

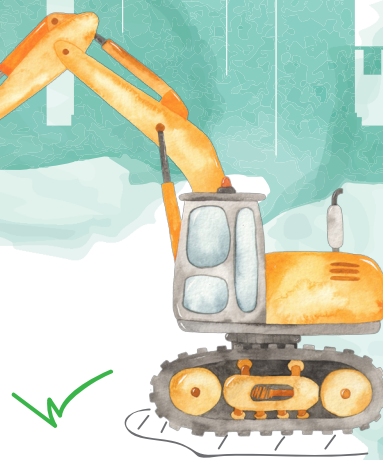
Hong Kong 香港 • Macau 澳門

LS 黎氏建築
Lai Si Construction

Lai Si Enterprise Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2266)



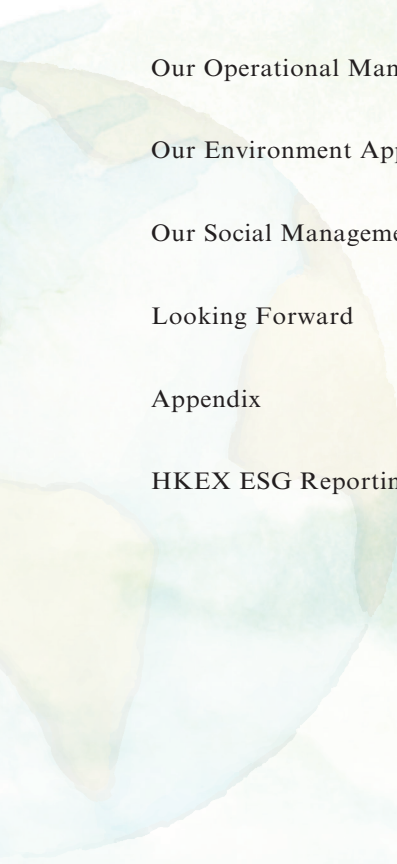
2023

Environmental, Social and Governance Report



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ABOUT THE GROUP

Lai Si Enterprise Holding Limited (the “Company”), together with its subsidiaries (collectively the “Group”), has over 30 years of experience in the fitting-out and construction industry, providing construction, fitting-out, as well as repair and maintenance services in Macau and Hong Kong. It mainly provides services to customers such as hotels, casinos, international retailers, food and beverage outlets, and government departments. The Group is proud to have received the ISO9001:2015 international quality management system certification, alongside the ISO14001:2015 environmental management system and ISO45001:2018 occupational health and safety management system certifications. It is an active contributor to the construction of large-scale casinos and hotels, projects for various government departments, and commercial and social organisations. As of 31 December 2023, the Group completed 24 projects and was awarded 23 projects.

In 2023, the Lai Si Enterprise Group has continued to persevere through challenges, striving for excellence in the fitting-out and construction industry. Despite the ongoing global circumstances, the Group has shown resilience, leveraging its strengths and resources to maintain robust corporate governance and to further expand its extensive network of customers and suppliers. It has been a year marked by persistent commitment to sustainable development and ESG strategies, which has allowed the Group to adapt and thrive during these uncertain times. The Group’s unwavering dedication to providing top-quality services to its diverse clientele has only bolstered its reputation in the industry. As the Group looks forward to the rest of the year, it remains committed to its mission of seizing new opportunities and promoting sustainable development for a more prosperous future.



ABOUT THE REPORT


This is the eighth Environment, Social and Governance Report (the “Report”) published by the Group. The Report aims to disclose commitments and management in relation to the Group’s environmental, social and governance (“ESG”) responsibilities, and includes sustainability measures and performance for the period from 1 January 2023 to 31 December 2023 (the “Year”). It is prepared both in Chinese and English, and is available on the website of the Hong Kong Exchanges and Clearing Limited (the “HKEx”) and the Group’s website (<https://www.lai-si.com/>).

REPORTING BOUNDARY

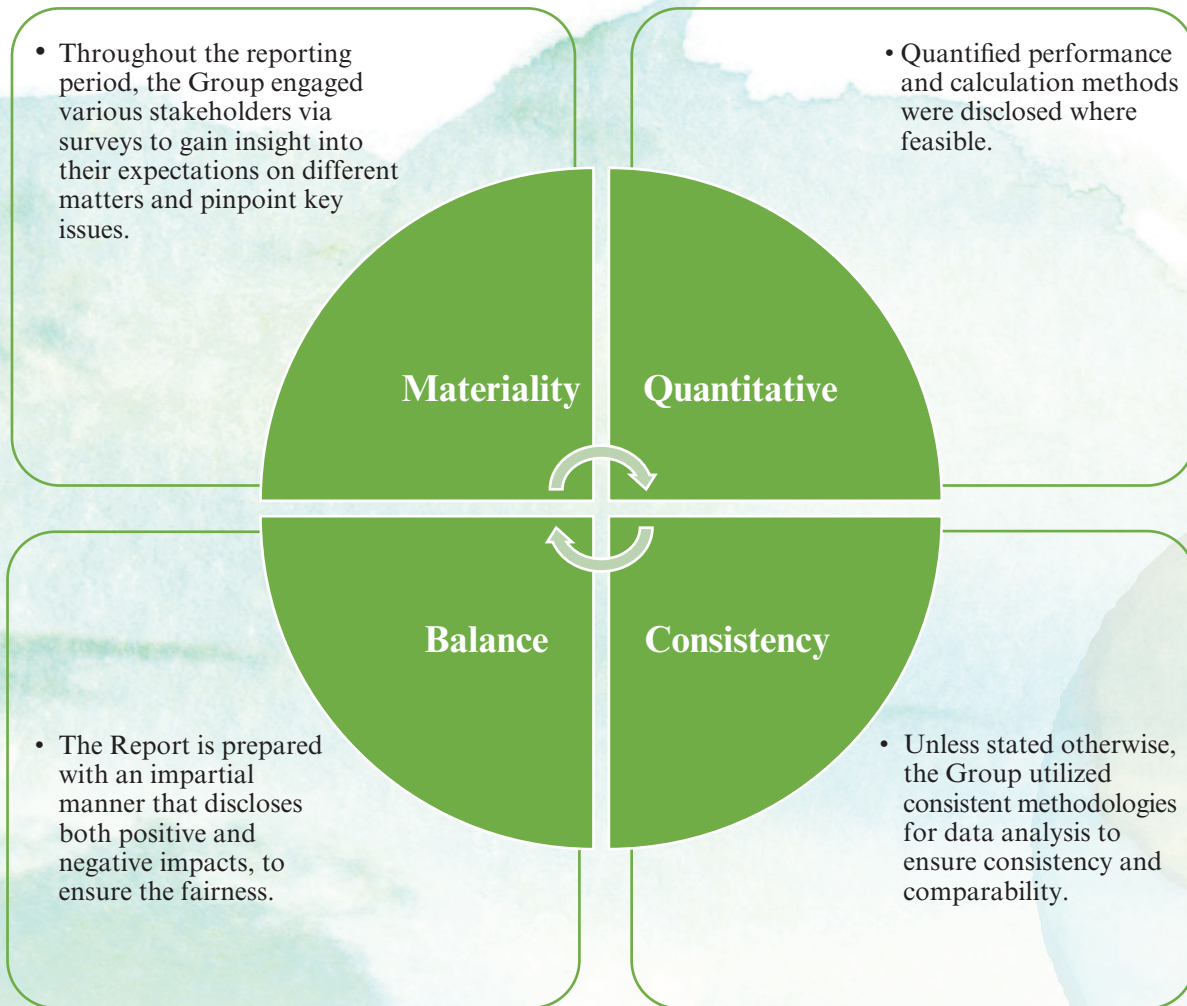
Same as last year, this Report mainly covers the Group’s core business operations in Macau and Hong Kong, including fitting-out works, construction works, and repair and maintenance works. For the environmental key performance indicators (“KPIs”), they are restricted to the Group’s corporate offices in Macau and Hong Kong. The Group will continue to review its business operations and development, and adjust the disclosure scope and improve its internal data collection system in a timely manner, so as to enhance the transparency and comprehensiveness in disclosing its ESG performance.

REPORTING PRINCIPLES

The Report is prepared in accordance with the four principles, namely materiality, consistency, balance and quantitative, as set out in the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) at Appendix C2 of the Main Board Listing Rules of the HKEx.



ABOUT THE REPORT



OPINION AND FEEDBACK

The Group believes different parties' opinions help to improve the ESG performance and governance. If you have any feedback or questions regarding the Report and other ESG matters, please contact the Group through the following channels:

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ESG GOVERNANCE STRUCTURE

The Group places significant emphasis on sustainability in its operations and is committed to maintaining efficient Environmental, Social, and Governance (ESG) governance. To ensure the effectiveness of its ESG policies and corresponding actions, the Group has formed the ESG Working Group, providing a comprehensive governance structure for ESG concerns.

The Board holds the ultimate accountability for the Group's ESG issues, which encompasses overseeing the formulation and execution of ESG strategies, objectives, and policies, as well as risk assessment, management, and stakeholder engagement. To promote efficient and systematic ESG management, the Board has assigned relevant daily tasks to its committees and management. The Audit Committee's role is to assess the efficacy of the risk management and internal control system and regularly report to the Board. The ESG Working Group members support the Board on ESG matters by correctly implementing pertinent policies and actions, and offering advice and support for the creation and management of ESG objectives and performance.

