御佳控股有限公司
Royal Deluxe Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 3789

Environmental, Social and Governance Report 2025



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ABOUT ROYAL DELUXE

Royal Deluxe Holdings Limited (Stock code: 3789) (the "**Company**"), together with its subsidiaries, hereinafter referred to as the "**Group**", "**Royal Deluxe**" or we or us) is delighted to publish the ninth Environmental, Social and Governance Report (the "**Report**") to summarise the Group's policies, measures, and performance on the key environmental, social and governance issues.

CORPORATE PROFILE

The Group is principally engaged in the provision of formwork works in Hong Kong. As major subcontractors, the Group specialises in providing erecting formworks and related ancillary services as well as the erection of concrete precast component and scaffolding works for construction works across the public-sector projects and private-sectors projects in Hong Kong. Its core expertise lies in traditional timber formwork, metallic (usually steel and aluminium) formworks as well as engineered formwork systems for every type of construction project. The history of the Group can be traced back to 1994, and the Group is an established subcontractor with an operating history of over 30 years.

The Group is persistent in integrating innovative technologies into its operations. Over the past few years, we have initially applied Building Information Modeling ("**BIM**") to enhance our design team's intelligent formworks construction solutions and design capabilities, while also advancing patented formwork system solutions based on Design for Manufacturing and Assembly ("**DfMA**") principles. These efforts optimise resource utilisation, reduce costs, and improve construction and safety efficiency, supporting sustainable building development and recognised by our valued customers.

The major subsidiaries of the Group have been registered as Group 2 Registered Specialist Trade Contractors (the "**RSTCs**") under various categories including: "S02-Concreting Formwork", "S05-Erection of Concrete Precast Component" and "S07-Scaffolding".

For further details on the Group's business and financial performance, please refer to our Annual Report 2025.



Corporate Value

Safety, Integrity, Excellence, Innovation



Vision

Utilising innovation and environment technology to become one of the safest, most environmentally conscious and influential formwork services providers in Hong Kong



Mission

Provide comprehensive and one-stop professional formwork services and engineering solutions

Maximise customer value while sustaining a safer, more environmentally friendly and cost-effective construction environment

Establish long-term relationships with customers, employees, and suppliers

ABOUT THIS REPORT

REPORTING SCOPE

Reporting content in this Report focuses on the Environmental, Social and Governance ("**ESG**") performance and sustainable development of Royal Deluxe. The reporting scope is consistent with the annual report, which mainly covers the core business including the provision of formwork works in Hong Kong. The Report discloses the Group's ESG policies and management measures as well as key performance indicators ("**KPIs**") which are applicable to the operations under the Group's direct operational control. Unless otherwise specified, the Report covers the operation of (i) the offices of the headquarter, (ii) the warehouse of the storage of documents and (iii) the Group's major projects carried out at the construction sites in Hong Kong. As the operations at the construction sites are not under the Group's direct control, relevant environmental data was not made available to the Group and therefore is excluded in this Report. The Group will extend the scope of disclosure when and where applicable.

REPORTING PERIOD

Unless otherwise specified, this Report presents an overview of the Group's ESG performance during the period of 1 April 2024 to 31 March 2025 (the "**Reporting Period**"), in alignment with our financial reporting period.

REPORTING FRAMEWORK

The preparation of this Report complies with the requirements of the ESG Reporting Guide (the "**Reporting Guide**") contained in Appendix C2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Group also prepared its ESG disclosures with reference to the Global Reporting Initiative Sustainability Reporting Standards (the "**GRI Standards**") issued by the Global Sustainability Standards Board. Moreover, the contents in relation to climate change were prepared with reference to the disclosure framework of the Task Force on Climate-related Financial Disclosures (the "**TCFD**").

REPORTING PRINCIPLES

The Report has been prepared in accordance with Appendix C2 of the Listing Rules and with reference to the GRI Standards 2021, with the application of the required reporting principles of "**Materiality**"; "**Quantitative**", "**Balance**" and "**Consistency**".

Materiality

The structure of the Report is based on the stakeholder-assessed materiality of each of the Group's environmental and social issues. Following the findings of an ESG-focused stakeholder engagement exercise and a materiality assessment, this Report is structured by six sections, each covering relevant material topics related to the following four aspects: "**Value Chain**", "**Business**", "**Environment**", and "**People**". For more information, please refer to the subsections "Stakeholder Engagement" and "Materiality Assessment" of this Report.

Quantitative

The Report discloses relevant KPIs and other quantitative information related to the Group's sustainability performance. Such information is accompanied by a relevant description where appropriate.

Balance

The Report provides an unbiased overview of the Group's sustainability policies, performance, and areas of improvement.

Consistency

The Report adopts methodologies that are consistent with previous years, which allows for meaningful comparisons of ESG data over time. For further details of the quantification methodology, please refer to the "**Sustainable Development for Building Towards a Greener Future**" chapter.

REPORTING APPROACH

The Group is committed to continuously improving information and data collection systems and presenting the Group's ESG performance in a transparent manner. All information published in the Report is compiled based on existing policies, practices, and official documents or reports. The Report is also endorsed and approved by the Board of Directors (the "**Board**"), which is responsible for strategising and managing the Group's ESG-related matters. Please refer to the Corporate Governance Report under pages 21 to 36 in the Annual Report 2025.

Data Sources and Reliability

The information contained in this Report is obtained from our statistical information and other relevant documents. Environmental KPIs relating to GHG emissions are assured by a third-party assurance service provider. The relevant assurance report will be provided upon completion of the assurance process. For financial information, please refer to the Annual Report 2025. All monetary amounts mentioned in this Report are denominated in Hong Kong Dollars (HKD) unless otherwise specified. 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 (www.royal-deluxe.com). In the event of contradiction or inconsistency between the Chinese version and the English version, the English version shall prevail.

REPORT AVAILABILITY AND FEEDBACK

Opinions and Feedback

We continuously strive to refine our sustainability practices, performances, and disclosures. For any advice and suggestions on this Report, please contact us via the following methods:

Address: Unit A, 22/F., T G Place, 10 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong
Email: ESG@royal-deluxe.com

Head Office and Principal Place of Business

Unit A, 22/F, T G Place, 10 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong

Access to the Report

You can download the electronic version of this Report from the official website of Royal Deluxe Holdings Limited (http://www.royal-deluxe.com/en/esg.aspx) or scan the QR code for the mobile version.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

On behalf of the Board of Royal Deluxe, I am pleased to present our fifth standalone annual ESG Report, detailing our sustainability initiatives and performance for the Financial Year ended 31 March 2025. As one of Hong Kong's leading formwork subcontractors, we recognise that sustainability is essential to the long-term success of our industry. Climate change, resource scarcity, and the growing expectations for businesses to lead in sustainability present both challenges and opportunities. We are committed to taking proactive steps towards greener and more responsible operations.

Recognising Our Achievements

Over the past year, we have made remarkable progress in reinforcing our sustainability commitment. We are proud to have joined the World Institute of Sustainable Development Planners as a Recognised Sustainable Development Corporation and received the CarbonCare ESG Label Certificate 2024 (Level 3) and CarbonCare Start Label 2024. These accolades reaffirm our dedication to integrating ESG principles into every aspect of our operations.

Promoting a Sustainable Business

In pursuit of a more sustainable future, we conducted a lifecycle carbon emissions assessment of our Ming Tai Aluminium Formwork. The findings indicate that reusable aluminium formwork significantly reduces lifecycle emissions compared to single-use timber-based formwork when reused for over 200 times. Our commitment to procurement and supply chain sustainability remains strong as we continue sourcing certified sustainable aluminium in line with international standards.

Managing Value Chain Sustainability

To advance supply chain responsibility, we developed a Supply Chain ESG Survey. The survey allows us to evaluate our suppliers' and contractors' ESG policies, performance, and targets, ensuring continuous improvement in managing ESG risks and impacts throughout the value chain. We will continue to work with our suppliers and business partners in promoting sustainable construction.

Fostering Industry Collaboration

As part of our advocacy for sustainable construction, we participated as an exhibitor at the TVB ESG Awards, showcasing our contributions to green building practices and fostering meaningful exchanges with the wider business community. Through open dialogue and exchange of ideas, we can strive for a better future for our society.

Fulfilling Social Responsibility

Beyond our environmental efforts, social responsibility remains a core pillar of our ESG strategy. Through public welfare initiatives, including the Collaborative Training Scheme and fundraising for charity runs, we actively contribute to the community and charitable institutions. During the Reporting Period, we donated approximately HK$53,280 to various charities, reinforcing our commitment to social good.

The Group, however, faced stiffer headwinds in Hong Kong's construction industry, leading to a decline in revenue and weaker performance in the Reporting Year. We shall strive to consolidate the operations of the DfMA and formworks design and build businesses, with the main objectives of improving operational performance and accelerating customers recognition. As we continue our sustainability journey, we will enhance our performance indicators and targets while ensuring transparency in our progress. Strengthening our stakeholder engagement, improving our sustainability efforts, and setting new benchmarks will be key to forging a long-term, responsible business that benefits both society and the environment.

Chao Lai Heng
Chief Executive Officer

29th July 2025

2025 HIGHLIGHTS

FINANCIAL PERFORMANCE



Revenue
Decreased by 6.7% to
HK$ **731.0** million



Gross profit margin
Decreased by 32.9% points to
5.7%



Loss attributable to equity shareholders
Decreased by 161.2% to
HK$ **6.0** million



Basic loss per share
Decreased by 161.7% to
HK$ **0.50** cents

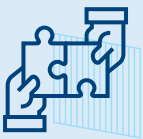


Total outstanding value of projects on hand
Decreased by 8.3% to
HK$ **930.1** million

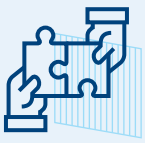


3 New projects awarded

OPERATIONAL PERFORMANCE



2025 GFA
309,325.76 m^2



2024 GFA
298,948.16 m^2

AWARDS AND RECOGNITIONS

Our Sustainable Development Corporate



Recognised Sustainable Development Corporate 2025-26 – World Institute of Sustainable Development Planners
Royal Deluxe Holdings Limited

Our Winning ESG Report Awards





CarbonCare Star Label 2024 Continuous Commitment in Best Practice in ESG Reporting
Royal Deluxe Holdings Limited



CarbonCare ESG Label 2024 Best Practice in ESG Reporting Level 3
Royal Deluxe Holdings Limited





ESG Culture Award 2024 – InnoESG Prize
Royal Deluxe Holdings Limited

Our Sustainable Development Innovation Technology Award





Awarded the Jury Award in the 2025 Hong Kong Sustainable Development Innovation and Technology Awards
Royal Deluxe Holdings Limited



Shatin to Central Link Contract 1123 – Exhibition Station and Western Approach Tunnel Smart Table form System – Excellent Performance
Ming Tai Construction Engineering Company Limited

Our Social Achievements

Caring Organisations
Ming Tai Construction Engineering Company Limited





Caring Company Appreciation – Construction Industry Council ("CIC") Construction Workers Carnival 2024
Ming Tai Construction Engineering Company Ltd





Pioneer Worker Appreciation – CIC Construction Workers Carnival 2024
Ming Tai Construction Engineering Company Ltd



Appreciation Award – CIC Lo Pan Rice Campaign 2024
Ming Tai Construction Engineering Company Ltd



Construction Industry Council Approved Technical Talents Training Programmes Approved Employers 2023-2026
Ming Tai Construction Engineering Company Limited and Ming Tai Civil Engineering Company Limited



Construction Industry Volunteer Awards 2024 – Construction Industry Sports and Volunteering Programme
Wang Kai Ming and Wang Yu Hin ("120+ hours of personal volunteer service in the construction industry")

Our Safety Awards





Monthly Safety Award – August 2024
Awarded by Gammon Construction Limited
Rai Aanan (Employee of Ming Tai Construction Engineering Co. Ltd)













Site Safety Model Worker Award
Awarded by CR Construction Co. Ltd
Zheng Wenzhao, Li Junhe and Wang Yan (Employee of Ming Tai Construction Engineering Co. Ltd)



Best Safety Worker Award
Awarded by Hip Hing Engineering Co Ltd
Rai Narendra and Yeung Tung Ching (Employee of Ming Tai Construction Engineering Company Limited)

Best Safety Subcontractor Manager Award
Awarded by Hip Hing Engineering Co Ltd
Leung Kai Tai (Employee of Ming Tai Construction Engineering Company Limited)

OVERVIEW

The content of the Report is determined through a systematic materiality assessment process, covering key issues related to different stakeholders and is structured to the following six ESG zones.

Six Strategic ESG Pillars	Our Goals	Material Topics	Relevant SDGs
Strengthening Our Landscapes: Promoting Responsible Business Operation	Achieve a sustainability governance framework that promotes responsible business practices, strengthens the landscapes we operate in, and promote equal employment opportunity.	Diversity and Equal Opportunities Ethical Business Behaviour	
Sustainable Development For Building Towards A Greener Future	Incorporate a risk based management system to address and mitigate its impact on the environment and the effects of climate change. Commit to improving our environmental policies, minimising emissions and environmental impacts, as well as reducing waste generation and enhancing efficient energy consumption.	Climate Change Construction Materials Waste and Circularity	
Cooperation For Win-Win Results	Continue to promote good corporate governance and business ethics at every level of the Group's value chain in addition to green construction and sustainable supply chain. Maintain strong strategic relationships with the Group's suppliers and subcontractors in order to facilitate the delivery of sustainable, safe, reliable and top-notch quality products to customers.	Construction Materials Ethical Business Behaviour Supplier Management Product Quality and Client Satisfaction	

Six Strategic ESG Pillars	Our Goals	Material Topics	Relevant SDGs
Innovation For Sustainable Construction	Embrace innovation in our formwork solutions while strengthening our capabilities in integrating DfMA applications and advancing BIM-based digital formwork design collaboration. Leverage these technologies to enhance project efficiency, empower employees' safety, improve manpower planning, and achieve sustainable development along the value chain.	Economic Performance Technological Innovation	
Diversity And Inclusion – Empowering Our People	Commit to providing a better working environment that enhances job satisfaction while supporting employee's professional development and personal growth. Ensure the highest standards of safety management are maintained in order to protect our employees, contractors, and workers at our construction sites.	Diversity and Equal Opportunities Human Capital Development and Training	
Building A Better Community	Undertake corporate social responsibility, contribute to community engagement initiatives, facilitate social inclusion, and drive a more harmonious and sustainable society for all.	Diversity and Equal Opportunities	

SDGs ADDRESSED IN THIS SECTION



STRENGTHENING OUR LANDSCAPES: PROMOTING RESPONSIBLE BUSINESS OPERATION

- DIVERSITY AND EQUAL OPPORTUNITIES
- ETHICAL BUSINESS BEHAVIOUR

VISION FOR SUSTAINABLE DEVELOPMENT

At Royal Deluxe, sustainability lies at the heart of our business. We have formulated a Sustainability Policy, which outlines our commitment to incorporating sustainable practices into every aspect of our operations. This dedication is reflected in our adherence to ethical business standards, active engagement with suppliers and subcontractors, prioritisation of occupational health and safety, focus on employee development, and emphasis on sustainable construction.

