



Wing Lee Development Construction Holdings Limited

榮利營造控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9639

2024/2025

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT



Environment, Social and Governance Report

BOARD STATEMENT

Wing Lee Development Construction Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**” or “**we**”) is pleased to present its Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) for the Year (the “**Year**” or “**2025**”). This Report aims to address the concerns of various stakeholders and showcase the Group’s performance in sustainable development.

Business Sustainability Vision

The Group is a contractor in Hong Kong engaged in civil and electrical and mechanical engineering and new energy businesses. Our civil engineering works specialise in site formation works and road and drainage works, and our electrical and mechanical engineering works specialise in cable trench excavation, laying and emergency maintenance works. For new energy business, we undertook solar PV system works, distributed various electric commercial vehicles and electric engineering machinery, and undertook the construction of charging piles and follow-up maintenance, charging and battery swapping, recycling and energy storage businesses.

We are fully aware that achieving long-term and sustainable development goals requires not only excellent business strategies, but also active promotion of environmental and social responsibility, talent development, and community engagement. Using the United Nations’ 17 Sustainable Development Goals (“**SDGs**”) as a guide, we strive to achieve a balance and win-win situation among social, environmental, and economic aspects, thereby contributing to global sustainable development. Our vision is to become a pioneer in the construction industry, leading the direction and standards of industry development, and maintain the best performance in safety, health, environment and quality in the industry, promoting social welfare and environmental protection. We are also committed to actively and continuously communicating with all partners and customers to understand their needs and expectations, ensuring continuous improvement of our services. Through continuous improvement of operational quality and sustainable development capabilities, we strive to achieve long-term growth and create lasting positive impacts on society and the environment.

Responsive Climate Action and Green Transition

Hong Kong’s Climate Action Plan 2050 issued by the Hong Kong Government establishes the vision of “Zero-carbon Emissions, Liveable City, Sustainable Development”, which clarifies the strategy and goal of tackling climate change and achieving carbon neutrality. Driven by various favourable policies, Hong Kong’s new energy industry is rapidly emerging, and sustainable construction has become an inevitable trend in the construction industry. The Group is actively responding to this trend, striving to become one of the first enterprises in the construction industry to cultivate a sustainable construction culture, realising the transformation from a traditional infrastructure provider to a green construction enterprise, and has demonstrated strong development momentum in the new energy and green infrastructure sectors.

In terms of daily operations, the Group actively implements environmental protection measures to promote the green transformation of its business in all aspects. Since 2023, the Group has been the first to achieve the mass use of electric engineering machinery, becoming a pioneer in the field of commercial clean energy applications. In addition, we have implemented an environmental management system in compliance with ISO 14001:2015 standards, strictly following environmental principles during the project planning and implementation phases to improve resource efficiency and reduce emissions. We have also established a sound waste management system to classify, recycle and reuse various types of waste generated during the construction process, aiming to minimise the impact of waste on the environment, and strive to achieve recycling of resources.

Environment, Social and Governance Report

In terms of business development, the Group, as a leader in green innovation in the construction industry, will lead the expansion of the “Zero Carbon Smart Alliance”, bringing in more industry-leading enterprises and strengthening cooperation among members, to collectively drive the digitalisation, smart transformation and low-carbon transition of Hong Kong’s construction industry. The alliance will cover key industries such as green transportation, green buildings, smart photovoltaic and energy storage systems and smart cities. Based in Hong Kong while aiming for a global presence, we actively promote sustainable development strategies, and strive to achieve a win-win situation for economic benefits and environmental responsibilities.

Leveraging its resource advantages in the local market in Hong Kong, the Group has closely cooperated with a number of construction machinery enterprises and charging technology manufacturers. We not only engage in the distribution of electrical engineering machinery and electric commercial vehicles, but also provide supporting services such as charging piles construction and follow-up maintenance, while also introducing advanced charging systems and rapid battery swapping technologies, aiming to providing customers and partners with a full-cycle and ecological closed-loop solution for the use of new energy engineering machinery. Through the deployment of a quality and efficient energy service network, we aim to enhance confidence in electrified products in the Hong Kong market and promote the sustainable development of green energy in Hong Kong.

Optimisation of Working Environment and Enhancement of Service Quality

The Group firmly believes that talent is the core driver for sustainable business development. We always adhere to the “people-oriented” management philosophy and are committed to creating a respectful, diverse, equal, safe and healthy working environment for employees to fully develop their potential. The Group has implemented an occupational health and safety management system certified to ISO 45001:2018 standard. Guided by the principle of “leading engineering with wisdom and enabling management with technology”, we also strive to develop a 4S Smart Site Safety System and an enterprise resource planning system, aiming to continuously improve the engineering safety management level and project implementation efficiency, thereby facilitate the long-term development of its business. In terms of employee career development, we provide systematic learning resources and clear promotion channels to help employees continuously improve their professional capabilities. Through continuous training, rigorous supply chain risk management and implementation of a quality management system certified to ISO 9001:2015 standard, we are committed to comprehensively improving the quality of engineering services and laying a solid foundation for the long-term success of the enterprise.

Governance Structure

The Group believes that a strong governance structure is essential for effective management of ESG matters. The Board has overall responsibility for the Group’s ESG matters and is primarily responsible for (i) appointing the Group’s key person responsible for ESG issues; (ii) reviewing the Group’s environmental (including climate-related risks), social and governance risks; (iii) determining and approving the ESG policies, strategies, action plans and targets; (iv) approving the implementation of ESG-related measures and the resources required; (v) ensuring that the Group makes appropriate ESG disclosures, and pays attention to and promotes the improvement of ESG performance; and (vi) reviewing and approving annual ESG reports.

Under the supervision of the Board, senior management is responsible for (i) formulating and implementing the ESG policies, targets and strategies; (ii) conducting regular materiality assessments of ESG issues; (iii) identifying and continuously monitoring the Group’s environmental (including climate-related risks), social and governance risks; (iv) ensuring that the Group has established appropriate and effective ESG risk management and internal control systems; (v) supervising and evaluating the implementation and performance of ESG-related policies and measures to ensure the Group’s compliance with relevant regulations and industry standards; (vi) regularly communicating with the Board on ESG matters during our ordinary operations; (vii) reviewing annual ESG reports; and (viii) regularly reporting to the Board on the progress and performance of ESG work.

To ensure that the Board has adequate knowledge and understanding of the Group's ESG issues so as to effectively control ESG-related risks, the Board requires senior management to actively report on ESG-related issues involved in daily operations and follow-up actions, such as significant deviation of ESG key performance indicators ("KPI") from preset targets, occurrence of serious ESG incidents, changes in ESG policies from regulatory authorities, etc. The Group has also engaged a third-party consultant to ensure ESG-related disclosures comply with the relevant requirements.

Looking ahead, the Group will continue to uphold the concept of sustainable development and take a firmer step towards a new journey of sustainable development. We believe that through our unremitting efforts, the Group will achieve more remarkable achievements in sustainable development, and make greater contributions to the harmonious development of society and the environment.

