

CORPORATE FINANCE (D.T.C.) LIMITED

CLIMATE RISK DISCLOSURE

31 DECEMBER 2025

This disclosure report is developed in response to the Hong Kong Monetary Authority's Supervisory Policy Manual GS-1 Climate Risk Management, first introduced in December 2021.

This is the second disclosure report of Corporate Finance (D.T.C.) Limited (the "Company") on the Company's assessment of climate-related risks faced.

In preparation of this disclosure report, certain sections have referred to the TCFD's recommendation where and we are in full compliance in year 2025.

1. Governance:

In the Company, the Board of Directors oversees and manages all climate risks and related matters. On yearly basis, the Board of Directors have updated the Company's status on climate-related risks and opportunities.

The senior management of the Company is responsible for the proper functioning of the Company's risk management and for driving necessary changes in addressing climate-related issues.

In 2025, the Directors have discussed the practical difficulties in handling Green Financings but remained committed towards providing preferential treatment to Green Projects when possible.

2. Strategies:

Since our Company only operate in one physical location, and that our products offered are relatively simple (fixed deposits from customers and property-based lending), the impacts of climate-related risks in short/medium/long terms are not high.

As such, our strategy to manage the climate-risks are mainly in the area of:

2.1. Green Operations:

To achieve lower scope 1 and scope 2 GHG emissions, we will consider the carbon reduction initiatives recommended in the Guide Book (Office) – issued by the Environmental Protection Department.

2.2. Green Financing:

To promote sustainable and environmentally friendly practices in the housing sector. We will try to provide preferential loan terms to facilitates the transition to a greener economy while enabling homeowners or business owners to reduce their carbon footprint and save on energy costs.

3. Climate Risk Assessment and Management:

3.1. Risk Identification:

As of 31st December 2025, 100% of the Company's loan portfolio are property loans.

Therefore, we consider the most related and impactful climate-related risks are physical risks (e.g., property damage due to extreme weather events) and transition risks (e.g., policy changes impacting property values).

3.2. Risk Assessment:

The total market market value of collaterals for our loans granted was HK\$342 million as of 31 December 2025, which backed HK\$112 million loan amounts.

As the overall portfolio LTV ratio is low, our LTV ratio will still be at a healthy level if the physical and transition risks negatively impacted the market value of these properties.

Going forward, the Company will consider the "Green Elements" of the property in our credit evaluation. Within the limits and guidelines issued by the HKMA, the Company will try to provide more favorable terms for those properties with "Green Elements", on both the LTV and interest rate consideration.

4. Metrics and Targets:

4.1. Green & sustainable finance portfolio

As at 31 December 2025, we have 0% green financing included in our loan portfolio.

In the short/medium/long term, we target to attain 3%/5%/8% of green financing projects in our loan book.

4.2. Green-operations

In the year 2025, we have reduced our electricity consumption (scope 2 GHG emission) by 2%, compared to 2024 usage level, which have fulfilled our short term target.

In the medium/long term, we target to reduce 10%/20% of electricity consumption when compared to our 2024 usage level.

4.3. Physical risk – collateral exposure

In the year 2025, we have 15% of credit exposures with property collaterals located in high physical risk zones (flood/typhoon damage risk), which have fulfilled our short term target.

In the medium/long term, we target to maintain the ratio within the 20%/15% level

4.4. Transition risk

In the year 2025, we have 5% of credit exposures with potential of financed GHG emission business, which have fulfilled our short term target.

In the medium/long term, we target to maintain the ratio within the 8%/5% level.

5. Disclosure and Reporting:

5.1. Public Disclosure:

With reference to SPM GS-1, the Company have disclosed relevant climate risk information in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

5.2. Gap analysis:

With reference to the TCFD recommended disclosure on climate risk information, we have performed a gap analysis, to better identify our work towards full compliance by end of 2025:

- Disclosure on Governance

We have fully disclosed the management's role in assessing and managing climate related risks and opportunities and the key aspects and issues discussed and reviewed by the Board and senior management in section 1.

- Disclosure on Strategy

As stated in section 2, we have the potential impact of climate-related risks over short, medium, and long term, which is not high as our business and products offered is relatively straight forward.

We have also implemented Green Operations concept in our office for transitioning into a low-carbon operation to lower our carbon footprint.

- Disclosure on Risk Management

As stated in section 3, we have analysed our business and loan portfolio to identify and assess the potential impact of climate related risks, which is physical and transition risks.

We have also disclosed our methodology and process to give preferential

- Disclosure on Metrics and Targets

In section 4, we have disclosed our targets and action plans to respond to the climate related risks in our Company.

We have also documented the protocols we have implemented in our operations in section 4.2 to describe the targets and our response to manage our performance in tackling climate related risks.

Overall, in this reporting period, we believe we are in full compliance with TCFD disclose recommendations