Our sustainability vision is built upon our corporate values of safety, integrity, excellence, and innovation. We believe that by embracing these principles, we can create a sustainable future while delivering exceptional value to our clients and stakeholders. Our overarching goal is to minimise our environmental footprint, contribute to a greener and more resilient future, as well as enhancing the well-being of the communities we serve.



Safety

We are dedicated to providing a safe and healthy work environment for our employees, subcontractors, and partners. We continuously strive to improve our safety protocols, ensuring that health and safety risks are managed and minimised on our project sites. Through rigorous training, regular inspections, and the implementation of the Group's Safety Plan, we aim to create a safety culture that permeates every aspect of our operations.



Integrity

We conduct ourselves with the highest level of ethics and transparency, fostering trust and credibility with our partners, customers and stakeholders. By maintaining integrity in our business, we build enduring partnerships with our clients, subcontractors, suppliers, and communities.



Excellence

We are committed to delivering superior quality in our formwork solutions, setting industry standards and exceeding client expectations. We continuously invest in our people, equipment, and processes to ensure that sustainability is embedded in every part of our business. By striving for excellence in everything we do, we create a benchmark for success and drive continuous improvement.



Innovation

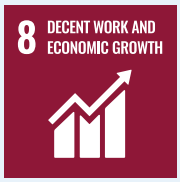
We embrace new technologies, methods, and materials to push the boundaries of what is possible in formwork construction. We encourage creativity and foster a culture of innovation, empowering our teams to optimise innovative solutions to meet the latest challenges. Through innovation, we enhance efficiency, reduce environmental impact, and deliver cutting-edge solutions that set us apart in the industry.

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS

The United Nations ("**UN**") Sustainable Development Goals ("**SDGs**") were adopted by all UN Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. In an effort to demonstrate its support and commitment to this global agenda, the Group has aligned its sustainability strategy with the SDGs.

Although we support all 17 SDGs, the Group has identified 11 SDGs, where it can deliver the greatest impact and therefore prioritised to focus its efforts on these areas. Moving forward, the Group shall consider integrating specific SDGs targets into its operations and reviewing their applicability to the Group on a regular basis.

SDGs	Royal Deluxe's Sustainability Approach	Relevant Chapters
	The health and safety of its employees is always at the heart of the Group's operation. As a formwork company in the construction industry, our policies have been designed and implemented to ensure that our people, and the communities that we serve, are protected as we strive to achieve our sustainability goals.	Diversity and Inclusion – Empowering our People
	We strongly believe in the promotion of inclusive and equitable education and training as a way of strengthening both our workforce and the community at large. The Group provides exciting opportunities for the next generation to nurture their talents, while our training programmes develop their professional skillsets to achieve personal growth.	Diversity and Inclusion – Empowering our People

SDGs	Royal Deluxe's Sustainability Approach	Relevant Chapters
	The Group continues to adopt employee equality measures to create a culture of inclusion and diversity and promote equality at all levels of its workforce. All job seekers and employees enjoy equal opportunities for employment, training and career development without discrimination. The Group will continue to promote gender equality and ensure its employees receive the support they need.	Strengthening our Landscapes: Promoting Responsible Business Operation; Diversity and Inclusion – Empowering our People
	The Group has a commitment to achieving inclusive and sustainable economic growth. We seek to push the boundaries of what is possible in our industry for the benefit of society at large while providing decent and productive employment opportunities.	Innovation for Sustainable Construction; Diversity and Inclusion – Empowering our People
	Innovation has long been a staple of how we work at Royal Deluxe. In the era of Industry 4.0, utilising the latest construction technologies enables the Group's list of patents to be ever-expanding. It shows our devotion to promoting state-of-the-art technologies, with the ultimate goal of providing sustainable and resilient infrastructure to Hong Kong.	Innovation for Sustainable Construction
	Equal opportunities and equal treatment are central to the philosophy of the Group. Through our internal policies and community programmes and schemes, we seek to create a harmonious ecosystem not only within the Company, but also in the communities we serve.	Diversity and Inclusion – Empowering our People; Building a Better Community
	The Group's mission is to promote sustainable cities through its sustainable construction practices, as well as delivering sustainable buildings and infrastructure. Recognising the unique ecosystem of Hong Kong, Royal Deluxe embraces the challenges it presents by sourcing sustainable resources and offering innovative solutions. We are committed to implementing ground-breaking practices to minimise our ecological footprint.	Sustainable Development for Building Towards a Greener Future; Innovation for Sustainable Construction
	The construction industry requires the consumption of a vast quantity of resources which, if left unchecked, can lead to the generation of construction waste. The Group has maintained a long-term approach to sustainable consumption underpinned by its green procurement strategies, and commitment to reusing construction materials.	Sustainable Development for Building Towards a Greener Future; Cooperation for Win-Win Results

SDGs	Royal Deluxe's Sustainability Approach	Relevant Chapters
	The ongoing climate change crisis is an immediate threat to all, impacting the livelihoods of every society on the planet. In an effort to mitigate and prevent this threat, we are committed to measuring, reporting and reducing our carbon emissions, being a leader in our community and industry, and adhering to local and global environmental expectations and standards. This is reflected in our commitment to reporting climate-related disclosures using the TCFD's recommended framework and managing the Group's climate-related risks and opportunities.	Sustainable Development for Building Towards a Greener Future
	A robust governance framework is fundamental to ensuring the Group's standards and policies are adhered to, as well as the highest standards of ethics and integrity are applied across the Group. By doing so, we promote inclusive institutions, human rights and justice within our Group and across society.	Strengthening our Landscapes: Promoting Responsible Business Operation; Diversity and Inclusion – Empowering our People
	We work closely with clients, suppliers, subcontractors and other stakeholders to forge collaboration and partnerships within the construction industry and beyond to develop innovative and sustainable formwork solutions, advance construction technology and reduce environmental impacts along the value chain.	Strengthening our Landscapes: Promoting Responsible Business Operation; Cooperation for Win-Win Results; Building a Better Community

SUSTAINABILITY GOVERNANCE

The Group recognises a sound governance framework is essential for upholding accountability, promoting transparency, and enhancing efficiency. The Board is responsible for setting the overall strategic direction for sustainability, while continuously evaluating and adapting our strategy to drive our sustainability progress. It also establishes and monitors ESG-related targets and objectives, and supervises executive management, ensuring that the highest standards of integrity and ethics are upheld and sustainability is embedded throughout the Group's operations, thus enabling us to create lasting value for our stakeholders.

Under the Board, the ESG Committee (the "**ESG Committee**") was established on 31 March 2020. It comprises two Executive Directors ("**ED**") and three Independent Non-executive Directors ("**INED**") and is chaired by Mr. Kwong Ping Man, an INED, by the appointment of the Board. In addition, all Board members are involved with the ESG Committee, which provides oversight on ESG matters to the Board. It meets at least once per annum to discuss ESG matters, and its responsibilities include:

- Steering the Group's sustainability vision and goals;
- Formulating the Group's sustainability strategies and plans;
- Reviewing ESG policies and practices, and monitoring the Group's climate and other ESG-related risks; and
- Monitoring ESG-related performances of the Group.

The ESG Committee is supported by the ESG Working Group (the "**ESGWG**") and the Corporate Safety, Health and Environmental Committee (the "**CSHEC**"). The ESGWG is responsible for identifying ESG risks, monitoring material ESG aspects and formulating ESG management goals and work plans. Meanwhile, the CSHEC leads the management of occupational health and safety related matters, including identifying occupational health and safety risks, conducting safety assessments and ensuring compliance with health and safety laws and regulations across our operations.

During the Reporting Period, our directors completed a total of 9 hours of training on ESG-related topics, including anti-corruption and compliance.



Board Diversity Composition

The Board adopted a Board Diversity Policy (the "**Board Diversity Policy**") on 28 December 2018. The policy states that when determining the composition of the Board, the Company considers Board diversity in terms of, among other things, gender, age, experience, cultural and educational background, expertise, skills and know-how. All Board appointments are based on merit, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee will adhere to the Board Diversity Policy to ensure that there is at least one female Director in the Board and is committed to further enhancing gender diversity as and when suitable candidates are identified. The Board currently has one female Director, and as such, the Company has achieved gender diversity on the Board level.

RISK MANAGEMENT

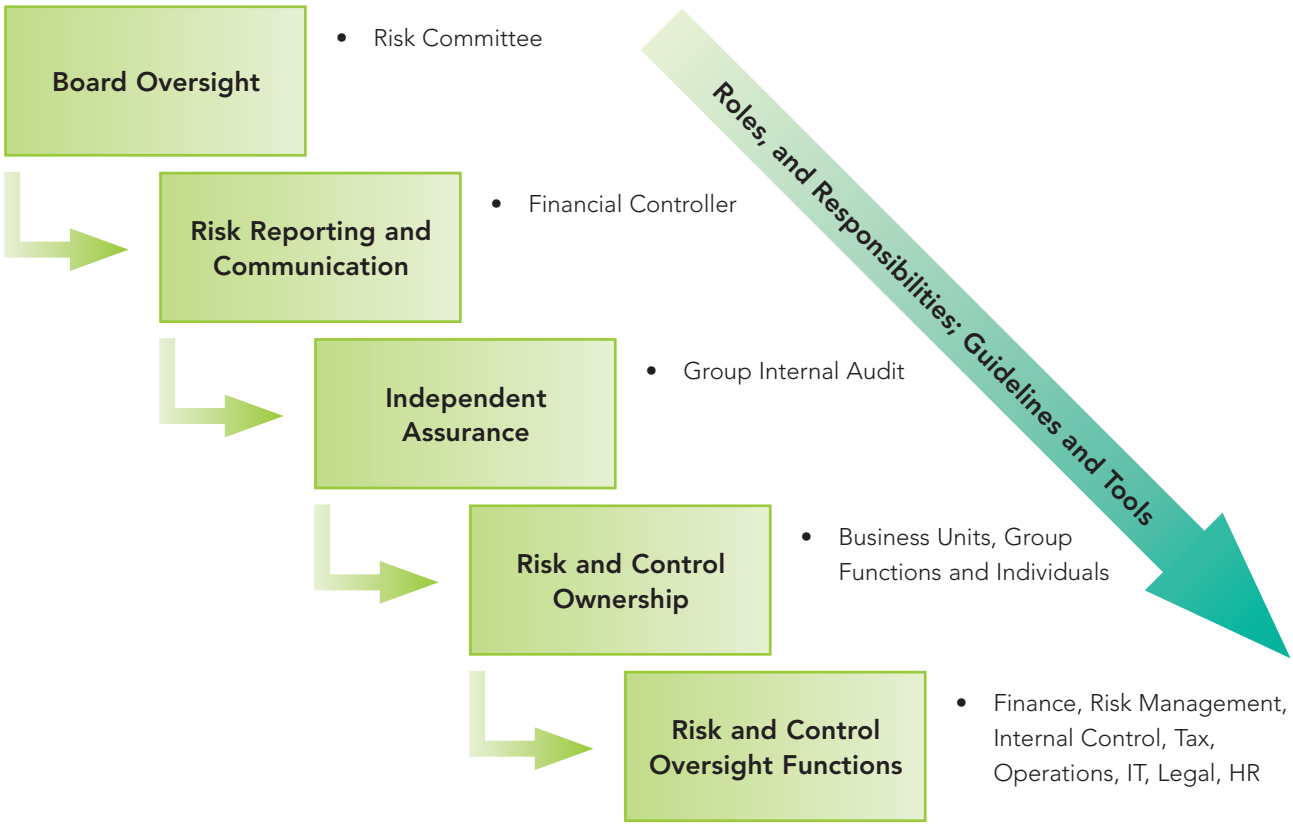
Risk Management Framework

A vigorous risk management framework ensures the Group's robust decision-making process and long-term value generation for its sustainability management. The Board recognises its responsibility to continuously monitor and assess the effectiveness of the Group's internal control and risk management systems. The Risk Committee, which comprises one ED and three INEDs, was established on 23 March 2022 and is chaired by Mr. Lai Ah Ming Leon, an INED.

We have published a comprehensive Risk Management Policy in June 2025 to systematically identify, assess, and mitigate operational risks across strategic, financial, ESG and compliance domains. The policy establishes a tiered governance framework, with Board-level oversight through a dedicated Risk Committee, and mandates proactive measures such as climate risk integration, BIM-based project simulations, and strict compliance protocols.

Risk Management Structure

Royal Deluxe maintains a robust, multi-layered risk management structure to ensure strategic oversight and operational accountability:



Among all, the Board's responsibilities include:

– Approve risk management policies and monitor their effectiveness

– Ensure that risk management resource allocation is consistent with our corporate strategy

The Risk Committee's responsibilities include:

– Monitor and supervise the Group's risk policies and strategies

– Oversee climate risk management and address the impacts of climate change and climate-related risks and opportunities

– Review risk assessment reports

– Propose mitigation measures

Risk Management Procedures



The Group has formulated a five-step process to effectively manage the risks it faces. In the event of risk identification, the management communicates with the operational functions and collects significant risk factors affecting the Group from bottom to top. These risk factors are included in the enterprise risk register. Management then analyses and evaluates the risks in the register and prioritises them for follow-up actions according to their potential impact, occurrence and sufficiency of current response measures to efficiently adapt to these risks. The risk register undergoes an annual review to ensure accuracy and relevance, whereas the risk management framework is reviewed annually for its effectiveness by the management. Risks are monitored by managers of business units, and changes are also promptly reported to the Risk Committee. This process keeps all risk holders informed of their responsibilities, enabling them to develop timely and effective risk control measures. During the Reporting Period, the Group identified several risks to have a significant impact to its operations and enacted measures to address these risks.

