Sang Hing Holdings (International) Limited
生興控股(國際)有限公司

(incorporated in the Cayman Islands with limited liability)
Stock code: 1472



Environmental, Social and Governance Report
2025

Contents

Contents 1
About this Report 2
About the Group 3
Board Statement 4
Governance Structure 5
Stakeholder Engagement 6
Materiality Assessment 7
Our Environment 10
- Policies 10
- Environmental Compliance 11
- Environmental Impacts from our Operations and Mitigation Measures 12
  - Air Emissions 12
  - Greenhouse Gas Emissions 14
  - Waste and Wastewater Management 15
  - Noise Control 17
  - Energy Efficiency 17
  - Water Efficiency 18
  - Material Consumption 19
  - Vegetation and Landscape 19
- Climate Change 20
  - Action on climate change 21

Our People 24
- Policies 24
- Employment Management 24
- Employee Retention 27
- Health and Safety 28
- Staff Education and Development 31
- Prohibition of Child and Forced Labour 33

Our Supply Chain 33
- Supply Chain Management 33

Our Customer 35
- Project and Service Quality 35
- Intellectual Property, Customer Health and Safety, Advertising and Labelling 36
- Customer Privacy and Corporate Information Protection 36

Business Ethics 37
- Policies and Preventive Measures 37

Our Society 38
- Community Investment 38
- Awards and Recognition 38

Environmental, Social and Governance Reporting Guide Index 39



Environmental, Social and Governance



ABOUT THIS REPORT

Sang Hing Holdings (International) Limited (the "**Company**" together with its subsidiaries, hereinafter referred to as the "**Group**", "**Sang Hing**" or "**We**" or "**Us**") is delighted to publish the Environmental, Social and Governance Report (the "**Report**") to summarise the Group's policies, measures and performance on the key environmental, social and governance ("**ESG**") issues.

Reporting Period

The Report illustrates the overall performance of the Group regarding the environmental and social aspects from 1 April 2024 to 31 March 2025 (the "**Reporting Period**", "**2024/2025**").

Reporting Scope and Boundary

The Report discloses related policies and initiatives for the core and material businesses namely provision of (i) site formation; (ii) road and bridge construction; (iii) drainage and sewage construction; (iv) watermain installation and slope works in Hong Kong. The reporting scope has included 96% (2023/2024: 100%) of the Group's revenue during the Financial Year ("**FY**") 2024/2025.

The Report discloses key performance indicators ("**KPIs**") of the corporate office ("**office**") and the representative project(s) ("**project(s)**"). While the Report does not cover all the Group's operations and the Joint Ventures ("**JVs**") unless specified, the Group aims to improve its internal data collection mechanism and gradually expand the scope of the disclosure.

Reporting Basis and Principles

The Report is prepared in accordance with the ESG Reporting Guide (the "**ESG Guide**") as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and based on the four reporting principles – materiality, quantitative, balance and consistency:

- "Materiality" Principle:

  The Group determines material ESG issues by stakeholder engagement and materiality assessment. Details are explained in the section headed "Materiality Assessment".

- "Quantitative" Principle:

  Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data.

- "Balance" Principle:

  The Report identifies the achievements and challenges faced by the Group.

- "Consistency" Principle:

  The statistical methodologies applied to this ESG Report were substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies. If there are any changes that may affect comparison with previous reports, the Group will add comments to the corresponding content of this ESG Report.





The Report has complied with all "comply or explain" provisions and reported on selected recommended disclosures outlined in the ESG Guide.

The information contained herein is sourced from internal documents and statistics of the Group, as well as the combined control, management and operations information provided by the subsidiaries in accordance with the Group's internal management systems. A complete content index is appended to the last section hereof for quick reference. The Report is prepared and published in both Chinese and English at the Stock Exchange's website (www.hkexnews.hk) and the Company's website (http://www.sang-hing.com.hk). In the event of contradiction or inconsistency between the Chinese version and the English version, the English version shall prevail.

Review and Approval

The board (the "**Board**") of directors (the "**Directors**") of the Company acknowledges its responsibility for ensuring the integrity of the ESG report and to the best of their knowledge, this report addresses all relevant material issues and fairly presents the ESG performance of the Company. The Board confirms that it has reviewed and approved the Report. The Report was reviewed and approved by the Board on 25 July 2025.

Feedback

The Group respects your view on the Report. Should you have any opinions or suggestions, you are welcome to share with the Group at:

Address: Room 215A-B, 2/F, Central Services Building, Nan Fung Industrial City, No. 18 Tin Hau Road, Tuen Mun, New Territories, Hong Kong

Telephone: (852) 2403 1118

Email: info@sang-hing.com.hk

ABOUT THE GROUP

Sang Hing is an established contractor engaged in civil engineering works in Hong Kong with over 20 years of experience. The Group specialises in a variety of civil engineering works, including site formation, road and bridge construction, drainage and sewerage construction, watermain installation and slope works.

As a main contractor, we are generally responsible for (i) the overall planning and management of works schedules in relation to the subcontractors, materials, machinery and other resources required at works sites with a view to ensuring smooth and timely completion of the works; and (ii) the supervision of site works carried out by our direct labours and our subcontractors with a view to ensuring the conformity of the works with the specifications required by our customers as well as the overall quality, safety and environmental standard of the works.

With the depth of the experience of the management team and its enthusiasm for the industry, the Company has achieved a remarkable success and reputation in the industry.



Environmental, Social and Governance



BOARD STATEMENT

Dear stakeholders,

We are pleased to present our ESG Report for the year ended 31 March 2025.

Our Group recognises the importance of integrating the material ESG factors into our business model. The Board understands that through sound ESG governance principles will effectively enhance our business value and bring long-term returns to stakeholders and the Group. This Report provides an overview of the Group's effort and approach in adopting sustainability across our operations.

As ESG matter heavily intertwined with various aspects of our organisation, the Board takes overall responsibility in allocating resources to evaluate and determine the Group's potential ESG-related risks so that ESG governance can be carried out smoothly. Additionally, the Group strives to ensure appropriate and effective risk management and internal control system are in place, especially the precautions taken to manage the challenges and impact posed by climate change, in order to mitigate the negative impact on the Group's business.

Under the engagement with ESG, the Board plays a significant role in adapting sustainable business practices to govern itself and complying with the relevant laws and regulations. We will stay abreast of the latest changes so that we can be well-prepared to encounter them. We cherish the stable and safe social environment of the surrounding communities, while maintaining the safety of our employees and the public. It is believed that this Report could serve as an effective platform to communicate and connecting with our key stakeholders.

In related to our business nature, we continue to pursue various management systems with International Standards including ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, to deliver key performance in areas such as environmental, health and safety as well as quality assurance.

The Board will continue to review and monitor the Group's ESG performance, and provide consistent, comparable and reliable ESG information annually.

Yours faithfully,
For and on behalf of the Board

Lai Wai
Chairman of the Board

GOVERNANCE STRUCTURE

The Board supports the Group's commitment to fulfilling its environmental and social responsibility and has overall responsibility for the Group's ESG strategy and reporting.

Sustainable Development Committee, established by the Board	• Oversees the ESG strategies, policies objectives and targets • Allocates Sustainable Development Committee to identify material ESG matters through review and assessment of internal operations
Senior Management	• Advises and supports the Board on ESG matters, strategies, policies • Overall management and monitoring of ESG performance and targets
Department Heads and Employees	• Take record and monitor ESG KPIs • Implement ESG policies and related initiatives

The Sustainable Development Committee regularly reviews the Group's ESG performance and examines and approves the Group's annual ESG report.



Environmental, Social and Governance



STAKEHOLDER ENGAGEMENT

Stakeholders' opinions are the solid foundation for the Group's sustainable development and success. The stakeholder engagement helps the Group to develop a business strategy that meets the needs and expectations of stakeholders, enhances the ability to identify risk and strengthens important relationships. The Group communicates with its stakeholders through various channels, shown as below.

