on fields such as life health, food and nutrition, new materials, smart hardware, and information technology, including 79 technology R&D personnel (65%), 41 technology management personnel (34%) and one technical support specialist. The team includes one group-level outstanding scientist, one group-level leading scientist, two company-level leading talents, and nine company-level key technical experts.

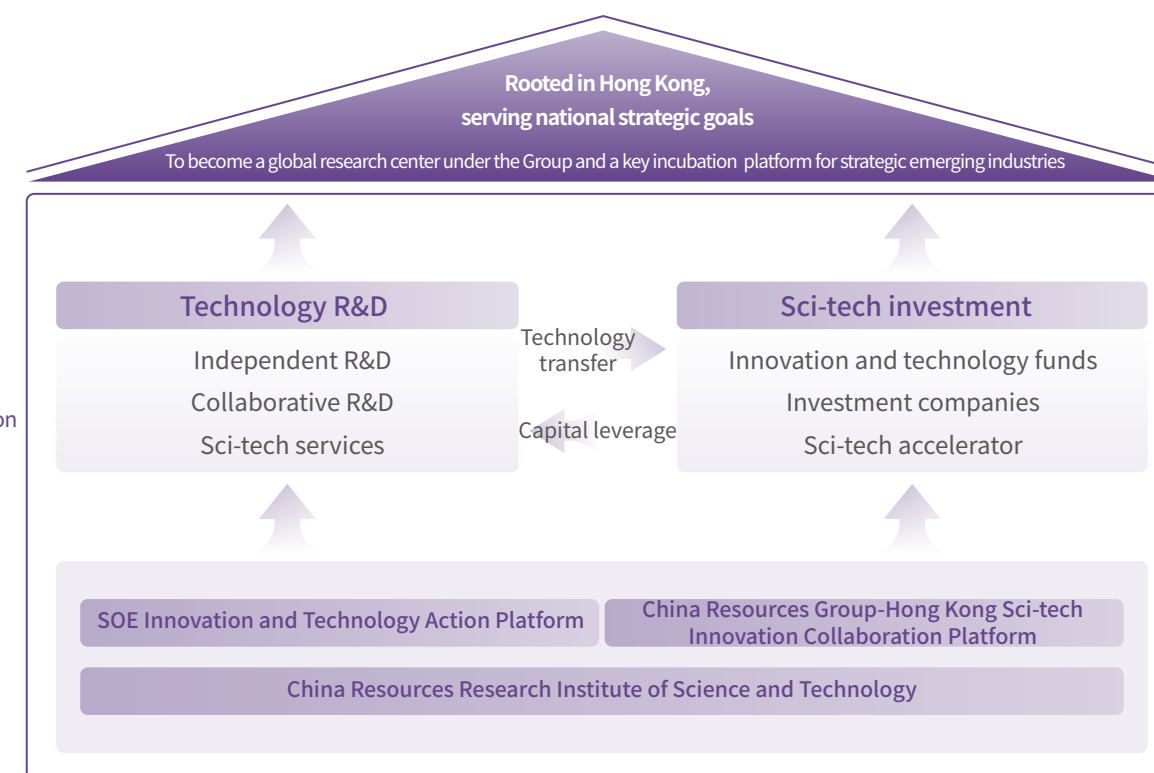
Building research platforms

We have taken comprehensive action across six key areas, including organizational structure, talent development, institutional mechanisms, research projects, R&D models, and R&D investment, to build a systematic research platform. We have supported the Group in establishing a dual-platform system comprising the SOE Innovation and Technology Action Platform and the China Resources Group-Hong Kong Sci-Tech Innovation Collaboration Platform, driving collaboration with universities and research institutions in Hong Kong and the Chinese mainland, as well as technology enterprises. Through these efforts, we continue to strengthen our influence in sci-tech innovation.

Strategic objectives

Implementation paths

Supporting platforms



CR Enterprise-Hong Kong Innovation Center Institute of Science and Technology and Yangtze Delta Region Institute of Tsinghua University, Zhejiang

The Center serves as a platform for high-level sci-tech innovation, high-value sci-tech outcome commercialization, and world-class talent recruitment, aiming to attract industry-leading experts.

CR-PolyU Joint Research Institute for Carbon Neutral New Materials

The Institute focuses on innovation in the fields of carbon neutrality and materials science, driving research, nurturing scientific talent, and launching startup projects.

CR Enterprise-Aerospace Biotechnology Innovation Joint Research Center

The Center promotes the participation of the Chinese University of Hong Kong (CUHK) and City University of Hong Kong (CityU) in space science experiments. Leveraging Hong Kong's research strengths, it advances joint scientific projects and drives industrial development through innovation.

Driving product innovation

We focus on sci-tech research, advance our research efforts through both collaborative and independent R&D, concentrate on key technological frontiers, and actively develop new, market-competitive technologies and products, further enhancing the influence of the Group's sci-tech innovation platform.



qPCR rapid detection device

We have developed the world's first ultra-compact, intelligent real-time fluorescent qPCR rapid detection device based on MEMS technology. The device has completed development and successfully obtained certification from China's National Medical Products Administration (NMPA). Large-scale biological performance testing by the Center for Animal Disease Control and Prevention under the Ministry of Agriculture and Rural Affairs confirmed that the device can effectively replace traditional fluorescent quantitative PCR instruments in African Swine fever virus (ASFV) screening.



Thickening powder

We have developed thickening powder tailored for patients with varying degrees of swallowing difficulties. Supported by letters of endorsement from the Hong Kong Housing Authority and Yan Oi Tong, the product will be submitted for the Government Trial Use Scheme, aiming to provide effective dietary assistance to elderly residents in their affiliated care homes.



Smart Robot for Elderly Vitality Recovery Training wins the 2023–2024 Hong Kong Awards for Industries: Equipment and Machinery Design

On December 16, the 2023–24 Hong Kong Awards for Industries: Equipment and Machinery Design ceremony, organized by the Government of the Hong Kong Special Administrative Region, officially commenced. The Smart Robot for Elderly Vitality Recovery Training project by the China Resources Research Institute of Science and Technology received the Equipment and Machinery Design Award. The project integrates key technologies including robotic control systems, remote video communication, and physical therapy equipment. Among them, the dual-arm, bidirectional, six-axis force-feedback robotic system demonstrates innovative thinking and technical excellence, filling a gap in existing solutions while offering elderly users more efficient and personalized rehabilitation options.



Extended reading

Established in 2005 with the support of the Government of the Hong Kong Special Administrative Region, the Hong Kong Awards for Industries were formed by merging the Hong Kong Industrial Award and the Hong Kong Service Award. The awards recognize outstanding achievements and excellence across various areas that contribute to enhancing corporate competitiveness in Hong Kong businesses.

Elevating Customer Experience

CR Enterprise is committed to a customer-centric philosophy, striving to build relationships based on mutual trust and shared success. We strictly adhere to national regulations and industry standards, establishing a high-quality, efficient product and service system, and building a comprehensive quality control framework across the entire supply chain. This ensures full coverage of quality management for all our products. We also actively improve after-sales service mechanisms and streamline the recall process for defective products, safeguarding both product integrity and consumer rights with a rigorous and responsible approach.

Enhancing service quality

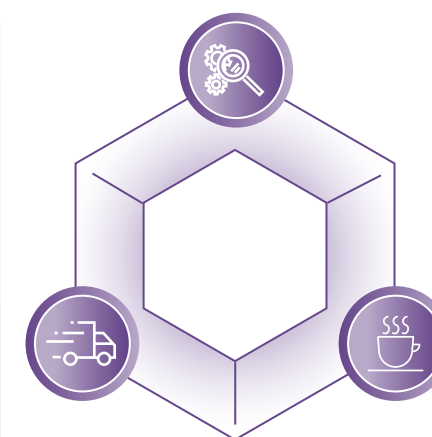
We uphold the principle of putting customers first, focusing on upgrading brand image and strengthening professional training for our customer service teams. By enhancing service quality control system and conducting regular customer satisfaction surveys, we promptly respond to customer needs and actively incorporate their feedback. Through more efficient and high-quality products and services, we aim to deliver an exceptional experience to consumers across the board.

CREP

We have upgraded commercial facilities, including exterior renovations, resurfacing of aging floors, and removal of illegal signage to create a more comfortable and safe shopping environment. In response to the needs of an aging population, CREP has added escalators and indoor lifts to improve accessibility across three key levels including the basement car park, shopping mall, and restaurant floor. We have also upgraded the WTT Square APP, integrating membership services and in-mall navigation to better connect online and offline experiences, building a convenient ecosystem for community-based services.

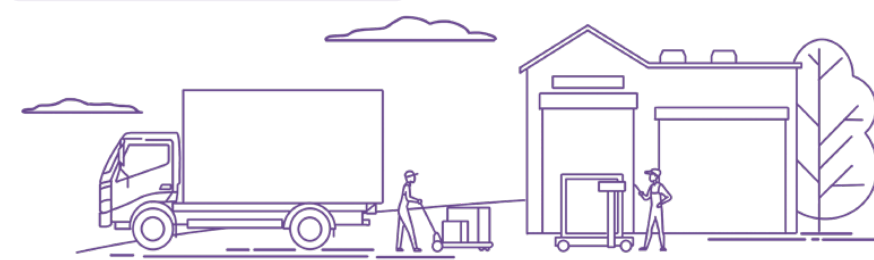
CRL

Driven by customer needs, the Cold Storage Department has deeply explored customer pain points and successfully developed and implemented over 60 customized service solutions. These include 2C delivery with fixed timing and locations, specialized warehousing services, and same-day platform reservation, covering the entire warehouse entry and exit process from logistics distribution and platform/pallet usage to packaging.



PCC

Committed to the high standard of service embodied in the motto Caring for Every Customer with Sincerity, it has built a service team to emphasize attention on detail, friendly interaction, and positive customer experience. The brand has integrated multiple online and offline ordering channels, partnered with various payment platforms across Hong Kong, and developed a reusable AR-powered digital marketing system to further enhance customer engagement and satisfaction.





The upgraded main entrance of WTT Square featuring additional escalators and smart fitness equipment



CRL deploys smart delivery lockers to bridge the "last mile" of community services

CRL has launched smart delivery terminals that operate on a "book online, collect offline" model. These smart lockers offer temperature-controlled storage and enable fast, bulk sorting and distribution. Designed with ergonomics in mind, the locker compartments are optimized for ease of use, and equipped with reusable QR codes to provide convenient access, particularly for elderly users. Since launch, CRL has installed four smart lockers at locations including the Lok Sin Tong Tung Tau Community Canteen and the Nutritional Meal Service Center. The system continues to evolve, now allowing users to select meals independently, while also enabling staff and merchants to view and manage delivery lists directly through the smart locker interface. By December 2024, the smart delivery lockers had served nearly 10,000 elderly individuals and subdivided flat residents, delivering over 100,000 meal boxes. The initiative offers a scalable and efficient solution to pressing urban challenges in Hong Kong, such as high labor and rental costs, and limited dining options in public housing communities.

CRL has installed
4
smart lockers

delivering over
100,000
meal boxes by
December 2024

Protecting customer rights

We strictly comply with all relevant legal and regulatory requirements, commit to responsible marketing practices, disclose product information in accordance with the law, standardize sales activities and labeling, avoid false or misleading claims, and clearly communicate potential product risks. Customer privacy is respected and protected in line with Hong Kong's *Personal Data Privacy Ordinance*. Meanwhile, we enforce strict confidentiality standards for personal data and fully safeguard consumers' legal rights, including the right to be informed, fair transaction, redress, and oversight. As part of this commitment, PCC provides detailed product information on the website, including the origin and processing methods of coffee beans, as well as maintenance guidelines for coffee machines.

Strengthening after-sales support

We proactively deliver after-sales service, establish a dedicated complaint response mechanism, and ensure smooth and accessible communication channels for consumers. Through various means, including phone and email, customers can easily protect their legal rights, reflecting the Company's commitment to earning customer trust through genuine, service-oriented engagement. As part of this effort, CRL regularly distributes satisfaction surveys to collect client feedback, continuously monitors responses, and implements improvement measures to effectively address complaints. To meet the complex and diverse needs of its customers, the Cold Storage Department has innovatively formed over 20 cross-functional "one-stop" communication teams. By integrating resources across warehouse operations, customer service, marketing, and finance, the Company ensures rapid resolution of customer requests, resulting in a notable increase in customer satisfaction. Meanwhile, PCC has also established a robust complaint handling system, providing multiple feedback channels to safeguard consumer rights through phone, email, and other accessible means.

In 2024, CRL achieved a 100% resolution rate for customer complaints, while the Cold Storage Department recorded an overall customer satisfaction score of 4.36 out of 5, reflecting a year-on-year improvement of 3.3%.

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4.36 out of 5



reflecting a year-on-year
improvement of **3.3%**



Dynamic Talent for Collective Progress and Development

Our commitment

CR Enterprise values the well-being and sense of belonging of every employee, respects and safeguards their legal rights. We prioritize employee health, safety, and overall welfare, promote a healthy work-life balance, and foster an equal, open, and harmonious working and communication environment. Committed to talent development, we have established clear career advancement pathways, fully engaging employees' enthusiasm and creativity, and injecting strong human capital momentum into the Company's sustainable growth.