ABOUT THIS REPORT

Reporting Principles

This Report has been prepared with reference to the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix C2 of the Listing Rules on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). This Report discloses various ESG efforts implemented by the Group in 2025. This Report should be read in conjunction with the Corporate Governance Report of the Annual Report to provide a comprehensive understanding of the Group's environmental, social and corporate governance performance. For details of reference to the above reporting standards, please refer to the "Index Table of ESG Reporting Guide of the Stock Exchange" in this Report. In accordance with the ESG Reporting Guide, this Report adheres to the following reporting principles:

Reporting Principles	Application of Reporting Principles
Materiality	The Group analyses the material ESG issues of the Group through materiality assessment, and focuses on the identified material issues during the preparation of this Report. The materiality of the different issues has been reviewed and confirmed by the Board and the management. For further details, please refer to the sections "Stakeholder Engagement" and "Materiality Assessment".
Quantitative	The criteria, methods, assumptions and sources of major conversion factors used in calculating the relevant data of KPIs have been noted in the notes. This Report is the first ESG report of the Group and therefore there is no comprehensive comparative data available.
Balance	This Report is reported in an objective and impartial manner to ensure that the information disclosed truthfully reflects the overall performance of the Group in ESG aspects.
Consistency	The Group ensures that consistent reporting methods are used to allow meaningful comparisons of KPIs in the future. If there are any changes in the scope of disclosure and calculation methods that may affect the comparison with previous reports, the Group will explain the corresponding data and content.

Environment, Social and Governance Report

Reporting Scope

The reporting scope of this Report is consistent with the annual report and mainly covers the Group's operations in Hong Kong. Its subsidiaries include Wing Lee Group (Holdings) Limited, Wing Lee Construction Limited, Wing Lee Development (International) Limited, Tai Shan Engineering & Construction Co., Limited, Wing Lee New Energy Limited, Sum Hing Trading Limited and Kaiser Construction Engineering Company Limited. The Group will continue to assess the ESG impacts of its operations and expand the scope of disclosure where appropriate.

Contact Us

The Group welcomes stakeholders to provide valuable comments on this Report or the Group's sustainability performance through the following ways.

Address: Room A6, 16th Floor, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, Hong Kong
Tel: +852 2416 1222

STAKEHOLDER ENGAGEMENT

The Group believes that the active engagement of stakeholders is an integral part of the Group's sustainability management. We maintain a close relationship with our stakeholders and have sought to understand their suggestions and views through various communication methods, so as to determine the long-term development direction for us and our communities. The Group has categorised its key stakeholders, our internal stakeholders comprise management and other employees, while external stakeholders include customers, suppliers and subcontractors, shareholders and investors, as well as the community at large. The Group's communication channels with key stakeholders are as follows:

Stakeholders	Communication Channels
Management	<ul style="list-style-type: none">• Performance assessment• Meetings and emails
Other employees	<ul style="list-style-type: none">• Trainings• Performance assessment• Meetings and emails
Client	<ul style="list-style-type: none">• Company's website• Telephone calls and emails
Suppliers and subcontractors	<ul style="list-style-type: none">• On-site visit• Supplier management meetings• Telephone calls and emails
Shareholders and investors	<ul style="list-style-type: none">• Annual general meetings and other general meetings• Announcements and circulars
Community	<ul style="list-style-type: none">• Company's website• ESG reports• Community activities• Media channels

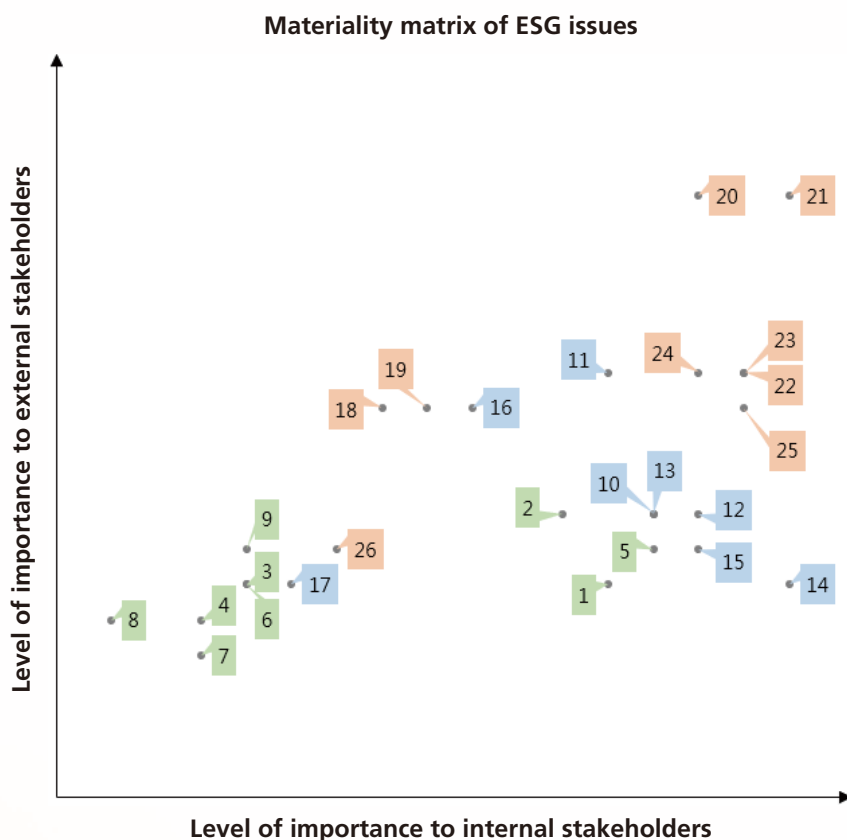
MATERIALITY ASSESSMENT

The Group conducts regular materiality assessments to systematically review material ESG issues related to its business. The assessment results will serve as the core basis for formulating the Group's ESG strategy to ensure that the Group's operations meet the expectations of stakeholders and the Group's commitment to sustainable development. The assessment was conducted in three steps: identification, prioritisation and validation.

Identification	With reference to reporting standards, industry characteristics and actual business conditions, we have constructed an issue framework covering three major dimensions: environmental, social and operational, and identified a total of 26 related issues.
Prioritisation	In order to gain a deeper understanding of stakeholders' expectations and opinions, we have invited stakeholders to assess the importance of each issue through questionnaire. We integrate and analyse the scoring results of internal and external stakeholders using an equally weighted approach to establish a materiality matrix and prioritise issues accordingly.
Validation	The Board and senior management confirm and verify the materiality matrix disclosed in this Report to ensure that the assessment results are consistent with the sustainable development direction of the Group.

Environment, Social and Governance Report

The following is the materiality matrix for 2025:



Environmental issues			Social issues			Operational issues		
1	Greenhouse gas ("GHG") emissions	10	Public health crisis	18	Supply chain management	20	Customer satisfaction	21
2	Air emissions	11	Employee rights and welfare	19	Labour standards in supply chain	22	Quality and safety of engineering services	23
3	Energy consumption	12	Inclusion, equal opportunities and anti-discrimination	20	Customer satisfaction	24	Economic performance	25
4	Water consumption	13	Talent attraction and retention	21	Customers' privacy	25	Operational compliance	26
5	Hazardous waste/sewage	14	Occupational health and safety	22	Quality and safety of engineering services	26	Anti-corruption	
6	Non-hazardous waste/sewage	15	Employee training and development	23	Intellectual property			
7	Paper consumption	16	Preventive measures for child and forced labour	24	Economic performance			
8	Climate change	17	Community investment and engagement	25	Operational compliance			
9	Compliance with environmental laws and regulations			26	Anti-corruption			

A. ENVIRONMENTAL

The Group is committed to reducing the environmental hazards caused by its operations. During the Year, the Group strictly complied with laws and regulations relating to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and was not aware of any material violations of laws and regulations that had a significant impact on the Group. These laws and regulations include, but are not limited to:

- The *Air Pollution Control Ordinance* (Cap. 311 of the Laws of Hong Kong);
- The *Noise Control Ordinance* (Cap. 400 of the Laws of Hong Kong);
- The *Waste Disposal Ordinance* (Cap. 354 of the Laws of Hong Kong); and
- The *Water Pollution Control Ordinance* (Cap. 358 of the Laws of Hong Kong).