Government and regulatory agency	Shareholder and investor	Employee	Customer
• Annual reports, interim reports, ESG reports and other public information • Supervision and inspection	• Annual general meetings and other general meetings of shareholders • Company website • Press releases/ announcements • Annual reports, interim reports, ESG reports and other public information	• Training • Meetings • Performance evaluation • Survey	• Fax, email and telephone • Meetings

Supplier/ Subcontractor/ Business Partner	Community/ Non-governmental Organisations (NGOs)
• Fax, email and telephone • Meetings • Site visit • Survey • Training	• Sponsorship and Donation • ESG Reports

MATERIALITY ASSESSMENT

In preparing our ESG report, we directly engaged with the following stakeholder groups as part of the materiality assessment process to identify and prioritise the issues to be covered in this Report that have a significant impact to the business and stakeholders.

Process

Stage 1 - Identification
A selection of ESG issues that may reasonably be considered important for the Group and its stakeholders from various sources, including listing rules requirement, industry trends and internal policies. 28 issues were identified and grouped into 4 categories: Environment, Employment and Labour Practices, Operating Practices and Community.

Stage 2 - Prioritisation
Conducted online surveys to rate the importance of each issue from the perspective of a stakeholder and the Group using a scale of 1 to 5.

Developed the materiality matrix based on the scores of the surveys, set the threshold for materiality (i.e. at a score of average) and prioritised a list of sustainability issues.

Stage 3 - Validation
Management reviewed the materiality matrix and the threshold for materiality. ESG issues, with a score of average or above from the perspective of a stakeholder and the Group, were prioritised as the most important sustainability issues for the Group to address and report on.

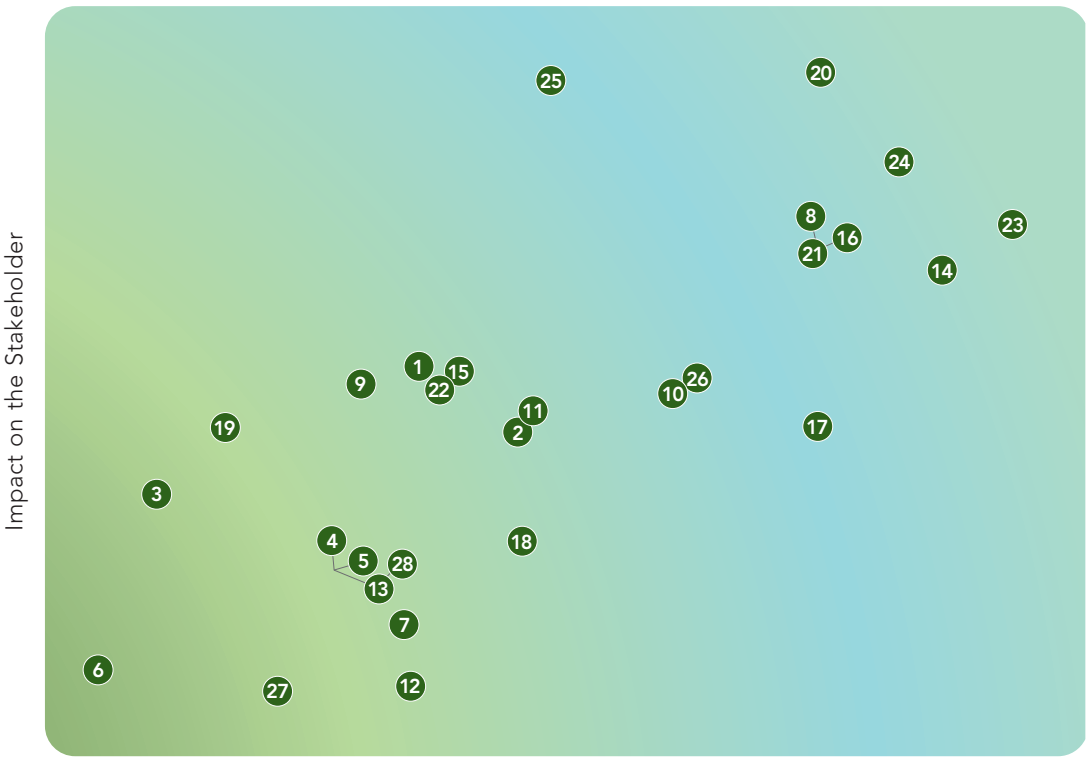
Environmental, Social and Governance

Materiality Matrix

Based on the materiality matrix, we believe the most pertinent sustainability issues which are material to both the Group and stakeholders include the following:

Project/Service Safety	Customers' Privacy and Confidentiality	Project/Service Quality	Occupational Health and Safety	Environmental Regulation Compliance
Prohibition of Child Labour and Forced Labour	Customer Satisfaction	Business Ethics	Responsible Supply Chain Management	Anti-corruption Training for Management and Employees

MATERIALITY MATRIX



1	Air Emissions	**11**	Employment Practices	**21**	Customer Satisfaction
2	Greenhouse Gas ("**GHG**") Emissions	**12**	Diversity and Equal Opportunities	**22**	Intellectual Property
3	Effluents Management	**13**	Anti-discrimination	**23**	Project/Service Safety
4	Waste Management	**14**	Occupational Health and Safety	**24**	Project/Service Quality
5	Energy Efficiency	**15**	Development and Training	**25**	Business Ethics
6	Water Efficiency	**16**	Prohibition of Child Labour and Forced Labour	**26**	Anti-corruption Training for Management and Employees
7	Raw Material Consumption	**17**	Responsible Supply Chain Management	**27**	Contributions to the Society
8	Environmental Regulation Compliance	**18**	Environmental Friendliness on Products or Service Purchased	**28**	Communication and Connection with Local Community
9	Land Use, Pollution and Restoration	**19**	Compliance with Regulations on Marketing, Product and Service Labelling		
10	Climate Change	**20**	Customers' Privacy and Confidentiality		



Environmental, Social and Governance



OUR ENVIRONMENT

The Group notices constructions could create huge impacts on the environment and large-scale landscape changes in the surrounding area. When the impact and pollution are estimated to be significant, proper protective and mitigation measures must be adopted. The Group highly values the environmental responsibility, not only for meeting our customers' demands of environmental protection, but also for the community's expectation of a healthy living and working environment.

Therefore, we do our utmost to minimise the environmental impact by enacting various policies, internal regulations and guidelines, in strictly monitoring whether all the environmental control ordinances are in compliance. We look forward to enhancing the promotion of green awareness among the Group and workers. We strive for a balance between developments and the environment for achieving sustainable development.

To help achieving and securing sustainable future, the Group also advocates carbon reduction, and is committed to achieving sustainable operations. To this end, we have set clear emission reduction targets, compared with the 2021/2022 baseline year, and strive to achieve the following targets by 2026/2027:

- reduce air emission per kg of million HK$ revenue by 3%;
- reduce energy consumption per MWh of million HK$ revenue by 3%;
- reduce water consumption per cubic metre of million HK$ revenue by 3%; and
- reduce waste disposal per approximate tonne of million HK$ revenue by 3%.

Policies

- Environmental Management Policy and Related Management Systems

  Our Environmental Management Policy sets out our commitment to strengthening the awareness of environmental management and the relevant laws and regulations of our employees, subcontractors and suppliers through training and guidance. Our goal is to support environmental protection and to minimise pollution during construction.

  Our environmental management system has been certified against ISO 14001:2015. We have established an Environmental Manual of our Environmental Management System to provide guidance to our employees on the implementation of the system. We review regularly for continuous improvement of the existing measures.

- Waste Management Policy

  According to project requirements, our Waste Management Policy sets out our commitment to reducing our impact on the environment by managing waste efficiently and sustainably. We required Method Statement to be prepared for the construction activities that generate chemical waste, which involve in demolition work or the use of timber in temporary work construction. Our policy also stipulated specific requirements on Method Statement preparation ensuring that environmental impact is minimised.

- Energy Saving Guideline and Instruction in our Environmental Manual of our Environmental System and Energy Management Plan

  Our Energy Saving Guideline and Instruction illustrates our ideas to improve the performance by creating an energy-saving guideline in our daily operation through the adoption and implementation of an Energy Management System. While the Energy Management Plan provides energy saving measures and guidelines for employees working in the offices to raise their awareness on energy conservation by taking simple actions in their daily operations.