Business Ethics and Compliance Risk Management

Royal Deluxe maintains strict anti-corruption measures to mitigate compliance risks that could damage its reputation and operations. All employees must sign a Code of Conduct with anti-corruption clauses, while mandatory ethics training ensures alignment across all levels.

The Company extends these standards to suppliers through a Supplier Code of Conduct, with regular audits conducted to ensure compliance. A confidential Whistleblowing Policy with multiple reporting channels encourages accountability, supported by our monitoring of corruption-related cases as a key risk indicator.

Product Quality and Safety Risk Management

Royal Deluxe recognises that product quality failures pose significant reputational and operational risks. To mitigate these risks, we enforce strict quality control protocols outlined in our Group Quality Manual, ensuring non-conforming products are identified and only products that meet our health and safety standards are delivered to customers. Should defects occur, we will implement immediate corrective actions through structured reporting channels, involving project managers and subcontractors. Each incident undergoes thorough analysis to prevent recurrence, supported by regular on-site inspections.

Addressing Climate-related Risks

Climate change remains one of the most significant ESG risks facing businesses and societies worldwide. At Royal Deluxe, climate-related physical and transition risks are firmly embedded in our risk management framework and are a key focus of the Risk Committee. The Risk Committee supports the Board in overseeing these risks and in shaping strategic responses that reduce climate impacts on our operations while unlocking emerging opportunities. In line with evolving regulatory expectations, the Stock Exchange has strengthened its climate disclosure requirements to align with the International Financial Reporting Standards ("**IFRS**") S1 and S2 standards issued by the International Sustainability Standards Board ("**ISSB**"). These updates have been integrated into Part D of the ESG Reporting Code (formerly ESG Reporting Guide).

During the Reporting Period, we have conducted a preliminary climate scenario analysis, analysing the key climate risks and their impact on our operations under different emissions scenarios and timeframes. The Risk Committee is assessing the impact this may pose to the Group and reviewing the Group's overall climate change management framework to advance its risk management strategy.

The Group has disclosed its climate-related information with reference to the recommendations of the TCFD. To strengthen our climate resilience and reduce our environmental footprint, we are in the process of setting specific, measurable targets for managing climate-related risks and seizing emerging opportunities, where the progress made will be disclosed in future reports to reinforce accountability and stakeholder trust. These targets will guide our sustainability roadmap and enable us to track progress in reducing greenhouse gas ("**GHG**") emissions and meeting our broader environmental performance objectives. To ensure accuracy and transparency, we also seek external verification for our GHG emissions according to the ISO 14064 standard.



2024 Fire Drill

Upholding a Culture of Safety and Risk Prevention

As a formwork company operating in the construction industry, safeguarding the health and safety of our workforce is a core priority at Royal Deluxe. The Group has implemented robust safety systems and policies across all operations and subsidiaries. Oversight is led by the Risk Committee, which plays a critical role in reviewing and managing occupational health and safety risks.

To embed safety into our governance structure, we have developed both a Site Safety Assessment Plan and a comprehensive Company Safety Plan (the "**Safety Plan**"), which clearly define roles, responsibilities, and protocols for risk mitigation. These frameworks are regularly reviewed and updated to ensure they remain responsive to evolving safety standards and operational conditions.

We are deeply committed to fostering a culture of safety throughout the organisation. This is achieved through regular risk assessments, stringent supervision, and a multilayered safety training programme. Employees receive formal instruction from safety officers and foremen, participate in daily on-site safety briefings, and attend external training courses. These initiatives ensure that our workforce remains informed, equipped, and alert to both general and site-specific health and safety risks.

Managing ESG Risks along the Value Chain

At Royal Deluxe, we recognise that our responsibility for sustainability extends across the entire value chain. We regularly identify and assess supply chain risks related to the business environment, materials supply, and social impacts, formulating targeted countermeasures and preventive mechanisms to safeguard the stability of our operations. Key indicators such as rising procurement costs and changes in lead times are continuously monitored to proactively evaluate potential disruptions.

During the Reporting Period, we deepened our supplier evaluation by conducting a supply chain ESG survey, enabling us to examine a wide range of risk factors, including suppliers' and subcontractors' environmental management systems and performance, labour and safety practices, business ethics, and compliance. These insights allow us to engage closely with our partners to identify vulnerabilities and promote continuous improvement. Through this ongoing collaboration with suppliers, subcontractors, and key stakeholders, we strive to strengthen the resilience of our supply chain while advancing a shared commitment to responsible and sustainable development that aligns with the Group's core values.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is integral for the continuous improvement of our ESG approach. We believe that maintaining communication with our stakeholders allows us to better understand their priorities, expectations, and perceptions of our sustainability performance, as well as to identify material issues and assess the effectiveness of our sustainability measures. To this end, the Group has established different communication channels with various stakeholder groups to solicit their opinions, which can be found in the table below:

Community

- Charity donation
- Community participation
- Corporate website
- Press releases/news

Customers

- Corporate website
- Comments and complaint channels
- Industrial communication channels and activities
- Press releases/news
- Service meetings

Employees

- Emails and other electronic communications
- Notices and circulars
- Orientations, trainings, meetings and team briefings
- Performance appraisals

Government and Regulators

- Annual reports, ESG reports, announcements, and circulars
- Corporate website
- Press releases/news

Investors and Shareholders

- Annual general meeting and notices
- Annual reports, ESG reports, announcements and circulars
- Corporate website
- Investor briefings
- Press releases/news

Suppliers and Business Partners

- Business meetings, supplier conferences and interviews
- Contracts and agreements
- Industrial communication channels and activities
- Quotations and tendering

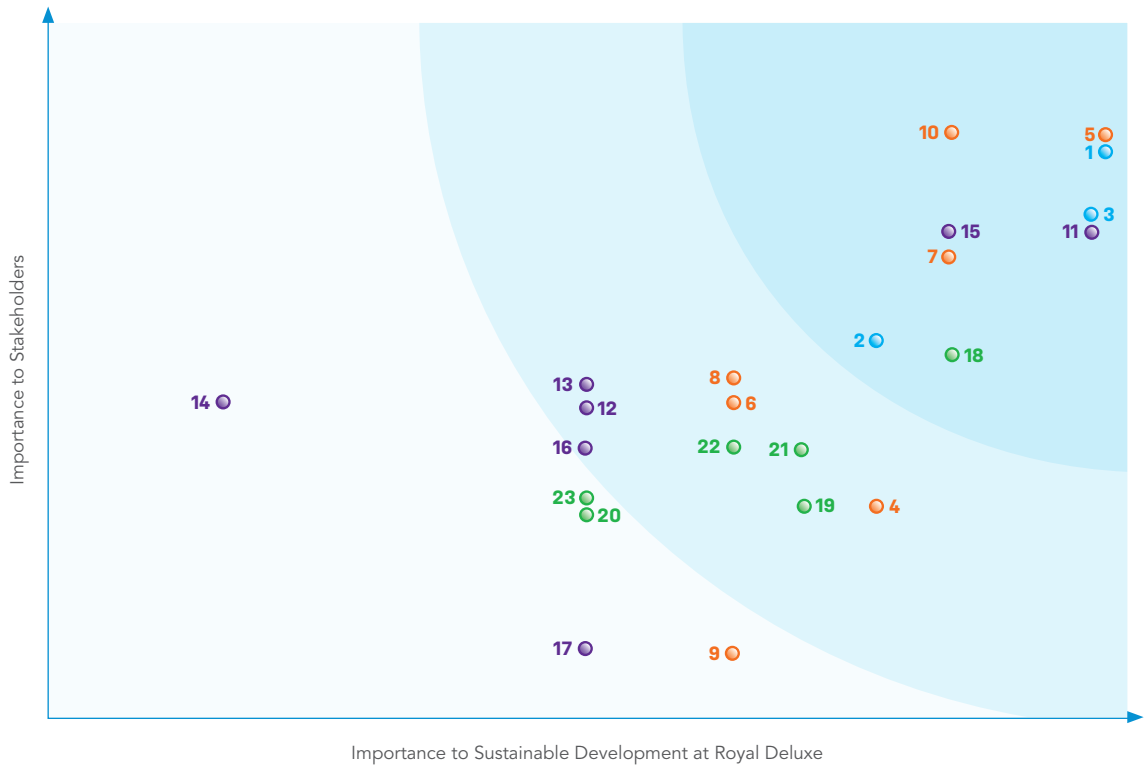
MATERIALITY ASSESSMENT

Communication and engagement with stakeholders are an essential component of our sustainability strategy and ESG risk management framework. It helps the Group to identify its impacts, risks and opportunities, as well as guiding it to formulate a corresponding strategy. To ensure that our sustainability priorities, strategy, and policies align with the views of our internal and external stakeholders, an independent sustainability consultancy was appointed by the Group to conduct a stakeholder engagement and materiality assessment exercise. The exercise helped identify and evaluate sustainability issues and impacts that are most material to the Group and its stakeholders, as well as determine the structure of the Report.

Double Materiality Assessment

To keep abreast of global best practices, during the Reporting Period, we conducted a preliminary Double Materiality Survey to evaluate both the financial significance of ESG factors on the Group's operations, which also considers value chain impacts as well as potentially material impacts, and the Group's broader societal and environmental impacts. The survey, completed by nine cross-functional internal stakeholders revealed important insights of the Group's impacts across key ESG issues, paving the way for enhanced decision-making and strategic planning. From this assessment, we identified material issues that were considered to have significant financial, value chain and/or potential impacts (bold text denotes a newly identified potential material ESG issue). In addition, the Group refreshed its analysis of climate-related impacts, risks and opportunities as part of its double materiality analysis. Moving forward, the Group plans to undertake an extensive double materiality assessment to evaluate both the financial effects of all material ESG issues on the Group and the Group's external impacts on these issues.

Double Materiality Assessment material issues	Value Chain impact	Financial impact	Potential impact
Greenhouse Gas Emissions and Air Emissions		✓	✓
Resource Use		✓	✓
Waste Management and Reduction		✓	✓
Energy Efficiency		✓	✓
Climate Adaptation, Resilience and Transition		✓	✓
Low-carbon business Opportunity		✓	✓
Customer Satisfaction	✓	✓	✓
Occupational Health and Safety	✓	✓	✓
Responsible Supply Chain Management	✓	✓	✓
Innovation	✓	✓	✓
ESG Strategy		✓	✓
Business Integrity and Compliance	✓	✓	✓
Corporate Governance		✓	✓
Legal Compliance	✓	✓	✓
Data Privacy and Cybersecurity		✓	✓
Employee Engagement and Development	✓	✓	✓
Inclusion and Diversity		✓	✓
Human Rights Management	✓	✓	✓
Community Investment and Participation		✓	✓
Crisis Management		✓	✓
Intellectual Property Rights and Customer Privacy		✓	✓



Tier 1 Issues
(Most important material issues)

- 1 Ethical Business Behaviour
- 2 Legal Compliance
- 3 Intellectual Property Rights and Customer Privacy
- 5 Safety Management at Site
- 7 Client Satisfaction
- 10 Product Quality Management
- 11 Occupational Health and Safety
- 15 Child and Forced Labour
- 18 Construction Materials

Tier 2 Issues
(Important material issues)

- 4 Technological Innovation
- 6 Market Influence
- 8 Supplier and Sub-contractor engagement
- 12 Labour Shortage
- 13 Human Capital Development and Training
- 16 Diversity and Equal Opportunities
- 19 Air Emissions and Green-house Gas Emissions
- 21 Waste Reduction
- 22 Climate Change

Tier 3 Issues
(Moderately important material issues)

- 9 Green Procurement
- 14 Human Rights
- 17 Community Investment and Participation
- 20 Energy Management
- 23 Sustainable Impact on Local Community

Business | Value Chain | People | Environment

Materiality Matrix

The results of the materiality assessment are presented in the below materiality matrix, which illustrates the Group's most significant sustainability topics and impacts on the economy, environment, and society. We have identified and compiled the list under four categories shown in the below table.

Aspect	Material Topics	Impacts
Value Chain	Technological Innovation	Contributing to the sustainable development of the industry
	Product Quality and Client Satisfaction	Providing high-quality products to safeguard users' safety
		Optimising the use of resources and encouraging sustainable practices
	Supplier Management	Safeguarding workers' rights
Business	Ethical Business Behaviour	Maintaining business ethics and conduct
		Contributing to local and urban infrastructure development
	Economic Performance	Enhancing construction work efficiency with the use of technology
Environment	Climate Change	Minimising carbon footprint along the value chain
		Managing climate-related risks and opportunities
	Waste and Circularity	Reducing construction waste
	Construction Materials	Reusing and recycling construction materials
		Sourcing sustainable construction materials
People	Human Capital Development and Training	Nurturing growth and capabilities of talents
		Enhancing workers' health and safety
	Diversity and Equal opportunities	Promoting equal opportunity and fair competition

BUSINESS ETHICS AND CORPORATE GOVERNANCE STRATEGY

We believe in growing our business with integrity and professionalism to deliver operational excellence and sustainable development. Since its establishment, the Group has been contributing to various urban development and infrastructure building projects in Hong Kong. We achieve this by upholding the highest level of business conduct and ethics, preventing bribery and corruption, protecting intellectual property rights, upholding data privacy, as well as ensuring compliance within our operations and by our suppliers and subcontractors.

Anti-corruption

The Group is dedicated to fostering a culture of compliance, ethical behaviour and good corporate governance. As such, our employees must ensure the Group and its value chain are not impaired by fraud, disloyalty or corruption. We are committed to maintaining the highest standards of conduct to preserve the trust and reputation we have built with our stakeholders. Two of the Group's main subsidiaries, namely Ming Tai Construction Engineering Company Limited and Ming Tai Civil Engineering Company Limited, have committed to the Construction Industry Integrity Charter launched jointly by the Development Bureau, the Independent Commission Against Corruption ("**ICAC**"), and the CIC.