STRUCTURE OF ESG WORKING GROUP

Leader: *Chairman of the Board*

- Target setting – Set annual targets considering the societal and environmental context, as well as the Group's capabilities

Vice Leader: *CEO and Board Secretary*

- Target setting – Set annual targets considering the societal and environmental context, as well as the Group's capabilities

Member: *Deputy managers and relevant department heads*

- Target setting – Set annual targets considering the societal and environmental context, as well as the Group's capabilities

ESG GOVERNANCE STRUCTURE

ESG RISK MANAGEMENT

The Group prioritizes ESG risk management for long-term business sustainability. It helps to identify and control risks impacting operations, safeguarding business interests, stakeholders, communities, and the environment. It enhances reputation, strengthens stakeholder relationships, and aligns with global sustainability trends. Under the Board's guidance, the Group has a risk management framework and procedures to quickly recognize, evaluate, and handle significant risks.

	Considerations	Management Approaches
Risk management procedures	Severity of the risk impact on the Company's financial performance.	<p>Risk elimination:</p> <ul style="list-style-type: none"> Implementing changes or controls to eliminate the risk.
		<p>Risk mitigation:</p> <ul style="list-style-type: none"> Formulating and implementing risk management plan to reduce the likelihood, velocity or severity of the risk to an acceptable level.
	Probability of risk occurrence.	<p>Risk retention:</p> <ul style="list-style-type: none"> Monitoring and managing the risk within acceptable level continuously and accounting it as part of the risk management plan.

During the Year, the Group has identified and engaged with 10 key risk respondents, including executive directors, financial director, accounting, business manager, senior personnel and administrative clerk, and IT manager. After the engagements, the Group has identified the following 3 major ESG risks during the Year, and implemented appropriate risk management measures accordingly to minimise potential negative impacts on the Group



ESG GOVERNANCE STRUCTURE

Types of risks	Risk description	Corresponding measures
Information security risk	Incompetent confidential information management system, including inadequate and uncomprehensive confidentiality management regulations, or management personnel are failing to fulfill their duties, may lead to ineffective protection to confidential information.	<ul style="list-style-type: none"> • Implement authority approval system for access to corporate confidential information, which signed confirmation from and supervision of managers are required for access to confidential information; • Copying and photocopying confidential information without permission are strictly prohibited; • Printed confidential information are archived and registered by dedicated personnel, and electronic confidential information is protected by double encryption; • Strictly pursue the legal responsibility of violators of relevant regulations; and • Require every employee to sign a nondisclosure agreement.
Compliance risk	Insufficient understanding of local laws and regulations of overseas business may face the risk of punishment or litigation by relevant law enforcement authorities.	<ul style="list-style-type: none"> • Consult local laws and regulations with local legal advisors and professional corporate service agencies to develop comprehensive compliance procedures
Human resources risk	With over-reliance on foreign labour, failure to renew valid license of foreign labour in time or failure to apply for foreign labour quotas, may cause the risk of manpower shortage, resulting in project delays and increased labour cost.	<ul style="list-style-type: none"> • Maintain close communication with the Labour Affairs Bureau and regularly apply for foreign labour quotas; and • Examine the validity of license on a periodic basis.



ESG GOVERNANCE STRUCTURE

COMPLIANCE MANAGEMENT

The Group views operational compliance as a fundamental aspect of sustainable corporate growth, fully recognizing that legal violations can seriously damage the Group and its stakeholders' interests, potentially leading to civil and/or criminal implications. Therefore, the Group is dedicated to adhering strictly to all relevant laws and regulations, persistently applying and overseeing its internal control via the Audit Committee, to fortify its compliance management. Throughout the year, the Group experienced no cases of non-compliance with laws and regulations concerning all ESG aspects, nor were there any legal cases involving corruption leveled against the Group or its employees.

The Group strictly adheres to relevant laws and regulations, including but not limited to the following:

Social aspect	
<i>Employment system</i>	
Macau: <ul style="list-style-type: none"> • <i>Labour Relations Law</i> 	Hong Kong: <ul style="list-style-type: none"> • <i>Employment Ordinance</i> • <i>Employee's Compensation Ordinance</i> • <i>Occupational Safety and Health Ordinance</i> • <i>Minimum Wage Ordinance</i>
<i>Occupational health and safety</i>	
Macau: <ul style="list-style-type: none"> • <i>Decree No. 57/82/M</i> • <i>Decree No. 37/89/M</i> • <i>Decree No. 13/91/M</i> • <i>Decree No. 44/91/M</i> • <i>Decree No. 67/92/M</i> • <i>Decree No. 34/93/M</i> • <i>Decree No. 48/94/M</i> • <i>Law No. 2/83/M</i> • <i>Law No. 3/2014</i> • Occupational safety and health-related <i>International Labour Organisation Conventions</i> applicable to Macau 	Hong Kong: <ul style="list-style-type: none"> • <i>Occupational Safety and Health Ordinance</i>



ESG GOVERNANCE STRUCTURE

Supply chain management

Macau:

- Decree No. 57/82/M
- Decree No. 37/89/M
- Decree No. 13/91/M
- Decree No. 44/91/M
- Decree No. 67/92/M

- Decree No. 34/93/M
- Decree No. 48/94/M
- Law No. 2/83/M
- Law No. 3/2014
- International Labour Organisation Conventions applicable to Macau

Product responsibility

Macau:

- Decree No. 57/82/M
- Decree No. 37/89/M
- Decree No. 13/91/M
- Decree No. 44/91/M
- Decree No. 67/92/M
- Decree No. 34/93/M
- Decree No. 48/94/M
- Law No. 2/83/M
- Law No. 3/2014
- Commercial Code
- Macau Cybersecurity Law
- International Labour Organisation Conventions applicable to Macau

Hong Kong:

- Intellectual Property Laws

Anti-corruption

Macau:

- Penal Code
- Prevention and Suppression of Bribery in Private Sector

Hong Kong:

- Prevention of Bribery Ordinance



ESG GOVERNANCE STRUCTURE

Environmental aspect

Macau:

- *Guideline for Waste Classification of the Environmental Protection Bureau*
- *Decree No. 62/95/M*
- *Decree No. 44/91/M*
- *Law No. 2/91/M*
- *Decision No. 78/GM/95*
- *Executive Order No. 4/2006*
- *Administrative Regulation No. 24/2016*
- *Administrative Regulation No. 15/2016*
- *Administrative Regulation No. 28/2004*
- *Administrative Regulation No. 22/2020*

Hong Kong:

- *Waste Disposal Ordinance*
- *Waste Disposal (Chemical Waste) (General) Regulation*
- *Dangerous Goods Ordinance*
- *Dangerous Goods (Application and Exemption) Regulation*
- *Dangerous Goods (General) Regulations*

STAKEHOLDER COMMUNICATION

The Group highly values the viewpoints of its stakeholders, understanding that their feedback is crucial in shaping successful ESG strategies that benefit both our business and sustainability efforts. We make it a point to communicate effectively with stakeholders, taking the time to truly understand their needs and concerns. This allows us to identify and respond to current and future ESG risks and opportunities. Our dedication to meeting stakeholders' expectations in a timely manner has allowed us to cultivate lasting collaborative partnerships.

COMMUNICATION CHANNELS

During the Year, the Group has continued to communicate with different key stakeholder through the following channels:

Employees

- Create two-way communication channels for both parties to interpret and respond to expectations on a routine basis through regular meetings, emails, etc.

Shareholders/Investors

- Update shareholders and investors on the Group's business and understand their viewpoints through the Annual General Meeting and Extraordinary General Meeting.

Suppliers

- Periodically rate and collect feedback from suppliers to ensure the quality of services and products provided reach the standards of both parties.

Customers

- Collect customer opinions on service and operation to understand their needs and expectations.

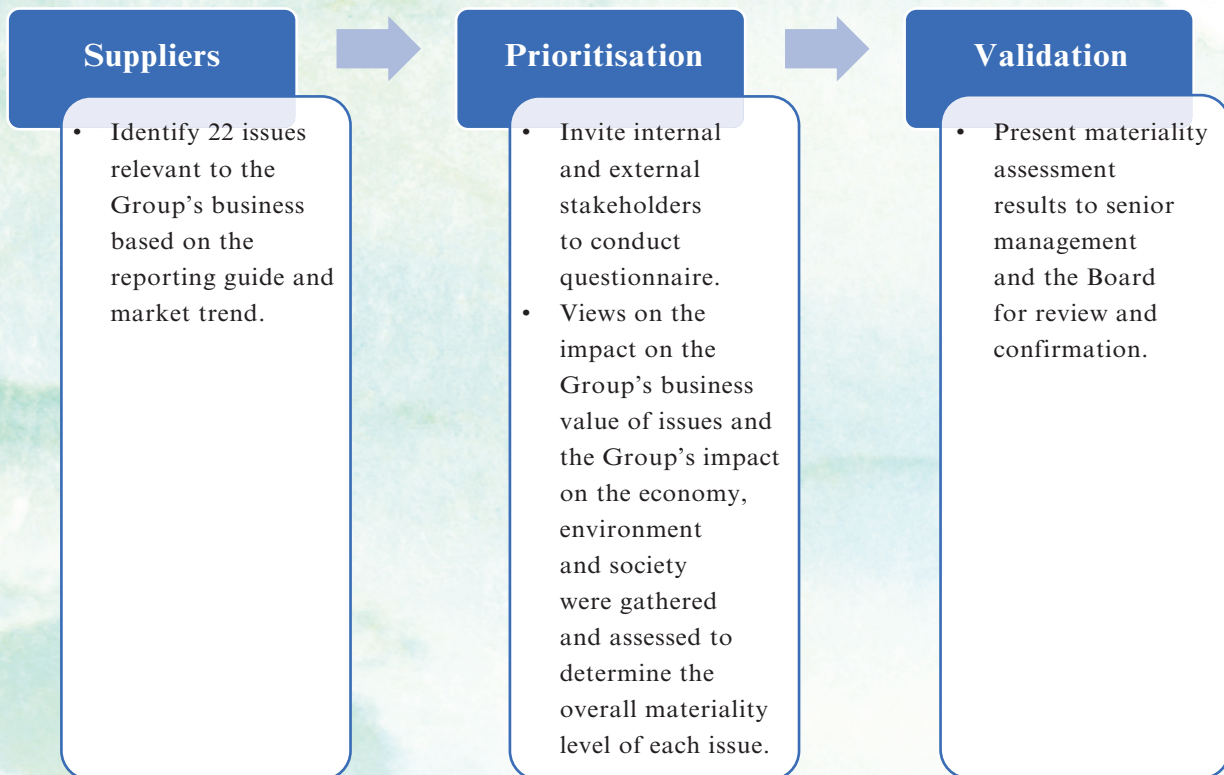
Community

- Organise and participate in activities, such as voluntary works, sharings and materials donations, to support community development.