The Group's environmental management system has obtained ISO 14001:2015 certification. According to the recognised policies and procedures, we strengthen the management of site workers and subcontractors in our engineering works and operations, striving to reduce the potential impact on the environment during construction, and promoting sustainable development. Our environmental protection measures include but are not limited to:

- ensuring our compliance with regulatory requirements, customers' specifications and industry practices in relation to environmental protection;
- evaluating the environmental impact of our business activities, products and services and the associated environmental risks, and devising targets and plans for managing such risks;
- effectively conserving the use of resources and minimising waste generation;
- ensuring our subcontractors and their workers comply with our environmental protection policies; and
- providing trainings to our employees in relation to our environmental management system.

When acting as the main contractor for civil engineering projects, the Group will formulate an environmental management plan to clearly set out our functions and responsibilities in environmental management, and set up an environmental management team for each project to monitor the effectiveness of the environmental management plan and related mitigation measures to reduce the impact of operational activities on the environment. We will also regularly review and update the environmental management plan as necessary to comply with relevant environmental regulations. As a contractor, we also actively participate in on-site environmental orientation training organised by the main contractor of the construction project to enhance knowledge of environmental laws and related mitigation measures, and conduct business activities in a sustainable manner.

In order to reduce the impact of operations on the environment and deepen sustainable development practices, the Group has set environmental targets for GHG emissions, non-hazardous waste, energy consumption and water consumption. When setting these targets, we consider the historical level of relevant KPIs and the future direction of business expansion to balance business growth with environmental protection and ensure the feasibility of the targets. We will review these targets annually to ensure their effectiveness and applicability.

A1. Emissions

Air Emissions

Our ordinary operations involve extensive construction activities, including demolition, drilling or excavation of rocks near the public or man-made hard materials, thus inevitably generating dust and air emissions, causing pollution to the environment surrounding the construction site. In addition, the fuel consumption of the Group's construction machinery, equipment, private cars and trucks also leads to the emissions of nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and particulate matter ("PM"). In view of different emission sources, the Group has taken the following measures to strive to balance business operation with environmental protection.

Dust Emission Management during Construction

- providing silent, high-pressure electric sprayers at construction sites, so that workers can activate automatic sprinklers after adjusting the angle of sprayers during excavation and ground-breaking activities to reduce the impact of dust dispersion on the environment.

Management of Fuel Consumption for Construction Machinery, Equipment, and Vehicles

- conducting regular maintenance and inspection of vehicles owned by the Group to ensure their normal operation and avoid additional fuel consumption due to decreased fuel efficiency;
- encouraging employees to plan their driving routes in advance to reduce unnecessary fuel consumption caused by extended driving time;
- encouraging employees to use public transportation; and
- allocating more resources for environment-friendly vehicles and clean energy, including replacing traditional vehicles and equipment with electric vehicles and new energy equipment, to reduce fuel consumption and dependence on fossil fuels.

The table below sets out the air emission data¹ from the Group's vehicle fuel consumption:

	Unit	2025
NO _x	kg	140.9
SO _x	kg	0.6
PM	kg	12.5

Note:

1. The calculation for air emission data is based on the *How to prepare an ESG Report — Appendix 2: Reporting Guidance for Environmental KPIs* issued by the Stock Exchange. Due to lacking applicable emission factors, this data does not include dust emissions from construction activities or air emissions generated by the operation of off-road construction machinery and equipment.

GHG Emissions

The direct GHG emissions (Scope 1) of the Group are mainly generated from petrol and diesel consumption by private cars and trucks, as well as diesel consumption by construction machinery and equipment. Energy indirect GHG emissions (Scope 2) stem from electricity consumption during daily operations. The Group has established a target to maintain or reduce the total GHG emissions intensity (Scope 1 & 2) within five years, using 2025 as the baseline year. Specific emission reduction measures are detailed in the “Air Emissions” and “Energy Consumption” sections.

The table below sets out the GHG emissions data² of the Group:

	Unit	2025
Scope 1 GHG emissions	tCO ₂ e	1,244.9
<ul style="list-style-type: none"> Petrol and diesel consumption by private cars and trucks Diesel consumption by construction machinery and equipment 		
Scope 2 GHG emissions	tCO ₂ e	68.7
<ul style="list-style-type: none"> Electricity consumption during daily operations 		
Total GHG emissions (Scope 1 & 2)	tCO₂e	1,313.6
Total GHG emissions intensity (Scope 1 & 2)	tCO₂e/HKD million revenue³	1.8

Note(s):

- The calculation of GHG emissions data is based on, but not limited to, the following references: the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* published by the World Resources Institute and the World Business Council for Sustainable Development, the global warming potential values from the *Sixth Assessment Report* issued by the Intergovernmental Panel on Climate Change, *How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs* published by the Stock Exchange, and the ESG Data Hub released by CLP Holdings Limited. In light of upcoming regulatory requirements and the complexity involved in calculating Scope 3 GHG emissions, the Group is currently enhancing its data collection and calculation methodologies. The relevant data will be disclosed once finalised and ready for reporting.
- In 2025, the Group's revenue reached around HK\$716,639,000, which is used to calculate intensity indicators.

Waste Management

We strictly comply with Hong Kong's *Waste Disposal Ordinance* and the guidelines issued by the Environmental Protection Department (“EPD”) in the classification and treatment of waste generated from our business operations, maintaining high-standard waste reduction measures. Furthermore, we actively educate our employees on the importance of waste reduction at source to enhance their environmental awareness.

Environment, Social and Governance Report

Hazardous Waste Management

Due to the nature of the Group's business, no hazardous waste is directly generated during its operations. Construction site-related hazardous materials such as batteries and waste vehicle oils are handled by qualified third-party contractors during routine maintenance and inspections. Accordingly, the Group currently implements appropriate environmental measures only for these specified waste streams. However, as data on indirectly generated hazardous waste is not systematically tracked, disclosure of such information is presently unavailable.

Non-Hazardous Waste Management

The Group's routine operations primarily generate non-hazardous waste, consisting of construction waste (including both inert and non-inert materials) and office paper waste. The Group has established a target to maintain or reduce the total non-hazardous waste generation intensity within five years, using 2025 as the baseline year. To minimise the environmental impact of non-hazardous waste, the Group has implemented the *Engineering Supervision and Management System* which enforces the following waste management measures:

- conducting strict review of materials required for project budget to avoid unnecessary waste;
- educating all employees on sorting reusable and recyclable materials for collection and recycling by contractors and the Group;
- centralised collection of construction waste for disposal in landfills and recycling by approved service providers;
- strictly complying with EPD's "Construction Waste Disposal Charging Scheme" to responsibly dispose of waste from construction projects and implement waste control and recycling measures to minimise unnecessary waste;
- encouraging employees to adopt paper-saving practices in daily document handling, such as using double-sided printing and recycling scrap paper; and
- monitoring and reviewing ordinary business procedures within our Group, and replacing unnecessary paper documents with electronic ones to reduce paper consumption.

The table below sets out the non-hazardous waste data of the Group:

	Unit	2025
Construction waste	tonne	10,516.8
Office paper	tonne	2.5
Total amount of non-hazardous waste generated	tonne	10,519.3
Total non-hazardous waste generation intensity	tonne/HKD million revenue	14.7

Wastewater Discharge

All wastewater generated during the Group's operations is discharged into the public sewerage system, and water consumption is considered equivalent to wastewater discharge volume. Water consumption data and corresponding water conservation measures will be detailed in the "Water Consumption" section.

A2. Use of Resources

The Group implements effective management to the usage of resources, including fuel, electricity, and water, in accordance with its environmental management system, striving to enhance effective use of resources and minimise unnecessary consumption. Due to the nature of our operations, the Group does not engage in the use of packaging materials.