Key performance

Overall labour productivity: HKD
1,344,300
per employee annually

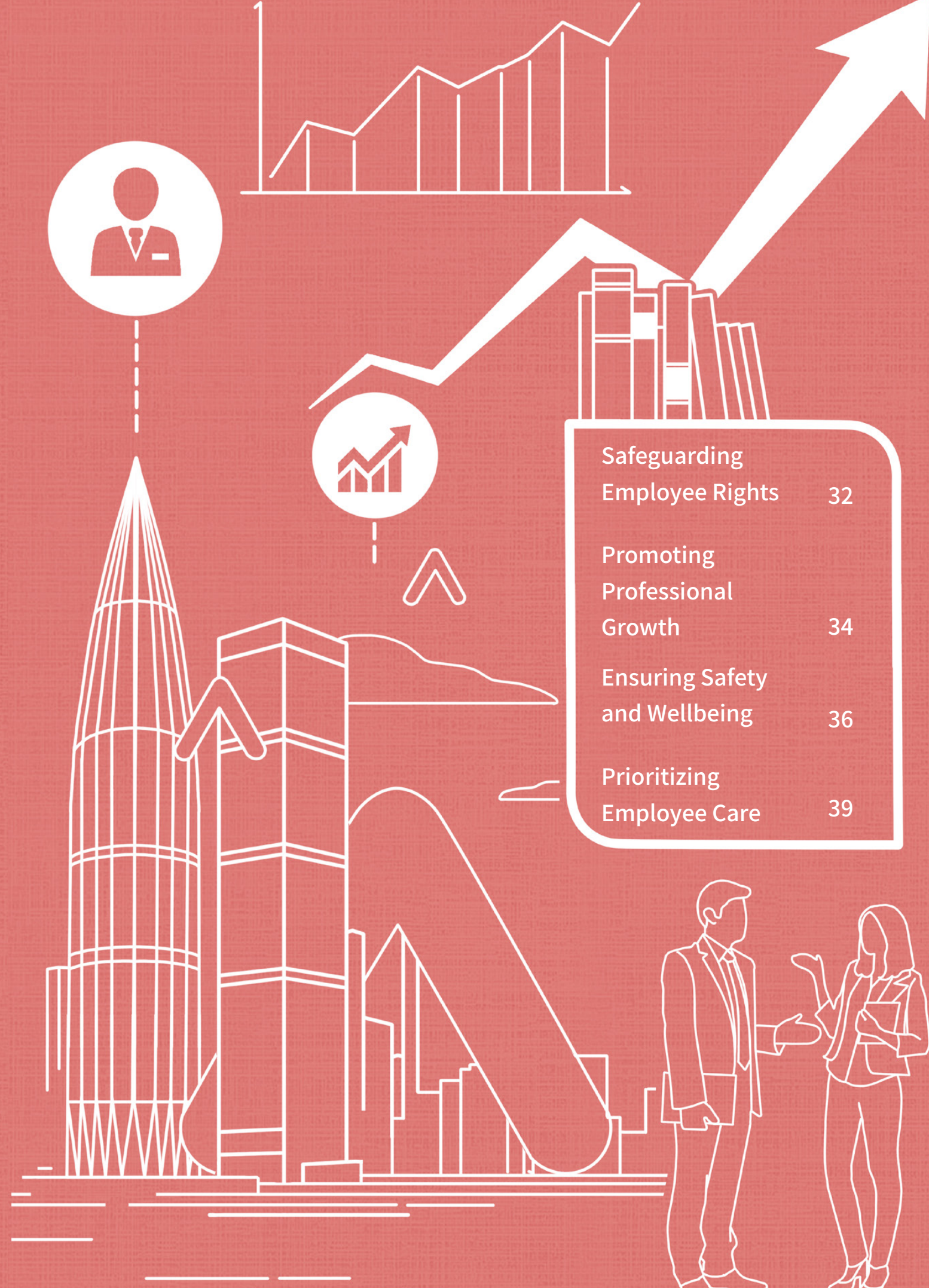
Percentage of female managers:
23.6%

Paid annual leave per employee:
15 days

Total employee training hours:
340,716

Health check-up coverage rate:
100%

Contributing to the UN SDGs



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Safeguarding Rights protection

Employee Rights

The Company upholds a management philosophy centered on legal compliance and people-first values, adhering to the principle of equal employment opportunities. We have established fair and transparent recruitment policies to ensure that all applicants are treated without discrimination based on gender, age, ethnicity, marital status, or family planning decisions. We strictly prohibit child labor, rigorously verify applicants' age information, and forbid the hiring of individuals below the legal working age. Regarding applicant privacy as a priority, we comply with relevant laws and regulations when collecting and using personal data, ensuring the confidentiality and security of employees' information. At the same time, we actively promote values of diversity, inclusion, and equality. As of the end of 2024, the Company's workforce represented 17 nationalities and included 11 ethnic minority groups.

As of the end of 2024

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17 nationalities

included 11 ethnic minority groups

Compensation and performance

The Company focuses on building a robust compensation and benefits system, refining salary adjustments for promotions, overseas assignments, and new employees, while optimizing the fixed-to-variable pay ratio. To attract and retain top scientific talent and promising young researchers, we have developed tailored compensation frameworks for high-level tech professionals, as well as for newly graduated PhD students and postdoctoral candidates in science and technology fields. A comprehensive, end-to-end compensation management system covering all employees, at all levels and across all categories has been established. We have advanced digitalization of compensation data and processes, implementing performance incentive programs approved by the Management Committee for invested companies. Additionally, we have introduced the *Incentive Plan for Technology Transfer Personnel at the Institute*, combining immediate rewards with medium-term to long-term incentives. Through multi-dimensional, differentiated incentive designs, we effectively boost employee motivation and engagement across the board.

Benefits and social security

The Company strictly complies with laws and regulations, including the *Social Insurance Law of the People's Republic of China* and the *Regulations on the Management of Housing Provident Fund*, providing employees with comprehensive and diversified benefits. All employees are fully enrolled in pension, medical, unemployment, work-related injury, and maternity insurance, as well as the housing provident fund. Contributions are calculated in accordance with regulatory requirements, and all payments are made on time and in full each month, achieving a 100% compliance rate. In addition, we offer supplementary commercial medical insurance to cover expenses not included in the national social insurance scheme, along with critical illness and accident insurance coverage. An enterprise annuity plan has also been established to support employees' long-term retirement planning. Statutory leaves, including paid annual leave and maternity leave, are strictly observed. We further enhance employee well-being by offering additional benefits such as health check-ups and professional training.

Democratic governance

As of the end of 2024

A total of 150 employee suggestions have been collected

with 94 issues already resolved

We actively promote a democratic management system, with the human resources department serving as a key bridge between the Company and our employees. Regular communication is maintained to listen to employee voices and gather feedback. A robust employee engagement mechanism has been established, including regular interviews and surveys. Anonymous feedback channels, such as suggestion boxes and online and offline anonymous voting, have been expanded to encourage open and constructive input. As part of this effort, the Chairman of PCC has led by example through the One Leader, One Zone approach, regularly visiting frontline stores for on-site research. A total of 150 employee suggestions have been collected, with 94 issues already resolved, demonstrating a concrete commitment to the principle of "solving real problems for the people".



PCC has been honored with the Outstanding Employer Award and the Talent Enterprise Grand Award by the Employees Retraining Board

Promoting Professional Growth

In 2024

A total of
8,639 employee

training sessions were conducted across headquarters and subsidiaries of the Company

marking a **17.5%**
year-on-year increase

With a **100%**
employee training coverage rate

the average learning hours
reached **166**
hours per employee

Employee development

We thoroughly implement the guiding principles of the central conference on talent-related work and the Group's 14th Five-Year Talent Development Plan, advancing the construction of our "3+1" talent team framework. We have developed the CR Enterprise value-renewal course, *Rekindling the Spirit of Entrepreneurship Across Generations*, and offered a wide range of internal and external training opportunities to enhance employees' technical skills and overall competencies, meeting their diverse needs for learning and professional growth.

In 2024, a total of 8,639 employee training sessions were conducted across headquarters and subsidiaries of the Company, marking a 17.5% year-on-year increase. With a 100% employee training coverage rate, the average learning hours reached 166 hours per employee. The CR Rising Stars leadership development program for young talents was recognized as an Outstanding Training Initiative by the Group. In addition, City super, a key invested company of CR Enterprise, has been honored with the HKRMA Service Talent Award (STA) for five consecutive years in recognition of its excellence in talent development.



CR Enterprise launches Phase I of the Sci-Tech Innovator Plan

To build a strong innovation network and cultivate a pipeline of high-level sci-tech talent in Hong Kong, CR Enterprise, in collaboration with the CR Learning and Innovation Center and the China Resource Business School (Hong Kong), we launched Phase I of the Sci-Tech Innovator Plan from May to November in 2024. The program consisted of three intensive training sessions, with total participation of 42 young sci-tech professionals from various units across CR Enterprise. Designed to develop a talent pool of "technology + management" interdisciplinary experts, the program combined policy studies, skill development, benchmarking exchanges, and action learning workshops to deepen participants' theoretical knowledge and sharpen their practical capabilities in science and technology. Aligned with the Company's innovation challenges, the program featured four key action-learning projects, guiding participants through the full cycle of project initiation, research, and final presentation, enabling in-depth exploration of core business issues while enhancing participants' R&D management skills. We aimed to nurture versatile, innovative talents who can drive technological progress and support the implementation of the Company's 14th Five-Year Strategic Plan.



Career advancement

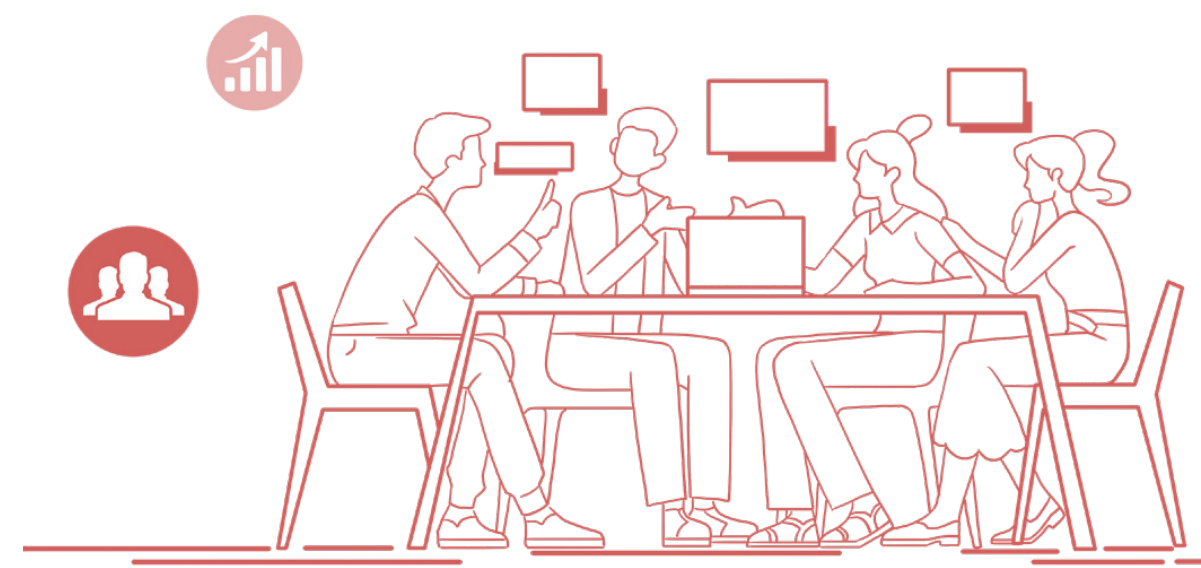
We place strong emphasis on talent development, continuously refining our tiered and categorized training system. We have established clear and diverse career advancement pathways, helping employees map out their professional growth plans and clearly define their direction and goals within the organization, thus revitalizing their career development journey.

We steadily advance the development of our management and director teams, and expand channels for talent identification and recruitment. Through organized leadership competitions and cross-unit rotations, we continuously optimize the structure of our managerial workforce.

We have optimized the management of sci-tech talents. During the reporting period, we conducted the first CR Enterprise-level tech-nology talent assessment, recognizing four leading and nine key technical talents. Among them, one was honored as CR Group's Outstanding Sci-Tech Talent of 2024, and another was awarded the title of CR Group's Leading Sci-Tech Talent.



We have established a comprehensive, end-to-end mechanism for selecting, cultivating, managing, and deploying outstanding young cadres. The *Guidelines for Building a Strong Young Leadership Team* have been introduced to strengthen the development of young talent and better leverage the capabilities of core personnel. A talent exchange platform for invested companies has been set up, alongside the implementation of the Fly YOUNG Program, which promotes job rotation and on-the-job training for promising young professionals. We continue to advance rotational assignments for management trainees, conduct regular performance reviews, and organize frontline business immersion programs for young key talents, thus fostering their all-around growth and long-term development.