STAKEHOLDER COMMUNICATION

MATERIALITY ASSESSMENT

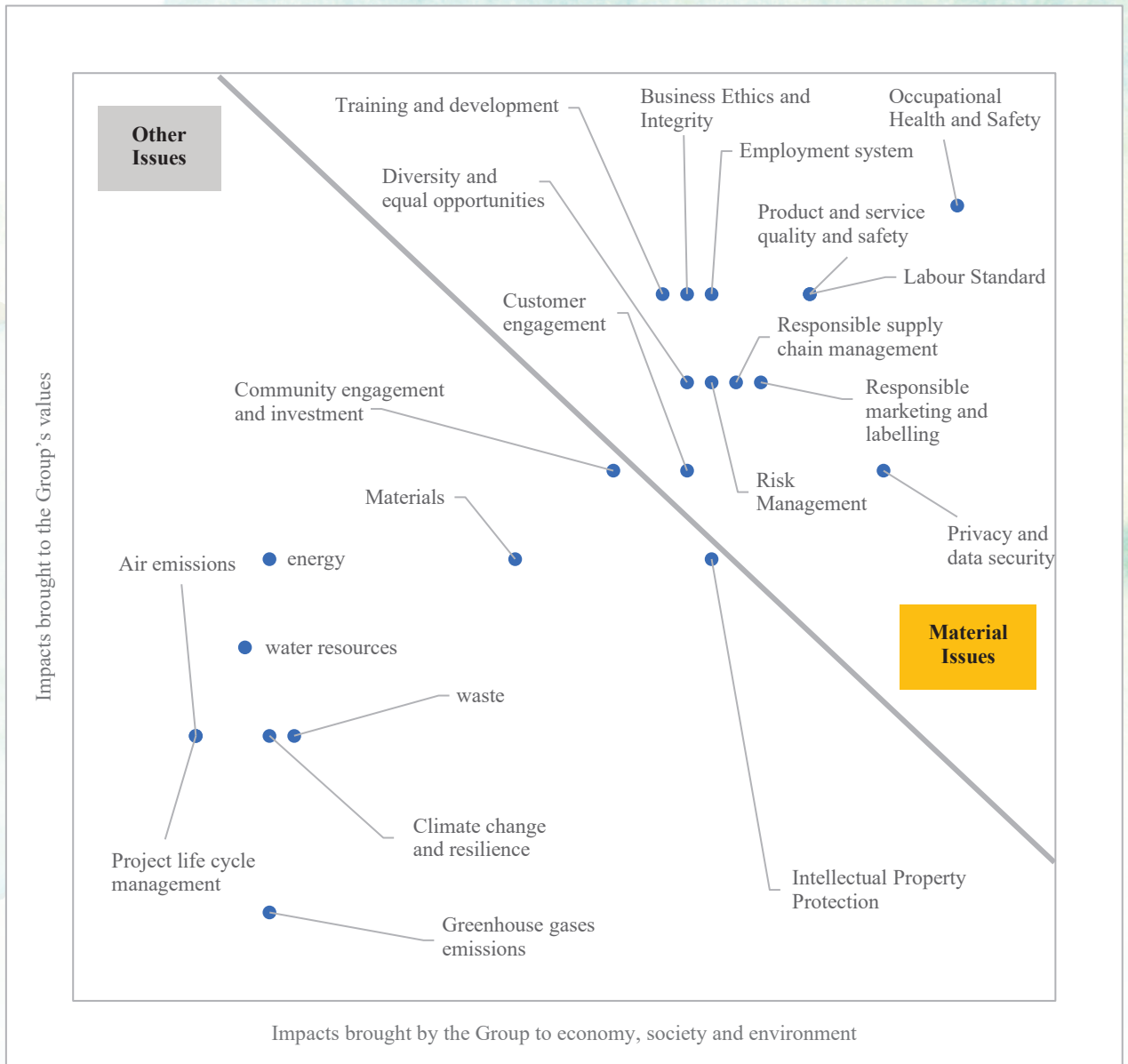
To further understand and align with the views and expectations of its stakeholders, the Group had commissioned an independent consultancy to conduct a questionnaire survey during the Year. After undergoing data analysis, the resulting materiality assessment helps the Group in identifying material environmental and social issues to its businesses and stakeholders.



The approach was refined and applied the concept of double materiality, which takes into account both financial and impact materiality. The results assist us in identifying the ESG issues that are important to our business strategy and decision making.

STAKEHOLDER COMMUNICATION

The matrix below illustrates the overall materiality level of the 22 ESG issues by plotting the views on the impact on the Group’s business value of issues and the Group’s impact on the economy, environment and society. The issues in the top right corner were considered as most material to the Group, and thus were focused for reporting in this Report.



STAKEHOLDER COMMUNICATION

Material issues

Occupational Health and Safety

Labour Standard

Product and Service Quality and Safety

Employment System

Business Ethics and Integrity

Training and Development

Responsible Marketing and Labelling

Responsible Supply Chain Management

Privacy and Data Security

Risk Management

Diversity and Equal Opportunities

Customer Engagement

Less material issues

Community Engagement and Investment

Intellectual Property Protection

Materials

Energy

Water Resources

Waste

Climate Change and Resilience

Air Emissions

Project Life Cycle Management

Greenhouse Gases Emissions

Similar to the previous year, the Group's materiality assessment indicated that "Employment and Labour Practices" and "Operating Practices" remain the most significant matters for stakeholders. With a broader range of issues covered in this year's assessment, a higher number of material issues were identified compared to last year. This report's framework was designed based on these findings, resulting in specific disclosures. To ensure the Group's ESG management and performances align with stakeholders' expectations, they will continually review and improve the materiality assessment, thereby deepening their understanding of stakeholders' perspectives and feedback.

OUR TALENT MANAGEMENT APPROACH

The Group recognizes its employees as crucial assets, understanding that their professional skills, proactive attitudes, and team unity are key to the Group's success and sustainability. Upholding a human-centric philosophy, the Group aims to create a safe, healthy, and equal work environment with fair treatment for all employees. Furthermore, the Group is dedicated to promoting employee growth by providing various opportunities and fostering a respectful and diverse corporate culture.

RESPECTFUL EMPLOYMENT ENVIRONMENT

Policies	Objectives and description
<ul style="list-style-type: none"> • <i>Staff Handbook</i> • <i>Human Resources and Payroll Policy</i> • <i>Management Regulations on the Ban on Using Child Labour and Underage Workers</i> • <i>Management System for the Ban on Forced Labour</i> • <i>Board Diversity Policy</i> 	<ul style="list-style-type: none"> • Realise compliant and effective employment management • Support the Group's protection of employees' legal rights and interests in various aspects such as recruitment, promotion and dismissal, compensation and welfare, working hours and rest periods, equality and diversity, etc. • Clearly state the definition and description of terms of employment in management documents to assure that employees are fully aware of their rights and obligations

OUR TALENT MANAGEMENT APPROACH

Establishing a comprehensive employment system is a fundamental principle in the Group's operations. Upholding the system's fairness and equity reflects the Group's commitment to social responsibility. Committed to achieving a superior employment system, the Group regularly conducts reviews and assessments for ongoing improvements, aiming to enhance employee satisfaction.

Recruitment, Promotion and Dismissal

- In accordance with their employment needs, departments submit recruitment request. Upon approval, the Human Resources Department and applying department are jointly responsible for recruitment and interview; and
- Legal recruitment through job advertisement in the Labour Affairs Bureau, public notice, human resources companies, employee referrals, etc.
- Strict adherence to the principles of fairness, impartiality, openness and non-discrimination applies throughout the process. All employment decisions are determined by one's skill level; and
- Based on the performance assessment of employee, promotion is initiated during every financial year end as an encouragement to employee. Upon confirmation by the department manager and directors, relevant employee will receive a notice from the Human Resources Department; and
- Dismissal is in strict compliance with the laws and regulations of the jurisdictions where the Group operates.
- Termination Agreement/Resignation Letter is signed by manager/director and employee, copies are kept for each party.

Compensation and Welfare

- The Group offers employees a competitive basic salary and benefits package, including year-end bonus, insurance benefit, Mandatory Provident Fund; and
- Employee salary is based on each employee's qualification, relevant experience, position and seniority.
- Based on the performance assessment of employee, salary increment is initiated during every financial year end. Upon approval by the department manager and directors, relevant employee will receive a notice from the Human Resources Department; and
- Periodically review and adjustment will be conducted to ensure the provision of reasonable compensation and welfare.



OUR TALENT MANAGEMENT APPROACH

Working Hours and Rest Periods

- Entitled working hours and holiday are clearly stated in the employment contract to provide proper arrangement of rest periods; and
- The Human Resources Department will check on attendance record in a monthly basis; and
- Employees are granted with leaves including annual leave, sick leave, marriage leave, compassionate leave, etc., which Leave Application is required for approval.