The Group's Code of Conduct on Business Ethics ("**CCBE**") and Code of Prevention of Bribery Conduct clearly state that all forms of bribery, corruption, conflicts of interest and extortion are strictly prohibited and require its employees to refrain from requesting or accepting any advantages and benefits as employees of the Group when performing their duties. The CCBE also expects and encourages employees and anyone in contact with the Group (including customers, contractors, suppliers, creditors, debtors and other stakeholders) to report any misconduct, fraud and violations that occur within the Group to the Head of the Administrative and Human Resource ("**HR**") Department.

In line with our commitment to combating corruption, we adhere to the Corruption Prevention Guide for Listed Companies established by the ICAC. This guide serves as a valuable resource in shaping our internal control measures and keeping us up to date with the latest anti-corruption reporting obligations. Non-compliance may result in disciplinary action, including termination of employment where appropriate. We regularly review and update our CCBE and related policies to ensure alignment with evolving laws and regulations.

During the Reporting Period, management members attended 10 hours of anti-corruption and integrity management training programme covering various aspects of corporate governance and integrity. These sessions not only enhance the leadership team's professional competencies but also reinforce the Group's commitment to ethical governance and a zero-tolerance stance against corruption. By equipping management with the latest regulatory knowledge and best practices, we further strengthen a culture of accountability, transparency, and compliance across the Group.

Furthermore, the Group regularly circulates important updates regarding its anti-corruption policies and procedures to its employees, management, Board members and external partners. During the Reporting Period, there were no reported cases of non-compliance with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and no concluded legal cases or incidents regarding corrupt practices brought against the Group or its employees.

Conflict of Interest

The Group's Conflict of Interest Policy stipulates that all directors and employees should not engage in any business, investments or activities that might conflict with the interests of the Group. The policy and the Connected and Related Transaction Policy require any potential conflict of interest and connected and related transactions to be reported to an Executive Director or the Board. During the Reporting Period, there were no substantiated incidents regarding breaches of a conflict of interest reported.

Anti-Competition

Competition is a key driving force that fosters growth and sustainable development. The Group strictly prohibits any form of anti-competitive practices and emphasises compliance with competition laws and regulations. All employees are regularly reminded to adhere to these laws, and educated to identify and avoid any situations or behaviours that may be deemed anti-competitive. This commitment ensures that the Group maintains a fair and competitive business environment while upholding ethical standards. During the Reporting Period, there were neither reported cases of non-compliance with the Competition Ordinance (Cap. 619 of the Laws of Hong Kong) nor legal actions regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation faced by the Group.

Whistleblowing

The Group's Whistleblowing Policy establishes clear procedures for reporting suspected improprieties, conflicts of interest, malpractice, or compliance breaches in addition to ensuring protection against retaliation. Employees can freely discuss their concerns with colleagues at all levels, including their supervisors, HR managers, the Chief Executive Officer, and the Chairman of the Board. Complaints can be submitted in person, by post, or via email using the designated whistleblowing declaration form. The Group guarantees that individuals who file complaints will not face discrimination or reprisals, and measures to protect their identity can be implemented if required. All allegations are investigated with fair and impartial due diligence by the Audit Committee, and if the potential case involves criminal activity, an external investigator may be appointed to review the situation. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group in relation to bribery, extortion, fraud, and money laundering.

INFORMATION SECURITY

Intellectual Property Management

As an innovator, the Group possesses many intellectual property ("**IP**") in Hong Kong and the People's Republic of China ("**PRC**"), including several trademarks, patents and domain names. The Group complies with relevant IP laws and provides employees with guidance to safeguard its various IPs. They are bound by the Group's Code of Conduct to maintain the confidentiality of trade secrets and protect its proprietary IPs. We also obtain the necessary authorisation before using any third party's IP. In order to safeguard our interests, the Group has established an internal IP management system for the registration and renewal of our patents and trademarks in the development of our formwork systems and the protection of our corporate brand. We regularly carry out IP training to raise employees' awareness of IP protection.

Data Protection and Consumer Privacy

We attach great importance to information security and the protection of the privacy information of its customers, employees and partners. To safeguard their privacy, the Employee Handbook stipulates that all employees are forbidden to disclose any confidential or private information about the Group and its customers under any circumstances, including information relating to IP, business contracts, customer information, and other financial information. To ensure that information is protected, confidential information is only accessible by authorised employees. The Group's Privacy Policy and Information Technology End User Policy stipulate the usage, processing, storage and transfer of personal data and sensitive information, including backup procedures, user account management, software and network access control mechanisms. Multiple facets of protection, including administrative, physical, and technical measures, have been implemented to safeguard collected customer data and personal data as well as prevent unauthorised access. Personal data is only collected for necessary purposes in line with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong). There were no substantiated incidents regarding breaches of customer data and personal data privacy recorded during the Reporting Period.

SDGs ADDRESSED IN THIS SECTION



SUSTAINABLE DEVELOPMENT FOR BUILDING TOWARDS A GREENER FUTURE

- CLIMATE CHANGE
- CONSTRUCTION MATERIALS
- WASTE AND CIRCULARITY

COMBATING CLIMATE CHANGE

Climate change poses a profound global challenge to the well-being and sustainable development of societies. As a formwork specialist in Hong Kong's construction industry, the Group is committed to supporting the sector's decarbonisation efforts and contributing to the city's target of achieving carbon neutrality by 2050. In the face of the severe challenges posed by global climate change, the Group is acutely aware of its long-term impact on both the environment and our business operations. As such, we are actively responding to and adapting to these changes, making every effort to transition the Group towards a green, low-carbon model.

During the Reporting Period, the Stock Exchange published Consultation Conclusions of Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework, alongside the Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework. These documents clearly state that climate-related disclosures will refer to the International Financial Reporting Sustainability Disclosure Standards No. 2 – Climate-related Disclosures ("**IFRS S2**"). The Group will ensure that we make appropriate disclosures in accordance with these relevant guidelines and requirements.

Additionally, the Group regularly evaluates the climate-related risks we may face and develop strategic adaptation and mitigation plans aimed at reducing our carbon footprint across both operations and the broader value chain. In alignment with international best practices, we disclose climate-related information with reference to the recommendations of the TCFD.

Governance for Climate Change

The Board has the overall responsibility for sustainability and ESG issues, including setting the overall strategy and overseeing and tracking targets relating to climate-related risks and opportunities. Regular updates regarding the latest identified or emerging climate-related risks and opportunities are provided to the Board by the Risk Committee. The ESG Committee and ESGWG are also responsible for identifying and managing these risks and opportunities, as well as setting out the Group's climate change strategy, and overseeing its implementation and the Group's GHG reduction performance.

During the Reporting Period, 2 meetings were held by the ESG Committee to discuss climate-related issues, including the Group's climate-related risks and the latest regulatory updates on climate change. Regular training on the latest ESG and climate change trends is provided to the Board and management, including through industry seminars and external ESG training, where necessary external expertise will be consulted for their specialised knowledge and tools in order to assist the Group in advancing its risk management and strategic planning. For further details of the Group's climate change and ESG governance, please refer to the "Sustainability Governance" subsection of this Report.

Strategy for Climate Change

Building on our previous climate-related risk assessment, the Group conducted a preliminary climate scenario analysis during the Reporting Period that evaluated the possible impacts of climate change under different emissions scenarios and timeframes. For more information, please refer to the "Climate Risk Management" subsection of this chapter.

In response, the Group has developed a climate change strategy that revolves around procurement, project planning and project sites to leverage the climate-related opportunities along the value chain, including within its upstream supply chain and downstream construction site. As one of the leading formwork construction companies in Hong Kong, the Group is expected to undertake greater obligations in carbon and construction waste reduction during the design and planning phases of construction projects. The Group is actively investing in innovative technologies and processes, such as BIM and DfMA, which enable project planning that embraces sustainable construction materials, low-carbon construction sites, and project efficiency. By integrating automated formwork solutions, we optimise material delivery, construction planning, and reuse rates with the strategic adoption of smaller aluminium tableform, which help reduce the reliance on traditional scaffolding that requires frequent assembly and dismantling, contributing to reducing logistical and transportational emissions.

Royal Deluxe Climate Change Strategy

Procurement	**Sustainable Value Chain** • Formwork materials procurement: e.g. sustainable aluminium, low-carbon rebar • Review suppliers' ESG impact: ESG performances, targets, initiatives
Project Planning	**Royal Deluxe Project Planning** • Participate in BEAM Plus building projects • Prioritise reusable formworks: durable formwork materials to be reused in multiple projects • Technological innovation: utilise digitalisation and technical tools (e.g. DfMA, BIM) to streamline project planning, assess embodied carbon emissions and enhance work efficiency
Project Sites	**Green Construction** • Electrify construction sites: eliminate fossil fuel vehicles, generators and equipment • Recycle construction waste: sort and recycle construction waste for the circular economy

Climate Risk Management

Save as the disclosed in the Corporate Governance Report under pages 21 to 36 in the Annual Report 2025 of the Company, the management of climate-related risks is integrated into the Group's overall risk management framework by the Risk Committee. The Risk Committee reviews the Group's overall risk levels annually to ensure potential risks are assessed, managed and monitored. Specifically with regard to climate risk management, with the aid of a climate risk assessment and scenario analysis, the Risk Committee considers the Group's resilience to the identified climate-related risks and formulates appropriate mitigation measures, as well as regularly reviews the risk assessment model to ensure its relevance and robustness to the latest climate challenges.

Climate Risks and Scenario Analysis

The climate risk assessment evaluated the frequency and severity of physical risks, while transition risks were assessed based on regulatory and market trends. Three climate-related physical risks, seven transition risks and three opportunities were identified under different emissions scenarios and timeframes. All physical risks were considered to be low risk in both scenarios in 2035, while rising temperature and extreme precipitation may pose a moderate risk in the high emissions scenario in 2050. Whereas most transition risks could pose a moderate risk to the Company in the low carbon scenario in 2035, including the enhanced climate change reporting requirements by the Stock Exchange, amongst other transition risks.

In terms of physical risks, we have implemented emergency protocols for offices and project sites, as outlined in our Employee Handbook and Work Safety Code. Annual emergency drills are conducted to enhance effectiveness and identify areas for improvement. Each project site has dedicated emergency units conducting inspections before and after extreme weather events, following the Strong Wind and Heavy Rain Checklist. Safety protocols are regularly reviewed to strengthen on-site adaptation and minimise risks to property and employee well-being.

In terms of transition risks, we are actively preparing for the Stock Exchange's latest climate change disclosure requirements and reviewing the Group's overall climate change management framework to ensure its compliance with the requirements. Since 2023, Royal Deluxe has begun disclosing its climate-related information in line with the recommendations of the TCFD to ensure robust governance and comprehensive risk management for climate-related matters. The Group is committed to regularly monitoring the risks and opportunities presented by climate change and reviewing its value chain, construction materials and technological innovation strategy with the aid of science-based tools, such as climate risk assessments or scenario analysis, in order to minimise its carbon footprint and enhance the overall climate resilience along the value chain.

Risk Level	Implications for Financial Impact
Low •	Up to HK$5.0m
Moderate •	HK$5.0m - 10.0m
High •	HK$10.0m+

Risk/ Opportunity Category	Climate-related Risk/Opportunity	Potential Impacts to Royal Deluxe	Potential Impacts on the Value Chain	Potential Financial Implications	Potential Financial Impact under different emissions scenario and timeframe				Mitigation Measures/Climate Action
					Short – medium term (2030-2035)		Long-term (2050)		
					Low Carbon	High Carbon	Low Carbon	High Carbon	
Physical Risk									
Acute and chronic risk	Stronger Typhoon – enhanced frequency and severity of typhoons due to changing weather patterns	• Lost days due to work disruption leads to delay in project delivery • Property damage • Health and safety of workers • Increase likelihood of work injury incidents due to heat stress		• Lower labour productivity, which affects overall project revenue • Increase in compensation and insurance costs due to health and safety incidents • Increase expenses on safety and cooling equipment, such as outdoor shelter and cooling facilities • Increase expenses on replacement of equipment due to damage during extreme weather events	●	●	●	●	We have identified short- and medium-term adaptation and mitigation measures for our head office building and construction site operation, including: • Conducting safety risk assessments, reviewing and updating safety plans, providing training, and conducting site supervision • Reviewing and updating climate risk safety measures and alert systems; • Educating on-site staff about flood risks and precautionary measures • Conducting glass façade inspections • Developing emergency plans for extreme whether events • Enhance insurance coverage for climate risks • Holding public awareness campaigns to educate local communities on flood risks • Monitoring risks and consequences by observing and identifying any changes that can affect the impact of the risk
	Rising Temperature – increase in hot days throughout the year	• Negative impact on workers' productivity • Hazard to the health and wellbeing of outdoor workers			●	●	●	●	
	Extreme Precipitation – increases in both extreme precipitation and total precipitation would contribute to increases in severe flooding events	• Lost days due to work disruption leads to delay in project delivery • Ground subsidence and property damage • Health and safety of workers • Disruption to local logistics and distribution of supply chain			●	●	●	●	
Transition Risks									
Policy and legal risk	New climate change regulations and enhanced climate-related disclosure requirements by the Stock Exchange	• Enhanced requirements for listed companies to disclose their ESG performances and GHG emissions, including scope 3 emissions	• Manufacturers and suppliers are required to shift to sustainable supply chain and renewable sources of energy	• Potential increase in operating cost for ESG reporting and compliance • Allocate additional resources for climate action planning and managing scope 3 emissions	●	●	●	●	• Educate the Board, management and employees about the latest legal and policy requirements • Conduct assessments on value chain partners regarding their ESG and climate change performance, strategy and targets • Reviewing our supply chain management and Green Procurement Policy, sourcing new suppliers as well as engaging with suppliers who provide low carbon or recycled materials • Prioritise the use of BIM design and patented reusable formwork systems
	Changes to building standards, zoning and planning controls relating to energy efficiency and climate resilience of new buildings	• The Government or industry association may impose more efficient and sustainable construction practices and use of materials		• Potential increase in supply chain costs for compliance and sustainable materials procurement	●	●	●	●	
	Evolving carbon markets and volatility of carbon price due to growing demand for carbon offsets and trading	• The Government and the construction industry have set out the target to achieve carbon neutrality by 2050. Carbon credits may become mandatory for companies as a mechanism to offset their GHG emissions.		• Potential increase in operating cost for participation in carbon markets to offset emissions	●	●	●	●	