Ensuring Safety and Wellbeing

Strengthening management systems

We have actively strengthened our Environment, Health and Safety (EHS) management system, and established an EHS Committee chaired by the Chairman and co-chaired by the President. At headquarters, a dedicated Health, Safety and Environment Department has been set up to oversee safety supervision and enforcement. With strict enforcement under the principle of Accountability with Authority to ensure full accountability, all responsible personnel have signed both the Two Responsibility Lists and position-specific EHS responsibility agreements, while the One Post, Two Responsibilities policy has been fully implemented across all levels. In parallel, we have developed and applied CR Enterprise EHS management system by integrating IoT and AI technologies, enabling automated risk identification and intelligent early-warning monitoring at pilot sites. In 2024, this system was honored with the Outstanding Application Award by SASAC, and the Digital Intelligence Innovation Project Award by the Group.

Preventing safety hazards

We have established regulations such as the *Administrative Measures for Identifying and Managing EHS Accident Hazards* and the *Standards for Classifying Major Accident Risks*, to standardize safety protocols. We closely track the rectification of identified hazards in real time, with particular focus on unresolved issues past due date, ensuring timely follow-up and closure. This enables a closed-loop management system for hazard identification and remediation. Furthermore, progress updates are publicly displayed on the Company's intranet, enhancing employee awareness and promoting transparency in safety governance.

In 2024, the Company headquarters conducted nine special safety campaigns and 92 on-site inspections, while all units combined carried out 1,555 safety checks. We achieved zero major safety hazards overall, identifying a total of 2,846 general hazards, with 2,831 resolved, thus reaching an annual hazard rectification rate of 99.47%. As a result, no general or higher-level incidents occurred throughout the year.

CRL

It has implemented an in-depth fire safety governance initiative, and established a routine fire inspection mechanism at all warehouses and terminals, with scheduled and location-based patrols conducted to identify and immediately rectify potential hazards. A comprehensive campaign to clear blocked fire exits was also launched under the Open Safety Channel special action. Inspections focused on evacuation door obstructions within customer-leased areas, aiming to reduce safety risks during emergencies such as fires at the source.

CREP

It has assigned full-time and part-time EHS personnel to ensure the independence of EHS supervision, completed hazard identification and risk assessments across all managed properties, establishing a regular inspection and oversight mechanism, and ensuring effective stakeholder management, including the creation of records for property management companies and project contractors, with clear EHS responsibilities, performance criteria, and disciplinary measures defined. A "blacklist" of stakeholders has also been introduced, barring cooperation with units with poor EHS records, lack proper qualifications, and frequent violations. As a result, EHS agreements now cover 100% of contractors, tenants, and property management entities.



CRL conducting on-site supervision and inspection

Enhancing emergency response

We standardize emergency management and response procedures by establishing regulations such as the *EHS Incident Emergency Management Measures*, the *Comprehensive Emergency Response Plan for EHS Incidents*, and other on-site emergency response plans. All units have developed and implemented annual emergency drill plans to enhance employees' capabilities in emergency response and crisis handling. In 2024, CRL conducted a total of 93 drills, with participation from 2,221 employees. Meanwhile, PCC Hong Kong revised the *EHS Early Warning and Emergency Response System*, incorporating new gas safety management protocols and enhanced emergency handling mechanisms.

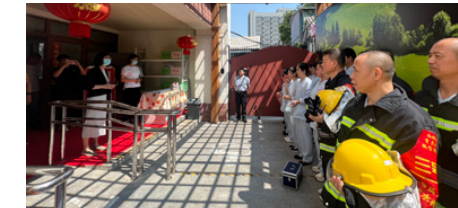
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CRL conducted a total of

93 drills

with participation from

2,221 employees



CRL Enterprise conducting on-site fire drill at an invested company-held elderly care facility



CREP's Riley House conducting integrated fire drill combining theory and practice

Promoting safety awareness and education

We actively promote safety awareness through themed campaigns such as Work Safety Month and National Fire Prevention Month, organizing a wide range of training sessions and outreach activities. We have produced video courses for our Safety Lecture Series, guiding employees in understanding occupational health and safety regulations, labor protection measures, and risk prevention practices. These initiatives aim to strengthen workplace safety culture and build a foundational defense capability, thus ensuring that everyone can identify risks and respond effectively in emergencies.



CR Enterprise launching 2024 EHS Innovation and Review Experts Specialized Training Program



CR Enterprise organizing a multi-dimensional immersive safety education experience activity

CRL and Zhongshan Municipal People's Government launches a dedicated fire station

On November 6, CRL, in collaboration with the Zhongshan Municipal People's Government, officially set up a dedicated fire checkpoint at the Banfu Logistics Park. Equipped with advanced firefighting equipment and a professional fire team, the checkpoint marks the implementation of a new fire safety model combining full-time and part-time emergency resources to enhance coordinated risk prevention. During the inauguration ceremony, the annual Fire Safety Awareness Month campaign was also launched. Government and corporate teams jointly conducted a full-cycle operational drill from planning to response to post-incident review, effectively testing interdepartmental coordination and establishing a new cooperation framework featuring shared resources, joint emergency training, and integrated digital systems. On the same day, CRL was honored as a Benchmark Enterprise in Fire Checkpoint Construction by local authorities.



Protecting occupational health

We place a strong emphasis on employee health and safety, complying with laws and regulations including the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and the *Administrative Measures for the Declaration of Occupational Hazard Projects*. We have established internal guidelines such as the *Occupational Health Management Measures* and the *Guidelines for the Management of Personal Protective Equipment*, to strengthen our occupational health system. These measures aim to prevent, control, and eliminate occupational hazards, while continuously improving occupational health standards. In addition, we actively support mental well-being. In collaboration with the CR-EAP, we have launched professional development camps to cultivate a core team of mental health advocates among Hong Kong-based employees. Through initiatives such as a mental wellness hotline, health consultations, on-site counseling, and psychological assessments, the Company helps employees address personal and work-related challenges, thus safeguarding both physical and mental well-being.

CRL



It has enhanced emergency medical facilities by installing three automated external defibrillators (AEDs) in key areas, and launched the Golden Four Minutes Initiative to strengthen emergency response capabilities, focusing on core skills such as CPR techniques and AED operation. As a result, 100% of trained personnel have achieved full proficiency in standardized first-aid procedures. In addition, CRL has introduced "fitness-for-duty health screenings" for truck drivers aged 60 and above. By implementing proactive health interventions, the Company has advanced the prevention and control of occupational health risks.

CREP



It has organized employees to participate in a mental health awareness program hosted by the Hong Kong Occupational Health Bureau. During Occupational Disease Awareness Week, it aired TV public service announcements, displayed posters in offices and shopping malls, and conducted a series of Stress-relief Workshop activities. Employees were also reminded via email to engage in regular physical activity and manage stress through healthy coping mechanisms. For the fifth consecutive year, CREP has been awarded the Happy Workplace title under the Promoting Happiness Index Fund's Happy Enterprise Initiative in Hong Kong.



Invited by CR Enterprise, Hong Kong St. John Ambulance delivering comprehensive first aid training



CRL's EHS-themed awareness posters

Prioritizing Employee Care

Supporting female employees

We ensure that female employees are entitled to paid maternity and parental leave, and establish dedicated lactation rooms in the workplace to fully protect the legal rights of women during pregnancy, childbirth, and breastfeeding. Leveraging International Women's Day as an opportunity, we have widely organized themed events, integrating care for female employees into daily practice.



International Women's Day celebration



Body Combat fitness session for female employees

Addressing employee needs

We regularly organize activities for frontline employees, proactively launching our Cool Relief Initiative during extreme heat periods. We also conduct welfare and benefits awareness sessions tailored to employee needs, ensuring that every employee feels the care and warmth of a supportive workplace community.



Securing Today, Sharing Tomorrow Benefit Briefing Session of China Resources Research Institute of Science and Technology

Balancing work and life

We promote a culture of joyful work and healthy living, and regularly organize a range of cultural and sports activities such as employee mixers, crafting workshops, and badminton tournaments. These initiatives foster a positive and energetic workplace atmosphere, helping employees enrich their daily lives, relieve stress, and strengthening the Company's cohesion and sense of unity.



CR Enterprise employee networking



CRL Cantonese training session



CRL employee badminton exchange tournament



CREP Laughter Yoga Workshop

Collaborative Efforts for Common Prosperity and Advancement

Our commitment

We actively build a science and technology innovation network in Hong Kong, and deeply participate in the implementation of the *Hong Kong Innovation and Technology Development Blueprint*. We have partnered with major local universities, research institutions, and enterprises to jointly establish research centers and laboratories, strengthening the integration of Hong Kong's innovation chain with the industrial supply chain on the Chinese mainland. Additionally, we advance the convergence of high-quality talent from around the world and facilitate the deep integration of resources in key national regions, working toward the shared goal of building a globally influential hub for technological and industrial innovation.

Key performance

Contract fulfillment rate: **100%** Total suppliers: **2,729**

Certify rate of core suppliers in quality, environmental, and occupational health and safety management systems: **100%**

Contributing to the UN SDGs



Deepening Strategic Partnerships

Resource sharing

We are committed to building an open innovation platform to bring together advanced technology R&D from Hong Kong and overseas, and facilitate the transformation of R&D outcomes. By connecting global innovation resources, we play a key role in attracting and nurturing talent and expertise, aiming to become a driving force in Hong Kong's development as an international innovation and technology hub. Leveraging our government and business networks and strengths in consumer-focused assets, we accelerate efforts to "connect Hong Kong with the Chinese mainland and the world", introducing high-quality domestic products, brands, and supply chains into the Hong Kong market, and supporting the high-quality global expansion of Chinese brands.



Inaugural Innovation and Technology Lecture in Hong Kong is successfully held

To bridge Hong Kong's sci-tech capabilities with industrial resources on the Chinese mainland, the China Resources Research Institute of Science and Technology hosted the inaugural Innovation and Technology Lecture in Hong Kong on December 9. Professor Xi Ning and Visiting Professor Chen Heping from the University of Hong Kong shared insights on the latest trends in AI and robotics, as well as the opportunities and challenges of the AI era. The lecture was followed by a signing ceremony for joint R&D projects and technology collaboration between SOEs and Hong Kong-based partners. This initiative not only provided a platform for cross-border exchange between enterprises in Hong Kong and the Chinese mainland, but also injected new momentum into the development of Hong Kong's sci-tech innovation.



CREP signs strategic partnership with the Greater Bay Area Importers and Exporters Association

On September 3, CREP signed a strategic cooperation agreement with the Greater Bay Area Importers and Exporters Association in Hong Kong. The two parties established a joint working group to leverage their respective resources and strengths, enhanced collaboration in areas such as strategic alignment, organizational support, and resource complementarity, and planned to deepen practical cooperation through initiatives including curated fairs for premium Chinese brands, supporting the entry of renowned domestic "new three categories" brands into Hong Kong, cultivating international brands, introducing new consumer formats and intangible cultural heritage (ICH) cultural products, and co-hosting seminars on empowering Chinese brands for global expansion. This partnership aims to explore new pathways and models for high-quality brand globalization, contributing Hong Kong's expertise and momentum to the overseas growth of Chinese enterprises.



Collaborative partnerships

We leverage a collaborative innovation mechanism, integrating diverse resources and capabilities to continuously strengthen coordination with government agencies and enterprises, accelerating the transformation of scientific and technological achievements into industrial output. Actively aligning with the development of the Northern Metropolis, we make proactive efforts in areas such as industrial upgrading and resource integration, and inject strong momentum into regional coordinated development through complementary strengths.

At an event hosted by the Government of the Hong Kong Special Administrative Region for enterprises participating in the Northern Metropolis development, CREEnterprise signed a *Letter of Intent to Support and Participate in the Development of the Northern Metropolis*, along with two cross-border logistics cooperation agreements, providing strong support for the creation of integrated cross-border logistics solutions within the Greater Bay Area.



At the Key Enterprise Partnership signing ceremony hosted by the Government of the Hong Kong Special Administrative Region, the China Resources Research Institute of Science and Technology signed a cooperation agreement with the government's Office for Attracting Strategic Enterprises. The partnership will focus on building a world-class research platform in Hong Kong to accelerate the translation of cutting-edge technologies, such as AI and life sciences, into practical applications, fostering the development of new quality productive forces.



The China Resources Research Institute of Science and Technology signed a memorandum of understanding with Hong Kong-Shenzhen Innovation and Technology Park (HSITP), becoming one of the first partner institutions. The two parties will jointly establish a biological testing center, focusing on advanced research, testing, and application services in biomedicine. This collaboration aims to build a core competitive advantage in science-driven industrial development, meeting growing social demands in healthcare and medicine.



The China Resources Research Institute of Science and Technology has jointly established a Smart Robotics Research Center for Elderly Care with Roborn, and launched the *China Resources Research Institute of Science and Technology - Roborn Senior Mobility Recovery Training Robot Project*. The collaboration focuses on developing intelligent robotic solutions for elderly mobility recovery training and rehabilitation and care services, aiming to address key challenges in the aging care industry through advanced robotics technology.