Equal Opportunity, Diversity and Anti-discrimination

- The Group is committed to offering equal opportunity and respecting differences in, but not limited to, gender, age, marital status, family conditions, sexual orientation and race;
- All employment treatments are based on the attitudes, skills and abilities of employees.
- In establishment of a diverse management and workforce, the Group has developed a Board Diversity Policy, advocating the recruitment of members with different gender, age, cultural and educational backgrounds.
- All types of discrimination and harassment should not be tolerated. If employees are discriminated against or treated unequally, they can report to the senior management and department through channels, such as the “Opinion Box”. Internal investigation will be carried out and penalties will be imposed on those involved. The results will also be published for acknowledgement.
- The Group will conduct review on relevant policies regularly to facilitate improvements in due course.



OUR TALENT MANAGEMENT APPROACH

The Group is committed to upholding labor standards, strictly forbidding any form of child labor, forced labor, or illegal labor during recruitment and employment. To safeguard the legitimate rights of all employees, the Group has implemented policies and measures that align with legal requirements, to regulate employment practices and eliminate child and forced labor.

Prevention of child labour

- All employees are required to meet the minimum legal employment age in Macau and Hong Kong, and any child under the age of 15 is prohibited from employment;
- The Human Resources Department is responsible for supervising recruitment applications, including confirming the authenticity of applicants' identification documents; and
- Carry out employee training to cultivate and raise awareness of eliminating child labour.

Prevention of forced labour

- Explicitly prohibit forced or involuntary labour in all forms of threats, coercion, imprisonment, withholding of identity documents, etc.;
- Clearly state all relevant employment conditions in the employment contract, and provide translated versions for foreign employees, to ensure employees' thorough understanding of their rights and obligations;
- Stipulate that overtime work should be voluntary and prohibit punishment or termination for employees who are unwilling to work overtime; and
- In case of overtime work, employees are required to submit a written record for signed confirmation from the department head or project manager, which overtime pay or compensation will be provided accordingly.

Corrective measures in case of violation

- Immediately contact and validate with the police when a suspicious case is detected;
- Adopt instant remedial measures upon the discovery of child labour, including sending the child to the police or place of residence, seeking confirmation and signature from his/he parents or guardians, and pursuing legal actions if necessary; and
- Employees can arise complaints for unethical or forced labour to the Human Resources Department, managers, director or other possible channels verbally or in written form, and investigation and response will be processed within one week.

OUR TALENT MANAGEMENT APPROACH

As of 31 December 2023, the Group has employed a total of 141 employees. The overall turnover rate of the Year was 26.24%, and the proportion of new recruits was 28.37%. The details of relevant employment data are as follows:

Number of employees		2023
<i>Gender</i>	Male	117
	Female	24
<i>Age group</i>	Below 30 years old	14
	30-40 years old	35
	41-50 years old	31
	Above 50 years old	61
<i>Employment type</i>	Full-time	140
	Part-time	1
<i>Geographical region</i>	Macau	52
	Hong Kong	8
	Mainland China	81
<i>Employment category</i>	General employees	124
	Middle management	9
	Senior management	4
	C-level executives	4
Total		141

During the Year, there was no non-compliance case in relation to employment within the Group.

OUR TALENT MANAGEMENT APPROACH

SAFE AND SUPPORTIVE WORKPLACE

Occupational Health and Safety

Policies	Laws & Regulations
<ul style="list-style-type: none"> • <i>Industrial Safety Management Plan</i> • <i>Inhouse OSH Guidelines</i> • <i>Operation Monitoring Procedures (Environment, Occupational Safety and Health Management)</i> • <i>OHS Risk Analysis</i> • <i>Emergency Preparedness and Response</i> 	<ul style="list-style-type: none"> • Realise compliant and effective safety management for employees • Secure a safe and healthy workplace for employees

Ensuring the health and safety of all employees and workers is not only a primary obligation for a company, but it's also vital for the Group's long-term stability and sustainable development, given its line of business. Therefore, the Group is dedicated to upholding high standards and constantly seeking improvements to promote a culture of health and safety. The Group's safety management system for construction and fitting-out projects is in line with the ISO45001:2018 standard, as well as all relevant laws and regulations. This commitment is reflected in the Group's stringent implementation of high-standard occupational health and safety policies and management regulations, aiming to minimize potential risks of work-related accidents and occupational hazards, and to promote a healthy and safe corporate culture.

Comprehensive occupational health and safety management system				
Goal: achieving zero work-related injuries, minimising potential health and safety risks				
Health and Safety Committee	<ul style="list-style-type: none"> • Formed by senior representatives from the Administration Department, Project Management Department and Safety Management Department; • Responsible for regularly reporting the results of safety assessments, any accident situations and potential risks to the senior management and the Board; • Responsible for formulating health and safety policies and guidelines, monitoring performance of departments, promoting safety education and training, and reinforcing internal health and safety management; and • Responsible for periodically supervising the working environment of construction sites and the implementation of relevant policies and measures. 			
5 occupational safety work				
Management commitments	Safe work practices	Effective work-related injury management	Safe working environment	Continuous improvement of management system

OUR TALENT MANAGEMENT APPROACH

Under the afore-mentioned occupational health and safety management system, the Group has put into effect the following safety precautions:

Preventing safety risks

- Conduct regular safety assessments to evaluate the existing systems and measures, and implement corrective measures for possible loopholes; and
- Carry out classified management according to the consequences of risks, likelihood of occurrence and legal regulations, and adopt corresponding control, improvement and preventive measures to reduce the risks.

Enhancing safety protection

- Arrange compulsory occupational safety and health training for all employees, to enhance their understanding of health and safety policies, equipment operation techniques, and personal protective equipment, and assist employees to perform their duties safely;
- Stipulate the work requirement of having a valid Occupational Safety Card;
- Offer medical insurance and compensation insurance as additional health guarantees to employees; and
- During the Year, representatives of the Group have participated in the “Seminar on Occupational Safety Strategies for SMEs in the Construction Industry”, to advance its internal occupational health and safety management and training.

Strengthening emergency response

- Develop procedures to respond to the identified accidents, potential and emergency situations, in order to prevent and mitigate the associated risks or adverse impacts;
- In the event of a work-related accident, report to the Labour Affairs Bureau and the insurance company within 5 working days, and take necessary actions, including providing support, implementing investigation and correction, to avert the recurrence of similar incidents; and
- Test the emergency procedures periodically to ensure timely and effective implementation under actual circumstances.

OUR TALENT MANAGEMENT APPROACH

During the Year, there were 3 cases of work-related injuries with 242 lost days. Besides, zero work-related fatalities had happened in the past three years. There was no non-compliance case related to the laws and regulations in relation to occupational health and safety within the Group.

Training and Development

The Group recognizes the importance of the ongoing and holistic development of its employees for its longevity and competitive edge. Consequently, the Group actively offers various training programs to enhance their skills and capabilities while fostering their personal growth.

The Safety Department, Technical Department, and HR & Administration Department are tasked with facilitating continuous learning and development opportunities. They ensure adequate resources are allocated based on the needs of employees. The Group assists employees in acquiring skills and knowledge pertinent to their roles by organizing training sessions on environmental and health and safety policies. This not only enforces policy implementation but also fosters safety-conscious and environmentally friendly habits among employees. To help new hires acclimate to the workplace, the Group provides a Staff Handbook and orientation training to ensure understanding of daily operations, rules, regulations, and responsibilities. Assessments are conducted post-training to confirm employees' comprehension and performance. In alignment with personal development, the Group conducts annual appraisals to evaluate employees' performance and skills, leading to promotions or salary adjustments based on their capabilities.

Employee training programmes

- *Health and safety training*
- *Environmental policy training*
- *Introduction of new equipment and tools*
- *Quality assurance training*
- *Quality management training*
- Board training
- Internal policy training
- Strategy training for the construction market
- Training for labour legislation in Macau
- Training for tax legislation in Macau

After training, the Group schedules evaluations for employees to measure their comprehension and effectiveness, this aids in enhancing the impact of training. Concerning career growth, the Group carries out yearly performance and competency reviews, which informs decisions on promotions or salary changes, thereby encouraging talent progression.

OUR TALENT MANAGEMENT APPROACH

During the Year, a total of 11 employees received training, representing 7.80% of the total number of employees, with an average training time of 1.52 hours per employee.

Average training time by gender	Unit: hours
Male	1.84
Female	0.00
Total	1.52
Total number of trained employees by employment category	Unit: person
General employees	1.73
Middle management	0.11
Senior management	0
C-level executives	0
Total	1.52

Effective Internal Communications

To foster a comprehensive human resource management, the Group maintains a two-way communication and harmonious relationship with employees. The Group respects and values employees' opinions, contributing to a diverse and inclusive working environment, boosting their sense of belonging and productivity. This open-minded corporate culture leads to creative business development directions, benefiting the operation and sustainability of the Group. In addition to regular meetings, the Group develops different channels to encourage communication. Employees are urged to express their viewpoints and suggestions to their department heads, managers, or other senior management via email, verbally, or in written form.

The Group is dedicated to creating a harmonious and inclusive working environment while respecting and listening to employees' opinions. This approach enhances its human resources management, internal collaboration, and operational efficiency. The Group regularly distributes updates to employees through emails and internal circulars. Moreover, employees can report any work-related challenges to department heads, managers, or management via internal meetings, emails, or verbal or written forms. The collected opinions are discussed internally by responsible parties such as the Human Resources Department and managers, leading to reasonable follow-up measures and problem resolution.