Transition Risks (Continued)									
Technology	Research and development for emissions reduction technology or materials	• Research and development ("**R&D**") and adoption of digitalisation and software systems for resources and climate change management	• Potential increase in cost of R&D in sustainable construction technologies	●	●	●	●	• Undertake strategic planning and financial budgeting • Collaborate with value chain partners in piloting and adopting the latest technologies in projects
	Unsuccessful adoption of climate-related technologies	• The failure of investments in low-carbon technologies or construction processes may lead to additional investment for the Group.	• Additional investment cost on R&D due to failure of technologies	●	●	●	●	• Continuing investment in low-carbon technologies • Embracing new technologies and sustainable practices can help businesses adapt
Market	Changing consumer expectations of using sustainable products and services	• Rising demand for sustainable products and services has become a key market trend. If the Group fails to align with consumer expectations or incorporate sustainable construction practices during the design and planning stages, it risks losing project bids in an increasingly sustainability-driven industry.	• Potential decrease in revenue due to inability to meet consumers' expectations • Potential increase in materials cost for sustainable materials	●	●	●	●	• Reviewing the Group's climate change strategy and advancing the transition towards becoming a low-carbon business • Engaging with stakeholders, including suppliers, customers, and investors, can help businesses navigate the low-carbon transition and build resilience
	Rising costs of raw materials	• Frequent extreme weather events, such as typhoons and floods driven by climate change, are likely to escalate the costs of natural timber and other essential raw materials used in our construction operations.	• Potential increase in materials cost for procuring sustainable materials • Potential increase in price of timber and other raw materials for construction	●	●	●	●	• Reviewing our supply chain management and Green Procurement Policy, sourcing new suppliers
Reputation	Growing investor demand for green and sustainable finance and investment	• Increase in investor's concern about the Company's climate change strategy and transition plan • Potential reduction in demand for high-emissions materials	• Potential divestment from the Company if failure to meet financial institution's or investor's values and criteria	●	●	●	●	• Reviewing the Group's climate change strategy and advancing the transition towards becoming a low-carbon business • Ensuring compliance with the Stock Exchange's ESG and climate change disclosure requirements, investor and consumer expectations and industry trends
	Accusation of greenwashing might create a negative reputation	• Unable to deliver on sustainability promises and commitment may lead to the accusation of greenwashing by stakeholders	• Negative impact on the Group's ability to acquire new projects	●	●	●	●	• Regularly report on our sustainability performance and track our progress against the targets
Opportunities									
Circular economy	Adopt reusable and modular formwork systems to reduce construction waste and consumption of resources, thereby minimising lifecycle footprint of construction projects	• Utilise modular and reusable formwork systems that can be disassembled and reused in multiple projects • Reduce construction waste through optimised project planning with BIM	• Invest in sustainable and low-carbon materials that are durable for reusable formwork systems	●	●	●	●	• Consider establishing a material reuse rate target for its construction sites • Replace internal combustion engine vehicles with electric vehicles • Strategically prioritise the use of reusable formwork systems to contribute to the circular economy and minimise purchase of single-use materials • Explore sustainable materials that reduce embodied carbon of the construction materials in our projects
Access to green finance	Access to sustainability-linked loans and other green finance solutions	• Enable additional investments into the R&D of innovative solutions for sustainable materials and construction • More resources for the adoption of technological innovations and digitalisation systems to enhance operational efficiency	• Diversified financing • Lower costs of capital • Attract green investment	●	●	●	●	• Target the first sustainability-linked loan to be granted by 2026
Operational Resilience	Resource substitution from raw materials to reusable aluminium	• By incorporating reuse of sustainable formwork materials, the Group can reduce dependence on specific resources (timber), lower raw materials costs and imported freight, and strengthen resilience to climate risks	• Minimise procurement cost on single-use construction materials (e.g. timber)	●	●	●	●	• Engage with suppliers that provide low carbon materials • Collaborate with stakeholders, including suppliers, customers, and investors, can help businesses navigate the low-carbon transition and build resilience

The Group understands the evolving nature of climate risks and therefore has conducted a preliminary scenario analysis to assess their potential impact, including financial impact, on our operations using climate scenarios designed by the Network for Greening the Financial System ("**NGFS**"). These scenarios are grouped into four key quadrants, namely 'Orderly', 'Disorderly', 'Hot House World' and 'Too-Little-Too-Late', with seven different scenarios each representing various levels of physical and transition risks.

To assess the impact of climate risks on the Group's operations under various timeframes and potential future trajectories, a Low Carbon and High Carbon scenario was chosen for the scenario analysis, namely 'Below 2 °C' and 'Current Policies'. These two scenarios were chosen based on the Group's climate-related strategy focusing on both physical and transition risks, its understanding of the construction industry's climate ambitions and climate policies of the Hong Kong Government. In addition, it enables us to capture and demonstrate contrasting outcomes from a pathway where physical risks are lower and transition risks are higher (low carbon), and a pathway with higher physical risks but lower transition risks (high carbon), supporting our future decision-making and strategic planning.

Climate Scenarios	Risks Focus	Policy Target	Scenario Description	Timeframe Considered		
				Short-term	Medium-term	Long-term
Below 2 °C (Low Carbon)	Physical Risks Transition Risks	1.7 (by 2100)	Low emissions level by the end of the century through market and regulatory mechanism, leading to low physical risks	2030	2035	2050
Current Policies (High Carbon)	Physical Risks Transition Risks	3°C (by 2100)	High emissions level towards the end of the century leading to substantial physical risks			

During this process, the Group identified two climate-related risks, which are typhoons and rising temperatures that were currently deemed to have a more material impact on its operations. Hence, these two risks were selected for further analysis using the 'Below 2 °C' and 'Current Policies' scenarios of the NGFS to assess the operational, strategic and financial impact at the Group-level. Several climate metrics and company-specific variables were evaluated based on their importance to our business activities.

The potential financial impacts were estimated under the short-term (2030), medium-term (2035) and long-term (2050) timeframes, where revenue and expenses in particular were analysed, and qualitative as well as quantitative data is stated. The financial impact considers different sensitivity levels, where the ranged figures represent the lowest severity and highest severity, and the median value portrays a mid-point outcome, For the 'Below 2°C' scenario, it was assumed that moderate mitigation efforts are made by jurisdictions through policy measures, technology improvements, and innovation, leading to a relatively limited increase in physical risks, with no extreme disruptions to socio-economic trends. Whereas, for the 'Current Policies' scenario, limited action is taken by jurisdictions and companies to reduce GHG emissions, resulting in a more pronounced impact from physical risks and subsequent increase in financial risks, which is similar to a 'business-as-usual' scenario. The identified company-specific variables do not take into account any adaptation or mitigation measures potentially adopted to respond to these climate risks.

NGFS Below 2°C Scenario Assessment

Physical Risks	Climate Risks	Metrics	Variables	Projected Financial Impact (HK$)		
				Short-term (2030)	Medium-term (2035)	Long-term (2050)
Acute	Stronger Typhoon	Annual expected damage from tropical cyclones in Hong Kong	Revenue loss due to typhoon-caused project site suspension	2.25m – 2.29m (median: 2.26m)	2.27m – 2.32m (median: 2.28m)	2.27m – 2.36m (median: 2.33m)
Chronic	Rising Temperature	Labour productivity change due to heat stress in Hong Kong	Revenue loss per labour hours worked due to heat-induced labour productivity decline	11.11m – 29.39m (median: 18.67m)	13.33m – 36.92m (median: 21.66m)	13.33m – 48.23m (median: 26.88m)
			Expenses increase due to worker's heat stress incurred illness and injuries	2,067-2,081 (median: 2,071)	2,073-2,101 (median: 2,079)	2,073-2,131 (median: 2,093)

NGFS Current Policies Scenario Assessment

Physical Risks	Climate Risks	Metrics	Variables	Projected Financial Impact (HK$)		
				Short-term (2030)	Medium-term (2035)	Long-term (2050)
Acute	Stronger Typhoon	Annual expected damage from tropical cyclones	Revenue loss due to typhoon-caused project site suspension	2.25m – 2.29m (median: 2.26m)	2.27m – 2.32m (median: 2.30m)	2.32m – 2.39m (median: 2.37m)
Chronic	Rising Temperature	Labour productivity change due to heat stress in Hong Kong	Revenue loss per labour hours worked due to heat-induced labour productivity decline	11.11m – 29.39m (median: 18.67m)	13.33m – 36.92m (median 24.6m)	18.51m – 57.27m (median: 32.85m)
			Expenses increase due to worker's heat stress incurred illness and injuries	2,067-2,081 (median: 2,071)	2,073-2,101 (median: 2,087)	2,087-2,155 (median: 2,109)

The Group will make reference to the above projected financial impact to shape its overall direction and explore different initiatives to pursue effective climate actions while being mindful of the inherent uncertainties and limitations when conducting scenario analysis. Moving forward, we aim to strengthen our scenario analysis approach by identifying other material climate risks and opportunities as well as applying a more diverse range of scenarios to improve our understanding of the resilience of our current climate strategy and make appropriate adjustments to enhance our oversight of climate change.

Climate Metrics and Targets

Managing our GHG emissions is the centrepiece of our climate change strategy. The Group's GHG sources are primarily attributed to the use of company vehicles and electricity consumption within its offices and warehouse for the storage of documents.

To accurately quantify the Group's GHG emissions, the calculation process refers to both local and international guidelines, including 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 ("**EPD**") and the Electrical and Mechanical Services Department ("**EMSD**"). We also utilised the latest emission factors, which are periodically published by relevant power companies. For global warming potential values, reference is made to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. We measured and reported the Group's energy consumption and scope 1 and 2 GHG emissions, and certain categories of scope 3 GHG emissions from our operations as well as GHG emissions intensity metrics by floor area and workforce.

During the Reporting Period, we emitted a total of 77.43 tCO_2-e scope 1 to 3 GHG emissions, which is a decrease of approximately 18% from the previous year. Meanwhile, we have avoided a total of 3.34 tCO_2-e of scope 3 emissions by recycling our paper waste through external licensed contractors. For BEAM Plus projects, we have adopted the CIC Carbon Assessment Tool to measure the embodied carbon of the materials used in our scaffolding and formwork, where a total of 1,039.29 tCO_2-e of scope 3 embodied GHG emissions were generated during the Reporting Period. Moving forward, we will continue to collaborate with professionals in the construction industry to refine our GHG emission sources and extend our scope 3 indirect emissions coverage to other categories deemed as material. In addition, we will reduce our carbon footprint throughout the lifecycle of our products in order to set GHG targets that drive carbon reduction and enable tracking and monitoring of our GHG performance.

	Mobile Combustion – Petrol and Diesel (tCO_2-e)	Purchased Electricity (tCO_2-e)	Disposal of Paper Waste (tCO_2-e)	Fresh Water Processing (tCO_2-e)	Sewage Water Processing (tCO_2-e)	Total GHG Emissions (tCO_2-e)
	Scope 1	Scope 2	Scope 3			Scope 1-3
2023	82.01	38.47	13.53	0.09	0.04	134.15
2024	55.18	37.97	1.00	0.07	0.04	94.27
2025	33.32	31.80	12.24	0.04	0.03	77.43

Since establishing our environmental targets in 2022, these goals have served as a roadmap to align our priorities, measure progress, and accelerate action across the Group. The following table details our advancements in 2025 against each target, underscoring our dedication to a low-carbon, resource-efficient future.

Category	Targets	Progress in 2025
GHG	By 2030, reduce 10% of GHG emissions (scope 1-3) intensity by revenue (tCO_2-e/HK$million) (2021 baseline).	-43%
Petroleum	By 2025, replace 30% of the company's vehicles with electric or hybrid vehicles.	56% Status: achieved
Diesel	By 2025, reduce 40% of diesel consumption (litres) (2021 baseline) at all of our construction sites, with the aim to eliminate diesel on all of our construction sites by 2035.	-92% Status: achieved
Electricity	By 2030, reduce 5% of electricity consumption intensity by revenue (kWh/HK$million) (2021 baseline).	-24%
Waste	By 2024, identify a company-specific KPI for the reuse rate for timber, aluminium, and steel.	The Reused Rate KPI has been established and is being piloted for 7 projects
Paper	By 2025, increase paper recycling rate to 20% (2021 baseline).	22% Status: achieved

The Group is aware that its material impacts primarily lie within construction site activities. Hence, the Group has decided to adopt a new approach, where the environmental targets set are based on project site operations rather than office-based operations. This shift embodies our commitment to addressing the most significant impacts within our own operations and across the value chain, promoting a more sustainable construction industry.

Category	Targets	Relevant Initiatives
Waste Recyling	By 2027, achieve a minimum recycling rate of 30% for steel and 15% for aluminium across all applicable construction projects	Establish recycling stations at all applicable project sites, equipped with labelled bins for steel/aluminium segregation and trained waste handlers
Sustainable Projects	By 2027, ensure 80% of projects participated are BEAM Plus projects	Offer priority bidding opportunities and expedited internal approvals for project teams that voluntarily pursue BEAM Plus certification
Embodied Carbon	By 2027, apply the CIC Carbon Assessment Tool to 90% of construction projects	Require annual training on the tool for all project managers, with completion tied to performance reviews
Sustainable Procurement	By 2027, maintain annually the percentage spent on sustainable materials at no less than 20% of the materials procurement costs	Revise tender evaluation criteria to increase weighting for bids using sustainable materials by 5-10%

SUSTAINABLE PRODUCTION AND OPERATIONS

The Group places a strong emphasis on minimising its environmental impacts by managing the consumption of construction materials and resources as well as fulfilling its environmental responsibilities by reducing its carbon emissions.

Sustainable Resource Management

Our focus on sustainable resource management aligns with our strategic goals to contribute to a more environmentally responsible construction industry. We have established a Sustainability Policy that outlines our strategic commitment to reducing environmental impacts by collaborating with partners throughout the value chain and embracing innovative construction technologies that enhance the sustainability and efficiency of construction projects. Additionally, our Green Office Policy provides clear guidelines for employees in our offices, encouraging them to reuse and recycle materials and minimise energy consumption. Through these initiatives, we strive to promote sustainable practices and reduce our ecological footprint at our construction sites, offices, and throughout our construction projects.