Environmental Compliance

Our projects are subject to certain environmental requirements pursuant to the laws and regulations in Hong Kong, including but not limited to:

- Public Health and Municipal Services Ordinance (Cap. 132)
- Air Pollution Control Ordinance (Cap. 311)
- Waste Disposal Ordinance (Cap. 354)
- Water Pollution Control Ordinance (Cap. 358)
- Noise Control Ordinance (Cap. 400)
- Environmental Impact Assessment Ordinance (Cap. 499)

During the Reporting Period, to the best of our Directors' knowledge, the Group was not aware of significant non-compliance issues in this regard. During 2023/2024, one of our JVs received 2 summonses for violating Section 9(2) and Section 11(1) of the Water Pollution Control Ordinance, Cap. 358 and Section 27(3) and 150 of the Public Health and Municipal Services Ordinance, Cap. 132. The cases were settled during the Reporting Period. To avoid reoccurrences of non-compliance in future, we will continue to uphold the environmental awareness and monitor our subcontractors.



Environmental, Social and Governance



Environmental Impacts from our Operations and Mitigation Measures

Site inspection and environmental audit are vital works for monitoring the compliance on environmental standards and assessing on-site environmental impacts from our operations. We appoint our environmental teams with external engineering consultants in every project to oversee whether the environmental measures are correctly implemented weekly. During site inspection, we observe the environmental quality and assess the executed mitigation measures in various aspects, including, but not limited to, water quality, air emissions, noise control, waste and chemical management, landscape, and visual impact. Moreover, we review our inspection works monthly by holding regular meetings with relevant managerial officers, worker representatives and external engineering consultants, in pursuit of continuous improvement and enhancing the effectiveness and communication during the implementation of mitigation measures.

We strictly comply with Environmental Impact Assessment Ordinance ("**EIAO**") to avoid, minimise and control the adverse environmental impacts from designated projects. By going through the application of environmental permit ("**EP**") and process of environmental impact assessment, pollution and impacts are controlled in both construction and operation phases of the project. During the Reporting Period, the Group attempted no material non-compliance or violations of any laws and regulations in relation to environmental protection. We have not been prosecuted under the relevant applicable environmental laws and regulations.

Air Emissions

Air pollutants are generated from construction activities and material transportation. We introduce various effective mitigation measures in our construction process,

- ensure our construction equipment is properly maintained to avoid black smoke or fume emission;
- ensure our dump trucks are equipped with mechanical covers to prevent dust dispersion during transportation; and
- any other practicable mitigation measures as stated in Environmental Monitoring & Audit ("**EM&A**") Manual of our relevant projects and sites.

During the Reporting Period, emission data of Nitrogen oxides (NOx), Sulphur oxides (SOx) and Particulate matter (PM) are listed in the table below:

Air Pollutant	Unit	2024/2025	2023/2024
Nitrogen oxides ("NOx")[1]	kg	**11,335.93**	11,191.85
Sulphur oxides ("SOx")[2]	kg	**9.07**	9.55
Particulate matter ("PM")[1]	kg	**821.47**	808.97
Total	**kg**	**12,166.47**	12,010.37
Intensity	**kg per million HK$ revenue[3]**	**65.07**	103.12

The total air emissions in 2024/2025 was slightly higher than in 2023/2024 at 12,166.47 kg, but the intensity was decreased due to the increase in the Group's revenue during the Reporting Period.

We will continue to improve our internal data collection mechanism for a complete disclosure in the coming years.

1 Only the emissions from petrol and diesel mobile consumption covered, and the estimation is based on "How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

2 Only the emissions from petrol and diesel consumption (both vehicles and generators) covered, and the estimation is based on "How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

3 The intensity is calculated using revenue of HK$186,982,000 (2023/2024: HK$116,469,000), which represents 96% (2023/2024: 100%) of the Group's total revenue during the Reporting Period.



Environmental, Social and Governance



Greenhouse Gas Emissions

In response to the community's gradual concern on greenhouse gas ("**GHG**") emissions, climate changes and other related issues, the Group is committed to implementing and maintaining a high standard of greenhouse gas management. The GHG emissions[4] are as follows:

	Unit	2024/2025	2023/2024
Scope 1[5]	tonnes CO_2-equivalent	**1,654.69**	1,716.56
Scope 2[6]	tonnes CO_2-equivalent	**200.15**	264.54
Scope 3[7]	tonnes CO_2-equivalent	**39.74**	49.69
Total	**tonnes CO_2-equivalent**	**1,894.58**	2,030.79
Intensity	**tonnes CO_2-equivalent per million HK$ revenue[3]**	**10.13**	17.44

Scope 1 emission from fossil fuel consumption in our projects contributed to around 87.3% of our total emissions, including diesel and petroleum consumption for our generators, mobile vehicles, ships and powered mechanical plants ("**PME**"). There was an approximately 6.7% decrease in the total amount of GHG emissions of the Reporting Period in comparison with 2023/2024 mainly due to decrease in fuel consumption from motor vehicles and heavy trucks and purchased electricity consumption. The Group will continue to assess, record and disclose its GHG emissions annually. The Group will continue to refine the data collection system and develop reduction strategies if appropriate based on the projection of data in the coming years.

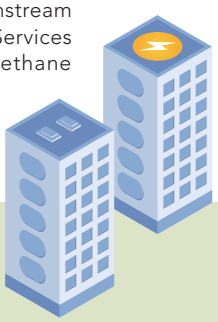
4 The calculation of greenhouse gas emissions is made reference to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong published by the Environmental Protection Department, and the Electrical and Mechanical Services Department, the latest sustainability report published by the CLP Power Hong Kong Limited.

5 Scope 1: Direct emission from the business operations owned or controlled by the Group, such as emissions from diesel and petroleum burnt by vehicles, ships and generators.

6 Scope 2: The "indirect energy" emissions from the purchased electricity consumption by the Group.

7 Scope 3: All other indirect emissions that occur outside the Group, including both upstream and downstream emissions, including the emissions due to electricity used for freshwater processing by the Water Services Department, electricity used for Sewage Processing by Drainage Services Department and Methane Generation at Landfill in Hong Kong due to Disposal of Paper Waste.





Waste and Wastewater Management

The Group acknowledges possible environmental impacts of waste generated during its operations such as site clearance, excavation works, and construction and fitting out works. The Group is committed to reducing its impact on the environment by managing its waste in an efficient and sustainable manner as stated in the Waste Management Policy. Each member of the Group, as well as subcontractors, should take reasonable steps to avoid the generation of waste by well planning of the works. The following reduction initiatives and handling methods have been implemented on waste management:

- Construction waste and Demolition materials
    - We carry out waste segregation processes to facilitate further waste management processes.
    - We recycle materials and reuse materials as much as practicable, such as bricks, wood packing in formwork, and plastic scaffolding ties that are still in good statuses.
    - We ensure proper disposal complying with statutory and regulatory regulations.
- Chemical waste
    - We register chemical waste licences before producing chemical waste under Waste Disposal (Chemical Waste) (General) Regulations.



Environmental, Social and Governance



Wastes generation from our operations are as follows:

Wastes	Handling Method	Unit	2024/2025	2023/2024
Hazardous waste				
Toner cartridge	Recycled	tonnes	**0.07**	0.08
Non-hazardous waste				
General refuse	Landfill	tonnes	**2.00**	71.35
Inert construction wastes	Reused	tonnes	**–**	–
	Landfill	tonnes	**28.40**	728.21
Non-inert construction wastes	Landfill	tonnes	**–**	–
Total		**tonnes**	**30.47**	799.64
Intensity		**tonnes per million HK$ revenue[3]**	**0.16**	6.87

To the best of our Directors' knowledge, the Group was not aware of any significant amount of wastewater and hazardous wastes generated in our projects and offices. There was a reduction in our waste generation compare to 2023/2024 as two projects that generate the most volume of waste in 2023/2024 were completed during the Reporting Period. The Group will perform sample testing regularly to ensure the parameters following the wastewater discharge license if needed. We will also seek continuous improvement in waste and wastewater management performance by setting appropriate goals and objectives in future after further assessment.