Energy Consumption

The Group's direct energy consumption primarily stems from petrol and diesel consumption by private cars and trucks, as well as diesel consumption by construction machinery and equipment. Indirect energy consumption mainly derives from electricity consumption in daily operations. Beyond these energy sources, the Group's operations do not involve the use of other fuels such as town gas, natural gas, or liquefied petroleum gas. The Group has established a target to maintain or reduce total energy consumption intensity within five years, using 2025 as the baseline year. In addition to the energy-saving measures outlined in the "Air Emissions" section, the Group has implemented the following management measures specifically targeting electricity consumption:

- displaying prominent signage in office to remind staff to power down idle electrical appliances (e.g., air conditioning and lighting systems);
- implementing standardised temperature control settings for office air-conditioning systems; and
- procuring new appliances and lighting fixtures with higher energy efficiency ratings to enhance overall energy performance.

The table below sets out the energy consumption data⁴ of the Group:

	Unit	2025
Direct energy consumption	MWh	5,055.6
• Petrol and diesel consumption by private cars and trucks		
• Diesel consumption by construction machinery and equipment		
Indirect energy consumption	MWh	180.7
• Electricity consumption during daily operations		
Total energy consumption	MWh	5,236.3
Total energy consumption intensity	MWh/HKD million revenue	7.3

Note(s):

- The unit conversion for direct energy consumption data follows the *Energy Statistics Manual* published by the International Energy Agency.

Water Consumption

The consumption of water resources has always been an environmental issue of global concern, and conserving water is a crucial goal for the Group. Our water consumption is mainly used for construction projects. Given the geographic locations of the Group's operations, we have not encountered any issues in sourcing water that is fit for purpose. The Group has established a target to maintain or reduce total water consumption intensity within five years, using 2025 as the baseline year. To minimise water resource consumption, the Group has implemented the following management measures:

- strengthening routine maintenance and management of water facilities, with designated personnel required to immediately engage professional technicians upon identifying any equipment malfunctions; and
- proactively promoting the importance of water conservation among employees, reinforcing principles of water conservation and efficient use.

The table below sets out the water consumption data of the Group⁵:

	Unit	2025
Total water consumption	m³	2,623.0
Total water consumption intensity	m³/HKD million revenue	3.7

Note(s):

5. Water expenses for office spaces are borne by the facility management provider. Consequently, the reported data exclusively reflects water consumption at construction sites and warehouse facilities.

A3. The Environment and Natural Resources

The Group recognises the environmental and natural resource impacts of its operations and is committed to integrating environmental protection principles into daily business activities to ensure compliance with relevant regulations.

Noise Management

The Group acknowledges that construction activities may generate noise pollution affecting nearby communities and the environment. To comply with Hong Kong's *Noise Control Ordinance*, all noise-sensitive activities are conducted within the permitted hours specified by EPD, with regular noise level assessments and monitoring to ensure it is controlled below the level stipulated by relevant regulations. For construction activities that are to be carried out during the restricted hours and for percussive piling during the daytime, not being a general holiday, the Group ensures prior approval of construction noise permits from EPD. The Group has implemented the following noise mitigation measures:

- deploying quieter electric-powered machinery and equipment, ensuring machinery and equipment are certified under the standards of Hong Kong Electrical and Mechanical Services Department and the EPD;
- using noise reduction technologies and sound barriers at construction sites actively to minimise noise propagation;
- optimising process and conduct worker training to adopt best practices, such as avoiding machinery idling during high-noise operations; and
- enhancing community engagement to further improve noise control measures.

A4. Climate Change

The impacts of global climate change on ecosystems and industries worldwide are becoming increasingly evident. The Group also fully recognises that climate change may affect its business operations in various aspects. Accordingly, the senior management of the Group assumes primary responsibility for identifying and assessing climate-related risks to evaluate the potential impact of such risks on the Group, and implement necessary mitigation under the supervision of the Board. These risks include physical risks (such as potential financial losses and non-financial damages due to extreme weather) and transition risks (such as potential adverse effects from transitioning to a low-carbon economy).

Physical Risks

As an engineering contractor operating in Hong Kong, our business inherently faces risks associated with the increasing frequency and severity of extreme weather. Among all climate change impacts affecting Hong Kong, heavy rain, flood, typhoon, heatwave, and extreme temperature may adversely disrupt our operation activities. For instance, frequent and intense heavy rains may flood low-lying construction sites, delaying project timelines and extending work durations. Additionally, as most construction sites are in open-air and lack air-conditioning, heatwaves could lead to heatstroke, heat exhaustion, or other health issues among workers, which not only reduces employee productivity but may also cause project delays, ultimately disrupting business operations. With rising average temperatures and an increase in extreme heat days, our employees and employees of our subcontractor will face heightened health risks.

To minimise the impact of heavy rain and typhoon, the Group has established the *Code of Practice in Times of Typhoons and Rainstorms*, to clearly guide our staff on the work arrangements and emergency responses during severe weather. For example, we make prompt communication with on-site workers via instant messaging platforms to coordinate schedules and ensure safety. In addition, we implemented effective heat stress prevention measures, such as providing electric fans, portable cooling fans, shaded rest areas, and adequate hydration to minimise the health risk for staff of the Group and our subcontractors and improve their working environment. In extreme cases, we will adjust work shifts to avoid high-temperature exposure of our employees.

Transition Risks

In addition to the above physical risks, the Group also faces risks arising from tightening regulations brought by climate change. In order to achieve carbon neutrality by 2050, the Hong Kong Government announced the *Hong Kong's Climate Action Plan 2050* in 2021. This plan outlines four major carbon reduction strategies, including (i) increasing the share of renewable energy in the fuel mix for electricity generation, and ceasing the use of coal for daily electricity generation in 2035 or earlier; (ii) reducing the overall electricity consumption of buildings through promoting green buildings, improving buildings' energy efficiency and promoting a low-carbon lifestyle; (iii) promoting the electrification of vehicles and ferries, development of new-energy transport and measures to improve traffic management, and ceasing the new registration of fuel-propelled and hybrid private cars in 2035 or earlier; and (iv) further promoting waste reduction and recycling, and developing adequate waste-to-energy facilities in 2035 or earlier.

In order to transition to a low-carbon economy and respond to the carbon reduction strategies of the Government, the Group began purchasing a number of electric private vehicles to replace petrol-powered ones, and commenced the transition to replace traditional equipment with new energy equipment since 2023, thus reducing our dependence on fossil fuels. We intend to further purchase more electric private vehicles and new energy equipment in the future to reduce carbon emissions from fossil fuel combustion. However, these measures may increase our operational costs and affect our financial performance. On the other hand, the market demand on low-carbon transition and power efficient equipment may increase, thereby increasing the technology innovation and R&D costs.

Starting from the next fiscal year, the Stock Exchange will implement more stringent climate-related disclosure requirements in accordance with the standards set by the International Sustainability Standards Board ("**ISSB**"), which may result in the increase in compliance and operational costs. If the Group fails to meet compliance requirements and does not actively address climate-related risks or reduce carbon emissions, it may also face reputational risks.

To mitigate the impact of such policies, we will regularly monitor existing and emerging climate-related trends and regulations, strengthen communication with regulatory authorities, promptly adjust our risk management strategies, and enhance transparency in climate-related disclosures. These efforts will help maintain a positive corporate image and avoid reputational issues arising from slow responses.