Reusing Construction Materials and Waste Reduction

The Group is committed to optimising the use of construction materials and resources throughout its projects. To carefully manage and optimise the use of resources, we source sustainable materials, reuse formworks, minimise and recycle waste, striving to reduce our environmental impact. During the Reporting Period, we have completed 5 BEAM Plus projects and engaged in 6 ongoing BEAM Plus projects, where we promote efficient and sustainable construction practices with our partners to build sustainable buildings and communities.

As formwork companies, we recognise the importance of reducing environmental impact and minimising construction waste. Instead of using single-use timber, we strategically prioritise the reuse of aluminium, steel and metals in our formwork solutions in an effort to extend the lifespan and maximise the usage of the materials. After the completion of each project, we carefully dismantle and refurbish the reusable formwork materials, ensuring they remain in excellent condition for subsequent projects. By reusing formwork materials, Royal Deluxe reduces the need for procuring virgin materials, thereby conserving natural resources and minimising construction waste. This practice demonstrates our commitment to pioneering sustainable construction practices.

Supply Chain Carbon Reduction

As part of our sustainable procurement strategy, the Group is committed to integrating its social and environmental responsibility into its procurement and value chain management. We prioritise sourcing from local suppliers to reduce our carbon footprint that may arise from transportation, while contributing to the local economy.

As timber formwork remains the most common type of formwork in use in Hong Kong, we source 100% of our timber and plywood products from the Forest Stewardship Council ("**FSC**") or Programme for the Endorsement of Forest Certification ("**PEFC**") certified forests. This ensures the use of sustainably harvested wood, minimising deforestation and promoting biodiversity conservation in forests.

The Group is also actively exploring the opportunity to source low-carbon aluminium that is manufactured with renewable sources of energy as a substitute for aluminium produced conventionally with coal and other fossil fuels. By selecting certified suppliers including but not limited to those by the Aluminium Stewardship Initiative ("**ASI**") and the China Green Metal Certification Centre ("**CGMC**"), we seek to ensure all of our formwork materials are produced by sustainable extraction and manufacturing processes, thereby minimising the carbon footprint of our value chain.

Ming Tai Aluminium Formwork Lifecycle Carbon Footprint Assessment

During the Reporting Period, we commissioned a professional consultancy to conduct a life cycle carbon assessment of Ming Tai Aluminium Formwork Solutions ("**System Formwork**"). The results showed substantial reduction in carbon emissions when System Formwork are reused or produced from recycled materials.

Data from recent projects evaluation demonstrated that when achieving significant improvement in the formwork reuse rate, lifecycle carbon emissions were significantly lower than traditional timber formwork. At product level, the study confirmed that System Formwork was 60% more effective in reducing carbon footprint compared to reusable traditional formwork, when they were reused up to 200 times. Considering the real-life reduction can be influenced by multiple factors including project duration and formwork availability, the study also demonstrated that System Formwork with 100% reuse outperformed traditional formwork with 100% reuse by at least 46% to 100% at project level. This underscored the environmental advantages of System Formwork reuse in large-scale construction projects.

Reuse Rate KPI

In order to support circularity and reuse of aluminium tableform, we have established a new KPI to benchmark the Group's performance in reusing its Ming Tai Tableform formwork materials. The new KPI takes into account the actual materials used to produce the total floor for large-area slab in projects. It will enable an assessment of the life cycle of the reusable tableform formwork materials, providing a more comprehensive parameter on the Group's performance in repeatedly using its Ming Tai Tableform, through extending the lifespan of used materials and effectively keeping waste out of landfills.

During the Reporting Period, we piloted the calculation of the reuse rate KPI for 4 major project sites and recorded an average reuse rate of 0.94 times of Ming Tai Tableform formwork materials. Similarly, an average reuse rate of 7.03 times of steel/aluminum formwork materials was recorded for 7 major project sites. We seek to expand the data collection system to other project sites and conduct further study to access the environmental emissions of different formwork materials as well as identifying the opportunities to reduce embodied carbon associated with the reused materials. Our ultimate goal is to develop a Group-wide reuse rate KPI that represents the reuse rate of all projects across the Group to demonstrate our achievements in waste reduction while encouraging the adoption of specific reused materials or lower carbon methods in the life cycle of our projects.

Timber

Timber formwork is a traditional type of formwork system that is most popularly accepted by typical construction projects. It is therefore the most commonly used resource, despite it being labour- and time-intensive. It is also more difficult to reuse or recycle. To use timber sustainably, we procure 100% of our timber from suppliers with PEFC and FSC certification.

Unused timber panels and available scraps are returned to licenced collectors, when possible, or repurposed for another project site. As timber materials are difficult to fully recycle, we promote a policy of reuse and are exploring innovative strategies that can help transform timber waste into strong and functional renewable construction materials. During the Reporting Period, we consumed 6,899.06 m^3 of timber.

Timber	Consumed (m^3)	Recycled (m^3)	Recycling Rate (%)
2023	6,186.01	Nil	Nil
2024	6,179.24	Nil	Nil
2025	6,899.06	Nil	Nil

Aluminium and Steel

Many architectural designs require an engineered formwork system that is built out of prefabricated modules using steel, aluminium and metal. The major advantages of these metal formwork systems include the speed of construction and lower lifecycle costs, as formworks constructed by aluminium are more robust. This durability enables the material to be reused multiple times depending on the application and proper care.

Similar to timber, before materials are sent back to authorised collectors or sorting facilities, we assess the material condition, seeking to avoid hazards caused by corrosion, rust and dents. During the Reporting Period, we consumed 1,193.08 tonnes and 1,667.07 tonnes of aluminium and steel respectively, while 81.28 tonnes and 645.81 tonnes were recycled respectively.

Aluminium	Consumed (tonnes)	Recycled (tonnes)	Recycling Rate (%)
2023	1,212.40	86.39	7.13
2024	126.85	32.72	25.79
2025	**1,193.08**	**81.28**	**6.81**

Steel	Consumed (tonnes)	Recycled (tonnes)	Recycling Rate (%)
2023	1,337.09	466.06	70.17
2024	617.27	617.27	27.17
2025	**1,667.07**	**645.81**	**38.74**

Metals

The Group uses and reuses metal components in most of its formwork projects. During the Reporting Period, 820.24 tonnes of metals were consumed.

Metal	Consumed (t)	Recycled (t)	Recycling Rate (%)
2023	1,141.52	NIL	NIL
2024	921.51	NIL	NIL
2025	**820.24**	**NIL**	**NIL**

Paper

We continue to promote the digitalisation of our operations as a way to reduce paper consumption. For example, we encourage communication through email and distribute electronic greeting cards during the holiday season. In addition to reusing paper, we have designated recycling bins placed next to printers and fax machines for wastepaper collection. These bins are clearly labelled and easily accessible to encourage employees to practise recycling. Our paper waste is collected by licensed professional recycling companies.

Paper	Consumed (kg)	Recycled (kg)	Recycling Rate (%)
2023	3,350.28	531.00	15.85
2024	3,367.06	3,158.00	93.79
2025	3,245.36	696.00	21.45

EMISSIONS, ENERGY AND WATER

The Group is committed to acting as steward for the environment. To this end, the Group has established a comprehensive Environmental Protection Policy during the Reporting Period to systematically minimise our ecological footprint across our construction operations and the value chain. The policy mandates Board-level governance through dedicated committees, with focus areas spanning sustainable construction practices, resource efficiency, biodiversity protection and climate-related management, strengthening our regulatory compliance and climate resilience.

Dust Control

The Group continues to operate under stringent preventative measures to minimise the production of dust or respirable suspended particulates when handling construction materials, using machinery equipment, or operating company vehicles.

In response, we have implemented a series of targeted measures:

Dust Control	Measures
Dust Dispersing Control	Dusty materials are covered with sheeting, placed in sheltered areas, and sprayed with water or dust suppressants to dampen the surface.
Operational Management	Reducing to release of dust particles by handling large bulk materials with care during loading, unloading, uploading and transfer processes.
Drilling, Cutting, and Polishing Operations	Continuously apply water mist or dust suppressants to prevent fine dust particles from dispersing into the air during drilling, cutting, and polishing operations.

Air Emissions

Air emissions also stem from vehicles of the Group. During the Reporting Period, the Group maintained a total of seven (2024: ten) vehicles, which may emit nitrogen oxide (NOx), sulphur oxide (SOx) and particulate matter (PM) in the combustion process. As planned, the Group had reached its target to replace 30% of its vehicles with hybrid or electric vehicles by 2025, thereby reducing the amount of air pollutants and carbon emissions in the future.

	NOx (kg)	SOx (kg)	PM (kg)
2023	119.05	0.47	10.15
2024	129.22	0.33	10.74
2025	38.10	0.15	3.46

In response, we have implemented a series of targeted measures:

Air Emissions	Measures
Equipment Smoke Control	Strictly prohibit any form of open burning at construction sites, including the burning of waste, tyres, and other refuse, in order to prevent air quality deterioration.
Vehicle Maintenance	Regularly inspecting and maintaining vehicles to avoid excessive emissions due to improper operation or wear and tear.
Operational Management	Turning off the engines of idle machines to reduce emissions caused by unnecessary operation.
Equipment Smoke Control	Prohibiting the use of equipment that emits excessive black smoke and conduct immediate repairs or replacements as necessary.

Energy Management

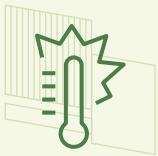
As a subcontractor in the construction industry, the Group uses electricity to power our offices, electrical equipment at our project sites and our electric vehicles, as well as petroleum and diesel to power our vehicles. Hence, we have developed an Environmental Management System ("**EMS**") that guides our energy consumption while ensuring environmental considerations are included in our subcontracting and procurement decisions.

Reducing our energy consumption can help reduce fossil fuel use, improve air quality, mitigate climate change, and protect our environment and local communities. Hence, through our Green Office Policy, we encourage the sustainable use of resources at our offices. It is crucial that we promote energy efficiency initiatives to reduce our energy reliance. For more information on greenhouse gas emissions or air emissions from the company vehicles, please refer to the section "Climate Metrics and Targets" of this Report.

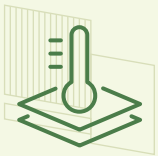
Energy Saving Initiatives



Switch off electrical appliances when not in use or after office hours



Advocate for the "Energy Saving Charter on Indoor Temperature"



Maintain indoor temperature at 24-25 degrees Celsius



Monitor indoor temperature through thermometers

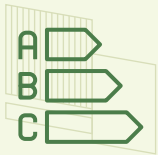


Encourage staff to use the staircase instead of lifts





Use energy-efficient light bulbs such as LED, T5 or compact fluorescent lamps with energy labels (i.e. EMSD's Grade 1 and 2 or equivalent)



Adopt refrigerator and air conditioning appliances with "Grade 1" energy labels

In response, we have implemented a series of targeted measures:

Energy Efficiency	Measures
Equipment Inspection and Maintenance	Regular inspections and maintenance of equipment to ensure efficient operation and prevent energy waste caused by equipment malfunction.
Switching Off Idle Equipment	Ensuring that idle equipment is switched off during non-working hours to avoid unnecessary energy waste and improve energy efficiency.
Energy Management in Office Areas	Managing office lighting and air conditioning systems meticulously, ensuring they are automatically switched off outside of working hours to further reduce energy consumption.
Procurement and Use of Energy-saving Products	When purchasing office and project equipment, prioritising energy-efficient products to reduce long-term energy demand.
Setting and Reviewing Energy Targets	Setting specific energy consumption targets and regularly reviewing and adjusting them to ensure the continuous improvement and optimisation of energy use. For example: maintain indoor temperature at 24-25 degrees Celsius.
Employee Training and Energy-saving Advocacy	Raising energy-saving awareness among employees and subcontractors through regular training and advocacy activities, fostering a culture of energy efficiency within the organisation.

Water Management

Water is a precious natural resource that must be safeguarded. However, as the Group mainly uses water for cleaning purposes and in the communal washrooms operated by our office building management, it has not been designated a material aspect by the Group, and hence water efficiency targets have been omitted. At the Group's construction sites, water management is handled by the main contractors or property owners. Therefore, we are unable to retrieve water usage records. Nevertheless, the Group endeavours to encourage the responsible consumption of water throughout our operations. As the water use is supplied by the Water Supplies Department and discharged to public sewerage, there is no issue in sourcing water that was fit for purpose.

	Electricity Usage (kWh)	Water Usage (m^3)
2023	98,648.39	200.36
2024	97,368.51	167.91
2025	83,696.64	146.77

Noise Emissions

Noise emissions arise from the use of machinery generated by our construction activities. The Group recognises the potential adverse impacts that noise emissions may cause to the surrounding community. To mitigate these impacts, we erect noise protection barriers in the vicinity of noise sensitive receivers, such as residential buildings, schools and hospitals, and require construction activities to operate at reasonable hours when possible.

In response, we have implemented a series of targeted measures:

Noise Emissions	Measures
Ensure Noise Controls Compliance	Strict compliance with the relevant provisions of the Noise Control Ordinance, ensuring high-noise construction activities are limited to legal working hours (7:00 am to 7:00 pm), with a complete halt of works on Sundays and public holidays unless a construction noise permit, approved by the Environmental Protection Department, has been obtained.
Procurement for Quieter Construction Equipment	Optimising the selection of construction equipment that is approved with a Quality Powered Mechanical Equipment ("**QPME**") label and in line the Construction Noise Permit issued by the EPE.
Operational Management	Requiring turned-off engines of idling machinery or minimized as much as possible.
Employee Training and controls	Continued to enhance training and control measures for site works during night or holidays to ensure compliance.