Industry-academia-research integration

In 2024

Set up the RAISE+ Scheme, allocating
HKD **10** billion to support
strong R&D potentials

We actively connect high-quality science and technology resources from Hong Kong and the Chinese mainland, and collaborate closely with enterprises and universities to set a new benchmark for the deep integration of industry, academia, and research. In particular, in response to the Hong Kong government's key initiative to promote industry-academia-research collaboration, namely the RAISE+ Scheme, which allocates HKD 10 billion to support university teams with strong R&D potential, we have established solid partnerships with institutions such as the University of Hong Kong and the Chinese University of Hong Kong, actively recommending projects and participating in joint applications.



CR Enterprise supports multiple university research projects in securing funding under Hong Kong's RAISE+ Scheme



China Resources Research Institute of Science and Technology hosts Innovation and Technology Platform and Hong Kong Universities for Industry-Academia-Research Collaboration Event

On December 13, hosted by the Group and organized by the China Resources Research Institute of Science and Technology, Innovation and Technology Platform and Hong Kong Universities for Industry-Academia-Research Collaboration event was held at CityU. The event aimed to strengthen collaboration between Hong Kong's innovation ecosystem and the Chinese mainland, s industrial resources, fostering greater engagement between central enterprises and local universities to accelerate the application and commercialization of Hong Kong's scientific achievements. During the thematic exchange session, professorial teams from CityU shared insights on key areas including energy storage, semiconductor packaging, wind turbine blade recycling, and biomedical sciences, engaging in in-depth discussions with members of the Innovation and Technology Action Platform and attending representatives. The event further enhanced cross-disciplinary collaboration between central enterprises and Hong Kong universities, injecting fresh momentum into the city's sci-tech innovation landscape.



Media relations

We enhance our brand visibility through strategic collaborations with media, adopt a multi-channel approach, including press conferences, industry forums, and social media, to effectively convey key messages, and further amplify our brand presence with cross-sector partnerships. In 2024, we launched the A Cup, A Book, A World Initiative, marking the opening of a co-branded store between PCC and SDX Joint Publishing Company in Hong Kong. The "coffee + reading" concept attracted significant media attention and contributed to cultural exchange in the city. Meanwhile, the China Resources Research Institute of Science and Technology expanded its outreach through diverse media collaborations and innovative communication strategies, securing more than ten news features in mainstream media outlets across Hong Kong and the Chinese mainland, significantly boosting its brand influence.



Supporting Industry Growth

We actively contribute to industry development through a multi-dimensional approach that integrates sci-tech innovation, industry-academia-research collaboration, regional coordination, green transformation, and social responsibility. By strengthening our competitiveness in science and technology, consumer goods, and healthcare, we drive the establishment of a sustainable and resilient industry ecosystem.

January 25

On January 25, the China Resources Research Institute of Science and Technology, in collaboration with the China Resource Business School (Hong Kong) and CR Pharma COMM, hosted the Runjian TALK event, an innovation and entrepreneurship salon for pharmaceutical scientists. Targeting entrepreneurs, researchers, and innovators from Hong Kong universities, research institutions, and the biopharmaceutical and healthcare sectors, the event provided a platform for exchange, collaboration, and learning, aimed at boosting the development of Hong Kong's biomedical industry.



September
27-29

On September 27-29, City super, a key equity-held enterprise of CR Enterprise, participated in the 3rd China (Macau) High-quality Consumption Exhibition. We showcased our private-label products, sake wholesale offerings, Hong Kong-made premium goods, and public welfare initiatives supporting rural agriculture, embodying our craftsmanship and dedication to "crafting a better lifestyle".



October 20

On October 20, Qin Jun, Chief Scientist, and Wang Yi, Senior Scientist of the Life and Health Division at the China Resources Research Institute of Science and Technology, attended the 23rd Human Proteome Organization World Congress (HUPO) and the Proteomic Navigator of the Human Body (π-HuB) workshop. Their participation enabled the Company to stay at the forefront of global scientific developments and technological advancements in proteomics, while also laying the groundwork for future international research collaborations.

Strengthening Supply Chain Management

Standardized supplier management

We uphold a supplier management philosophy centered on shared development, continuously improving our procurement policies and advocating transparency, fairness, and impartiality across the entire process. We strictly follow the *Supplier Management Guidelines* and establish a robust supplier management system, implementing dynamic performance evaluations throughout the supplier lifecycle to safeguard their legitimate rights and interests. By leveraging the complementary strengths of both parties, we promote extended supply chain management, facilitating the collaborative sharing of new technologies and advanced manufacturing practices to achieve mutual benefits. We also actively advance localized procurement in Hong Kong, and work closely with local suppliers to foster win-win partnerships.

Responsible procurement practices

Committed to building and maintaining a resilient and healthy business ecosystem with our partners, we have developed the *Supplier EHS Management Guidelines* to promote green procurement and establish a sustainable supply chain, conducted regular supplier audits to prevent any human rights violations, such as forced labor or child employment, and established a supplier exit mechanism to ensure compliance and drive continuous improvement in supply chain sustainability.



E-procurement

We utilize an e-procurement information system to digitize the entire procurement process, ensuring full compliance with legal and regulatory requirements. In 2024, we continued to enhance procurement efficiency and streamline processes, achieving an e-procurement rate of 95%;



Ethical supply chain

We include the *Sunshine Declaration* in procurement documents, requiring suppliers to sign and adhere to our principles. Through the CR Shouzheng electronic tendering and procurement platform, we provide a fair and transparent competitive environment, actively opposing commercial fraud and fostering a culture of integrity and ethical business practices.

Green Innovation for a Sustainable and Thriving Future

Our commitment

We are fully committed to the national vision of ecological civilization, driving forward a comprehensive green and low-carbon transformation. We integrate carbon peaking and carbon neutrality goals across all aspects of business development and operations, with key initiatives including energy and resource conservation for emissions reduction, the exploration of renewable energy projects, promotion of company-wide green lifestyle practices, and encouragement of sustainable consumption. Through these efforts, we contribute to global climate governance.

Key performance

Total investment in environmental protection:

HKD 9,934,600

Environmental training and awareness sessions conducted:

8

Total annual energy consumption:

5,032 tons of standard coal equivalent

Annual energy consumption reduction:

66 tons of standard coal equivalent

Contributing to the UN SDGs



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Fostering Sustainability Culture	57

Consolidating Environmental Management

Environmental management systems

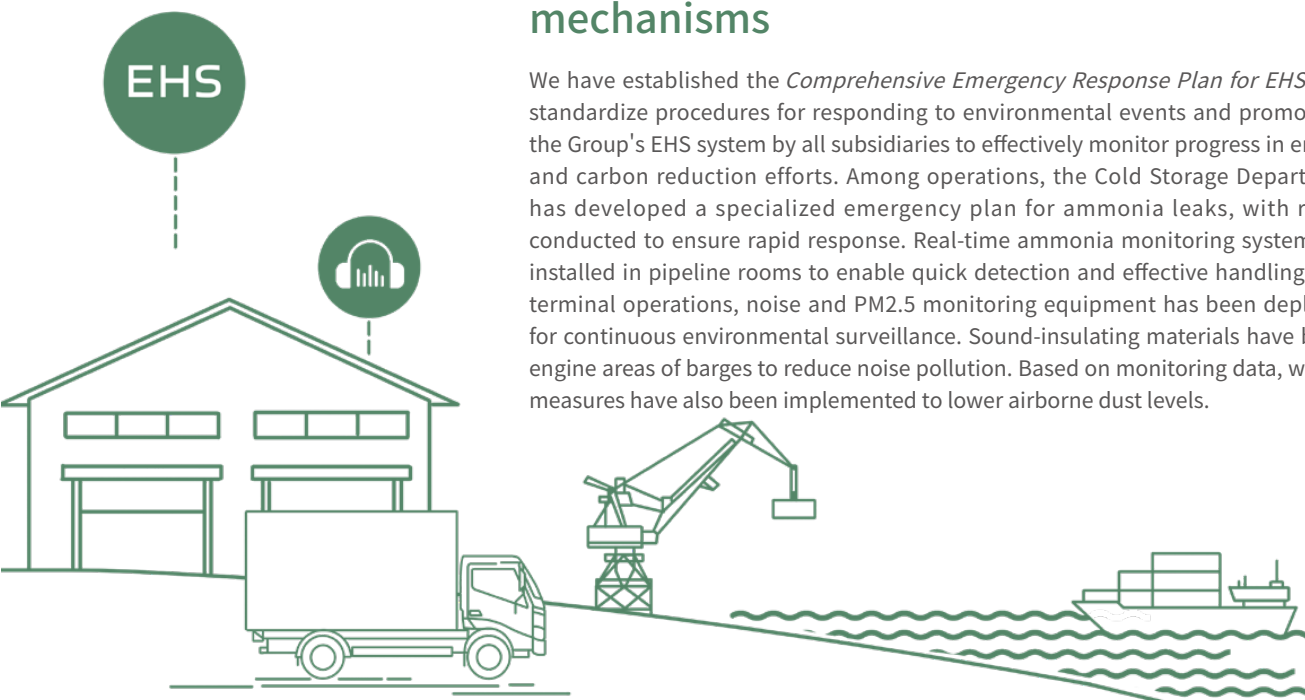
We continue to strengthen our environmental management system, with a dedicated Health, Safety and Environment Department established at headquarters to oversee environmental supervision. Adhering to the principle of Accountability with Authority, we clearly define the environmental responsibilities of each functional department and promote the continuous improvement of EHS systems across all subsidiaries, ensuring that environmental protection measures are effectively implemented. In particular, CREP has included "ecological conservation" in the *General EHS Management Elements* and developed an *EHS Management Protocol*, while PCC has introduced its own *EHS Ecological Conservation Policy*.



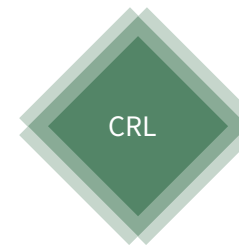
China Resources Logistics (Yuen Fat Wharf & Godown) Limited was honored with Bronze Award in the Outstanding Environmental, Safety, and Health Performance Category at the Hong Kong Green Awards by the Green Council

Environmental early warning and emergency mechanisms

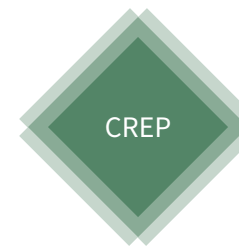
We have established the *Comprehensive Emergency Response Plan for EHS Incidents* to standardize procedures for responding to environmental events and promote the use of the Group's EHS system by all subsidiaries to effectively monitor progress in environmental and carbon reduction efforts. Among operations, the Cold Storage Department of CRL has developed a specialized emergency plan for ammonia leaks, with regular drills conducted to ensure rapid response. Real-time ammonia monitoring systems have been installed in pipeline rooms to enable quick detection and effective handling of leaks. For terminal operations, noise and PM2.5 monitoring equipment has been deployed on-site for continuous environmental surveillance. Sound-insulating materials have been fitted in engine areas of barges to reduce noise pollution. Based on monitoring data, water-spraying measures have also been implemented to lower airborne dust levels.



Development and application of green technologies



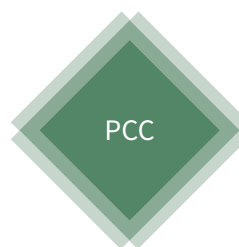
It has launched the construction of green and low-carbon demonstration projects for the warehouse in Chai Wan, Hong Kong, and the logistics park in Beijing, and developed a *Work Plan for the Development of Low-carbon Demonstration Parks (Warehouses)*, conducting feasibility assessments on a range of elements including photovoltaic installations, warehouse energy storage systems, charging infrastructure, lighting and elevator upgrades, and the implementation of a smart carbon management platform.



It has invested HKD 4.5 million to implement an intelligent energy-saving management system, and establish a reliable data collection network to enable real-time monitoring, smart analysis, and dynamic control of the operation status and performance data of mall cooling systems. This initiative aims to reduce energy consumption in the air conditioning systems of covered malls by an average of approximately 6.5%, while maintaining stable and comfortable indoor temperatures, ensuring "warmth in winter and coolness in summer".



CREP smart energy management system (software + hardware)

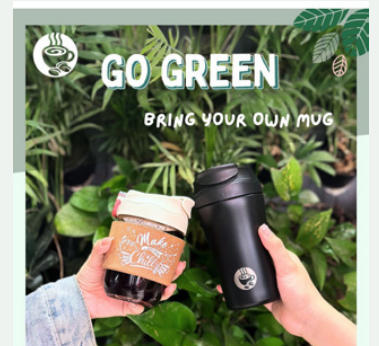


In the design and operation of new stores, it prioritizes the use of green building materials and recyclable resources, simplifies interior finishes, and reuses equipment from old branches to promote resource recycling. It also explores alternatives to conventional materials, replacing plastic mug lids with sugarcane-based lids in selected stores to reduce plastic consumption at the source.

In 2024

The use of plastic mug lids across PCC decreased by

25.31% year-on-year



PCC's Bring Your Own Mug Incentive Program

Advancing Green and Low-carbon Practices

Energy management

Committed to green development and aligned with the national Dual Carbon strategy, we deepen our energy management system, advance energy-saving and carbon reduction initiatives, upgrade high-energy-consuming equipment, develop new energy projects, and improve energy efficiency. These efforts aim to establish benchmark low-carbon demonstration projects that showcase sustainable business practices.