Opportunities

Although transitioning to a low-carbon economy may present the above-mentioned potential risks, it also offers potential opportunities. The Group intends to invest more resources in environmentally-friendly equipment and clean energy. By demonstrating our commitment to green practices, we expect to enhance our brand image and attract customers and investors who value environmental awareness.

In terms of policy environment, the Hong Kong Government has set targets in the *Hong Kong's Climate Action Plan 2050*, planning to increase the proportion of renewable energy in the fuel mix for electricity generation to 7.5% to 10% by 2035 and reach 15% by 2050. To achieve these targets, the Government has introduced multiple incentive measures, including the Feed-in Tariff Scheme, Renewable Energy Certificates Scheme, and funding schemes, to actively promote the development of the renewable energy market. Of which, solar photovoltaic system, with its low maintenance requirements, long service life, high scalability and flexibility, is regarded as a mature renewable energy technology with significant development potential. With strong policy support, we anticipate a trend of rapid growth in market demand for solar photovoltaic systems and related services. The Group's solar photovoltaic system business will undoubtedly benefit from this market trend.

In addition, the Group is seizing opportunities in the construction industry's digitalisation, smart transformation and low-carbon transition by collaborating with industry leaders such as SANY Group and CATL to establish the Zero Carbon Smart Alliance, jointly constructed the innovative "Zero-Carbon Smart Space" platform. Guided by the national development of New Quality Productivity and united by the shared mission of Hong Kong Green Homeland, the alliance deeply integrates core cutting-edge technologies including but not limited to green transportation, green building, smart photovoltaic and energy storage systems, smart city, and AI smart solutions across all works and services of the entire industrial chain. Through partnerships with outstanding enterprises from diverse industries, we fully leverage the advantages from all parties in technology, resources, and markets to achieve resource sharing and complementary advantages, jointly overcome technical challenges, accelerating the transformation and application of innovations, to provide material support for the implementation and construction of Hong Kong's new energy industrial chain. This initiative will generate sustainable business opportunities for us, foster the Group's long-term stable growth, and ensure robust financial development.



Zero Carbon Smart Alliance

Zero Carbon Smart Space “Solar, Storage, Charging, Swapping and Recycling” Integrated Solution

Solar Specialising in solar photovoltaic system design and application, we develop integrated solutions for roofs and facades tailored to the high-density building characteristics of Hong Kong. We provide comprehensive lifecycle services including planning, installation and maintenance, with the goal of assisting in increasing the proportion of renewable energy generation in Hong Kong to 7% by 2030.

Storage We introduce energy storage technology, combined with the photovoltaic development layout planning, to increase the efficiency and predictability of renewable energy usage. We also balance the peak and valley electricity usage to alleviate the load of the power grid, replace the diesel power generation mode at the construction sites, and meet the instantaneous high current demand of equipment.

We install the latest photovoltaic panel products on the roof of the space, combined with advanced energy storage cabinets and external power grid, forming an efficient and intelligent photovoltaic-storage-direct-flexible energy supply system. The system enables real-time monitoring of power grid and solar power supply, while autonomously storing and releasing electricity based on preset strategies to achieve flexible energy regulation.

Charging In support of the Government’s “Green Transportation” initiative, we plan to deploy over 500 fast-charging piles in Hong Kong by 2030, facilitating the electrification transition of construction machinery and heavy-duty commercial vehicles.

Swapping We aim to deploy over 20 smart battery-swapping stations in Hong Kong by 2027, offering one-stop services including the battery maintenance and 2-minute quick battery swapping to ensure worry-free operation for all electric vehicles in Hong Kong.

The battery-swapping stations at the space are equipped with cutting-edge technology, enabling an automated battery swapping and unmanned operation model, which significantly enhances the efficiency and convenience of battery-swapping. These stations are compatible with various types of construction vehicles and are equipped with a data visualisation-based operational monitoring system. This system provides real-time display and analysis of charging/swapping data and fleet management information, integrating monitoring, decision-making and control functions, significantly improving the operating efficiency of the battery-swapping stations.

Intelligent

In response to the Government's "Construction Industry 2.0" initiative and in alignment with the functional requirements of the "4S (Smart, Site, Safety and System) System", we invest in developing an intelligent corporate Smart Site Safety System for construction sites. This system incorporates construction equipment management capabilities, enabling one-click monitoring of personnel, machinery and vehicle movements while connecting to the zero-carbon smart city strategic network.

This system integrates advanced AI and IoT technologies to provide real-time monitoring of frontline employees and equipment operations. Through its intelligent early-warning mechanism, this system can accurately identify potential risks and issue early warning signals in a timely manner, enabling managers to maintain comprehensive oversight of the safety status and resource utilisation of all projects under construction, continuously improve project safety, improve management efficiency, and thereby significantly enhance the Company's core competitiveness.

Parking

We establish smart multi-level parking zones to address Hong Kong's challenges of scarce and expensive parking, match automatic fast-charging services, and strengthen transportation facilities and residents' travel with one click.

Battery Recycling

We deploy a battery-recycling station network in Hong Kong to achieve a recovery rate of over 99.3% for core metal materials, establishing a closed-loop battery material supply chain.



Zero Carbon Smart Space



*First Battery-Swapping Station
for Commercial Vehicle in Hong Kong &
Industry-Leading Electric Construction Machinery*

B. SOCIAL

B1. Employment

The Group considers its employees as one of its most important assets and places great emphasis on their retention, needs and development. The Group has established the *Human Resources and Payroll Management System* to clarify its personnel management policies and safeguard employees' rights, ensuring that the human resources and administration department operates in accordance with established guidelines. During the Year, the Group strictly complied with applicable laws and regulations concerning compensation and termination, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Group was not aware of any material violations of such laws and regulations that had a significant impact on the Group. These laws and regulations include, but are not limited to:

- The *Employment Ordinance* (Cap. 57 of the Laws of Hong Kong);
- The *Mandatory Provident Fund Schemes Ordinance* (Cap. 485 of the Laws of Hong Kong); and
- The *Minimum Wage Ordinance* (Cap. 608 of the Laws of Hong Kong).

We are committed to upholding the principles of equal opportunity, diversity and anti-discrimination in the workplace. Our employment-related processes are based on a diverse range of parameters, including but not limited to gender, age, cultural and educational background, nationality, ethnicity, industry experience, skills and knowledge. Employers must strictly adhere to the aforementioned principles, policies and annual human resources budget when implementing the recruitment process to ensure efficiency and quality. The recruitment process includes steps such as approval of hiring requests, interviews and background checks, all designed to ensure talent quality and meet workforce demands. Furthermore, the Group actively encourages employees to participate in talent recruitment and development initiatives. By implementing the *Employee Referral Reward Programme*, we aim to attract top talent, expand our talent pool, and recognise and reward employees for their contributions. This initiative fosters a sense of belonging and engagement among employees while strengthening our team cohesion.

As of 31 March 2025, the Group had a total of 411 employees, all based in Hong Kong. The following table sets out the number of employees by category:

As of 31 March 2025	
By gender	
Male	334
Female	77
By employment type	
Full-time	408
Part-time	3
By age group	
Below 30	45
30–50	217
Above 50	149
By employee category	
Directors	6
Senior management	15
Middle management	25
Employees	365

The Group is also committed to offering competitive compensation packages to retain outstanding employees. Salary adjustments, bonuses, and promotion opportunities will be determined based on business conditions, profitability and individual performance evaluations. Diligent and outstanding employees will be eligible for promotions and salary increases. To standardise employee leave management, safeguard employee benefits, and maintain good work order, the Group has established the *Employee Leave and Benefits Management Policy*, which clarifies the leave application and approval procedures, as well as the entitlements for various types of leave. In addition to regular paid annual leave and sick leave, employees of the Group are also entitled to other leave arrangements such as marriage leave, bereavement leave, maternity leave and paternity leave, allowing them to relax and recharge.