SDGs ADDRESSED IN THIS SECTION



COOPERATION FOR WIN-WIN RESULTS

- CONSTRUCTION MATERIALS
- ETHICAL BUSINESS BEHAVIOUR
- SUPPLIER MANAGEMENT
- SUPPLIER QUALITY AND CLIENT SATISFACTION

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

The Group builds strategic relationships with its supply chain partners including construction material suppliers, as well as subcontractors who are responsible for site supervision and overseeing employees working at the construction site. We actively integrate responsible corporate practices into our supply chain management to pursue continuous improvement and mitigate supply chain risks. We expect our suppliers and subcontractors to comply with the Group's sustainability requirements, in relation to labour practices, health and safety standards, environmental management, and business ethics and conduct. We are dedicated to conducting fair and transparent procurement practices to maintain mutually beneficial relationships with our partners in the value chain.

Royal Deluxe Sustainable Supply Chain

Sustainable Procurement Policy

- Reducing environmental footprint
- Sourcing from responsible and ethical suppliers
- Integrating sustainability into new supplier selection
- Integrating sustainability into supplier management
- Enabling continuous improvement in sustainable procurement
- Supporting local initiatives and guidelines on sustainable procurement

Supplier Code of Conduct

- Ethical Conduct
- Health and Safety
- Human Rights
- Environmental Impacts
- Laws and Regulations

Supply Chain Management

- Supplier ESG Assessment
- Management Systems
- ESG Performance
- ESG Targets
- Improvement Measures

The Group has established its Sustainable Procurement Policy, which governs the assessment and selection of potential suppliers, in addition to its product quality management mechanism. The Group has also maintained an approved list of suppliers which ensures it only works with suppliers that demonstrate a long-term commitment to sustainable development, thereby minimising the Group's social and environmental risks. As described in the Group's Sustainable Procurement Policy, for the selection of new suppliers, we would give preference to those who have demonstrated a commitment to sustainable development, complied with all applicable ESG-related laws and regulations, developed a sustainability policy and sustainable procurement policy, and adopted recognised ESG management systems.

Suppliers in our approved list of suppliers are required to commit to the Group's Supplier Code of Conduct and integrity policies, which outline our environmental and social requirements for suppliers to promote a culture of integrity across the value chain.

Supply Chain ESG Survey

To strengthen ESG alignment across our value chain, we conducted a supplier survey scoring partners on a 0-100 scale during the Reporting Period:

- 80-100 (High Performance): Strong adherence to ESG standards
- 60-80 (Moderate Performance): Partial compliance with improvement opportunities
- Below 60 (Low Performance): critical gaps requiring actions

Key assessment criteria included environmental management, occupational health and safety, ethical business practices, governance and risk management. Of the 91% suppliers who responded, 50% achieved a High Performance ratings, 20% obtained a Moderate Performance score, and 30% were rated as Low Performance. These findings enable us to develop targeted measures and action plans to ensure suppliers can continuously adhere to our ESG principles and ultimately build a truly sustainable supply chain. Moving forward, we will aim to engage with underperforming suppliers to address these shortcomings while recognising and scaling best practices from top performers.

We regularly identify and assess a broad spectrum of supply chain risks, including those related to the business environment, material availability, and social impacts, and formulate tailored countermeasures and preventive mechanisms to mitigate them. To anticipate potential disruptions, we continuously monitor key indicators such as fluctuations in procurement costs and delivery lead times. These metrics, combined with ESG data collection, help us identify suppliers that may pose material ESG risks. Where risks are identified, we engage with the relevant parties to encourage the adoption of appropriate mitigation measures. Through these efforts, the Group aims to reinforce social and environmental responsibility across its operations and promote sustainable development throughout the supply chain.

IMPROVING CUSTOMER SERVICES

Product Quality Management

The Group has implemented a product quality management mechanism to guarantee it sources the highest quality of products and materials, thereby meeting client specifications and complying with all statutory and legal obligations. To ensure quality control and timely delivery of materials to project sites, the Group's procurement team has established standardised internal control mechanisms. Upon material delivery to the project site, verification checks are conducted to ensure accuracy in terms of ordered quantities, expenses, and desired materials, thus fulfilling customer requirements. The tracking document closely monitors the delivery of incoming materials and the return of goods, keeping the project manager and procurement team well-informed at every stage of the process.

Product Quality Control

The Company Quality Manual outlines the procedures and responsibilities in place to identify and control any products that do not meet specified requirements, preventing unintended use or delivery. In the unlikely event that a defective product is discovered after shipment or if a formal complaint is received from a customer, it will be promptly reported to the project manager through designated communication channels, and the relevant subcontractor or personnel will be notified accordingly. A thorough assessment of non-conformities will be conducted through product examination and reporting, which will be followed up with subsequent improvement measures. Each case will be documented and reviewed to prevent similar occurrences in the future. Regular on-site supervision and inspections will also be conducted to ensure continuous monitoring of our quality performance. During the Reporting Period, we did not receive material complaints relating to project delivery and quality of materials against contractual agreements, and there were no incidents of non-compliance with regulations or voluntary codes in relation to the health and safety of our delivered formwork products.

SDGs ADDRESSED IN THIS SECTION



INNOVATION FOR SUSTAINABLE CONSTRUCTION

- ECONOMIC PERFORMANCE
- TECHNOLOGICAL INNOVATION

TECHNOLOGICAL EXCELLENCE AND INNOVATION

Innovation and digitalisation have become the centrepiece of the development of the construction industry in Hong Kong. Providing "high-quality work and flexible solutions to deliver construction technical innovation and optimised customer design" is the Group's motto for innovation. To improve project efficiency and management, the Group is committed to investing in technology and innovation to maintain its competitive edge and contribute to the sustainable development of the industry. Through analysing our risks and opportunities, and monitoring the latest developments in the industry, we continuously pursue technologies that will bolster project efficiency, enhance workforce planning and safety, and achieve sustainable development.

These innovations include the Ming Tai Tableform (Patent no.: HK1230011) and Coding Process System of Architectural Aluminium Template System (the "**Formwork Coding System**") (Patent no: HK1203295), which are listed under the CITF pre-approved list of safety-related technologies, as well as BIM and Modular Integrated Construction ("**MiC**") technologies, while our engineer design business also made considerable efforts in optimising DfMA technology. The Group actively invests in innovations, technologies and technical process enhancements in order to optimise our workforce efficiency, safety, material use and waste management,. Our Ming Tai Tableform is expected to be 15% more efficient than the procedures involved when using traditional tableform due to easier installation and transportation.

INNOVATION IN CRAFTSMANSHIP AND DESIGN

In recent years, the Group has established an engineering design team to strengthen our capabilities in integrating DfMA applications and advancing BIM-based digital formwork design collaboration. This innovative approach revolves around creating and managing "digital twins", which simultaneously capture the physical and functional aspects of buildings and construction sites. By leveraging this method, we aim to improve project communication, process optimisation, and documentation streamlining across different project phases. The goal is to foster an efficient collaborative environment among architects, engineers, suppliers, surveyors, contractors, and other construction professionals involved in planning, design, manufacturing, and construction. During the Reporting Period, 11 projects benefitted from the application of DfMA methodologies.

Looking ahead, the Group will drive efficient and sustainable construction practices by expanding its procurement of low-carbon materials, adopting advanced green building technologies such as digital twin software and MiC, and implementing energy-saving practices across all project sites. We will further invest in developing automated computer layout software compatible with all formwork types—including timber, aluminium, steel, and system formwork—to extend the efficiency benefits of our Ming Tai Aluminium Formwork system across the industry. These efforts collectively aim to minimise environmental impact, optimise resource efficiency, and revolutionise traditional construction processes through technological and sustainable advancements.

Driving Innovation in Formwork Construction – The 2025 Hong Kong Sustainable Development Innovation Technology Awards

The Group is committed to advancing and promoting Ming Tai Formwork technology across the engineering sector and on the global stage. We actively participate in industry seminars hosted by the CIC and the institution of Engineers, while also showcasing our innovations at events such as sustainable construction awards to promote continuous enhancements in sustainable construction in Hong Kong. The Group has completed the 2025 Hong Kong Sustainable Development Innovation Technology Awards and was awarded the Jury Award and Royal Deluxe was approved as "Recognised Sustainable Development Corporate ("**RSDC**") 2025-26 – World Institute of Sustainable Development Planners".

The "2025 Hong Kong Sustainable Development Innovation Technology Awards" is organised by the World Institute of Sustainable Development Planners, supported by the Hong Kong Institute of Education for Sustainable Development and the Hong Kong Quality Assurance Agency. These awards aim to recognise and reward organisations and talents across various industries who integrate sustainability concepts into innovative technologies within their development, planning, application, and solutions.

As part of our ongoing research and development efforts, we continually register new patented application technologies and optimize our formwork construction processes. After years of R&D, the Group has successfully integrated BIM application simulations into Modular Integrated Formwork ("**MiF**") and DfMA, which addresses long-standing industry challenges associated with the construction industry, such as shortage of skilled labour, consuming lot of construction materials, construction safety, efficiency and repetitiveness of working, and offers a scalable foundation for the construction project's sustainable advancement.





INTELLECTUAL PROPERTY RIGHTS

The Group actively expands the applications for invention patent licensing and utility patents to advance the protection of its own IP. During the Reporting Period, 2 new patents were successfully registered in the PRC, which are all related to the supportive systems and formworks. There were no material infringements of IP rights or the IP rights of third parties. Furthermore, the Group maintained 32 (2024: 47) patents and 9 trademarks (2024: 8). Further information on our patents can be found in the subsection "Technological Excellence and Innovation" of this Report.

CONTRIBUTING TO INDUSTRY DEVELOPMENT

As a formwork company in the construction industry, Royal Deluxe plays a key role in shaping urban landscapes and infrastructure development. Since its establishment, the Group has actively undertaken large-scale formwork erection projects for building construction and civil engineering works in Hong Kong.

By providing the foundations for the construction of residential and commercial buildings, transport terminus and various infrastructure developments, including public housing development in Kai Tak, the reinforced concrete structure of the ventilation building in Ho Man Tin, the re-development of the former State Theatre and State Theatre Building in North Point, building expansion in Princess Margaret Hospital, Hong Kong International Airport APM and BHS Tunnels and Related Works, and the Hong Kong International Airport Third-runway System concourse, we contribute to the urban transformation and long-term development of the city with our expertise and professionalism.

The Group works with subcontractors, suppliers, engineers and other professionals, creating a network of professionals and skilled labour that collaborate to foster the sustainable development of the construction industry in Hong Kong.

Good Practice Manual on Concreting Formwork Specialist Trade

To promote the sustainable development of the formwork industry and expand the use of Ming Tai Aluminium Tableform in construction projects, the Group has collaborated with the Hong Kong Formwork Industry Association and the CIC. Together, we published the *Good Practice Manual on Concreting Formwork Specialist Trade*, introducing a new Chapter 6 on table formwork. This addition shares our best practices and expertise, enhancing industry standards for safety and project efficiency.



SDGs ADDRESSED IN THIS SECTION



DIVERSITY AND INCLUSION – EMPOWERING OUR PEOPLE

- DIVERSITY AND EQUAL OPPORTUNITIES
- HUMAN CAPITAL DEVELOPMENT AND TRAINING

SAFETY MANAGEMENT SYSTEM AND MEASURES

The Group has reaffirmed our commitment to occupational health and safety with the latest revision of the Safety Policy during the Reporting Period. Under the principle of "Safety First", this Policy highlights the importance of providing a high-standard safe working environment for employees and all stakeholders. Noteworthy, we have set key targets for 2025-2026, including zero fatal accidents, an accident rate below 1.5 per 100,000 man-hours, with the ultimate goal of achieving zero accidents.

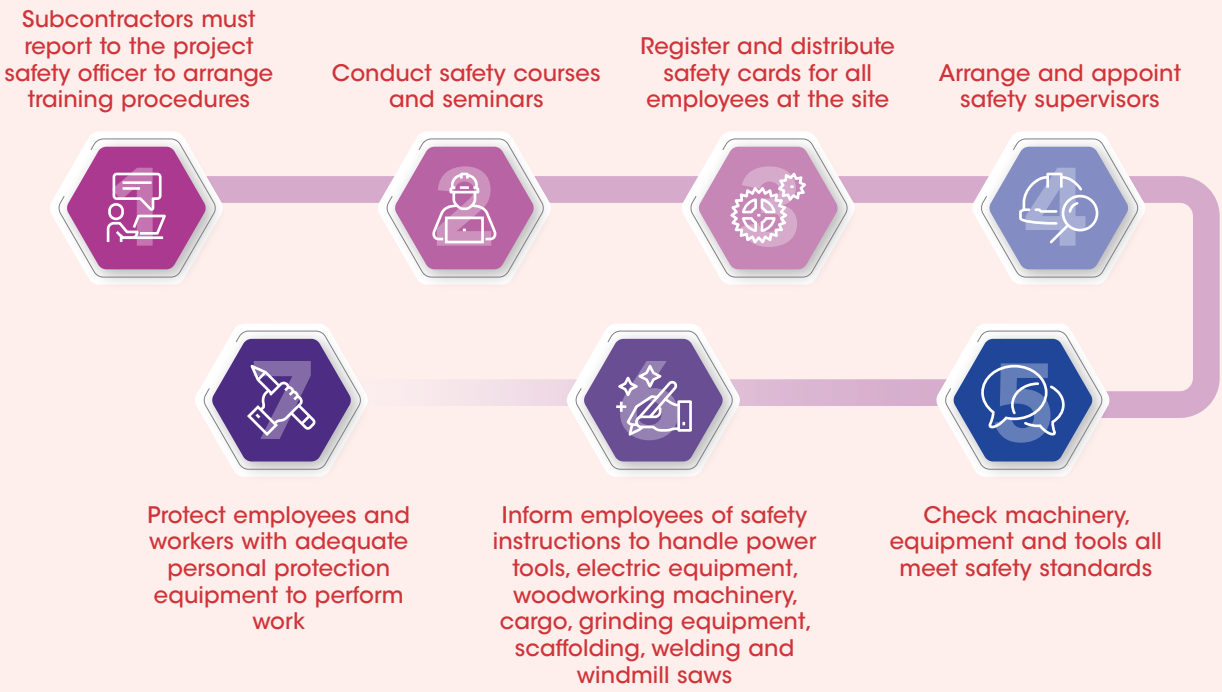
To mitigate potential risks of occupational diseases and industrial injuries, the Group has further updated the Safety Plan during the Reporting Period, reinforcing preventive measures. This Plan sets out the comprehensive management measures for safety prevention and control, planning, training, risk assessment, safety audits and review in order to reduce risks across all project sites, as well as contingency plans in case of the occurrence of an accident or emergency.