OUR TALENT MANAGEMENT APPROACH

Employees can also lodge complaints against the management or the Group to the Audit Committee. The Committee conducts investigations in a legal, fair, and prompt manner, preparing a written report within 3 months. The Group may also seek legal advice or report to the police when necessary to protect the legitimate rights and interests of both employees and the Group. In addition, the Group enforces confidentiality of all information to protect employees' freedom of speech, strictly forbidding any reprisal or threat for expressing opinions.



OUR OPERATIONAL MANAGEMENT APPROACH

The Group upholds the highest ethical standards in conducting its business operations, providing competent and safe services to build trust with clients and promote its reputation. The Group has established a systematic internal control and governance structure, and continuously promoted business principles to its employees. This commitment to quality and safety, combined with a robust monitoring system, allows the Group to ensure all practices fully comply with relevant legal and regulatory requirements, hence maintaining a healthy and ethical corporate culture.

In order to attain customer confidence and market competitiveness, the Group continues to implement a systematic internal control and governance system to prevent operational risks. It also strives to maintain close cooperation with various stakeholders in its supply chain. By ensuring full compliance with laws and regulations in its business operations, the Group strengthens its professional and ethical corporate culture and promotes high-quality and sustainable joint development.

OPERATION WITH INTEGRITY

Policies	Objectives and description
<ul style="list-style-type: none"> • <i>Staff Handbook</i> • <i>Disciplinary Policy</i> 	<ul style="list-style-type: none"> • Maintain integrity and business ethics • Provide clear definition of unethical behaviours, detailing preventive and monitoring measures, reporting channels, as well as appropriate procedures for commercial secrecy, conflicts of interest and computer usage

Integrity is the cornerstone of business stability and sustainability, and the Group rigidly adheres to this operating principle. All forms of unethical transactions and operations, including but not limited to bribery, extortion, fraud and money laundering, are strictly prohibited. The Group is committed to maintaining a corporate culture with the highest ethical standards and compliance with laws and regulations. In order to ensure honest and fair business conduct, it has formulated an array of stringent anti-corruption management regulations and measures, and continuously monitored the implementation of relevant management to bolster the effectiveness and efficiency.

Anti-corruption guidelines

- Establish the *Code of Ethics and Conducts in the Staff Handbook*, specifying the regulations for avoiding money laundering, conflict of interest, etc.; and
- As stipulated in the *Disciplinary Policy*, violators will be subject to a verbal or written warning, dismissal and report to local authorities according to the severity of breaching and conviction.

OUR OPERATIONAL MANAGEMENT APPROACH

Anti-corruption measures

- Implement shift work and team strategy based on the characteristics of positions to impede potential conflicts of interest and ensure fairness, minimising the risk of unethical operations.

Shift work:

Target positions with a higher risk of corruption and periodically re-assign relevant employees, which helps increase mobility and decrease the risk of corruption.

Team strategy:

Delegate non-affiliated employees to perform important and risky tasks, such as bid evaluations and supplier site visits, to lower the possibility of conflicts of interest and transfer of benefits.

Whistle-blowing system

- Mandate the Human Resources Department to establish a whistleblowing system, in which a reporting hotline and e-mail are set up for internal and external stakeholders to report any suspicious activities or internal control process deficiencies;
- Respond immediately and investigate the reported case when received a report; and
- Enforce stringent confidential protection to personal information of the whistle-blower and investigation information, to secure the whistle-blower from any harm for reporting suspicious cases.

Anti-corruption training

- Regularly organise anti-corruption training to provide employees with information on applicable laws, regulations, ethics and relevant guidelines related to their roles and responsibilities;
- Raise employees' anti-corruption awareness through education, to ensure that employees are equipped with adequate knowledge and skills in maintaining professional conduct when handling cases; and
- During the Year, the Group has arranged an average of 1 hour of anti-corruption training for 6 employees.

During the Year, there was no non-compliance case related to the laws and regulations in relation to anti-corruption within the Group.

OUR OPERATIONAL MANAGEMENT APPROACH

PRODUCT RESPONSIBILITY

Policies	Objectives and description
<ul style="list-style-type: none"> • <i>Staff Handbook</i> • <i>Integrated Management System Manual</i> • <i>Policy of Control of Records</i> • <i>Quality Assurance Plan</i> • <i>Policy of Customer Satisfaction, Data Analysis and Continual Improvement</i> • <i>Corrective and Preventive Action</i> 	<ul style="list-style-type: none"> • Define responsibilities, and outline planning, support, operation, performance evaluation, internal audit and improvement procedures of product and service quality • Provide monitoring measures and guidelines which apply to all stakeholders involved in the operation • Facilitate acknowledgement and compliance with relevant laws and regulations of all parties • Address and continuously improve product and service quality by developing corrective and preventive measures

The Group considers providing customers with high-quality, professional, and reliable services as crucial to maintaining a favorable business reputation and sustainability performance. It strives to enforce an effective quality control mechanism with continuous improvement to fulfill the needs and expectations of customers. In striving to achieve the best quality of work to suit all client needs, the Group is committed to implementing and refining an effective monitoring system for its professional ethics and service quality.

OUR OPERATIONAL MANAGEMENT APPROACH

Quality assurance

- Develop the Integrated Management System (“IMS”) in accordance with the ISO9001, ISO14001 and OHSAS18001 standards to foster systematic quality management, in which relevant policies and procedures are strictly implemented to ensure all products and services provided conform to quality and safety requirements;
- Regularly review the quality management system during management review meetings to guarantee the continual effectiveness of quality management and lower potential risks; and
- Formulate the *Quality Assurance Plan* for project progress and quality, to upgrade the Group’s construction works:

Project director

1. Regularly communicate with project managers and foremen to shorten the time for handling controversial issues; and
2. Regularly assess safety issues and measures at the construction site with safety officers.

Project manager

1. Monitor the project condition to ensure the progress and quality of the project have conformed with requirements stated in the contract; and
2. Develop monitoring measures and ensure their implementation, and take appropriate actions in case of any non-compliance.

Project coordinator

1. Record and document all quality-related issues; and
2. Perform a final quality check on the project to confirm the requirements are fully fulfilled.

Safety officer

1. Conduct routine safety assessments at the construction site and assure the project has satisfied requirements in the safety control documents; and
2. Provide employees with on-site safety training.

OUR OPERATIONAL MANAGEMENT APPROACH

Customer services

- Formulate relevant customer service management measures in accordance with the IMS, and actively communicate with customers to understand their expectations and opinions;
- As stipulated in the *Policy of Customer Satisfaction, Data Analysis and Continual Improvement*, responsible management and department are required to conduct a customer satisfaction survey at least once a year to facilitate continuous monitoring and improvement;
- Conduct evaluation and devise improvement plans after collecting and analysing data from the customer satisfaction survey and other relevant performance information; and
- As stipulated in the *Corrective and Preventive Action*, in case of receiving customer complaints, related departments would classify and proceed the case according to its authenticity and characteristics, for timely investigation and follow-up, in which corrective and preventive actions are implemented to ensure the issue is properly addressed.

Protect intellectual property rights, customer privacy and data security

- Formulate clear internal guidelines, measures and related monitoring methods in accordance with the laws, to ensure its respect for all intellectual property rights and prevent infringement of intellectual property rights, while strengthening the management of cybersecurity and data privacy;
- Develop the *Policy of Control of Records* under the IMS, in which all information and record are categorised into “General” and “Confidential” for management;
- Properly secure and set up access rights for confidential information, and strictly prohibit employees from disclosing confidential information, to protect customer information and data;
- Reduce the risk of data leakage and cyberattacks by installing firewalls, conducting real-time monitoring and regular inspection;
- As stipulated in the *Staff Handbook*, all download and use of software require approval from the Intellectual Technology Department and are strictly regulated, to safeguard the safety and integrity of computer hardware, software and information storage devices; and
- During the Year, the Group has organised 1 hour of cybersecurity training to improve employees’ security awareness and vigilance.

OUR OPERATIONAL MANAGEMENT APPROACH

During the Year, the Group has not received any complaints concerning its products and services, customer privacy and intellectual property rights against the Group or its employees.

SUSTAINABLE SUPPLY CHAIN

Policies	Objectives and description
<ul style="list-style-type: none"> • <i>Subcontractor Working Guideline</i> • <i>Procedure on Management System</i> • <i>Quality System Procedure</i> • <i>Supplier Assessment Record</i> • <i>Incident and Control of Non-conforming Procedures</i> 	<ul style="list-style-type: none"> • Facilitate conducting selection of suppliers and subcontractors and risk management in an orderly manner • Establish clear guidelines for the management and control procedures of construction and fitting-out projects • Set out rating items of suppliers and subcontractors, covering their experience and past performance, management systems, environmental and occupational health and safety awareness, etc. • Specify appropriate requirements to regulate relevant responsibilities, and stipulate the compliance with related environmental and occupational safety regulations for all services, products and materials supplied

As a responsible corporation, the Group advocates for the sustainable management of the supply chain to support its provision of high-quality services. To this end, the Group has established strict management measures for suppliers, subcontractors, and project quality. Its Integrated Management System (IMS) has developed an array of policies that serve as an assurance for meeting the standard requirements of the Quality Management System. The Group places emphasis on maintaining favorable cooperation with suppliers and subcontractors, continuously improving construction and service quality, and jointly promoting the sustainable development of its supply chain. Based on its IMS, it has formulated a series of policies and regulations to manage its supply chain effectively, aiming to reduce environmental and social risks with stringent quality control.