Noise Control

Noise is emanated from various construction activities, including but not limited to formwork erection, concreting, steel handling works, breaking works and operation of construction plant and equipment. Mitigating noise nuisance is also an important part of pollution control, therefore we have implemented a series of measures to mitigate noise nuisance to the surroundings, including but not limited to the following:

- We select quiet equipment for usage and plant with lower sound power level and seek approval from Environmental Protection Department in advance.
- Adhere to the regular construction working period between 7:00 a.m. and 7:00 p.m.
- No operation at night-time and any time on general holidays (including Sunday).
- Mechanical equipment, for instance, hand-held percussive breakers and air compressors must comply with noise emissions standards and be issued with a noise emission label from the director of the Environmental Protection Department.
- We try to avoid using powered mechanical equipment near noise sensitive receivers and enclose/wrap noisy plants and equipment with sound insulating materials to reduce noise generation.

Energy Efficiency

As stated in our Energy Management Policy Saving Guideline and Instruction in our Environmental Manual, we aim to improve energy efficiency as a continuous improvement process. We strive for achieving the target through the following measures in our office:

- We avoid starting/stopping equipment frequently to prevent energy wastage.
- We keep the doors closed to prevent cool air leaking out from the indoor office with air-conditioning.
- We avoid excessive lighting and utilise natural day-light as much as possible.
- We prioritise the use of energy-saving facilities, equipment or any items. (e.g. Energy-saving lamp bulb).
- We regularly clean the light bulbs and diffusers in pursuit of a higher efficiency of luminaries.
- We encourage our employees to switch off all electrical appliances or, where appropriate, switch them to the energy-saving mode when not in use.



Environmental, Social and Governance



During the Reporting Period, the energy consumption is as follows:

	Unit	2024/2025	2023/2024
Diesel	MWh	**6,268.96**	6,435.60
Petroleum	MWh	**498.93**	586.63
Electricity	MWh	**526.71**	714.96
Total	**MWh**	**7,294.60**	7,737.19
Intensity	**MWh per million HK$ revenue[3]**	**39.01**	66.43

During the Reporting Period, the overall energy consumption of the Group decreased by approximately 5.7%.

Water Efficiency

Freshwater is an important resource on earth. To reduce wastage of freshwater, the Group requires workers to ensure no leaking of all faucets and pipes and immediately report for repair if problems are found. We also educate our employees to save water by making use of posters and other publicity materials. Our water source is supplied by the Water Suppliers Department, therefore, there is no issue in sourcing water.

	Unit	2024/2025	2023/2024
Site offices	m^3	**–**	222.00
Sites	m^3	**30,671.00**	41,621.00
Total	**m^3**	**30,671.00**	41,843.00
Intensity	**m^3 per million HK$ revenue[3]**	**164.03**	359.26

The water consumption from sites has decreased as one project has completed during the Reporting Period and one project has commenced only recently. Looking ahead, the Group will continue reviewing and evaluating the existing usage for further planning of water-saving measures.

Material Consumption

In view of the business nature of the Group, there is no packaging material consumption by us. Reinforcement bars, concrete and formwork are the major types of raw materials for our site operations. We also consume papers in our office for our clerical work. To mitigate the environmental impacts of material consumptions, we implement the following practices in office and site projects:

- We purchase reusable products such as refillable pens and rechargeable batteries as well as reusing scrap paper and envelopes.
- We promote digitalisation on clerical works by avoiding faxes and unnecessary printing to reduce the paper consumption.
- We avoid the use of materials that may lead to severe pollution or harmful impact on the environment, such as insulation materials containing CFCs/HCFs and asbestos.

During the Reporting Period, the raw material used is as follows:

	Unit	2024/2025	2023/2024
Reinforcement Bar	tonnes	**67.50**	44.00
Concrete	m^3	**1,164.80**	2,048.10
Formwork	ft^3	**320.01**	507.25

Vegetation and Landscape

During our construction process, vegetation nearby may be damaged. We develop practices for vegetation protection as follows:

- Protecting the trees and shrubs surrounded by temporary fencing, avoiding the encroachment of equipment or materials and soil contamination.
- Verifying and recording all trees and shrubs with reference numbers for better management.
- Removal of trees with diameters exceeding 95mm is prohibited unless prior approval is obtained.
- Carrying out continuous environmental monitoring on the landscape and vegetation surrounding the project site assisted by professional engineering and environmental consultants.
- Carrying out replant, transplant and cooperate planting at project sites if possible.



Environmental, Social and Governance



Climate Change

Climate Change is one of the biggest global challenges faced by the society nowadays, and we must act now to be prepared for the impact caused by climate change on our communities and industry. In recent years, extreme weather, such as strong winds and heavy rainfall, as well as tides and floods, have become the focus of news. Logistics and supply chains are particularly vulnerable. Heavy rainfall, rising tides, and floods can cause serious damage to assets such as buildings, warehouses, and goods in storage, resulting in financial losses. Although such incidents are beyond everyone's control, the Group believes that all stakeholders should work together to address climate change, which will also be regarded as one of the most significant risks to the world in the next five years.

In response to Hong Kong's Climate Action Plan, the Group understand that climate change may have significant impacts on our operations. The Group essentially plans to respond to local government initiatives and follow local government's emission reduction requirements. We aim to reduce GHG emissions per million HK$ revenue by around 3% by 2027 with the 2021/2022 baseline year and ensure the Group's GHG emissions will comply with the local requirements on or before 2030. Our target is to achieve carbon neutrality by 2050 in Hong Kong region. We are committed to continuously improving our energy efficiency, applying professional knowledge to improve on-site efficiency and maintain efficient management support.

Over the years, we have been grasping different opportunities to expand our business, accelerate the transformation and make the Group smarter, more environmentally friendly, and safer for employees and users (such as automation, utilising digital platforms for online conference to reduce carbon footprint in transportation). These measures have made our facilities becoming more sustainable and fulfil our commitment to resource management and environmental protection.

Action on climate change

Action responding to climate change is embedded in the Group's business strategy and is reflected in its governance and management processes. The index table below outlines the core elements of the Group response to the climate change disclosure requirements in this Report.

Core element	The Group's response
Governance	• Setting up Sustainable Development Committee and regular meeting
	• Integrating ESG topics (including climate-related issues) in corporate decision making
Strategy	• Understanding climate risks and identify risks and opportunities in the low-carbon transition
Risk Management	• The Board to discuss about ESG risks
	• Preparing for the transition to a low-carbon economy
	• Preparing and setup measures to physical climate risks
Metrics and Targets	• Investing in transition enablers
	• Creating value in the low-carbon transition



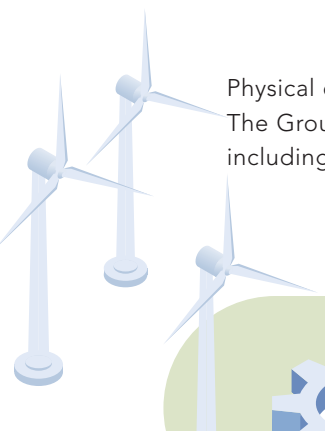
Environmental, Social and Governance

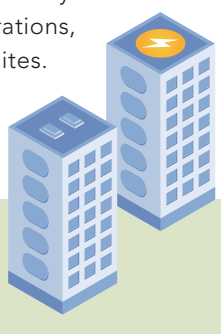


The Group has identified a series of climate-related risks and opportunities relevant to our assets and services which are significant to us. These transition and physical risks are discussed in the sections below.