The Company's comprehensive energy consumption per RMB 10,000 of output (tons of standard coal/RMB 10,000) decreased by

3.48% compared to 2023



The comprehensive energy consumption per RMB 10,000 of added value (tons of standard coal/RMB 10,000) decreased by

5.58% compared to 2023



CRL

It has established a dedicated green and low-carbon task force to coordinate CRL's energy conservation and environmental protection initiatives, and advance the transformation of the ammonia refrigeration system at the Sha Tin Second Warehouse. The new system adopts a safer and more energy-efficient ammonia/CO₂ secondary cooling loop design, significantly reducing ammonia storage volume. It is expected to cut energy consumption by more than 30% for the same cooling output. In parallel, operational efficiency continues to be optimized through precise adjustment of refrigeration system parameters. While maintaining stable warehouse temperatures, the operating temperature of the cooling liquid has been raised by 2°C, expecting to achieve an additional 5% energy saving effect upon deployment.



CREP

It conducts monthly monitoring and analysis of energy consumption and carbon emissions data. It has upgraded the high-energy-consuming cooling system at MongKok New Town Mall, resulting in a 15% reduction in electricity usage compared to the same period in 2023 after the new system was put into operation.



PCC

It has developed the *EHS Energy Management Policy*, establishing standard operating procedures (SOPs) for energy conservation and emissions reduction in its environmentally friendly model stores, along with equipment-specific guidelines for energy-efficient operations of lighting and air conditioning systems. These measures aim to minimize unnecessary electricity consumption. It also compiles Scope 2 carbon emissions data on a monthly basis, continuously monitoring and tracking carbon footprint changes across all branches.

Clean energy adoption

We actively explore and invest in new energy solutions, with a strong focus on developing renewable energy projects, particularly solar power. Additionally, we promote the use of clean energy, phase out high-energy-consuming traditional equipment, and reduce reliance on fossil fuels, to accelerate our transition toward a more efficient and low-carbon future.

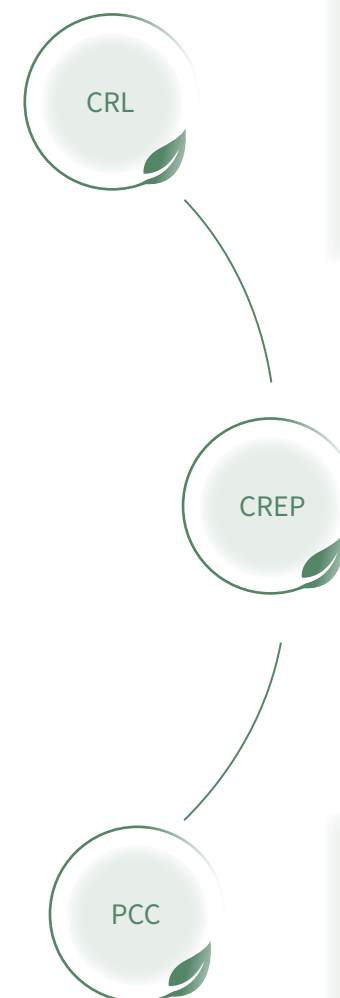
The Company's ratio of new energy consumption to total electricity use cumulatively accounted for

2.15%

with an increase by

918.8%

compared to 2023



In 2024, it completed the photovoltaic (PV) project at the Zhongshan Company, achieving a 98% self-consumption rate of green electricity within the logistics park. To date, it has commissioned five distributed PV projects across warehouses, with a total installed capacity of 1.5 MW and an annual power generation capacity exceeding 1.529 GWh. The Beijing and Zhongshan companies adopted a "self-generation for self-use, surplus to grid" model for rooftop solar installations, collectively consuming 707,423 kWh of green electricity, with a consumption rate of 98%. It also promotes green transportation by replacing all forklifts in terminal and dry warehouse operations with electric models. During the year, it phased out seven liquefied petroleum gas (LPG)-powered forklifts.

It completed the WTT Square community mall solar power project and upgraded the aging solar panels at Riley House, bringing its total installed photovoltaic capacity to 500 KW. The system is now grid-connected and continuously supplying green electricity to the power network. In 2024, the self-generated and self-consumed solar energy volume was 67,830 kWh.



Solar power installation on the rooftop of Wan Tau Tong Plaza

All environmentally friendly model stores are equipped with solar-powered lighting. Across the MOOJO brand, all branches have applied hydrogen-blended eco-gas as fuel in kitchens, and phased out LPG, while prioritizing LED lighting and high-efficiency equipment for store lighting systems.



CRL' Zhongshan Photovoltaic Power Project is successfully connected to the grid

The photovoltaic project at CRL Zhongshan Company covers approximately 6,000 square meters of rooftop space within the logistics park. With an installed capacity of 0.5 MWp, the project is capable of generating up to 500,000 kWh of electricity in its first year, around 1,400 kWh per day, expected to achieve a 90% self-consumption rate annually. This initiative provides strong support for the park's transition toward a cleaner energy structure. Operating under a "self-generation for self-use, surplus to grid" model, the distributed solar system helps the company avoid the equivalent of 200 tons of standard coal consumption and 498.5 tons of CO₂ emissions annually, compared with a conventional thermal power plant producing the same amount of electricity. By the end of 2024, cumulative generation had already exceeded 46,000 kWh.



Waste management

Recycling and resource recovery



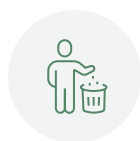
Plastic bottle recycling equipment at Wan Tau Tong Plaza

CRL



In collaboration with environmental organization Greeners Action, CRL' Sha Tin cold storage facility has joined a local pilot program aimed at improving plastic waste recycling efficiency for commercial and industrial sectors. A compacting machine has been installed on site, significantly reducing the storage space required for discarded plastic film. The compressed plastic waste is then collected and processed by local recyclers, promoting circular reuse and reducing solid waste emissions.

CREP



At Wan Tau Tong Plaza, it has launched a pilot program for plastic bottle recycling, collecting used bottles from shoppers and nearby residents. By linking the initiative with the WTT Square mall app, participants are rewarded with shopping points, encouraging broader community involvement. This effort not only conserves resources and reduces environmental pollution, but also raises public awareness of circular resource use and sustainable development.

PCC



It actively encourages customers to participate in the coffee grounds recycling program. In collaboration with the Hong Kong Polytechnic University, it innovatively transforms recycled coffee waste into raw materials for the production of eco-friendly mugs and apparel. These sustainable products are then introduced to the market, turning waste into valuable resources and promoting circular economy practices.



Coffee grounds recycling program

Hazardous material management

If customers of CRL require storage of hazardous chemicals, we assist in transferring the goods to licensed hazardous materials warehouses. To manage unexpected entries of dangerous goods into our warehouses, the Dry Warehouse Department has established clear procedures under *Warehouse Department – Handling Special Circumstances for Goods*. These outline the responsibilities of cargo inspectors in checking product labels, protocols for identifying and handling hazardous materials, and emergency response measures for chemical leaks. For minor quantities of flammable substances used in equipment maintenance, all warehouses are equipped with hazardous material storage cabinets to ensure safe and secure handling of commonly used hazardous items.

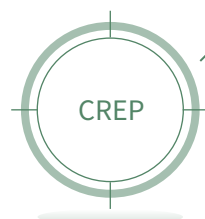
Noise control

The Cold Storage Department of CRL continues to optimize equipment management and establishes a long-term environmental monitoring system. As part of the Sha Tin Cold Store Condenser Noise Reduction Project, it has implemented a phased improvement plan to systematically enhance the acoustic environment for nearby communities. During the interim phase, effective measures, including reducing the operating speed of four condensers, shutting down some units at night, and setting up temporary noise barriers, were introduced alongside continuous noise monitoring, ensuring sound levels remain consistently below regulatory limits. Following upgrading equipment and replacing four aging condensers, nighttime noise levels have dropped significantly from near the legal limit of 60 decibels, creating a quieter and more comfortable living environment for the community.

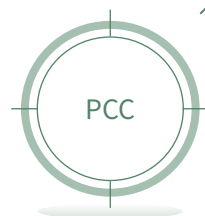


Green supply chain practices

We have built a comprehensive green supply chain by rigorously selecting environmentally responsible suppliers, ensuring that raw material sourcing is sustainable and pollution-free. This effort drives the entire industry chain to embrace green and low-carbon practices, fostering a win-win outcome for eco-friendly consumption and environmental protection.



It encourages contractors to adopt more environmentally friendly construction practices, and conducts EHS pre-qualification assessments and scoring, covering key areas such as environmental management controls and site safety measures.



It prioritizes suppliers with environmental certifications (for example, Green Food Certification) when sourcing raw materials such as coffee beans. For paper-based products, it gives preference to suppliers certified by the FSC.

It actively promotes plant-based products with lower carbon footprints, and introduces portable mugs made from recycled coffee grounds, offering consumers more sustainable choices.



A green procurement meeting hosted by CRL

Green packaging solutions

PCC actively promotes environmental sustainability by joining the Less Waste, More Taste, Tableware First campaign hosted by the Hong Kong Environmental Protection Department. It encourages customers to reduce the use of disposable mugs and takeaway bags by offering a HKD 3 discount for bringing their own mugs. The Maritime Square branch and International Exchange Center branch were recognized with Silver and Bronze Awards, respectively, for their outstanding performance and measurable impact in energy and plastic reduction, highlighting PCC's leadership and exemplary role in environmental initiatives.



PCC (Maritime Square branch) receiving Silver Award in the Plastic-free Pioneer Award

Building Climate Resilience

CR Enterprise has thoroughly implemented the state's major policy decisions on carbon peaking and carbon neutrality, advancing the Group's related requirements with concrete actions. We have formulated and steadily implemented our *Carbon Peaking Action Plan* and *Carbon Peaking Work Program*, continuously increasing investment in green and low-carbon technological innovation, improving energy and resource efficiency, and expanding the frontiers of sustainable development. In 2024, we achieved a significant decline in carbon dioxide emission intensity, surpassing the annual target of a 4% reduction set out in CR Enterprise's EHS 14th Five-Year Plan, ahead of schedule.

The Company's CO₂ emission intensity (ton/RMB 10,000) decreased by

7.41% compared to 2023



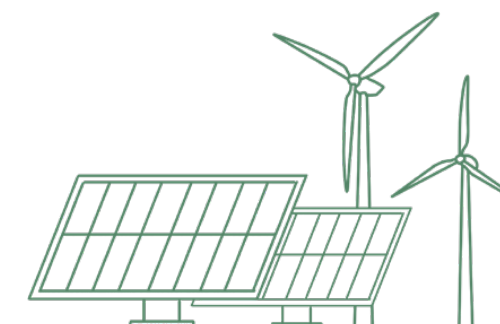
Dual Carbon strategy and goals

By 2025

We will continue to conduct comprehensive energy consumption analysis across existing operations, actively explore and promote the application of energy-saving and green low-carbon technologies, and increase the proportion of new energy in total electricity consumption by 25% compared to the end of 2020. At the same time, we will proactively seek green and low-carbon projects in new investment initiatives, and support the China Resources Research Institute of Science and Technology in advancing innovation and the commercialization of research outcomes in sustainable technologies.

By 2030

We will continue to advance the research, development, and application of energy-efficient and green low-carbon technologies and materials, supporting the Group's planned achievement of peak carbon emissions.



Dual Carbon action plan and roadmap



Fostering Sustainability Culture

Green office practices

We encourage all employees to embrace green office practices. Energy-saving lighting has been installed across all office areas, with a strict Last Out, Lights Out policy in place. Office cooling systems are regularly cleaned to improve energy efficiency, while business travel is minimized in favor of video conferencing. We also advance paperless operations. Printers default to double-sided printing and recycling bins for used paper have been set up to reduce paper consumption. Waste sorting is actively promoted across all offices. In addition, CREP utilizes an intelligent energy-saving system to efficiently manage air conditioning use in its properties, achieving significant electricity savings. Meanwhile, PCC has signed the *Energy Saving Charter* and *4T Charter*, maintaining indoor air conditioning between 24–26°C to create an environmentally friendly and healthy workplace.



The *Energy Saving Charter* and *4T Charter* signed by PCC

Environmental awareness and education

We regularly organize and participate in forums and training sessions focused on green development and energy efficiency, and build a platform for exchanging knowledge on low-carbon technologies and best practices. We continue to raise environmental awareness among employees through campaigns tied to key events such as World Environment Day (June 5), National Energy-saving Week, and National Low-carbon Day, encouraging employees to adopt simple, sustainable, and low-carbon lifestyles. In 2024, we organized six green and low-carbon benchmarking exchanges and policy briefings for personnel across our Hong Kong operations, reaching a total of 75 participants.