If it becomes necessary to terminate an employee, we will strictly follow the established procedures for approval and off-boarding, including work handover and the return of company items. On the last working day, the personnel from the human resources and administration department will be responsible for explaining the calculation method of the final salary to the resigned or dismissed employees, and issuing cheques to protect the interests of both employees and the Group.

Environment, Social and Governance Report

The following table sets out the employee turnover rate data of the Group⁶:

	2025
Total	55.5%
By gender	
Male	61.4%
Female	29.9%
By age group	
Below 30	55.6%
30–50	44.7%
Above 50	71.1%
By region	
Hong Kong	55.5%

Note(s):

6. Employee turnover rate = Number of resignations in the category during the year ÷ Number of employees in the category at the end of the year.

B2. Health and Safety

The Group places high importance on occupational health and work safety and has in place an occupational health and safety management system which is certified to be in compliance with ISO 45001:2018 standard in order to promote a safe and healthy working environment. During the Year, the Group strictly complied with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards. The Group was not aware of any material violations of such laws and regulations that had a significant impact on the Group. These laws and regulations include, but are not limited to:

- The *Employees' Compensation Ordinance* (Cap. 282 of the Laws of Hong Kong); and
- The *Occupational Safety and Health Ordinance* (Cap. 509 of the Laws of Hong Kong).

The Group has established the *Engineering Supervision and Management System* to standardise safety management procedures in engineering operations. Additionally, we develop a dedicated *Safety and Health Management Plan* for each project, outlining personnel responsibilities, common safety and health hazards and safety measures. The following sets out the Group's workplace safety measures, including but not limited to:

- organising site safety induction briefing sessions for workers on the first day of work and providing safety trainings for the workers on site, including subcontractors' employees. The training topics cover safety procedures for civil and electrical cable engineering, emergency response, duties and procedures for reporting hazards and accidents, the use of personal protective equipment, emergency measures and good housekeeping;
- providing appropriate personal protective equipment, such as full-body safety harnesses, helmets, and safety boots, to our employees and subcontractors based on the nature of their work. We also require all employees to wear industrial dust masks during construction activities to effectively filter air particulates, including dust and smoke, so as to prevent employees from directly inhaling relevant exhaust and dust and protect their health;
- establishing safety bulletins and detailed records of accident statistics, holding regular internal and external safety meetings, and documenting safety measures and issues identified for each project by preparing safety reports and training records, so as to maintain effective promotion and communication of safety procedures;
- conducting risk assessments to identify potential hazards and accidents and providing suggestion on proper preventive measures prior to commencement of works;
- safety officers and/or safety supervisors shall carry out site inspections on a daily basis to ensure strict compliance with the occupational health and safety laws, rules and regulations. We may also engage external safety consultants to assist with our safety supervision on a case-by-case basis;
- safety officer shall (i) advise the senior management team on the legal requirements in respect of occupational health and safety matters; (ii) anticipate possible workplace hazards and recommend relevant prevention procedures; (iii) provide statistics and analysis on workplace accidents and make recommendations for improvement; (iv) report and investigate works accidents, determine their causes and recommend measures for preventing recurrence; and (v) arrange safety trainings for all employees;
- project management team shall be responsible for supervising the implementation of occupational health and safety policies, and ensure that work safety measures are incorporated into proposed construction methods from the planning stage and comply with all applicable occupational health and safety standards, and are continuously adhered to throughout project implementation;
- site foremen shall cooperate with the safety officer to establish on-site safety practices and ensure that all new comers are aware of their obligations to comply with such practices; and
- conducting regular safety audits and reviews of the above policies and measures in accordance with the *Factories and Industrial Undertakings (Safety Management) Regulation* to ensure the effectiveness of safety measures.

Environment, Social and Governance Report

The project management team regularly provides guidance and training to workers and subcontractors on correct and safe working practices to ensure they understand and comply with our safety guidelines and measures. We may impose fines on or remove the subcontractors who have repeatedly breached the internal safety procedures from our internal approved list of subcontractors. We also hold regular meetings with our subcontractors to discuss on the implementation of safety measures and follow up with any safety issues identified during the course of project implementation.

To comprehensively enhance construction safety management, the Group upholds the philosophy of “leading engineering with wisdom and enabling management with technology” and successfully developed the 4S Smart Site Safety System during the Year. The system collects real-time data and transmits it to a centralised management platform, enabling project teams to comprehensively grasp the safety conditions of the entire construction site. Once potential hazards are detected, the system immediately sends alerts to on-site safety management personnel and workers, facilitating comprehensive digital management of smart sites in terms of quality, personnel, safety, environment and other aspects.



4S Smart Site Safety System

The Group also has standard procedures in place for handling and recording work accidents. Below are the general procedures for handling and recording work accidents:

- Upon occurrence of an accident, we require the injured worker or person who witnessed the accident to report to our safety officer or safety supervisor (as the case may be) about the details of the accident on a timely basis, including the venue, time, cause of injury, etc.
- The safety officer or safety supervisor (as the case may be) will prepare a notice of accident and send the notice of accident to the site agent and our administrative staff detailing the venue, date and time of the accident, name of the injured, details of the accident and injury and follow up action performed by the safety officer after the occurrence of the accident. Our administrative staff maintains a master file for recording all details of injury cases.
- Our administrative staff will report the work injury case on time to the main contractor and the Labour Department in accordance with the relevant requirements (if applicable).

The Group did not record any work-related fatalities in the past three years (including the Year). For 2025, we recorded 1 work-related accident involving employees, with 295 working days lost due to work injuries. Regarding the projects for which the Group has been appointed as the main contractor, we recorded 3 work-related accidents involving employees of subcontractors. In response to work-related injuries, we have implemented the following measures:

- In the event of a work-related injury, the management shall hold a briefing with the relevant on-site personnel to understand the cause of the accident and any safety-related violations, and remind the on-site workers (including employees and subcontractors) to raise their awareness of occupational safety and health;
- A summary of the work-related injury is prepared to record the work-related injury that has occurred, and to be reviewed by the management on a regular basis;
- The management will review and assess the safety policies on a monthly basis; and
- Prior to commencing construction work, insurance coverage of the main contractor is evaluated by the management to ensure that there is adequate insurance coverage for the employees.

B3. Development and Training

Employee development is crucial to the continuous growth of the Group. Therefore, we provide employees with adequate and effective training to enhance their professional knowledge and technical skills. Training programmes and related management procedures are set out in the Group's *Human Resources and Payroll Management System*.

We offer safety and health orientation training to every new worker. This orientation training focuses on site safety standards, emergency guidelines and environmental requirements for pollutant treatment. In addition, we also regularly provide specific safety training courses to workers to enhance their awareness of occupational safety. At the same time, the Group encourages and sponsors employees to undertake training courses to obtain qualification certificates related to their career development.

For 2025, 100% of the Group's employees received training⁷. The following table sets out the Group's training data:

	2025	
	Proportion of trained employees ⁸	Average training hours ⁹
Total	N/A	1.0
By gender		
Male	81.3%	1.0
Female	18.7%	1.0
By employee category		
Directors	1.5%	1.0
Senior management	3.6%	1.0
Middle management	6.1%	1.0
Employees	88.8%	1.0

Note(s):

7. Total percentage of trained employees = total number of employees trained during the year (excluding resigned employees) ÷ total number of employees at the end of the year × 100%.
8. Proportion of trained employees = number of employees trained in the category during the year (excluding resigned employees) ÷ total number of employees trained during the year × 100%.
9. Average training hours = training hours for employees in the category during the year (excluding resigned employees) ÷ number of employees in the category at the end of the year.