	Risks	Opportunities
Short term (0-1 year)	• Physical risks from extreme weather events	• New services to help communities decarbonise
	• Securing the skills and capability required to implement climate strategy	• Technologies to enhance the performance of operation and energy efficiency
Medium term (5 years)	• Transition risks – Implementation of low-carbon policies for the operation	• Transitioning to low carbon economy market to meet government decarbonisation targets
		• Opportunities arising from transition enablers
Medium to long term (5+ years)	• Physical risks – workers are more likely to suffer from heat stroke due to increase in global temperature, insurance fees might increase	• Provide better working environment to workers and review their working hours, with better working conditions to facilitate the recruitment of workers
	• Transition risks – Potential new regulations and policies	• Transitioning to low carbon economy market to meet government decarbonisation targets
	• Transition risks – Development and use of emerging technologies may increase the operational costs, and reduce the Group's competitiveness	• Opportunities arising from transition enablers
	• Transition risks – the Group's reputation may be impacted due to changing customer or community perceptions of said the Group's contribution to or detraction from the transition to a lower-carbon economy	• To work as a pioneer in the industry and build up the relevant reputations
		• To work as a pioneer in the industry to enhance internal communication: project progress monitoring by utilising mobile application for the establishment of communication platform

Physical climate risks can potentially damage the Group's assets or directly interrupt our service delivery. The Group has already set up a number of measures in place to enhance the resilience of its operations, including contingency plan for extreme weather or emergency conditions that cover our project sites.





Transition risks can potentially increase the operational costs and legal risk of the Group due to change of policy, technology development, digitalisation, relevant risk affected to supply and demand, and reputation due to public perceptions. The Group has already identified the relevant risks and continue to monitor the market and policy updates. The Group has also planned to invest according to the market needs and take this as an opportunity for long term development.

Over the years, a series of measures is planning to adopt/have been adopted to put in place along the Group's value chain helping the Group to be prepared for extreme climate events. These measures are deployed for different geographies, taking into account the asset types, locations and relevancy. They are summarised in the table below:

Relevant part of the value chain	Relevant measures
Supply chain	Diversify materials supplies from multiple suppliers, sources and countries
Operation	Monitor and inspect assets regularly: - Maintain an emergency case procedure for all project sites' facilities To address extreme heat and increased temperature: - Maintain cooling equipment in good conditions - Review working hours of worker and provide better working environment to negotiate for lower insurance rates if necessary - Increase drinking fountains for employees and workers if possible To address the risk of water shortage and drought: - To maintain water tank(s) in facilities if possible - Purchase drinking water with sufficient storage To address flooding risks: - Prepare temporary drainage management plan for all project sites - Build protection walls for facilities and run-off water storage if possible - Deploy anti-flooding measures suitable for the assets, including drainage systems, flood gates and flood barriers, if necessary - Put in place additional coverage with tarps, grass planting and drainage works to avoid soil erosion if necessary To enhance business continuity: - Establish a typhoon response protocol and emergency response team to enhance internal communication to ensure smooth execution of contingency plans - Utilise the emergency restoration system, such as the Uninterruptible Power Supply (UPS), enabling rapid construction of temporary masts that can shorten the restoration of power supply - Enhance the communication capacity of customer services, in particular post-incident customer communication



Environmental, Social and Governance



Investing transition enablers

Investment in a broad range of transition enablers is required to transform the business to low-carbon economy. The Group is currently utilising solar powered warning street lightings in some of our project sites. We will consider investing more resources to purchase electric vehicles ("**EV**") for the replacement of the old fossil fuels vehicles, adopting renewable energy sources (i.e.: Photovoltaic on rooftop of sites, increase in utilisation of solar lightings) into its business operations, or purchasing more Quality Powered Mechanical Equipment ("**QPME**") or quiet plants to fulfil its business needs in future.

Our Path to 2050

The Group is prepared to address the threats climate change poses both to its business and to the communities that it serves. The Group is determined to deliver and provide quality and reliable services for its customers and the Group is fully aware of the importance of environmental responsibility. The Group is ready to raise the targets, wherever possible, to strengthen the environmental protection measures at least every five years.

OUR PEOPLE

Staff is one of the critical success factors in our vision and ambition to hold a leading and reputable position in the industry and society, and this holds true for both technical and support staff at all levels.

We consider human resource as the most important asset, and we put staff development on top of the list while fulfilling our Group's sustainability journey. To meet the needs of our sustainable growth and business development, we regularly assess our colleague's developmental needs to ensure everyone, including the top management, have the support to achieve their top potential and performance.

Policies

Human resources department is established for the management of employment policies. Our Employee Handbook sets out the terms, guidelines and arrangements on compensation and remuneration, dismissal, recruitment, promotion, working hours, rest periods, diversity, equal opportunities, anti-discrimination and other benefits and welfare.

Employment Management

Recruitment and Dismissal

Recruitment is required when there are new projects, staff replacements, identification of new positions or an increase in workload or responsibilities within departments or sites.

Recruitment is tailored in order to fill in different classes of positions, as such, the direct sourcing in appropriate applicants is used to attract ample candidates. Publicity of recruitment is carried out through appropriate media for a sufficient period to assure open opportunity for application and consideration.

The dismissal or voluntary termination of employee's contracts shall be enforced in accordance with the employment laws and regulations in Hong Kong. Either party may terminate the employment by giving a written notification or payment in lieu of notice to the other party as specified in the employment contract according to the requirements of Employment Ordinance. To retain the talented staff, all monthly-paid employees separating from employment are expected to complete a questionnaire and we will conduct an exit interview for receiving opinion and persuasion before the official leaving date.

Promotion

The Group recognises promotion as the shift of an employee from one position to another that requires a higher degree of knowledge, skill or responsibility and is assigned a higher pay range. We also consider promotion as an opportunity for employees to advance in their career as well as to recognise their loyalty and contribution. The promotion of employees is based on their competence, experience, availability and performance. Performance appraisal is conducted every six months or annually to evaluate employees' performance regarding safety, work attitude, technical skills, interpersonal skills, etc. For details, please refer to the section headed "Staff Education and Development".

Equal Opportunity, Diversity and Anti-discrimination

The Group is committed to promoting equality in working environment for all employees, ensuring that employees are treated equally in every aspect of their jobs and work under a discrimination-free working atmosphere. We select the right person in accordance of talent, and adopt zero tolerance policy against any form of discrimination, such as family, sex, marital status, pregnancy, race, colour, disability, sexual orientation, age, religion, belief, ethnicity and national origin. All employees are encouraged to report any cases of breaching occasions to the human resources department, all cases will be thoroughly investigated and treated in with high confidentiality.

The Group recognises and embraces the benefits of having a diversified Board and workforce to enhance the quality of its performance. The Group has established the board diversity policy and workforce diversity policy. We believe that different backgrounds and abilities of our Directors could enhance board diversity and to achieve effective leadership with multi-perspective ideas during business decision making. As the Group is engaged in provision of civil engineering work services, setting a target for achieving gender diversity at workforce level is not suitable for the Group as construction industry traditionally has a predominantly male workforce.

Our vision on equality applies to all aspects in employment, including but not limited to recruitment, promotion, transfer, job assignment, rewards and benefits, training and development, suspension, etc.

Employment Profile

Workforce **As at 31/03**	**2024/2025** **No. of Staff**	2023/2024 No. of Staff
By Gender		
Male	**98**	60
Female	**49**	38
By Age Group		
Below 30	**12**	5
30-50	**53**	31
50 or over	**82**	62
By Employment Type		
Full time	**142**	94
Part time	**5**	4
By Geographical Region		
Hong Kong	**147**	98
Total	**147**	98

The increase in the number of staff was mainly due to the commencement of a new engineering project during the Reporting Period.



Environmental, Social and Governance



The Group strictly abides by related laws and regulations, including but not limited to:

- Employment Ordinance (Cap. 57)
- Employees' Compensation Ordinance (Cap. 282)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485)
- Construction Workers Registration Ordinance (Cap. 583)
- Minimum Wage Ordinance (Cap. 608)
- Sex Discrimination Ordinance (Cap. 480)
- Race Discrimination Ordinance (Cap. 602)

During the Reporting Period, the Group had one work-related injury claim, which has been settled. No case is under legal proceedings against our Group, our subcontractors and/or our JVs. The claims are generally covered by the insurance taken out by the Group and/or the JVs. To the best of our Directors' knowledge, the Group was not aware of any significant non-compliance case in this regard during the Reporting Period.