OUR OPERATIONAL MANAGEMENT APPROACH

Supplier selection

- Appoint the General Manager to conduct a fair evaluation of suppliers and subcontractors based on various objective factors, and carry out compulsory on-site inspections and quality assessments of materials and product samples for further verification; and
- The review results and the list of approved suppliers and subcontractors need to be confirmed by the Director before selection, and then handed over to employees in the quality control unit for proper handling and archive

Supplier evaluation

- Carry out re-evaluation of suppliers annually to ensure suppliers and subcontractors have continued to fulfil the Group's requirements; and
- Terminate partnerships with high-risk suppliers who have scored less than 2 points in the *Supplier Assessment Record*.

Supplier monitoring

- Develop management procedures related to service quality and traceability, to instruct identification and maintenance for inspection and testing of incoming materials and construction works throughout the project process, in order to facilitate quality control;
- Further proceed with non-conforming construction works and materials in accordance with the established procedures in the *Incident and Control of Non-conforming Procedures*; and
- Require all cooperating suppliers to sign and abide by the *Subcontractor Working Guideline*, so as to ensure compliance with the Group's environmental protection and occupational safety and health requirements, and avert environmental and social risks.

OUR OPERATIONAL MANAGEMENT APPROACH

During the Year, the Group employed a total of 620 suppliers in provision of materials and services, among which 108 suppliers obtained ISO9000 or ISO 14000 system certification respectively.

Total number of suppliers		2023
<i>By geographical region</i>	Macau	334
	Hong Kong	80
	Mainland China	196
	Overseas	10
Total		620
Suppliers ratio		2023
<i>By nature</i>	Hardware	31.61%
	Service	68.23%
	Others	0.16%

Green Procurement

The Group recognizes that the supply chain could introduce environmental, social, and governance risks to its business operation. As a result, the Group's Integrated Management System Policy, developed based on ISO14001 requirements, has procurement guidelines that consider environmentally friendly products and practices. The Procurement Department also organizes environmental training for suppliers/subcontractors to make them aware of the Group's policies, management, and requirements, and to encourage them to lessen their environmental impacts. Advocating for the sustainable development of the supply chain, the Group prioritizes suppliers with satisfactory environmental performance. By promoting green practices, such as arranging environmental training for suppliers and subcontractors, the Group strives to reduce environmental risks and enhance its environmental performance.

During the Year, approximately 295 suppliers had fulfilled the environmental requirements set by the Group. Besides, there was no non-compliance case related to the laws and regulations in relation to construction safety and quality within the Group.

OUR ENVIRONMENT APPROACH

In the past decade, the frequent occurrence of extreme weather has reflected the importance of taking active actions to combat climate change. Related discussion and concern among the international community and governments has been centered around net zero and carbon neutrality since 2020. The Group, as a responsible corporate, endorses the initiative for low-carbon transition in society and ensures its businesses are operated sustainably. With the commitment to reduce its environmental footprint, the Group incorporates environmental protection into its operations and decision-making processes. Apart from meeting the basic environmental requirements to comply with environmental laws and regulations, it has addressed the targets set in the Macao environmental protection plan (2021-2025) to systematically advance its environmental performance.

The Group attaches great importance to minimising its environmental footprint while maintaining stable business operations, promoting the balanced and sustainable development of the economy, society, and environment. It fulfills its environmental responsibilities, strictly abides by environmental laws and regulations, and incorporates the concept of environmental protection into its operations and decision-making processes. To effectively control its negative impact on the environment, the Group has continuously strengthened and improved its environmental management by facilitating efficient use of resources, enhancing efficient utilization of natural resources, reducing waste and pollution, and combating climate change, thereby promoting ecological and environmental conservation.

In an effort to enhance its environmental performance, the Group has initiated internal dialogues to establish environmental goals, with additional details to be provided once the discussions are finalized.

Aspects	Environmental targets	Progress
GHG emissions	Quantitative target relating to reducing GHG emissions	The Group plans to hold internal discussions to set quantitative objectives, taking into account factors such as industry performance, the nature of our business, and our environmental performance in the past, present, and future. The Group will also keep collecting and monitoring data, develop corresponding action plans, and regularly check the progress towards achieving these goals.
Energy	Quantitative target relating to reducing energy consumption	
Water	Quantitative target relating to reducing water consumption	
Waste	Quantitative target relating to reducing waste	

OUR ENVIRONMENT APPROACH

CLEAN ENVIRONMENT

Policies	Objectives and description
<ul style="list-style-type: none"> <i>Operating Procedures for Internal Environmental Regulations</i> <i>Procedures to Identify Environmental Factors</i> 	<ul style="list-style-type: none"> Facilitate management and minimise emissions and impacts on the environment

Acknowledging the unavoidable environmental impacts of its business, particularly in the construction industry, the Group takes its environmental footprint into substantial account during its operations. It has developed comprehensive environmental management strategies, policies, and measures to assist in minimizing and managing emissions. By continuously identifying and evaluating environmental risks, the Group is able to adopt appropriate control measures, effectively keeping its environmental impacts within an acceptable boundary and reducing serious risks. The Group remains committed to preserving the environment through stringent monitoring of its production of waste, air pollutants, greenhouse gases, and ensuring local air, water, and soil quality, thereby preventing severe pollution.

Waste

In its operations, the Group generates both non-hazardous and hazardous waste, including wastepaper, solid waste, construction waste, and oil paint. Recognizing its environmental responsibility, the Group carefully manages and disposes of this waste to minimize the environmental impact of its operations. In addition to complying with the Guideline for Waste Classification set by the Environmental Protection Bureau, the Group has advanced its waste management practices. Upholding the principle of “recycling and waste reduction at source”, it implements measures for reduction, resourcefulness, and non-hazardousness to foster waste reduction and bolster recycling.

Reduction	Resourcefulness	Non-hazardousness
<ul style="list-style-type: none"> During project preparation, the project manager assesses the material usage and conduct phased purchase to maximise utilisation and minimise waste; and Promoting digitalization in office operation for paper saving. 	<ul style="list-style-type: none"> Categorizing waste into plastic bottles, aluminium cans, metal cans, paper, used batteries and other solid waste to facilitate recycling; and Appointing a “wastepaper recycling coordinator” to promote and ensure effective recycling and reuse methods and progress. 	<ul style="list-style-type: none"> Central collection and storage of hazardous waste for delivery to certified recyclers to appropriately dispose the waste.

OUR ENVIRONMENT APPROACH

During the Year, the Group's non-hazardous waste generated and the intensity were 419.00 tonnes and 2.972 tonnes per employee respectively. Due to the overall reduction of construction projects, the total amount and intensity of non-hazardous waste have decreased by 50% and 51% respectively compared with the previous year. In addition, the Group has no generation of hazardous waste. The Group will continue to adopt various waste reduction measures and enhance employees' awareness of environmental protection to curtail waste resources.

Waste	2023	2022	2021	Unit
Non-hazardous waste	419.00	841.98	2,148.66	Unit tonnes
Non-hazardous waste intensity	2.972	6.101	14.72	Unit – tonnes per employees
Hazardous waste	0	0	0	Unit tonnes
Hazardous waste intensity	0	0	0	Unit – tonnes per employees

Air Pollutants and Greenhouse Gas Emissions

The Group regards air quality and the reduction of air pollutants and GHG emissions as significant due to their implications for environmental preservation and public health. The Group's daily business activities, including vehicle use and business travel, contribute to air pollution and GHGs. To mitigate these effects, the Group implements various management measures in accordance with the *Procedures to Identify Environmental Factors and Operating Procedures*. It also refers to international and local emission reduction targets to facilitate a transition to low-carbon operations.

Consistent monitoring of air pollutants and GHG emissions is conducted, and an "Energy Management Coordinator" has been appointed to oversee energy efficiency performance. Training and resources are allocated to further manage and contain emissions. By fostering low-carbon operations and promoting green travel and online meetings, the Group strives to control emissions and prevent significant impacts on the natural environment and public health, thereby reducing its overall carbon footprint.

OUR ENVIRONMENT APPROACH

During the Year, the major air pollutants emitted by the Group were nitrogen oxides, sulphur oxides and respirable suspended particulates. Detailed emission data are as follows:

Air pollutants ¹	2023	2022	2021	Unit
Nitrogen oxides	1.039	1.188	1.950	Kg
Sulphur oxides	0.046	0.046	0.008	Kg
Respirable suspended particulates	0.104	0.108	0.150	Kg

In terms of GHG emissions, the Group's total emissions for the Year was 58.2 tonnes of carbon dioxide equivalent, with an intensity of 0.413 tonnes of carbon dioxide equivalent per employee. Its total GHG emissions and intensity have reduced by 12% and 14% respectively compared with the previous year. The following table lists the detailed data:

GHG emissions ²	2023	2022	2021	Unit
Scope 1 direct emissions ³	9.0	8.7	12.5	tonnes of carbon dioxide equivalent
Scope 2 energy indirect emissions ⁴	47.4	56.5	73.7	tonnes of carbon dioxide equivalent
Scope 3 other indirect emissions ⁵	1.8	0.8	1.9	tonnes of carbon dioxide equivalent
Total GHG emissions	58.2	66.1	88.2	tonnes of carbon dioxide equivalent
GHG emissions intensity	0.413	0.479	0.604	tonnes of carbon dioxide equivalent/employee

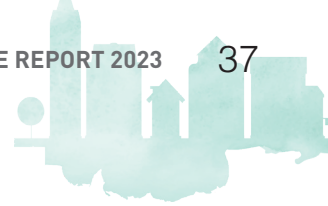
¹ It is calculated according to the Guidance for Accounting and Reporting Corporate GHG Emissions.

² It is calculated according to the Guidance for Accounting and Reporting Corporate GHG Emissions.

³ It includes GHG emissions from fixed source combustion, mobile source combustion and acetylene combustion.

⁴ It includes GHG emissions from purchased electricity from third parties.

⁵ It includes GHG emissions from business travel.