B4. Labour Standards

The Group recognises that the employment relationship shall be based on mutual equality, respect, and tolerance. We maintain a zero-tolerance policy towards child labour, and strictly prohibit the employment of illegal immigrants and forced labour at our offices and construction sites. In accordance with the *Human Resources and Payroll Management System*, we strictly prevent illegal acts during the recruitment process. The human resources and administration department verifies the identification documents of job applicants to ensure they meet the legal working age and qualifications. If any discrepancies such as inconsistent age and identity are found, the Group will immediately terminate the employment relationship with the relevant employees.

The Group also prohibits any form of verbal or physical abuse as punishment, management methods and disciplinary actions, physical punishment, or any actions that may constitute oppression or sexual harassment for any reason.

During the Year, the Group strictly complied with laws and regulations relating to preventing child and forced labour, and was not aware of any material violations of laws and regulations that had a significant impact on the Group. Such laws and regulations include, but are not limited to:

- The *Employment Ordinance* (Cap. 57 of the Laws of Hong Kong).

B5. Supply Chain Management

Suppliers and subcontractors are an integral part of the Group's operations and play a crucial role in providing high-quality services to our customers. Therefore, we place great importance on the selection and monitoring of suppliers and subcontractors. The Group's supplier categories mainly include (i) subcontractors; (ii) suppliers of materials such as steel, uPVC pipes and solar PV panels; and (iii) suppliers of other miscellaneous services such as machinery rental services, testing services and technical consultancy services. For 2025, the Group had a total of 234 suppliers and implemented relevant engagement practices for all suppliers. The following table sets out the Group's supplier data:

	2025
By region	
Hong Kong	211
Mainland China	20
Overseas	3

Environment, Social and Governance Report

To effectively manage suppliers and subcontractors, the Group has established the *Procurement to Payment Management System and Engineering Supervision and Management System*. When selecting suppliers and subcontractors, various departments, including but not limited to procurement, operations and construction departments, will assess them in terms of backgrounds, business scopes, reputation, services or product quality, and price, and request relevant qualification certificates from suppliers for inspection, ensuring that their services, materials and products meet the Group's requirements and standards. Suppliers who have passed the above review and inspection are included in our list of qualified suppliers. The Group will conduct regular evaluations and inspections of the suppliers in the list every year to evaluate whether they still meet our needs in terms of pricing, service and supply quality, efficiency, reliability, on-time completion or delivery ability and credit rating. The results of the evaluation by the procurement department will be submitted to the management for approval. We will no longer purchase any services or products from suppliers or subcontractors with unqualified results.

The Group is committed to building a sustainable supply chain and monitoring environmental and social risks in the supply chain. In addition to the above supplier assessment criteria, the Group will also give priority to suppliers that align with our environmental protection and social responsibility philosophy when selecting suppliers, and continuously monitor and assess their commitment to environmental protection and social responsibility to ensure they comply with environmental protection, safety, labour-related regulations and standards. To reduce safety risks from subcontractors, we have strictly required subcontractors to comply with the safety standards and requirements set out in the *Safety and Health Management Plan*. For corruption risks in the procurement process, the Group has issued the *Code of Conduct for Integrity and Honesty* to employees, clearly stipulating that all employees must not provide or accept bribes or other improper benefits to ensure all business transactions maintain high ethical standards. The Group also encourages suppliers and subcontractors to actively promote corporate social responsibility awareness and enhance environmental, social and governance performance to further reduce environmental and social risks. We will regularly review the above supply chain management policies and measures to ensure their effectiveness.

B6. Product Responsibility

During the Year, the Group strictly complied with laws and regulations relating to the health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress, and was not aware of any material violations of laws and regulations that had a significant impact on the Group. Such laws and regulations include, but are not limited to:

- The *Buildings Ordinance* (Cap. 123 of the Laws of Hong Kong); and
- The *Personal Data (Privacy) Ordinance* (Cap. 486 of the Laws of Hong Kong).

Quality and Safety of Engineering Services

The Group has always adhered to high-quality standards for all construction projects and is committed to providing customers with high-quality and reliable services. To enhance its information technology capability and increase its efficiency in project implementation, the Group has proactively introduced an enterprise resource planning system. The system includes an integrated trading system, inventory management system, project management system, human resources management system, etc., aiming to plan and allocate human resources more effectively, thereby significantly enhancing overall operational efficiency and supporting the Group's high-quality development. In addition, we have implemented a quality management system in compliance with ISO 9001:2015 standards and formulated the *Engineering Supervision and Management System* to ensure that the quality of each work process meets customers' requirements. The health and safety measures for engineering services have been set out in the chapter headed "Health and Safety".

Each construction project has at least one site representative, who is responsible for real-time communication with our customers and subcontractors at the project site, coordinating requirements and resource allocation, facilitating effective team communication, to promptly address identified issues or risks relating to project quality, safety and environment. To ensure the progress of construction projects, the operations department or engineering department is responsible for updating the project construction schedule on a weekly basis, recording data such as the actual progress of the construction projects, the planned number of construction days, and the corresponding construction projects or stages during the period. In the event of any material discrepancies, follow-up actions should be taken in a timely manner, and detailed annotations should be made in the project construction schedule to ensure that the relevant issues have been properly resolved. To supervise the work quality of workers and subcontractors, project managers and site foremen should inspect the project quality at the construction site every day, including the work quality of subcontractors. When the quality is found to be inconsistent with the acceptance standards, the subcontractors should be promptly requested to redo the work.

The Group has also established a handling process for customer and third-party feedback in the *Sales to Collection Management System* to ensure that relevant departments can conduct detailed investigations, actively supervise the complaint handling process, coordinate and communicate with all parties involved, and properly respond to complainants. In the event of construction works carried out in public areas, the engineering department shall mark the feedback hotline and contact person within the construction site. Upon receipt of feedback from customers and third parties, the engineering department is required to understand the facts and root causes of the complaints, and provide feedback and improvements based on the opinions from customers and third parties, so as to enhance the Group's service quality. During 2025, the Group did not receive any material complaints regarding its products and services. As the Group is not involved in production operations, the disclosure requirements on the percentage of total product sold or shipped subject to recalls for safety and health reasons and the product recall procedures are not applicable.

Customer Privacy and Intellectual Property

The Group attaches great importance to customer privacy protection and intellectual property. We have formulated the *Code of Conduct for Integrity and Honesty*, which requires all employees not to disclose or abuse the Group's confidential information and any company information without authorisation. Employees authorised to access or manage information, including information in computer systems, must always take confidentiality measures to prevent the abuse or unauthorised disclosure of information. When using any personal information of employees and customers, we require employees to exercise extreme caution to ensure compliance with the *Personal Data (Privacy) Ordinance*.

In addition, the Group has formulated the *Information Technology Management System* to ensure the safe, reliable and efficient operation of its information systems. Through strict measures such as user authority management, information system password management, computer room security, network security, information system virus protection management, information system patch management, information system change management, software licence management, data storage media disposal procedures and data backup, we comprehensively safeguard information security and ensure that the software used in the Group's computer systems has obtained appropriate licences. We will regularly monitor the above policies and measures to ensure their effectiveness.

The Group closely monitors and prevents infringement acts such as counterfeit trademarks in the market to ensure that its intellectual property rights are not infringed. During the Year, we were not aware of (i) any material infringements by us of any intellectual property rights owned by third parties; (ii) any material infringements by any third parties of any intellectual property rights owned by us; or (iii) any pending or threatened claims against us or against any members of our Group in relation to any material infringement of intellectual property rights of third parties.