Employee Retention

Remuneration, Compensation and Other benefits and Welfare

In general, the Group determines employee salaries based on their education, experience, other skills and qualifications. Salary and allowances are reviewed regularly and the review takes into account the financial performance of the Group, social economy and market conditions, work performance, and other pertaining factors.

To attract and retain talents, the Group offers a competitive remuneration package with a variety of benefits and compensation to eligible employees, including discretionary bonus, Mandatory Provident Fund Schemes, medical insurance, injury compensation and insurance, and allowances. Granting of allowances depends on the working hours, location of workplace, job nature and additional responsibilities and so on.

Rest Periods and Working Hours

The Group provides reasonable working hours and rest periods to employees. All employees are entitled to Public or Statutory Holidays as announced by The Government of Hong Kong Special Administrative Region each year. In addition to those Holidays, employees are entitled to annual leave, maternity leave, sick leave, compensation leave, examination leave, court case leave, etc.

Employee Turnover

During the Reporting Period, the Group has an overall turnover rate of 17.4% (2023/2024: 31.5%). The detailed turnover numbers and percentage are as follow:

Turnover[8]	**2024/2025 No. of Staff**	**2024/2025 Turnover rate (%)**	2023/2024 No. of Staff	2023/2024 Turnover rate (%)
By Gender				
Male	**17**	**14.8%**	32	34.8%
Female	**14**	**22.2%**	13	25.5%
By Age Group				
Below 30	**0**	**0.0%**	3	37.5%
30 – 50	**14**	**20.9%**	10	24.4%
50 or over	**17**	**17.2%**	32	34.0%
By Geographical Region				
Hong Kong	**31**	**17.4%**	45	31.5%
Overall	**31**	**17.4%**	45	31.5%

[8] Turnover rate = Number of employees left the Group during the Reporting Period/ (Number of employees left the Group during the Reporting Period + Number of employees as at the end of the Reporting Period). The Group had a total of 45 employee turnover during the Reporting Period.

Employee Activities

During the Reporting Period, we have organised a variety of activities to motivate and to express gratitude towards employees for their effort and commitment, employee activities included Christmas party, annual dinner, New Year's Eve Lunch gathering and Reunion lunch gathering have been held.





Christmas Party 2024 at Head Office



Annual Dinner 2025

Health and Safety

Health care of employees is of primary importance and is one of the core values of the Group. Our vision is to accomplish the health, safety and environmental protection regulatory requirements as well as to provide a workplace without harm or hazards. We hold a series of training and promotional activities on health and safety issues. Keen participation in these activities from our staff creates an encouraging environment to inspire top management from our business partners to constantly review safety measures and to improve job site safety.

In addition, we value comprehensive wellness and establish policies to safeguard our employees from workplace violence to promote and maintain both physical and mental health. We have zero-tolerance for employees who commit physical assault, threatening behaviour, unwelcome photo-taking and harassment in the workplace.

Policies

1. Safety and Health Policy

    - Safety Manual

        - Our Safety Manual has clear responsibility definitions for our employees at different levels on safety management and compliance of relevant requirements. We require our workers to strictly comply with the safety manual for understanding the safety precautions for each type of works, such as the instruction of using basic protective equipment. On the other hand, our manual also provided guidelines on implementation of contingency measures that employees should comply and follow when facing hazardous situations.

- Safety Training
    - To achieve our goal of continuous improvement in occupational health and safety, we offer sponsorship to external training and on-site safety training for workers. For details, please refer to "Our Attempt" in the following context.
- The Safety Committee
    - Our safety officer and the appointed external safety audit firm evaluate the safety policies and programmes for each project with our customers; and
    - We design suitable safety policies to ensure compliance with legal requirements such as Occupational Safety and Health Ordinance (Cap. 509), implemented by safety officers and reported to our executive director directly.

2. Occupational Health and Safety Management System

- Our occupational health and safety management system for construction of civil engineering works (site formation, roads and drainage) is certified to be in compliance with the requirements of ISO 45001:2018.

Occupational Measures

To ensure occupational safety, the Group publishes the unique Safety Plan based on each specific project, reviewed and overseen by the safety officers. Apart from emphasising all statutory and contractual requirements, it also provides instructions on ways to coordinate, manage and control the works safeguarding the safety, health and welfare of all personnel and the public engaged on the project or affected by the site operations.

Our Attempt

1. Complying General In-house Safety Rules

   We set up rules and apply to all persons entering the construction site, such as safe use guide on ladders, hand tools, portable electric tools, electricity, and chemicals and proper storage.

2. Strengthening On-site Inspections

   We hold weekly safety walks on the construction sites to monitor the condition of the general site, works area, and site office. Remedial actions are instantly suggested for improvement, recorded and approved by the site agent and safety officer.

3. Fire Drills

   According to the Group's fire arrangements stated on Work Instruction, fire drill shall be conducted at least every six months. After each drill, meeting comprising of all responsible parties shall be held to review every aspect and improvement plans are established if necessary.

4. Safety Training and Education

Mandatory basic safety training (Green Card) are ensured for all site workers. We also provide regular site health and safety trainings including safety induction training, toolbox talks, and specific health and safety training designed by the safety officer.



Site Office Safety Training

5. Emergency Preparedness

We appointed an emergency response team to ensure a proper response on different types of hazards. Contingency plans for emergency cases are established in responding emergency issues such as adverse weather, landslide or flooding, infectious disease, and heat stroke. Such plans are subject for review regularly to address any significant updates which require additional procedures to ensure occupational safety when facing emergency situation.

Safety Performance and Target

The Group understands that our employees and workers are key participants in our projects. We demand the best on upholding safety performance during operation. Our safety performance target is to achieve an accident frequency rate of not more than 0.6 times per 100000 man-hours and we have successfully achieved such target in the Reporting Period. The Group commits to provide all necessary resources for effective implementation and continuous improvement to avoid the accident frequency rate. Our projects are subjected to certain safety and health requirements pursuant to the laws in Hong Kong, including but not limited to,

- The Factories and Industrial Undertakings Ordinance (Cap. 59)
- The Occupational Safety and Health Ordinance (Cap. 509)

There were no cases of work-related fatalities occurred over the past three years. During the Reporting Period, there was 1 (2023/2024: 1) case of work injury, accounting for 311 (2023/2024: 301) lost days. During the Reporting Period, to the best of Directors' knowledge, the Group was not aware of any significant non-compliances relating to occupational health and safety. The Group will continue to uphold safety awareness, review on our safety measures and provide instructions to our JVs and subcontractors to ensure continuous improvements and avoidance of accidents from re-occurring.

Staff Education and Development

Employees are our valuable assets. The Group simultaneously pursuits on the business development and investment on our staff. We regularly assess our colleagues' needs for development to ensure sufficient support for them to achieve their top potential and self-actualisation. We organise in-house training programmes such as seminars, workshops, visits and demonstration which are related to their job duties. For the long-term professional development for our staff, we provide external training opportunities and encourage the staff to join the professional institutions for obtaining technical and managerial skills through implementing the following to various levels and disciplines of staff:

- Training and Education Sponsorship Policy
    - Continuous development is encouraged by monetary sponsorships, depending on the nature and duration of learning.
    - Employees may be required to continue employment for a certain period of time after completion of such courses.
- Professional Membership Fee Sponsorship
    - Monthly-paid employees are entitled to reimbursement of Fellow/Full grade membership fees of any one of the professional institutions in full (including HKIE, ICE, IStructE, HKIA, RIBA, HKIS, RICS, HKICPA, HKICS) once per year.

Career Development

The performance of our employees is reviewed every six months or a year for numerous purposes such as promotion appraisals, salary review and determination of annual bonus. We believe that the current appraisal and bonus system provides effective communication between our employees and managing staff, which help achieve the Group's expectations, evaluate individual performance, indicate the talented labour, provide guidance and assistance to the career development of our employees and retain existing staff members.

Learning and Development

To keep our employees abreast of new knowledge and skills, we provide or sponsor on training programmes to our employees such as workshops and seminars on health and safety related to our works. We believe that the provision of opportunities to continuing education and advanced training can both increase our staff member's work competence and efficiency, enhance safety and cultivate loyalty.