CR Enterprise attending the TVB Green Summit on Hong Kong's Implementation of Low-carbon Economic Transition



CR Enterprise participating in an on-site exchange meeting for the Group's low-carbon and zero-carbon project development



CR Enterprise organizing employees to participate in International Coastal Cleanup Hong Kong 2024



CRL conducting environmental awareness training for World Environment Day (June 5)



CR Enterprise hosts one-on-one exchange on green, low-carbon and energy-saving technologies

On May 28, CR Enterprise organized a one-on-one exchange session for its Hong Kong-based businesses focused on the application of green, low-carbon, and energy-saving technologies. Around 40 participants attended, including internal and external experts from CR Digital and various units within CR Enterprise, as well as professionals in EHS management, engineering, facility operations, and green demonstration project management. The session featured presentations on the latest domestic and international case studies and outcomes related to energy efficiency and carbon reduction technologies applicable to CR Enterprise's operations. The event aimed to strengthen all units' commitment to environmental responsibility, enhance innovation capabilities, and provide valuable insights for the high-standard development of green, low-carbon demonstration projects.

People-centered Progress for Collective Wellbeing

Our commitment

We are deeply engaged in the development of the Greater Bay Area, leveraging our role as a bridge between Hong Kong and the Chinese mainland. By capitalizing on our local business strengths, we reinforce communication and collaboration between Hong Kong and the Chinese mainland. Actively supporting the construction of Hong Kong's livelihood infrastructure, we have integrated our youth-oriented Three Dreams Initiative (Dream Weavers, Dream Gliders, and Beyond Dreams) into core business operations and corporate social responsibility programs. Upholding values of patriotism, love for Hong Kong, and pride in the enterprise, we continue to expand our influence in the region, contributing to social stability and prosperity, and helping build a brighter future for the Greater Bay Area.

Key performance

Total tax paid:

HKD **210** million

Community investment:

HKD **21.8** million

Employee participation in volunteer services:

815 person-times

Volunteer time:

5,718 hours

Contributing to the UN SDGs



Supporting Bay Area Development

Enhancing livelihood services

We actively align with the Government of the Hong Kong Special Administrative Region's policy priorities, focusing on community-based livelihood services and exploring the deep integration of cutting-edge technology with neighborhood development. We are committed to creating a higher-quality community living experience. Built on the site of the former Three Express Trains, the Patriotic Education Base aims to inspire a spirit of patriotism and dedication to Hong Kong's future, fostering a sense of responsibility among citizens for building and revitalizing the city. Through concrete actions, we support Hong Kong in attracting and nurturing talent, contributing to regional coordinated development and offering the CR Power in advancing Hong Kong's sustainable livelihood development.



WTT Square Community Building Initiative launched by CR Enterprise, empowering communities through technology



Talent Visa Information Seminar co-organized by CREP, offering practical information for young professionals coming to Hong Kong



First NGO joins CRL' livelihood supply chain assurance platform (CRLink)

On December 12, CRL signed a strategic cooperation agreement with the Hong Kong Sheng Kung Hui Welfare Council, marking the arrival of the first NGO on the CRLink platform. This initiative strongly supports government-led poverty alleviation projects such as the Community Lounge, addressing community needs and alleviating daily hardships. Designed around smart meal lockers, the CRLink platform utilizes intelligent algorithms to maximize public storage space, integrate internal and external logistics resources, and deploy self-developed multifunctional smart terminals for storing and retrieving goods. This provides one-stop, smart supply chain services to Hong Kong's NGOs and youth entrepreneurial social enterprises, enhancing their supply chain management capabilities. By the end of 2024, five local welfare organizations including the Sheng Kung Hui Welfare Council, Food for Good, Lok Sin Tong, among others, had already joined the platform as the first batch of participants.



Empowering youth development

In 2024 alone

Over 100 Three Dreams events were held across Hong Kong's

18 districts

reaching a total of

180,000

local youth

We actively respond to the important guidance delivered by President Xi Jinping at the ceremony marking the 25th anniversary of Hong Kong's return to China, particularly his emphasis on addressing the Four Challenges facing Hong Kong's youth. Leveraging the business strengths of our various units in Hong Kong, we independently organize distinctive initiatives under the Three Dreams Initiative, targeting practical difficulties faced by young people of different age groups in education, employment, and entrepreneurship. The initiative empowers Hong Kong's youth to acquire diverse skills and build clear pathways for personal and professional growth. In 2024 alone, over 100 Three Dreams events were held across Hong Kong's 18 districts, reaching a total of 180,000 local youth. As a result, the initiative has been elevated by the Group to become the unified youth public welfare brand for the Group's youth engagement efforts in Hong Kong.

Dream Weavers

The initiative focuses on youth academic enhancement programs, collaborates with educational institutions, charitable organizations, and social service agencies, engages communities and schools across Hong Kong, and introduces young people to the richness of China's traditional culture and supports their holistic development.

Dream Gliders

The initiative addresses the career development needs of Hong Kong's youth by leveraging the Group's resources to connect with broader societal support. Focusing on career planning and positive mindset building, it aims to create a high-quality, pre-employment platform for young people in Hong Kong, with growing influence and impact.



Beyond Dreams

Funded by the CR Charitable Fund and spanning five years, this initiative supports Hong Kong Science & Technology Parks Corporation in helping young people overcome entrepreneurship challenges. It provides students with training and work experience in innovation and technology, encouraging more youth to join Hong Kong's innovation and technology ecosystem.



Brewed with Love × Dream Gliders Barista Internship Program launched by CR Enterprise and the Sha Tin District Office



A pre-event science popularization activity hosted by CR Enterprise for the Beyond Dreams Innovation and Technology Talent Development Program



PCC and Hong Kong College of Technology (HKCT) launches Dream Gliders Youth Development Program

On November 30, PCC and the HKCT kicked off the PCC × HKCT Youth Development Program, part of the broader Dream Gliders Initiative. Targeted at HKCT students and PCC employees, the program leverages industry-academia collaboration to create a multifaceted platform combining training, internships, beverage development, and hands-on competitions, aimed at helping young Hongkongers achieve their career aspirations. During the launch ceremony, PCC and HKCT signed a cooperation agreement. The two parties will continue to explore various forms of collaboration, including curriculum design, product development, career planning, and talent training, with the goal of nurturing more professionals equipped with practical skills and industry expertise. The partnership marks a new chapter in integrating education with the coffee industry in Hong Kong.



"Through the PCC × HKCT Youth Development Program, students will have the opportunity to showcase and apply the skills, knowledge, and creativity they've gained in the classroom through PCC Hong Kong's platform. Their newly developed products may even be sold in PCC stores, putting their academic learning and ideas into real-world commercial practice. It is an authentic example of industry-education integration."

—CHAN Cheuk Hay, President of the HKCT



Promoting local employment

In 2024

We hired more than

800 local employees

accounting for

93% of our total hires that year



We remain committed to publicly recruiting for professional roles, actively bringing in local tech talent, investment professionals, and skilled workers from Hong Kong;

We diversify local recruitment channels by encouraging all levels of the organization to use popular Hong Kong platforms such as JobsDB and CTgoodjobs. We have also participated in the Group's 2025 Hong Kong Campus Recruitment Event across six universities, the Innovating Hong Kong Global Talent Carnival, and the 2024 Spring Hong Kong High-level Talent Recruitment Fair;



For entry-level positions, we adopt flexible recruitment methods, such as publishing job notices in newspapers, posting advertisements with the Labour Department, and conducting on-site hiring, to widely attract local talent;

Through initiatives such as the management trainee program and improved employee benefits, we have strengthened the appeal and influence of our job offerings in Hong Kong.



Building Harmonious Communities

Strengthening collaboration and exchange

We have established a long-term communication channel with Hong Kong government departments and built a systematic mechanism for community engagement. By conducting in-depth research on residents' needs and balancing livelihood concerns with technological innovation, we have fostered a livable, smart, and convenient community environment. This approach creates a closed-loop ecosystem where "property serves as the platform, residents actively participate, and the community is built together."

On September 22

The first major event under the WTT Square community-building brand, the inaugural WTT Square Cup Basketball Championship, kicked off. The event not only provided residents with a platform for sports and social interaction, but also explored new avenues for community-based services through an integrated "sports + commercial space" model, helping to foster a harmonious, healthy, and vibrant community atmosphere.



On November 9

The China Resources Research Institute of Science and Technology assisted in launching the Central and Western District's Gerontechnology Inclusion Program, featuring an experiential workshop. Projects on display included an elder therapy robot and food thickening agents designed for those with swallowing difficulties. The initiative aims to build an inclusive technology platform for seniors, bringing innovation into the community to enhance quality of life and promote social integration.



On November 30

The second WTT Square · Tai Po CityHunt urban orientation race was successfully held, drawing participation from 630 people. Centered around the brand concept of Blossoming Life, Shining Moments, the event combined sports competition with cultural exploration, promoting public health and community development. It also aimed to strengthen residents' sense of cultural identity and foster social cohesion.



"I feel truly honored to take on a meaningful and extraordinary part-time role alongside my regular work, experiencing the diversity of police duties. It allows me to serve Hong Kong society while setting a positive example for my children. I hope to continue contributing within the Auxiliary Police Force and play my part in safeguarding Hong Kong's long-term stability, bringing the strength of China Resources to this vital mission."

— Chen Ruxin, Deputy Director of the Technology Transfer Division at the China Resources Research Institute of Science and Technology, and representative of the first batch of CR Enterprise auxiliary officers

Safeguarding HKSAR security

We support the Government of the Hong Kong Special Administrative Region in improving governance by innovating police-business collaboration models and actively participating in the Together · Safeguard HK auxiliary police program. We have also regularly collaborated with the Hong Kong Police Force on citywide anti-fraud awareness campaigns, contributing to the maintenance of social stability and prosperity. In 2024, we were honored with the Outstanding Organization Award by the Hong Kong Police Force.



On April 6, the Hong Kong Auxiliary Police Force held its graduation parade. Three employees from the Company, after undergoing rigorous training, officially became the first auxiliary police officers recruited from CR Enterprise, marking a pioneering step for Chinese enterprises in organizing employees to join the auxiliary police.



On December 14-15, hosted by the Hong Kong Police Force, the 2024 Citywide Anti-scam Carnival was held. CR Enterprise, along with its subsidiary PCC, attended as supporting organization for the second consecutive year, and received the Carnival Supporting Organization Award. At the event, CR Enterprise set up a dedicated booth to raise public awareness on fraud prevention, and distributed cookies and hot lattes printed with anti-scam messages.



Committing to Public Welfare and Charity

In 2024

815 employees participated in volunteering



accumulating a total of 5,718 service hours



Cultural Journey – When Chinese Spirits Meet Coffee workshop for people with disabilities in Hong Kong hosted by PCC and the Hong Kong Charity Wine Foundation



Heritage Harbour, Artisan Trails Parent-Child Oil Painting Workshop in Kowloon, held by PCC, the Octone Foundation, and other partners, targeting grassroots families in the community



Mama Go, a family-friendly initiative piloted by PCC, aiming to creating a more women-friendly employment environment



The China Resources Research Institute of Science and Technology visiting a local elderly home, and distributing in-house developed Mid-Autumn Festival mooncakes



CR Enterprise signs MOU with Hong Kong's Connecting Hearts Social Welfare Initiative

On August 22, CR Enterprise signed a memorandum of understanding (MOU) with Connecting Hearts, a major social welfare initiative in Hong Kong. The same day saw the opening ceremony of the Connecting Hearts Academy and a seminar themed Benefiting Livelihood, Warming Hearts. The event was attended by John KC Lee, Chief Executive of the Hong Kong Special Administrative Region, Cai Lixin, Deputy Director of the Social Work Department of the CPC Central Committee, and He Jing, Deputy Director of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region, along with senior representatives from CR Enterprise. Under the agreement, we will collaborate with Connecting Hearts through our Three Dreams responsibility framework to jointly organize activities and initiatives and promote innovation in Hong Kong's social welfare sector.



Extended reading

Launched in December 2022, the Connecting Hearts social welfare initiative aims to unite Hong Kong's social welfare sector, foster collaboration between Hong Kong and the Chinese mainland in social services, and contribute to the global sustainable development of social welfare.