OUR ENVIRONMENT APPROACH

RESOURCES EFFICIENCY

Policies	Objectives and description
<ul style="list-style-type: none"> • <i>Operating Procedures for Internal Environmental Regulations</i> • <i>Procedures to Identify Environmental Factors</i> 	<ul style="list-style-type: none"> • Minimise negative impact on the environment and natural resources

The Group believes resource efficiency is the key strategy to achieve environmental protection and is committed to optimizing resource utilization. Minimizing waste and enhancing efficiency for resource usage in its operations, the Group ensures its environmental performance aligns with its pursuit for sustainable development. It embodies this aim in its policies, including the Operating Procedures for Internal Environmental Regulations and Procedures to Identify Environmental Factors, facilitating responsible consumption of energy and water. Continuously strengthening and improving resource efficiency, the Group minimizes adverse impacts on the environment, realizing its commitment to environmental protection. Through actively exercising green operations, it promotes efficient resource use, implementing procedures to enhance energy and water consumption efficiency while minimizing and avoiding resource wastage. This approach ensures the Group’s resource utilization management aligns with the concept of sustainable development.

Energy Consumption

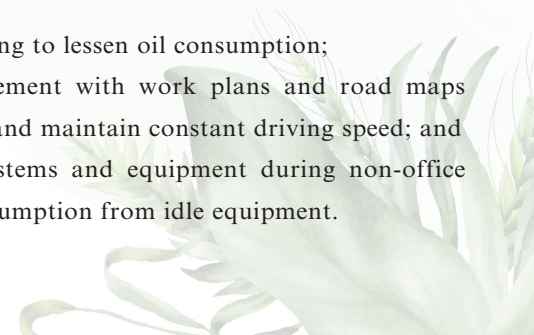
The Group recognizes the environmental issues caused by energy production and consumption, a major source of GHG emissions. Accordingly, it aligns its energy policies with international and local calls for better energy management. The Group focuses on monitoring energy usage and promoting conservation and emission reduction through energy policies. It manages energy-consuming equipment and promotes energy-saving awareness, as its main energy sources are purchased electricity and vehicle fuel. These efforts aim to reduce energy consumption, improve efficiency, and promote efficient consumption and emission reduction.

Facility enhancement

- Adopt energy-saving facilities at construction sites and offices. For example, install energy-efficient fluorescent tubes and air conditioning systems;
- Clearly instruct appropriate usage and regular maintenance of air conditioning systems on a daily basis;
- Periodic vehicle maintenance, and prioritize consideration on low fuel consumption and appropriate horsepower for vehicle usage; and
- Replace reflective lighting design with direct lighting in public areas, corridors, etc., to the farthest possible extent.

Action improvement

- Avoid prolonged engine idling to lessen oil consumption;
- Strengthen vehicles management with work plans and road maps planning for vehicle usage, and maintain constant driving speed; and
- Shut down unnecessary systems and equipment during non-office hours to reduce energy consumption from idle equipment.



OUR ENVIRONMENT APPROACH

The Group has an energy monitoring system managed by a dedicated Energy Management Coordinator. This system helps us keep an eye on our usage and make necessary changes to save more energy, thereby enhancing our energy performance. The Coordinator takes charge of introducing efficient practices and training our team to use energy more effectively. The data we collect regularly assists us in setting targets for energy reduction, managing our greenhouse gas emissions, and minimizing our impact on the environment.

During the Year, the Group's total energy consumption was 110.5 MWh, and the intensity was 0.784 MWh per employee, representing a drop of 10% and 12% respectively compared to the previous year.

Energy consumption	2023	2022	2021	Unit
Petrol	32.7	31.8	47.0	MWh
Diesel	0.0	0.0	0.0	MWh
Electricity	77.8	90.5	91.3	MWh
Total energy consumption	110.5	122.3	138.3	MWh
Energy intensity	0.784	0.886	0.947	MWh/employee

Water Consumption

Promoting water conservation is a key responsibility for the Group, considering water's scarcity and necessity. The Group upholds sustainable consumption in managing water resources and primarily uses water for office cleaning and sanitation. To improve water efficiency, we enforce effective measures, raise employee awareness through information provision, and assign an Energy Management Coordinator to prevent water exploitation. Resources and training ensure efficient utilization and prevent excess water usage, supporting our water preservation efforts.

Raising water conservation awareness

- Post water-saving instructions in prominent places to remind employees of reasonable water usage; and
- Promote water-saving tips to employees on a regular basis, to cultivate the habit of water-saving.

Enhancing water efficiency

- Install water-saving taps to control excessive water usage;
- Inspect water facilities regularly, and repair or replace leaking pipes in time, to prevent wasting water resources; and
- Appoint an Energy Management Coordinator to be responsible for performing water management measures and regularly monitor and analyse water consumption, to identify and redress sources of high water consumption.

OUR ENVIRONMENT APPROACH

During the Year, the Group did not face any problems with water sourcing. The amount of water consumed accounted for 971 cubic metres in total, with 6.887 cubic metres per employee in terms of intensity.

Water consumption	2023	2022	2021	Unit
Total water consumption	971.0	929.0	997	Unit – cubic metres
Water Intensity	6.887	6.732	6.83	Unit – cubic metres per employee

ENVIRONMENT AND NATURAL RESOURCE

In 2023, the Group recognized the influence of its business operations on the environment and natural resources and took proactive measures to minimize negative impacts. The Group established the Procedures for Internal Environmental Regulations and related sustainability policies. The Group, holder of ISO14001: 2015 certification, integrated environmentally sustainable practices into management and operations. Noise pollution during projects was a major concern, addressed by developing work plans tailored to each project's nature and requirements. This ensured alignment with progress plans and controlled noise-generating operations within acceptable timeframes. Moreover, the Group used noise reduction facilities during construction to further diminish disturbances.

The Group prioritized eco-friendly products in procurement as part of its commitment to conserving natural resources. Products with green labels or certifications, recyclable products, and those with lesser environmental impact were given preference. This strategy promoted green operations and conservation of natural resources. The Group was dedicated to implementing green operations and prioritized environmentally friendly products in procurement, endorsing natural resource conservation.

In 2023, the Group formulated the Environmental & Natural Resources Policy. It committed to long-term total returns for its stakeholders and viewed sustainable development as an integral part of the company's tradition and a key to business success. The Group adapted to different markets' unique social, economic, and environmental needs and implemented sustainable development norms in each business operation. The Group also made a commitment to address climate change in line with the 2015 Paris Agreement goals and managed the substantial and transitional risks of climate change. We aimed to protect natural resources, prevent pollution, and protect and restore biodiversity by committing to reducing the impact of its business activities on the environment and natural resources, proactively implementing environmentally sustainable products and processes.

OUR ENVIRONMENT APPROACH

CLIMATE CHANGE

The Group understands that climate change is a global issue impacting every individual and organization. It poses potential risks to its business operation, such as increased severity of extreme weather events, sea level rising, chronic heat waves, and policy, legal, technological, and market changes resulting from the transition to a lower-carbon economy. These risks could affect the Group's performance and add instability to its sustainable development. To address this, the Group has identified possible climate-related risks to its operations and established relevant measures and policies for mitigation and adaptation.

With the urgency of mitigating climate change, countries around the world are advocating for the development of a low-carbon economy and carbon neutrality. In response, the Group actively pays attention to and takes corresponding actions in practicing green and low-carbon sustainable development. As part of promoting effective climate change management, the Group formulated relevant mitigation and adaptation policies and measures to strengthen its climate adaptability and resilience.

Climate risks	Impacts on operations	Corresponding actions
Extreme weather	Extreme weather, such as super typhoons and rainstorms, may destruct operational sites and cause injuries of employees.	<ul style="list-style-type: none"> Place equipment in a secure location, including storerooms and away from windows, to lessen the potential risks; Require both printed and electronic copies of all documents, and upload electronic versions to the server to prevent losing important documents; and Formulate policies of working under extreme weather and safety guidelines for employees to reduce their chances to be injured



OUR ENVIRONMENT APPROACH

Climate risks	Impacts on operations	Corresponding actions
Severe weather	Frequent occurrence of severe weather may lead to project suspension and schedule delay.	<ul style="list-style-type: none"> • Formulate contingency plans prior to the start of a project to ensure workers and employees make instant responses; and • Maintain a good communication with clients during the process. When a project is affected, the Group will explain and prepare a backup plan to minimize the consequence and seek understanding.
Flooding	The incidence of flooding increases due to sea level rise, rainstorms, and super typhoons, etc. It may impair construction materials, such as wood and concrete, leading to rising production costs and disturbing project progress. Besides, floodings may destroy the equipment and facilities built in the construction sites.	<ul style="list-style-type: none"> • Purchase materials for projects in batches to minimize deterioration from related environmental problems; • Require employees to keep materials to covered area. If the severe weather incurs high flooding risk, moving materials away from risky location and/or concealing with a waterproof cover to reduce the possibility to be affected; and • Formulate standard checking procedures for employees to work in the construction sites after flooding to ensure that all the equipment and facilities are safe to use.



OUR SOCIAL MANAGEMENT APPROACH

Beyond delivering high-quality services in its operations and development, the Group is devoted to its corporate responsibility of positively influencing and contributing to the communities where it operates. The Group places significant importance on sustainable development, balancing economic and social benefits, and is dedicated to meeting its corporate responsibilities with tangible actions that bring beneficial impacts to these communities. Guided by the established Provision on the Community Investment Management, the Group actively identifies community needs, systematically formulates community investment activities, and allocates resources effectively to give back to society.