In order to enable our new employees to become familiar with the company culture and working practices, our new employees are subject to a probation period which is confirmed in the appointment documentation for a particular post. Upon expiry of the probation period, the relevant supervisors will decide if permanent employment status will be granted to the new employees based on their work performance.



Environmental, Social and Governance



During the Reporting Period, all employees (including those who left the Group during the Reporting Period) received training, with a total training duration of approximately 9,306 training hours. The details are as follows:

Percentage of Employee Receiving Training[9]	2024/2025	2023/2024
By Gender		
Male	**100.0%**	100.0%
Female	**100.0%**	100.0%
By Employment Category		
Senior Management	**100.0%**	100.0%
Middle Management	**100.0%**	100.0%
General Staff	**100.0%**	100.0%
Part-time Staff	**100.0%**	100.0%
Overall	**100.0%**	100.0%

Average Training Hours[10]	2024/2025 Hours per Employee	2023/2024 Hours per Employee
By Gender		
Male	**61.35**	63.27
Female	**67.22**	57.75
By Employment Category		
Senior Management	**14.67**	8.2
Middle Management	**12.00**	2.4
General Staff	**65.76**	67.47
Overall	**63.31**	61.13

9 Percentage of trained employee = Total number of employees received training during the Reporting Period / Total number of employees as at the end of the Reporting Period.

10 Average training hours = Total training hours during the Reporting Period / Total number of employees as at the end of the Reporting Period.

Prohibition of Child and Forced Labour

The Group prohibits any form of child and forced labour as stated in our internal policy and Employee Handbook. We are also committed to zero tolerance in employment of applicants who are unlawful and ineligible to work in Hong Kong. Human resources and administrative officers inspect and take a copy of the original of the candidate's Hong Kong identity card and/or other documentary evidence showing that he/she is lawfully employable in Hong Kong. Our on-site staff is responsible for inspecting the personal identification document of each worker. For government projects, a labour officer is assigned for strict inspection of personal identification.

The Group regularly reviews recruitment measures to ensure compliance with relevant regulations and other regulations on child labour or forced labour and requires all subcontractors to comply with relevant laws. If any child or forced labour cases have been discovered, the child labours will be dismissed from work immediately. The Group will strictly follow the local labour laws and regulations to handle such cases. The Group strictly abides the Employment Ordinance. During the Reporting Period, to the best of Directors' knowledge, the Group was not aware of any significant non-compliance case relating to child labour and forced labour.

OUR SUPPLY CHAIN

Supply Chain Management

The Group is committed to building lasting and constructive relationships with partners in its supply chain. The Group's Procurement in Company Policy Manual specifies our dedication to a fair, transparent and competitive procurement process. The document is applicable to the Group's all departments, cooperate and subsidiary on their subcontractor bidding process at project commencements, which requires all employees to observe the highest standards of business integrity and to comply with relevant laws and regulations.

Supplier and Subcontractor Engagement

- **Supplier**

  The suppliers of goods and services to the Group mainly include (i) construction materials; and (ii) pipes. The construction materials we purchased mainly included concrete, aggregates, steel and asphalt. We conduct supplier evaluation for new suppliers and will take the elimination of environmental and social risks (i.e.: labour practices, reputational risks resulting from any concluded legal cases, such as corruption cases) into account when assessing potential suppliers/ subcontractors and identify whether they have any non-compliance against environmental and social related laws and regulations. Both potential and approved suppliers are shortlisted and reviewed from time to time with reference to criteria including (i) legal business license; (ii) ISO certified environmental management, occupational health and safety, quality management systems; (iii) pre-sales and after-sales service; (iv) production capacity; (v) whether environment-friendly materials are used and (vi) price.





- **Subcontractor**

  We subcontract our on-site works to nominated subcontractors to help complete our civil engineering works projects, and are responsible for the site supervision, management of subcontractors and overall project management to promote and monitor their performance. We engage subcontractors on contract basis, according to types of work in the projects. We approved and shortlisted subcontractors from time to time with reference to factors such as (i) technical capability; (ii) reputation, previous performance and experience; (iii) labour resources; (iv) sufficiency of equipment; (v) whether environment-friendly materials are used and (vi) safety performance. It is our practice to select subcontractors from our list based on their experience for the type of the project and service fee quotations.

Supplier and Subcontractor Profile

Our suppliers and subcontractors are all Hong Kong companies. As at 31 March 2025, we have a total of 496 suppliers and 74 subcontractors, with 60 and 49 newly approved suppliers and subcontractors respectively during the Reporting Period.

Supplier and Subcontractor Control and Monitoring

In order to achieve better project performance, we annually assess the quality of subcontractors based on factors such as (i) sufficiency of plant; (ii) sufficiency of manpower; (iii) progress; (iv) workmanship; (vi) response to instructions; (vii) financial status; and (viii) planning and management. Whilst for our suppliers, we assess their performance by evaluating their (i) Quality of material or service; (ii) Consistency of quality; (iii) Response time to orders; (iv) Punctuality of deliveries; (v) Method of Delivery; (vi) Response time to additional orders; (vii) Response time to enquiry and (viii) Safety Management. Comments and remarks are given if any improper practices and unsatisfied performance is observed for further improvement on the project performance.

Moreover, we understand that our project such as site formation may lead to changing of the landscape, the surrounding environment or safety issues of the subcontractors, and production wastes and emissions by suppliers. Meanwhile, our subcontractors may be exposed to charges in relation to violations of safety, environmental or employment laws and regulations which may affect their renewal of relevant licences or may even lead to revocation of their licences. Therefore, we monitor the performance and identify the environmental or social risk of suppliers and subcontractors on our approved list on an annual basis through site visits, inspections, and risk assessments.

OUR CUSTOMER

Project and Service Quality

Quality Policy

The Group established Quality Manual and Project Quality Plan to set out our commitment to improving the performance by creating a customer focus and continual improvement in corporate culture.

Quality Management System

To maintain consistent product quality and ensure our ability to meet our customers' requirements in all respects, the Group has established a formal quality management system which is certified to be in compliance with the requirements of ISO 9001:2015.

In the quality control process, we have employed quality control staff for identification and providing solutions to problems relating to the quality system, initiating actions to prevent the occurrence of non-conformity. Our site agent monitors the quality of works done by our direct labour and subcontractors on-site. In order to ensure the project progress sticks to the schedule, our project manager is responsible for monitoring the overall works quality and engineering working plan. We aimed to develop a sustainable performance-oriented culture with an emphasis on pursuing continuous improvement and long-term development.

Apart from the quality control of works done, we also pay great attention to the quality of materials used for our construction work, designated staffs are appointed to carry out the checking in accordance with the standards and requirements subject to the Project Quality Plan.

Complaint Handling

We have complaints handling procedures in place to provide guidelines for our employees on complaint handling, responsible personnel will investigate each complaint case seriously and solutions will be provided to the complainant afterwards. All complaints are followed up timely until the cases are closed. There was no product recall due to health and safety reasons as the Group does not involve in any manufacturing and distribution business and processes. To the best of our Director's knowledge, during the Reporting Period, there was no official complaint received.



Environmental, Social and Governance



Intellectual Property, Customer Health and Safety, Advertising and Labelling

The Group respects intellectual properties and obtained Certificate of Registration of Trademark since 2018 from the Trade Mark Registry of Intellectual Property Department as the owner of our unique trademark. We also registered as the owner of our domain name.

Health and safety of customers is not a material issue according to the Group's business nature, yet we attach great importance to manage and have developed stringent and detailed internal policies and procedures to ensure occupational health and safety of our workers. For further information, please refer to the section headed "Health and Safety" in the Report. The Group does not rely on marketing and advertising heavily and does not involve in labelling activities. To the best of Directors' knowledge, the Group was not aware of any significant impact relating to intellectual property, customer health and safety, advertising and labelling on its operations. We will closely monitor the business environment to identify any significant risks in this area.

Customer Privacy and Corporate Information Protection

The Group strives to protect the privacy of its customers and staff in the collection, processing and use of their business or personal data, and prevent improper use or leakage of information.