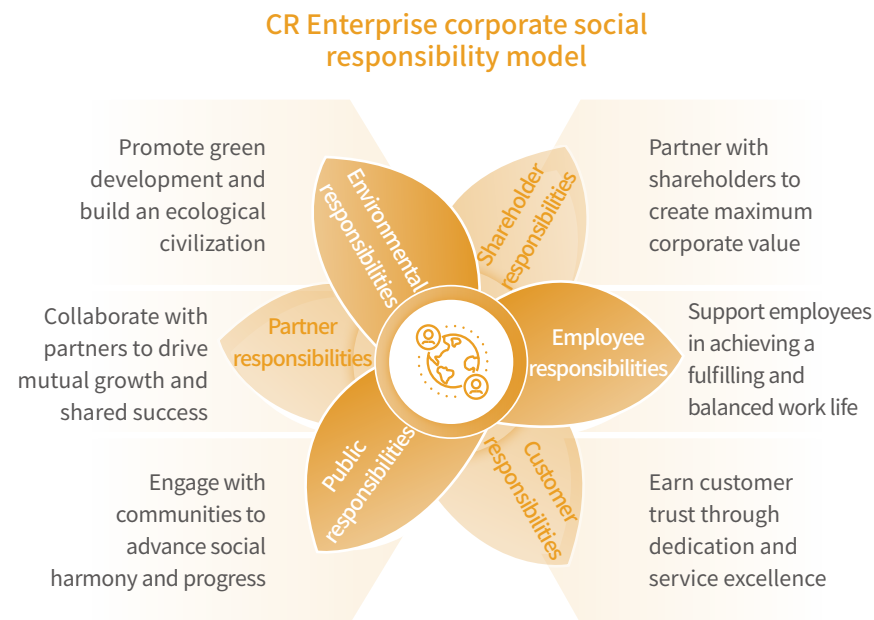
Oatly China launches the Project Silent Barista

Oatly, an invested company of CR Enterprise, is committed to fostering positive development opportunities for marginalized groups and building a more inclusive society. Since September 2020, Oatly China has run the Project Silent Barista, offering vocational training, certification, and job placement support to deaf individuals aspiring to become coffee professionals, helping them become skilled and passionate "silent baristas". To standardize and enhance the training process, Oatly collaborated with senior sign language interpreters to develop the first-ever *Sign Language Dictionary for Coffee Terminology*, filling a critical gap in industry-specific communication and making coffee education more accessible. As of 2024, over 300 deaf baristas from 12 provinces have participated in Oatly's training program. Among them, 112 have earned entry-level or intermediate-level barista certifications from the specialty coffee associations, and 82 have secured full-time positions, officially launching their careers as professional baristas. Today, Oatly has built a thriving community of more than 600 silent baristas and become a leader in certifying and employing deaf talent within the coffee industry.

Sustainable Development Management

Responsibility Strategy

We are guided by our mission to "lead commercial progress and create a better life together with consumers, shareholders, employees, and business partners". Upholding core values of integrity, performance-driven results, people-centered development, and innovation, we place strong emphasis on the board's role in sustainable management. Fostering an organizational culture rooted in sincerity, unity, openness, and ambition, we integrate sustainability into daily operations and production processes. While delivering economic value, we remain committed to environmental and social responsibility, actively addressing the expectations of stakeholders, including shareholders, employees, customers, the environment, partners, and the public, toward our vision of "becoming a globally leading industrial investment company to serve Hong Kong's livelihood, drive innovation, and connect China with the world".



Responsibility Governance

We have systematically advanced the optimization of our corporate social responsibility (CSR) management system, and established a three-tier governance structure spanning decision-making, management, and implementation. By clarifying CSR objectives and execution pathways, we have built a clear, efficient, and collaborative governance framework. This structure lays a solid foundation for CSR practices, ensuring that social responsibility initiatives are carried out in an orderly, sustainable manner.

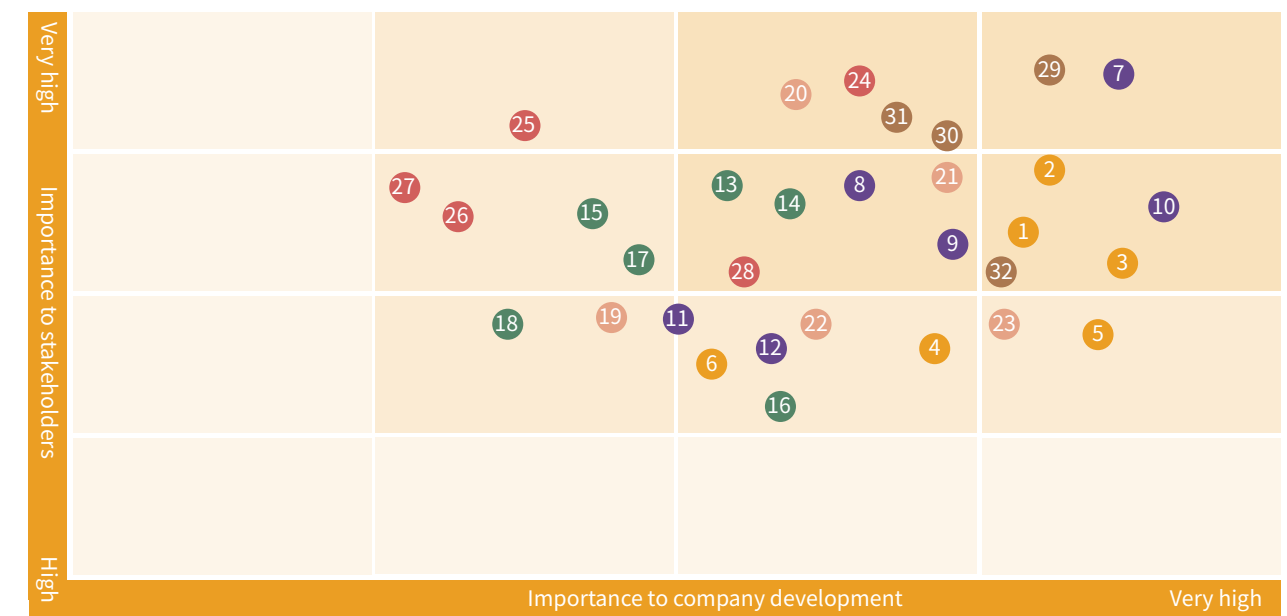
CR Enterprise social responsibility management structure

Decision-making body and its responsibilities	The Board of Directors serves as the highest authority on CSR, responsible for strategy formulation, key decision-making, setting forward-looking goals, and overseeing implementation. It defines the direction of CSR initiatives and ensures their integration into business operations and management.
Management body and its responsibilities	The Mass Work Department is the core department responsible for corporate culture and day-to-day CSR management. The Office leads the establishment of relevant policies and management mechanisms, and organizes the preparation of the annual social responsibility/sustainability report.
Implementing departments and its responsibilities	Each functional department carries out CSR-related activities based on its core responsibilities, manages specific CSR topics, and oversees daily data collection and execution. This structure promotes coordinated, cross-level advancement of CSR efforts across the Company.

Material Topics

We regularly conduct materiality assessments to identify the most pressing sustainability issues for both internal and external stakeholders. These insights guide the Company's sustainability reporting and communication strategies, ensuring timely and effective responses. In 2024, we launched an online *Sustainability Materiality Questionnaire of CR Enterprise* via digital platforms, collecting valuable feedback from stakeholders. Using a dual-axis framework of "importance to company development" and "importance to stakeholders", we mapped out a Materiality Matrix, which serves as a strategic tool to prioritize and direct our social responsibility initiatives, better aligning our efforts with stakeholder expectations.

CR Enterprise 2024 sustainability report materiality matrix



Governance responsibility

- Optimize governance structure
- Operate with integrity and compliance
- Strengthen risk prevention and control
- Protect investor rights and interests
- Ensure transparent information disclosure
- Uphold business ethics and corporate morality

Customer responsibility

- Protect intellectual property rights
- Invest in science and technology R&D
- Deliver high-quality products and services
- Maintain strict product quality control
- Safeguard customer rights
- Promote responsible investment and industrial incubation

Environmental responsibility

- Address climate change
- Improve environmental management
- Promote environmental awareness
- Advance green and low-carbon development
- Reduce three wastes
- Enhance biodiversity protection

Partner responsibility

- Promote responsible supply chains
- Deepen strategic and technological cooperation
- Foster cross-sector innovation and collaboration
- Support industry-wide development
- Engage in media communication and outreach

Employee responsibility

- Promote diversity and equal opportunity
- Protect employee rights and interests
- Support employee growth and development
- Care for employee well-being
- Prioritize occupational health and safety

Public responsibility

- Contribute to Hong Kong's prosperity
- Support community education and cultural development
- Create jobs and enhance skills training
- Actively engage in philanthropy and public welfare

Stakeholder Engagement

We continuously expand our engagement channels with stakeholders through a dedicated CSR section on our official website, WeChat public accounts, and various media platforms, providing real-time updates on CSR initiatives. We actively participate in industry forums and conferences to promote the exchange of responsible business practices, enhancing our own capacity for fulfilling social responsibilities. We also take part in submitting CSR case studies and participating in relevant awards and evaluations, carefully craft our responsibility brand, and reinforce a positive corporate image.



CR Enterprise received the ESG Commendation Certification at the Outstanding ESG Enterprises Recognition Scheme 2024 and the Best ESG Pioneer Award at the 2024 Hong Kong International ESG Annual Awards



The Dream Weavers Hong Kong Youth Academic Enhancement Program won the Bronze Award of the 2024 China Resources Group ESG and Sustainable Development Awards

Stakeholder category	Concerns and expectations	Communication mechanisms and methods	Response measures
Government	<ul style="list-style-type: none">Preserve and increase state assetsOperate legally and ethicallyEnsure safety and environmental protectionPromote local economic development	<ul style="list-style-type: none">Work reportsInformation submissionsResearch visitsStatistical reports	<ul style="list-style-type: none">Comply with laws and regulationsConduct ethical business practicesMake timely tax paymentsEnhance emergency management for accidents
Shareholders	<ul style="list-style-type: none">Investment returnsRisk controlInsight into company operations	<ul style="list-style-type: none">Performance reports, annual shareholder meetingsOne-on-one meetings, luncheons, conference callsBusiness channel visits	<ul style="list-style-type: none">Maintain ideal dividend levelsSustain stable financial performanceImprove risk management
Employees	<ul style="list-style-type: none">Compensation and benefitsCareer growth and developmentOccupational health and safetyEmployee careDemocratic management	<ul style="list-style-type: none">Regular meetingsExchange activities and trainingDaily communicationCorporate WeChat groupsCR Enterprise WeChat official account	<ul style="list-style-type: none">Establish fair compensation and benefits systemProvide employee trainingFacilitate clear career advancement pathsImplement occupational health and safety measuresConduct special employee care programsHold employee forums and staff congresses
Customers	<ul style="list-style-type: none">Food quality and safetyHigh-quality products and servicesProtection of customer rightsEnhance product accessibility	<ul style="list-style-type: none">CR Enterprise official WeChat accountCR Enterprise official websiteExchange activities and visitsProduct promotion events	<ul style="list-style-type: none">Guarantee strict food quality and safety managementInnovate and upgrade product offeringsExpand business channelsImprove customer service systems
Partners	<ul style="list-style-type: none">Transparent procurementStrategic cooperationFair competition	<ul style="list-style-type: none">Working meetingsContracts and agreementsDaily communication	<ul style="list-style-type: none">Implement responsible procurementEliminate commercial briberyUphold industry standardsStrengthen strategic partnerships
Environment	<ul style="list-style-type: none">Environmental protectionEnergy conservation and emissions reduction	<ul style="list-style-type: none">Exchange activitiesPolicy dissemination	<ul style="list-style-type: none">Organize environmental protection activitiesPromote energy saving and consumption reductionCommit to green development
General public	<ul style="list-style-type: none">Maintain public relationsEngage in philanthropy and charityContribute to rural revitalizationSupport community building	<ul style="list-style-type: none">Volunteer activitiesRural revitalization supportCorporate open days	<ul style="list-style-type: none">Develop social welfare brand projectsEstablish community communication mechanisms

Future Outlook

2025 marks the closing year of the 14th Five-Year Plan, the beginning of planning for the 15th Five-Year Plan, and a year to reaffirm our confidence and commitment. We will strengthen investment and incubation, transforming sci-tech innovation from the "key variable" into the "greatest increment" of new quality productive forces. Through the Four Reshapings (reshaping of values, business, organizational structure, and ethos), we will advance the high-quality development of both core operations and affiliated businesses. We aim to seize the major opportunities brought by the integration of the Greater Bay Area, empower Hong Kong's logistics sector with smart logistics technology, and accelerate the transformation and upgrading of livelihood-related infrastructure. At the same time, we will enhance the quality and efficiency of retail operations in Hong Kong, diversify and innovate our services to better meet public needs. By deepening our social impact in Hong Kong, we strive to contribute greater CR Enterprise strength to the city's prosperity, stability, and harmonious development.

Vision beyond the easy path brings success, and courage through difficulties drives advancement. In this pivotal year of transition, we will stay firmly aligned with the Group's leadership, keep our goals in sight, forge ahead with determination, rise to the challenges, and deliver a strong finish to CR Enterprise's 14th Five-Year Plan. True to our name, we will strive wholeheartedly to set a solid foundation for the 15th Five-Year Plan, and contribute our strength to the Group's mission of building a world-class, investment-driven enterprise with China Resources characteristics.



Appendix

Key Performance Highlights

Key performance indicators		2022	2023	2024
Economic responsibility ¹				
Total assets (HKD 100 million)		515.14	538.7	540.29
Recurring EBIT (HKD 100 million)		9.42	13.32	17.57
Net assets (HKD 100 million)		293.49	314.55	332.63
Return on equity (%)		3.1	3.1	5.48
Return on total assets (%)		2.8	3.6	5.29
State asset preservation and appreciation rate (%)		100	107	105.79
Shareholders' equity (HKD 100 million)		293.49	314.55	332.63
Fixed asset investment (HKD 100 million)		17.71	9.64	0.66
Debt-to-asset ratio (%)		43	42	38.43
Overall labor productivity (HKD 10,000/year)		66.33	94.56	134.43
Anti-corruption training sessions (time)		5	8	21
Participants in anti-corruption training (person-time)		810	911	1,209
Social responsibility				
New employees (person)		1,274	1,366	862
Percentage of local employees (%)		95.20	95.50	93.97
Total tax paid (HKD 100 million)		1.25	1.35	2.10
Community investment (HKD 10,000)		-	-	2,180.55
Charitable donations (HKD 10,000)		137.8	-	114
Employee volunteer participation (person-time)		-	-	815
Employee responsibility				
Total employees (person)		2,533	2,443	2,055
Employee breakdown (full-time)	Headquarters employees	186	183	172
	Subsidiary company employees	2,347	2,260	1,883
By gender	Male employees	1,243	1,236	1,092
	Female employees	1,290	1,207	963
By age group	Employees aged 29 or younger	801	734	510
	Employees aged 30–50	1,291	1,245	1,081
	Employees aged 51 or above	441	464	464

¹Note: Asset-related figures include property revaluation gains.