Advertising and Labelling

Based on the nature of the business, the Group only conducts limited advertising and promotional activities, and therefore does not involve significant advertising-related risks. Notwithstanding, for the marketing and promotion of products and services, we strictly regulate and inspect all promotional activities for products and services to ensure compliance with applicable laws and regulations on promotion and labelling. Such marketing and promotion must accurately reflect the quality and content of the Group's products and services.

B7. Anti-corruption

During the Year, the Group did not identify any concluded legal cases regarding corrupt practices brought against it or its employees. The Group strictly complied with laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering, and was not aware of any material violations of laws and regulations that had a significant impact on the Group. Such laws and regulations include, but are not limited to:

- The *Prevention of Bribery Ordinance* (Cap. 201 of the Laws of Hong Kong); and
- The *Anti-Money Laundering and Counter-Terrorist Financing Ordinance* (Cap. 615 of the Laws of Hong Kong).

To foster a corporate culture of integrity-based operations and ensure the sound development of our Group, we have formulated the *Anti-corruption and Anti-money Laundering Policy* and the *Code of Conduct for Integrity and Honesty*, prohibiting our management and all employees from receiving, offering or soliciting any benefits from business associates (including suppliers and contractors) when conducting business. The table below sets out the Group's anti-corruption and anti-bribery measures:

Category	Measures
Acceptance of benefits	<ul style="list-style-type: none"> The Group's Directors, supervisors, management or all employees are prohibited from soliciting any benefits from any person (such as suppliers, contractors) who has business dealings with our Group when conducting business. If the responsible personnel and staff intend to accept any benefits provided by such persons, they should obtain special permission from the Board in advance.
Provision of benefits	<ul style="list-style-type: none"> When performing duties, our Group's Directors or employees must not directly or indirectly, or through a third party, provide bribes or benefits to any director, employee or agent of another company or organisation, or any public official.
Hospitality	<ul style="list-style-type: none"> Directors or employees should refuse to accept overly lavish or frequent hospitality provided by persons (such as suppliers or contractors) who have business dealings with the Group.
Conflicts of interest	<ul style="list-style-type: none"> A conflict of interest refers to a situation where the personal interests of a Director or employee conflict with or are in opposition to the interests of our Group. Personal interests include the financial and personal interests of our Director or employee, as well as their family members and relatives, close friends, and the companies and organisations they belong to; All employees should avoid any situations that actually or are perceived to involve a conflict of interest. If such a situation arises in the course of business, they should report it in writing to their supervisor or the Board. Such individuals should proactively avoid handling the related matter, and should follow the instructions of their supervisor or the Board, who may assign the matter to other responsible personnel; and For any proposals considered by the Group's Board, each Director should fully consider whether they or the legal entity they represent have an interest in the matter, and they should recuse themselves from decisions that may harm our Group's interests.

Environment, Social and Governance Report

The Group introduces whistle-blowing mechanism by (i) encouraging employees or external third parties to actively monitor and report any serious misconduct that may violate honest business practices via email and hotline. Any responsible personnel or employees who violate any provision of the *Anti-corruption and Anti-money Laundering Policy* will be subject to disciplinary action, or be terminated from their appointment/employment if there is sufficient justification. If the Group suspects the violation involves corruption or other criminal offences, we will report to the Independent Commission Against Corruption (ICAC) or the relevant authorities of the same. The Group regularly reviews its whistle-blowing mechanism to ensure its effectiveness.

The Group is committed to raising awareness of business ethics and anti-corruption among our Directors and employees and regularly organises educational training and promotion of the above policies for Directors, supervisors, management and all employees, and invites major business partners with whom our Group has business dealings to participate in the training, in order to ensure the effective implementation of our Group's policies. For 2025, the Group did not conduct any anti-corruption-related training due to resource constraints.

B8. Community Investment

Upholding the principle of giving back to the society, the Group actively demonstrates the service spirit of its core values, and encourages employees to participate in various educational, cultural, and social welfare activities. For 2025, the Group made charitable donations amounted to approximately HK\$3.4 million. Of which, the Group donated HK\$10,000 to the Society for the Prevention of Cruelty to Animals and purchased HK\$5,072 worth of souvenirs to support its animal rescue efforts. The Group has also been awarded the Caring Company Award for 2023/24, committing to practicing and continuously promoting corporate social responsibility and a culture of care. The Group also intends to invest more resources in various educational, cultural and social welfare activities in the future, and actively participates in community volunteer activities to show our concern and feedback to the local community.

INDEX TABLE OF ESG REPORTING GUIDE OF THE STOCK EXCHANGE

Mandatory Disclosure Requirements	Section
Governance Structure	Board Statement — Governance Structure
Reporting Principles	About this Report — Reporting Principles
Reporting Scope	About this Report — Reporting Scope

General Disclosures and KPIs	Description	Section
------------------------------	-------------	---------

A. Environmental

Aspect A1: Emissions

General Disclosures	Information on:	Environmental
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
KPI A1.1	The types of emissions and respective emissions data.	Environmental — Emissions: Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and (as appropriate) intensity.	Environmental — Emissions: GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and (as appropriate) intensity.	Environmental — Emissions: Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and (as appropriate) intensity.	Environmental — Emissions: Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental — Emissions: GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental — Emissions: Waste Management

Environment, Social and Governance Report

General Disclosures and KPIs

Description

Section

Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental — Use of Resources
KPI A2.1	Direct and/or indirect energy (e.g. electricity, gas or oil) consumption by type in total (kWh in '000s) and intensity.	Environmental — Use of Resources: Energy Consumption
KPI A2.2	Water consumption in total and intensity.	Environmental — Use of Resources: Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental — Use of Resources: Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental — Use of Resources: Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced (as appropriate).	Not applicable, explained

Aspect A3: The Environment and Natural Resources

General Disclosures	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental — The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental — The Environment and Natural Resources

Aspect A4: Climate Change

General Disclosures	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental — Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental — Climate Change: Physical Risks, Transition Risks, Opportunities

General Disclosures and KPIs

Description

Section

B. Social

Aspect B1: Employment

General Disclosures	Information on:	Social — Employment
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social — Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social — Employment

Aspect B2: Health and Safety

General Disclosures	Information on:	Social — Health and Safety
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to providing a safe working environment and protecting employees from occupational hazards.	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social — Health and Safety
KPI B2.2	Lost days due to work injury.	Social — Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Social — Health and Safety

Environment, Social and Governance Report

General Disclosures and KPIs

Description

Section

Aspect B3: Development and Training

General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social — Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social — Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social — Development and Training

Aspect B4: Labour Standards

General Disclosures	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Social — Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social — Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social — Labour Standards

Aspect B5: Supply Chain Management

General Disclosures	Policies on managing environmental and social risks of the supply chain.	Social — Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Social — Supply Chain Management

General Disclosures and KPIs

KPIs	Description	Section
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Social — Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Social — Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Social — Supply Chain Management

Aspect B6: Product Responsibility

General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Social — Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable, explained
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Social — Product Responsibility: Quality and Safety of Engineering Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Social — Product Responsibility: Customer Privacy and Intellectual property
KPI B6.4	Description of quality assurance process and recall procedures.	Social — Product Responsibility: Quality and Safety of Engineering Services

Environment, Social and Governance Report

General Disclosures and KPIs

	Description	Section
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Social — Product Responsibility: Customer Privacy and Intellectual property

Aspect B7: Anti-corruption

General Disclosures	Information on:	Social — Anti-corruption
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to bribery, extortion, fraud and money laundering.	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Year and the outcomes of the cases.	Social — Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Social — Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Social — Anti-corruption

Aspect B8: Community Investment

General Disclosures	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social — Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social — Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social — Community Investment