Being a key construction industry player, the Group has actively invested in community, contributing to sustainable industry development. Our CEO, Mr. Lai Ming-shan, also chairs the Youth Committee of the Macau Construction Association. The Association organizes events to support the Guangdong-Hong Kong-Macau Greater Bay Area and industry talent development, such as seminars for youngsters introducing the industry development and site visits. The Group's involvement has well demonstrated its dedication to sustainable construction. Our community investment benefits not only the local community but also the broader industry, exemplifying their commitment to corporate social responsibility and setting an example for others. During the Year, the Group has donated MOP50,000 in the field of culture development.



Youngsters participated in the site visits launched by the Macau Construction Association to different demonstrated construction sites to learn more about the industry development.

In the future, the Group will continue to explore ways to leverage and align its resources in strives to facilitate community development and make positive impact to the society.



LOOKING FORWARD


As we embark on our journey forward, the Group remains steadfast in its commitment to furthering its environmental, social, and governance (ESG) strategies. Our belief is firmly rooted in the understanding that our commitment to ESG extends beyond merely doing good. It is a strategic decision which creates a competitive edge, spurs growth and innovation, and cultivates a resilient and inclusive business environment.

In the environmental domain, our focus will remain undeterred on reducing our carbon footprint and fostering resource efficiency. We plan to set more aggressive, ambitious targets for emissions reduction, waste management, and energy efficiency. This will involve a thorough review and reassessment of our current practices, setting quantifiable targets, and creating an actionable roadmap to achieve these goals. We are also keen to explore opportunities to increase our use of renewable energy sources, furthering our contribution to the conservation of our planet. Our overarching goal is to align our environmental strategies with the global objective of achieving a sustainable and resilient low-carbon future.

On the social front, we have plans to deepen our investment in our employees, clients, and the communities within which we operate. Our approach will be multifaceted, spanning across promoting diversity and inclusion, enhancing employee well-being, and contributing to the development of our communities. We firmly believe that our success is intrinsically linked to the well-being of our stakeholders, and thus, we will strive to create a positive social impact through our operations.

In terms of governance, we will continue to uphold the highest ethical standards, ensuring transparency in all our dealings. We plan to improve our reporting practices to provide our stakeholders with a more comprehensive understanding of our ESG performance. This will involve a greater level of detail and frequency in our communications, and the use of clear, measurable metrics. We will also ensure that our governance structure is robust and supports the achievement of our ESG goals, with the appropriate checks and balances in place.

We strongly believe that integrating ESG considerations into our business strategies will not only mitigate risks but also unearth significant opportunities. This will pave the way for the Group to not only grow sustainably but also contribute meaningfully to the sustainable development of our society. We eagerly look forward to working with our employees, clients, and partners to build a more sustainable, resilient, and prosperous future.



APPENDIX

KEY PERFORMANCE INDICATORS SUMMARY

Environmental key performance indicators		2023	2022	Unit
Air pollutants	Nitrogen oxides	1.039	1.188	kg
	Sulphur oxides	0.046	0.046	kg
	Respirable suspended particulates	0.104	0.108	kg
GHG emissions	Scope 1 – Direct GHG emissions	9.0	8.7	tonnes of carbon dioxide equivalent
	Scope 2 – Energy indirect emissions	47.4	56.5	tonnes of carbon dioxide equivalent
	Scope 3 – Other indirect emissions	1.8	0.8	tonnes of carbon dioxide equivalent
	Total GHG emissions	58.2	66.1	tonnes of carbon dioxide equivalent
	GHG intensity (by number of employees)	0.413	0.548	tonnes of carbon dioxide equivalent/employee
Waste	Total hazardous waste	0	0	tonnes
	Hazardous waste intensity (by employee)	0	0	tonnes/employee
	Total non-hazardous waste	419.00	841.98	tonnes
	Non-hazardous waste intensity (by employee)	2.972	6.101	tonnes/employee
Energy consumption	Petrol	32.7	31.8	MWh
	Diesel	0	0	MWh
	Electricity	77.8	90.5	MWh
	Total energy consumption	110.5	122.3	MWh
	Energy intensity (by employee)	0.784	0.886	MWh/employee
Water consumption	Total water consumption	971.0	929.0	cubic metres
	Water intensity (by employee)	6.887	6.732	cubic metres/employee

APPENDIX

Social key performance indicators		2023	2022	2021
Number of employees				
Gender	Male	117	118	121
	Female	24	20	25
Age group	Below 30 years old	14	10	12
	30-40 years old	35	28	31
	41-50 years old	31	36	47
Employment type	Above 50 years old	61	64	56
	Full-time	140	138	146
	Part-time	1	0	0
Geographical region	Macau	52	51	136
	Hong Kong	8	7	10
Employment category	Mainland China	81	80	0
	General employees	124	122	128
	Middle management	9	9	11
	Senior management	4	3	3
	C-level executives	4	4	4
Total		141	138	146
Employee turnover rate				
Gender	Male	29.1%	44.1%	28.1%
	Female	12.5%	45.0%	36%
Age group	Below 30 years old	14.3%	10.0%	25%
	30-40 years old	22.9%	32.1%	29%
	41-50 years old	35.5%	30.6%	14.9%
Employment type	Above 50 years old	26.2%	62.5%	42.9%
	Full-time	26.4%	44.2%	29.5%
Geographical region	Part-time	0.0%	0.0%	0%
	Macau	26.9%	100%	29.4%
	Hong Kong	25.0%	57.1%	30%
Employment category	Mainland China	25.9%	7.5%	0%
	General employees	25.0%	45.9%	32%
	Middle management	66.7%	44.4%	9.1%
	Senior management	0.0%	33.3%	33.3%
	C-level executives	0.0%	0.0%	0%
Total		26.2%	44.2%	29.5%

APPENDIX

Social key performance indicators		2023	2022	2021
Health and safety for employees				
Work-related injuries (employees)		3	1	2
Lost days due to work-related injuries (employees)		242	8	26
Work-related fatalities		0	0	0
Total workers				
Gender	Male	0	0	45
	Female	0	0	2
Age group	Below 30 years old	0	0	1
	30-40 years old	0	0	12
	41-50 years old	0	0	9
	Above 50 years old	0	0	25
Employment type	Full-time	0	0	47
	Part-time	0	0	0
Geographical region	Macau	0	0	47
	Hong Kong	0	0	0
	Mainland China	0	0	0
Employment category	General employees	0	0	47
	Middle management	0	0	0
	Senior management	0	0	0
	C-level executives	0	0	0
Total		0	0	0
Health and safety for workers				
Work-related injuries (employees)		0	0	0
Lost days due to work-related injuries (employees)		0	0	0
Work-related fatalities		0	0	0

APPENDIX

Social key performance indicators		2023	2022	2021
Employee training				
Gender	Male	11 (9.4%)	5 (4.2%)	4 (3.3%)
	Female	0 (0.0%)	7 (35.0%)	18 (72%)
Employment category	General employees	10 (8.1%)	8 (6.6%)	18 (14.1%)
	Middle management	1 (11.1%)	2 (22.2%)	1 (9.1%)
	Senior management	0 (0%)	2 (66.7%)	0 (0%)
	C-level executives	0 (0%)	0 (0%)	3 (75%)
Total		11 (7.8%)	12 (8.7%)	22 (15.1%)
Average training hours				
Gender	Male	1.84	0.06	0.06
	Female	0.00	0.35	1.52
Employment category	General employees	1.73	0.08	0.28
	Middle management	0.11	0.22	0.09
	Senior management	0	0.67	0
	C-level executives	0	0	2.00
Total		1.52	0.10	0.31
Total suppliers				
Geographical region	Macau	334	295	266
	Hong Kong	80	71	67
	Mainland China	196	174	169
	Overseas	10	9	4
Total		620	549	506
Anti-corruption				
Average training hours (hours)	Employees	0	1	1
	Board	1	0	1

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Aspects	Description	Page/Remark
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	34-36
A1.1	The types of emissions and respective emissions data.	36
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	36
A1.3	Total hazardous waste produced and intensity.	35
A1.4	Total non-hazardous waste produced and intensity.	35
A1.5	Description of emission target(s) set and steps taken to achieve them.	33
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.	33
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	37-39
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	38
A2.2	Water consumption in total and intensity.	39
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	33
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.	33, 38-39
A2.5	Total packaging material used for finished products and per unit produced.	Given its business nature, daily operations of the Group do not have material relevance to packaging materials.

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Aspects	Description	Page/Remark
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	39
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	39
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	40-41
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.	40-41
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	16-17
B1.1	Total workforce by gender, employment type, age group and geographical region.	19
B1.2	Employee turnover rate by gender, age group and geographical region.	19
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	20-21
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	22
B2.2	Lost days due to work injury.	22
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	20-21

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Aspects	Description	Page/Remark
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	22-23
B3.1	The percentage of employees trained by gender and employee category.	23
B3.2	The average training hours completed per employee by gender and employee category.	23
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	18
B4.1	Description of measures to review employment practices to avoid child and forced labour.	18
B4.2	Description of steps taken to eliminate such practices when discovered.	18
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	30-32
B5.1	Number of suppliers by geographical region.	32
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.	31-32
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	31-32
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	31-32

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Aspects	Description	Page/Remark
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	27-30 Given its business nature, daily operations of the Group do not have material relevance to advertising and labelling.
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Given its business nature, daily operations of the Group do not involve products subject to recalls for safety and health reasons.
B6.2	Number of products and service-related complaints received and how they are dealt with.	29-30
B6.3	Description of practices relating to observing and protecting intellectual property rights.	29-30
B6.4	Description of quality assurance process and recall procedures.	28
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	29

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Aspects	Description	Page/Remark
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	25-26
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	26
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	26
B7.3	Description of anti-corruption training provided to directors and staff.	26
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	42
B8.1	Focus areas of contribution.	42
B8.2	Resources contributed to the focus area.	42