Key performance indicators		2022	2023	2024
By region	Employees in Chinese mainland	993	651	313
	Employees in Hong Kong, Macao, and Taiwan	1,540	1,792	1,742
By education level	Postgraduate or higher	204	248	276
	Bachelor's degree	526	453	410
	Associate degree	406	458	481
By employment type	Below associate degree	1,397	1,284	888
	Full-time employees	2,241	2,213	1,628
	Other employees (interns, contract workers, rehired retirees, part-timers)	292	230	427
Total employee turnover (person)		1,713	1,521	1,227
By gender	Turnover of male employees	750	647	533
	Turnover of female employees	963	874	694
By age group	Turnover of employees aged 29 or younger	985	744	596
	Turnover of employees aged 30–50	604	597	487
	Turnover of employees aged 51 or above	124	180	144
By region	Turnover of employees in Chinese mainland	935	564	398
	Turnover of employees in Hong Kong, Macao, Taiwan, and overseas	778	957	829
Employee turnover rate (%) ²		38.8	39	36.5
By gender	Turnover percentage of male employees (%)	44	43	43
	Turnover percentage of female employees (%)	56	57	57
By age group	Turnover percentage of employees aged 29 or younger (%)	58	49	48
	Turnover percentage of employees aged 30–50 (%)	35	39	40
	Turnover percentage of employees aged 51 or above (%)	7	12	12
By region	Turnover percentage of employees in Chinese mainland (%)	55	37	32
	Turnover percentage of employees in Hong Kong, Macao, Taiwan, and overseas ³ (%)	45	63	68
Total training participation (person-time)		6,448	7,353	8,639

²Note: The Company's business covers the coffee retail sector, and the employee turnover rate tends to be high in the fast-moving consumer goods industry.

³Note: Headquartered in Hong Kong, the Company has seen a rising proportion of employees from Hong Kong, Macao, and Taiwan. In 2024, Hong Kong-based staff accounted for 85% of the total workforce. Consequently, turnover percentage of employees in Hong Kong, Macao, Taiwan, and overseas was comparatively higher.

Key performance indicators		2022	2023	2024
By employee level	Training for senior management	-	-	504
	Training for middle management	-	-	1,051
	Training for general staff	-	-	7,084
Training coverage (%)		100	100	100
By employee level	Training coverage for senior management (%)	-	5	5.9
	Training coverage for middle management (%)	-	3	12.1
	Training coverage for general staff (%)	-	92	82
Total training hours for all employees (hour)		-	-	340,716
Average training time per employee (hour)		120	125	166
Percentage of female managers (%)		24.0	24.0	23.6
Average paid leave days per employee (day)		15	15	15
Labor contract signing rate (%)		100	100	100
Social insurance coverage (%)		100	100	100
Medical checkup coverage (%)		100	100	100
Annual investment in employee training (HKD 10,000)		287	90	100.83
Number of employees with disabilities (person)		8	10	10
Emergency drill sessions conducted (time)		1,330	973	212
Employee safety training hours (hour)		17,498.3	10,012	6,721
Safety training participation (person-time)		-	-	6,721
Safety training coverage (%)		100	100	100
Number of safety hazards identified (item)		4,053	3,999	2,846
Number of hazards rectified (item)		4,053	3,999	2,831
Hazard rectification rate (%)		100	100	99.47
Occupational safety investment (HKD 10,000)		1,400	1,980	1,599.85
Fatality rate per thousand employees (‰)		0	0	0
Number of workplace accidents (case)		0	0	0
Number of work-related injuries and fatalities (person)		0	0	0
Work-related fatality rate (%)		0	0	0
Lost workdays due to occupational injuries (day)		0	0	0
Customer responsibility				
Complaint resolution rate (%)		100	-	-

Key performance indicators		2022	2023	2024
Product quality rate (%)		100	100	-
Quality complaints (case)		63	-	-
Patents granted (number)		4	8	11
Environmental responsibility				
Total annual energy consumption (10,000 tons of standard coal)		0.5161	0.5098	0.5032
Energy reduction (10,000 tons of standard coal)		0.2693	0.0063	0.0066
Total packaging materials used (10,000 tons)		242	179.28	-
Total environmental investment (HKD 10,000)		87.49	139.11	993.46
Environmental training & outreach sessions (time)		2	2	8
Comprehensive energy consumption (10,000 tons of standard coal)		0.5161	0.5098	0.5032
Energy use per HKD 10,000 output (ton of standard coal/HKD 10,000)		0.02996	0.0255	0.0341
Energy use per HKD 10,000 value-added (ton of standard coal/HKD 10,000)		0.05212	0.0362	0.0336
Annual freshwater consumption (10,000 tons)		0	0	-
Water use per unit of industrial value-added (cubic meters/HKD)		0	0	-
Investment in environmental activities (HKD 10,000)		0	0	-
Air emissions (10,000 cubic meters/year)		0	-	-
Hazardous waste discharged (ton)		-	-	2.04
Wastewater reduction (10,000 tons)		0	-	-
Wastewater discharge (10,000 tons)		0	-	-
SO ₂ emissions (ton)		0	-	-
COD emissions (ton)		0	-	-
CO ₂ emissions (ton)		37,718.40	21,582.39	20,436.75
CO ₂ emissions per HKD 10,000 output (ton/HKD 10,000)		0.2264	0.1081	0.1001
Nitrogen oxides emissions (ton)		0	-	-
Office electricity use (kWh)		262,639.20	192,578	74,520
Office water consumption (ton)		610	451.70	544
Office paper consumption (sheet)		290,000	424,101	77,000
Partner responsibility				
Contract fulfillment rate (%)		100	100	100
Number of MOUs signed (piece)		10	14	3
Investment in industry-academia-research programs (HKD 10,000)		2,130	1,050	334.40

Key performance indicators		2022	2023	2024
Responsible procurement rate (%)		100	100	100
Core suppliers with quality, environment, and OHS certifications (%)		100	100	100
Instances of violations and penalties (case)		10	4	1
Total number of suppliers (unit)		2,179	2,592	2,729
By region	Suppliers in Chinese mainland (unit)	404	342	276
	Suppliers in Hong Kong, Macao, Taiwan, and overseas (unit)	1,775	2,250	2,453
Suppliers reviewed during reporting period (unit)		286	175	189
Potential suppliers rejected for CSR non-compliance (unit)		0	0	0
Suppliers terminated for CSR non-compliance (unit)		0	0	0
Suppliers covered by CSR training (unit)		0	0	0
CSR training sessions for suppliers (time)		0	0	0
CSR training hours for suppliers (hour)		0	0	0

Index of Indicators

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Diverse Industries for Inclusive and Shared Growth	Driving Industrial Development	M2.1
	Championing Innovation-led Growth	M2.4、 M2.5、 M2.7
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Green Innovation for a Sustainable and Thriving Future	Consolidating Environmental Management	E1.1-E1.3、 E1.8
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	Fostering Sustainability Culture	E1.5、 E3.1-E3.2、 E3.6
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Report Rating

China Resources Enterprise, Limited 2024 Sustainability Report Report Rating

Entrusted by China Resources Enterprise, Limited, the Chinese Expert Committee on CSR Report Rating selected experts to form a rating team to rate the *China Resources Enterprise, Limited 2024 Sustainability Report* (hereinafter referred to as "the Report").

Rating Basis

The *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0)* by the Chinese Academy of Social Sciences, and the *Rating Standards for Sustainability Reports of Chinese Enterprises (2025)* by the Chinese Expert Committee on CSR Report Rating.

Rating Process

- 1. The rating team reviewed and confirmed the *Confirmation Letter for the Procedural and Accessibility Evaluation Data of Corporate Social Responsibility Report* and relevant supporting materials submitted by the drafting team of the Report;
- 2. The rating team evaluated the reparation process and content of the Report, and formulated the rating report;
- 3. The Vice Chairman of the Chinese Expert Committee on CSR Report Rating, the leader of the rating team, and the experts of the rating team jointly reviewed and signed the rating report.

Rating Conclusion

Process (★★★★☆)

The Company's Office took the lead in forming the report preparation team and coordinating the drafting work. Core departments provided foundational materials and reviewed relevant content, while the Chairman assumed responsibility for final approval. The Report is positioned as a strategic tool for disclosing responsibility fulfillment, enhancing CSR management systems, strengthening stakeholder communication, promoting corporate culture, and elevating brand image, with clear functional value alignment. Material topics were identified through national policies, international/domestic CSR standards, industry benchmarking, corporate development strategies, and stakeholder surveys. The Report will be published on the official website and available in digital and printed formats in both Chinese and English, demonstrating outstanding performance in process.

Materiality (★★★★★)

The Report comprehensively discloses key industry-specific topics including product quality management, product innovation, occupational health management, workplace safety, environmental technology R&D and application, energy conservation, and plant perimeter environmental governance with thorough and detailed descriptions, demonstrating outstanding performance in materiality.

Completeness (★★★★★)

The main content of the Report systematically discloses 90.89% of the core industry indicators from the perspectives of Sound Governance for a Stable and Secure Hong Kong, Diverse Industries for Inclusive and Shared Growth, Dynamic Talent for Collective Progress and Development, Collaborative Efforts for Common Prosperity and Advancement, Green Innovation for a Sustainable and Thriving Future, and People-centered Progress for Collective Wellbeing, demonstrating outstanding performance in completeness.

Balance (★★★★☆)

The Report discloses negative performance metrics including employee turnover rate, fatalities per thousand workers, workplace safety incidents, work-related injury/fatality counts, and occupational fatality ratio, demonstrating outstanding performance in balance.

Comparability (★★★★☆)

The Report discloses three-year comparative data for 95 key performance indicators, including total assets, anti-corruption training sessions, total workforce size, labor contract signing rate, percentage of female managers, contract fulfillment rate, total annual energy consumption, total investment in environmental protection, demonstrating outstanding performance in comparability.

Readability (★★★★★)

The Report is structured under the theme of Advancing with Innovation, Imagining the Future and around six thematic chapters to systematically demonstrate the Company's responsibility philosophies, practices, and achievements, fully addressing stakeholder expectations and concerns. Featuring "extended reading" sections to engage readers and enhance readability, it adopts a hand-drawn illustration design style, with cover art integrating core business elements to highlight industry-specific characteristics. This distinctive approach significantly elevates the Report's visual identity, demonstrating outstanding performance in readability.

Innovativeness (★★★★★)

The Report features a special chapter titled Hong Kong's Future Shining with Youth-led Innovation, focusing on corporate leadership in Hong Kong youth development. By incorporating stakeholder testimonials to demonstrate responsibility achievements, it significantly enhances the Report's communicative impact and credibility. Furthermore, the Company proactively facilitated CRL in publishing its sustainability report to expand the scope of disclosure, demonstrating outstanding performance in innovativeness.

Overall Rating (★★★★★)

Based on the evaluation by the rating panel, the *China Resources Enterprise, Limited 2024 Sustainability Report* is rated Five Star and recognized as an outstanding corporate sustainability report.



China Resources Enterprise, Limited receiving a Five Star rating for the third consecutive year

中国企业社会责任报告
评级专家委员会
Chinese Expert Committee on CSR Report Rating

Suggestions for Improvement

- 1. Enhance the Report's balance by including case studies of responsibility fulfillment shortcomings;
- 2. Improve the Report's comparability by disclosing more historical key performance indicators of the Company.

Vice Chairman of the Chinese Expert Committee on CSR Report Rating

Leader of the Rating Team

Expert of the Rating Team

Issuance date: July 1, 2025



Scan the QR code to view the rating profile

Reader Feedback

Dear readers,

Thank you for taking the time to read the *China Resources Enterprise, Limited 2024 Sustainability Report*. We sincerely welcome your valuable feedback to help us continuously improve future editions of the Report. We will carefully consider all feedback received and hereby commit to protecting your personal information from third-party access.

Please tick the appropriate boxes to provide your feedback on this report	Excellent	Good	Average	Poor	Unclear
1. What is your overall impression of the Company's sustainability efforts?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. What is your overall rating of this report?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. How would you assess the completeness and accuracy of the information and data disclosed in this report?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. How would you assess the structure and organization of this report?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.How would you assess the layout and design of this report?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Which aspects of this report are you most satisfied with?

7. What do you consider to be the main shortcomings of this report?

8. What suggestions do you have for improving our future sustainability reports?

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