- Employees
    - The Employee Handbook has outlined the details of data collection and the uses of the personal record. The Human Resources Department strictly complies with the Personal Data (Privacy) Ordinance. The personal data files of our staff are only available to limited personnel such as top management members, particular supervisors, handlers who are responsible for assessing qualification and financial claims, and other authorised employees with special tasks.
- The Group, Customers and Business Partners
    - Security is a large topic under "code of conduct" in the Employee Handbook. The Group requires all employees to maintain the confidentiality of company and client information. For all documents and information belonging to the Group and clients, the handling employee shall not discuss it with anyone except the supervisor. Employees should ask the supervisor for guidance when they have doubts about the information.

All employees are required to abide by the guidelines and rules related to privacy regardless of work location and time. Failure by any employee to comply with the confidentiality obligations may lead to disciplinary actions, and in serious cases will be treated as gross misconduct. During the Reporting Period, to the best of our Directors' knowledge, the Group was not aware of any significant non-compliance case in this regard.

BUSINESS ETHICS

The Group is committed to conducting its business with honesty and integrity and applying the highest standards on the establishment of transparent and open corporate governance frameworks. We adopt zero tolerance on any unethical acts. To enhance the awareness of anti-corruption, the Directors and senior management will receive training on rules and regulations (including anti-corruption and anti-money laundering) from time to time to ensure that the parties will have adequate and up-to-date knowledge and information to handle the corresponding situations.

Policies and Preventive Measures

Our commitments and values are guided by these policies and measures. We regularly review and update to ensure appropriate ethical business practices and behaviour, including but not limited to:

- Employee Handbook

  Our Employee Handbook sets out principles for acting responsibly in the daily operation, including issues related to business ethics, conflicts of interests, bribery and corrupt practices, offering and acceptance of advantages, environment, health and safety, and respect in the workplace.

- Whistle-blowing Policy

  It is established to encourage our employees to report anonymously and promptly on any suspected business malpractices and unethical acts, such as internal improprieties, corruptions, fraudulent acts, and severe dangers to the environment and public to the Audit Committee. We hope to, by this mean, deter inappropriate activities and maintain a good professional image and professional ethics. The identity and interest of the whistleblower are always being protected and respected.

- Fraud Risk Management

  Our Risk Management Policy states a series of fraud risk factors and establishes the fraud risk management to ensure early detection and proper responses to potentially fraudulent activities.

As a leading construction company in the region, we understand the importance of fairness and transparency during the process of project bidding and outsourcing. The Group strictly adheres to the laws and regulations relating to business honesty, bribery and money laundering in Hong Kong, such as Prevention of Bribery Ordinance, the Competition Ordinance (Cap. 619). During the Reporting Period, to the best of our Directors' knowledge, the Group was not aware of any warning or notice on non-compliance cases such as bid-rigging and corruption litigation in this regard.

Environmental, Social and Governance

OUR SOCIETY

Community Investment

The Group is committed to making contributions to the society and support of initiatives that benefit the communities we work in pursuit of a better tomorrow. The Group has been developing in recent years but has not forgotten social responsibility to contribute to society.

Our Contribution

During the Reporting Period, the Group has donated HK$6,990 to Glory Ministries Limited and HK$1,320 to Peter Life Counselling Center Limited, respectively. The Group also encourages the staff to participate in communal and charitable activities.



(From front to back) COO (Elvin Lam), CEO (Edwin Au), Project Manager and a group of the Group's volunteers participated in the event named "Flower Giving (下一站。花展)"



Staff of Sang Hing took part in the "Love Lunch Box 愛心飯盒" activity as volunteers

We look forward to participating more activities in our community in the future.

Awards and recognition

The Group's efforts have been recognised by awards and recognitions. One of the subsidiaries obtained an Energywise Certificate (Excellence Level) from Hong Kong Green Organisation Certification in respect of the development of columbarium at Sandy Ridge Cemetery – Infrastructural Works at Man Kam To road and Lin Ma Hang road during the Reporting Period.


香港綠色機構認證
Hong Kong
Green Organisation Certification
節能證書
EnergywiSe
—Certificate—
「卓越級別」
Excellent Level
生興土木有限公司
沙嶺墳場興建骨灰安置所-
在文錦渡路及蓮麻坑路的基礎設施工程
Sang Hing Civil Contractors Co., Ltd.
Development of Columbarium at Sandy Ridge Cemetery –
Infrastructural Works at Man Kam To Road and
Lin Ma Hang Road

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs) (Note 1)		Section/Statement
A. Environmental		
Aspect A1 Emissions		
General Disclosure	Information on: the policies; and 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.	Our Environment – Policies and Environmental Compliance
KPI A1.1	The types of emissions and respective emissions data.	Our Environment – Environmental Impacts from our Operations and Mitigation Measures – Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment – Environmental Impacts from our Operations and Mitigation Measures – Climate Change and Greenhouse Gas (GHG) Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	No significant hazardous waste was produced.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment – Environmental Impacts from our Operations and Mitigation Measures – Waste and Wastewater Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Our Environment; Our Environment – Environmental Impacts from our Operations and Mitigation Measures
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.	Our Environment; Our Environment – Environmental Impacts from our Operations and Mitigation Measures – Waste and Wastewater Management



Environmental, Social and Governance



Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs) (Note 1)		Section/Statement
Aspect A2 Uses of Resources		
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials.	Our Environment – Policies
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Our Environment – Environmental Impacts from our Operations and Mitigation Measures – Energy Efficiency
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Environment – Environmental Impacts from our Operations and Mitigation Measures – Water Efficiency
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Our Environment; Our Environment – Environmental Impacts from our Operations and Mitigation Measures – Energy Efficiency
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.	Our Environment; Our Environment – Environmental Impacts from our Operations and Mitigation Measures – Water Efficiency
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	It is not relevant to the Group's business.
Aspect A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Environment – Polices
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environment – Environmental Impacts from our Operations and Mitigation Measures

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs) (Note 1)		Section/Statement
Aspect 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.	Our Environment – 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.	Our Environment – Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1 Employment		
General Disclosure	Information on: the policies; and 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.	Our People – Policies, Employment Management, Employee Retention
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Our People – Employment Management
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our People – Employee Retention



Environmental, Social and Governance



Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs) (Note 1)		Section/Statement
Aspect B2 Health and Safety		
General Disclosure	Information on: the policies; and 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.	Our People – Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Our People – Health and Safety
KPI B2.2	Lost days due to work injury.	Our People – Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Our People – Health and Safety
Aspect B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People – Staff Education and Development
KPI B3.1	The percentage of employees trained by gender and employee category.	Our People – Staff Education and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our People – Staff Education and Development

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs) (Note 1)		Section/Statement
Aspect B4 Labour Standards		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	Our People – Prohibition of Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People – Prohibition of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our People – Prohibition of Child and Forced Labour
Operating Practices		
Aspect B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Supply Chain – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Our Supply Chain – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Our Supply Chain – 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.	Our Supply Chain – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferrable products and services when selecting suppliers, and how they are implemented and monitored.	Our Supply Chain – Supply Chain Management



Environmental, Social and Governance



Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs) (Note 1)		Section/Statement
Aspect B6 Product Responsibility		
General Disclosure	Information on: the policies; and 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.	Our Customer – Project and Service Quality
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not relevant to the Group's business
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Our Customer – Project and Service Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our Customer –Intellectual Property, Customer Health and Safety, Advertising and Labelling
KPI B6.4	Description of quality assurance process and recall procedures.	Our Customer – Project and Service Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Our Customer – Customer Privacy and Corporate Information Protection





Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs) (Note 1)		Section/Statement
Aspect B7 Anti-corruption		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics – Policies and Preventive Measures
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	No concluded case.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics – Policies and Preventive Measures
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics
Community		
Aspect 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.	Our Society – Community Investment; Our Society – Community Investment – Our Contribution
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Society – Community Investment – Our Contribution
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Society – Community Investment – Our Contribution

Note 1: All general disclosures and KPIs under "Subject Area A. Environmental" and "Subject Area B. Social" are "comply or explain" provisions disclosures set out in the ESG Guide.