The Group's Safety Policy is comprehensively communicated to all employees and new recruits through various channels, including Safety Induction Training, Site Specific Safety Training and Orientation Course. The Safety Policy Statement undergoes regular review by the CSHEC and is displayed at prominent locations in offices and construction sites. The CSHEC plays a pivotal role in governing the Group's occupational health and safety framework. Its responsibilities encompass monitoring policy implementation, evaluating performance against industry benchmarks, and ensuring that revisions reflect legislative updates, operational changes, and stakeholder feedback. Policy execution is overseen by the Executive Director, with the General Manager and Deputy Project Directors coordinating efforts to ensure continuous improvement and adherence to the highest safety standards. Our Safety Organisation Chart illustrates the lines of authority for safety management.

The Group strictly abides by the relevant laws and regulations on providing a safe working environment and protecting employees from occupational hazards, such as the Factories and Industrial Undertakings Ordinance (Cap 59. of the Laws of Hong Kong), and the Heat Stress at Work Warning Guidelines issued by the Labour Department. The Group has also established the Work Safety Code and Safety Instructions for its workers and subcontractors, which outlines the safety procedures and precautions for the use of construction tools and equipment as well as when undertaking high-risk works. On-site employees are provided with personal protective equipment including helmets, eye and ear protectors, and respirators to safeguard their health and safety.

During the Reporting Period, the Group accumulated a total of 2,191,778 working hours. The performance in controlling fatal accidents was commendable, with no fatalities recorded during the past three years, and we are delighted to record a decrease in the recordable work injury rate from 6.01 per 200,000 man-hours in 2023 to 3.92 in 2025. To further improve our safety metrics, we will continue to focus on addressing risks at the source and strengthening preventive measures. Meanwhile, we actively promote all workers to participate in safety awareness programmes or professional training to comprehensively enhance their abilities in accident prevention and emergency response.

Safety Instructions for Subcontractors



During the Reporting Period, one court summons was received by the Group regarding the accused violation of Regulations 38B(1A), 68(1)(a), and 68(2)(d) of the Construction Sites (Safety) Regulations (Cap 59I. of the Laws of Hong Kong) about a fall incident incurred by one subcontractor's casual worker during his walk through non-working areas, leading to temporary suspension of construction site. The case has not resolved that the injured worker is still in hospital and has not returned to work, however we took swift action in providing support to the injured worker and relief to the injured family. The Group has initiated internal investigations into the case, led by safety manager, to identify any hazards and quickly responded with main contractor to execute remedial safety measures for the construction site.

Safety Risk Assessment



Assessing health and safety risks

Safety Advisor/Safety Officer:

- Conducts risk assessment for the prevailing work activities
- Identifies potential safety hazards
- Evaluates safety risks by their severity and likelihood
- Details the risk control measures in Risk Assessment Report
- Reports to the Site Safety Committee



Reporting work-related hazards

Site Agent and Foremen:

- Reports the accident to Project Manager and Safety Advisor/Safety Officer immediately
- Files the Accident/Incident Investigation Report to Safety Advisor/Safety Officer



Investigating accidents/ incidents

Safety Officer/Safety Supervisor:

- Conducts investigation on reported accident/incidents
- Obtains witness statements to determine the details
- Identifies possible causes to formulate preventive measures
- Reports to the Site Safety Committee

SAFETY TRAINING AND INSPECTION

The provision of adequate safety training plays a vital role in preventing accidents and ensuring employees are well-informed of the protocols in case of an emergency. The Company Safety Training Plan outlines the different trainings that are required to be attended by workers undertaking different roles and duties. Our Safety Officer revises the Site Safety Training Programme monthly, where the effectiveness is reviewed by the Site Safety Committee. Site safety training encompasses Site Specific Induction Training and Safety Toolbox Talks as well as special safety training for specific tasks, covering site-specific risks, basic first aid practices and key personnel to contact in case of an emergency to enhance employees' awareness of potential occupational hazards, good site practices and knowledge on relevant laws and regulations. All employees are required to attend external safety training courses approved by the Labour Department before commencing on-site work, and Continuing Professional Development ("**CPD**") courses are also arranged for specialised roles to ensure workers are qualified with the technical skills required for the tasks.

Regular safety inspections and audits are carried out by professionals to ensure continuous compliance with safety regulations and our Safety Plan. Various parties, including our safety officers, contractors and subcontractors, within the project site are responsible for conducting regular inspections to ensure best practices are maintained throughout the project. In addition, qualified external auditors assess and verify the effectiveness and reliability of our safety management system, ensuring adherence to relevant standards, including the Factories and Industrial Undertaking (Safety Management) Regulation (Cap. 59AF of the Laws of Hong Kong).

HANDLING OF SAFETY INCIDENTS

The Group acknowledges that significant occupational hazards inherent in construction sites cannot be completely eliminated. To mitigate potential work-related injuries, the CSHEC takes charge of safety assessments and action plans, aiming to uphold the highest safety standards. In case of incidents or accidents, the most senior site staff who first become aware of the accident shall immediately initiate the notifiable or serious incident reporting procedure. Meanwhile, comprehensive investigations are conducted to determine the root causes, implement corrective measures, and develop preventive strategies for future occurrences.

During the Reporting Period, there were 43 (2024: 43) cases of work injury reportable to the Labour Department. The Group acknowledges the negative impact of labour disputes towards the Group and has taken necessary and appropriate actions to settle work injury claims. In cases where the injury claim is confirmed, the affected workers are entitled to receive compensation for medical expenses as mutually agreed. We strive to reduce the number of occupational injuries by establishing and adopting various methods to reduce health and safety risks and enhance the safety awareness of employees.

	Work-Related Fatalities		Work Injury Cases[2]		Lost Days Due to Work Injury[3]		Work Injury Rate per 200,000 man-hours[4,5]	Accident Rate per 1,000 workers[6]
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Total	Total
2023	0	0	4	45	146	2,706	6.01	84.90
2024	0	0	2	41	26	4,929	3.80	53.80
2025	0	0	2	41	263	3,676	3.92	56.40

2 "Work injury cases" refers to the number of work-related injury cases reportable to the Labour Department.

3 "Lost days due to work injury" refers to the number of work days lost due to cases reportable to the Labour Department.

4 "Work injury rate per 200,000 man-hours" refers to the number of reportable injury cases per 200,000 man-hours worked. It is calculated by the number of reportable injury cases to the Labour Department divided by total man-hours worked during the Reporting Period, and then times 200,000.

5 To align with the GRI Standards, the work injury rate has been revised from "per 100,000 man-hours" to "per 200,000 man-hours". In addition to project site workers, the calculation has been enhanced to also include workers at offices. Hence, historical data has been recalculated to reflect this change in calculation methodology.

6 "Accident rate per 1,000 workers" represents the number of reported accidents per 1,000 workers (including staff at project sites and offices). It is calculated by multiplying the total number of reported accidents by 1,000 and then dividing by the average daily number of workers.

HUMAN CAPITAL DEVELOPMENT AND TRAINING

The Group recognises that investing in our employees' knowledge and technical skills is crucial for maintaining a safe working environment and delivering high-quality services. Through our continuous professional development programmes, we aim to enhance the capabilities and competencies of our employees, enabling them to adapt to evolving construction trends and technologies.

Guangdong-Hong Kong Construction Industry Joint Promotion And Recruitment Event

The Group requires talent to support its sustainable business development. However, the recent wave of emigration has led to prolonged staff shortages in several positions, resulting in recruitment challenges and instability among newly hired employees.

To address this, the Group's HR Department has accepted an invitation from the CIC to participate in the first large-scale joint recruitment event organised by the Development Bureau for Hong Kong enterprises in Guangdong. The event, titled "Hong Kong Construction Industry Talent Hub Joint Industry Promotion and Recruitment Event", was held from November 11 to 12, 2024, at the Guangdong-Hong Kong-Macao Greater Bay Area (Guangdong) Talent Hub. Beyond recruiting new talent, the Group aimed to promote the prospects and opportunities of the construction industry in Hong Kong, and to strengthen the training and co-operation of construction talent among the industry of the three places, and at the same time enhance the Group's reputation in the Greater Bay Area ("**GBA**") and the industry.

The Guangdong Province and Hong Kong are working on the formulation of GBA Standards of the skill levels of construction technicians and skilled workers, "One Examination, Multiple Certification" arrangement and evaluation mechanism of "Professional Title" qualification, thus enabling Hong Kong to better leverage its unique advantage in attracting and retaining talent, with a view to promoting the high quality development of Hong Kong's construction industry and strengthening co-operation within the GBA.

The event attracted over 3,000 participants from the construction industry and academia in Guangdong and Hong Kong while we have interviewed nearly 100 university graduates in just two days and successfully recruited ESG specialist to work in Hong Kong. This achievement underscores the Group is committed to promoting social inclusion, empowering talents and sustainable development opportunities.





Construction Tradesman Collaborative Training Scheme

The Group continued its efforts to upskill its workers in the face of manpower shortage, where it recruited 11 trainees to take part in the CIC's Intermediate Tradesman Collaborative Training Scheme ("**ITCTS**") during the Reporting Period. Through the ITCTS, trainees are recruited to receive training, which is jointly provided by the Hong Kong Institute of Construction ("**HKIC**") and the Company, on various specialised roles on construction sites. At the end of the training of the ITCTS, trainees who successfully pass the Intermediate Trade Test provided by the CIC will be able to register as semi-skilled workers of the relevant trade under the Construction Workers Registration Ordinance (Cap. 583 of the Laws of Hong Kong). The programme not only provide the opportunity for job seekers to acquire new skills and abilities but also enable the Company to grow its pool of talent to meet the labour shortage in the construction industry.

Talent Development and Training

The Group's Training and Development Policy states that subsidies are provided to our employees to facilitate the pursuit of external training courses that align with their job responsibilities. In addition to the health and safety training, all new recruits undergo comprehensive orientation training, which acquaints them with our core values, organisational structure, business objectives, pertinent policies, and Code of Conduct. They also receive department-specific training to equip them with the necessary skills for their respective roles. This commitment to continuous learning ensures that our employees and leadership keep abreast of industry trends and best practices to contribute to the long-term success of the Company.

To ensure that the training programmes deliver value to our employees and our business, we invite them to fill in a training course evaluation form, so as to assess the quality and delivery of the course, learning outcomes, and improvements and recommendations.

During the Reporting Period, the Group's direct full-time employees completed a total of 3,397.00 (2024: 1,656.25) hours of training, while our indirect employees, including site workers and subcontractors, completed a total of 14,271.42 (2024: 13,860.58) hours of training. Our employees attended a variety of occupational and professional training provided by the CIC, universities and other professional institutes, covering areas including construction management, health and safety, business ethics and integrity, and ESG reporting.

TALENT ACQUISITION AND RETENTION

The Group values its human capital as its success and development are highly dependent upon its workforce. We pride ourselves on a corporate culture that encourages teamwork and integrity. The Group is committed to providing a positive work environment that embraces equality and diversity, especially when recruiting and retaining talented individuals from diverse backgrounds and experiences.

Employee Remuneration Policy

The Group offers a competitive remuneration package that is mainly based on industry practices and individual performance and experience. Remuneration package comprises of salary, a performance-based bonus, Mandatory Provident Fund contributions, dental and group medical scheme, and training and development sponsorship. Employee bonus is distributed based on the performance of the respective employees concerned.

The HR Department and supervisors also conduct performance appraisals annually to foster an engaging workforce and recognise the achievements of its employees. It is one of the factors that determines an employee's remuneration package, which is solely based on their professionalism, technical expertise, and experience. The packages are regularly reviewed in order to ensure employee compensation aligns with the Company's evolving needs and strategic goals.

Employee Welfare

The Group's welfare system includes various non-monetary benefits that covers all employees, such as staff medical, dental and training programs. Leave entitlements including paid holiday leave, paid annual leave, statutory holidays, sick leave, examination leave, maternity leave, and paternity leave are granted and guaranteed, dependent upon seniority and years of service in the Company. Furthermore, all of our direct employees are entitled to parental leave. During the Reporting Period, 1 employee took paternity leave, and returned to work after paternity leave ended 100% of employees returning from parental leave were still employed 12 months after their return to work in 2024.

During the Reporting Period, the Group hosted the Outstanding Employee Award as a celebration of the dedication and contributions of our employees. Through this recognition, the Group honours those who go above and beyond in their roles, demonstrating excellence, commitment, and a positive impact on our workplace. Their efforts not only drive success but also inspire a culture of growth, teamwork, and achievement across the organisation.



Physical and Mental Wellbeing

The physical and mental well-being of our employees is a top priority. The Group actively encourages their participation in a variety of activities designed to foster team building, a strong sense of belonging, and workplace satisfaction. During the Reporting Period, we organised a diverse range of employee activities, including recreational sports competitions, charitable initiatives, and birthday celebrations.



The Group also encourages our employees to participate in regular physical activities. During the Reporting Period, 23 employees took part in the Construction Industry Happy Run 2024 and Lifewire Run 2024. These charity runs serve as both fundraising initiatives for the CIC Construction Industry Sports & Volunteering Programme ("**CISVP**") and vital support for children with rare diseases. By engaging in these events, our employees not only enhance their physical well-being but also contribute to meaningful social causes. To promote long-term wellness, we also collaborate with an external fitness centre to offer corporate Pilates and fitness classes, encouraging employees to prioritise both physical health and relaxation. Through these initiatives, we aim to create a dynamic environment that not only enhances workplace relationships but also supports overall wellbeing and enjoyment.

The Group also cooperated with a dental clinic located in the same building as the Group's Kwun Tong Head Office to provide dental care services at a discounted rate for employees and their families. Moreover, employees are eligible for reimbursement for their dental expenses under the Company's dental healthcare plan. The Group has also negotiated with the clinic to benefit practitioners in the construction industry to enjoy dental services with a discounted price.

Team Building Activities

The Group is committed to the well-being of our employees and their families, fostering a workplace that promotes connection, shared values, and mutual support. Through a variety of engaging activities, we create opportunities for employees to socialise, unwind, and build strong team relationships, enriching both their professional and personal lives. Our Team Building Day is a perfect opportunity for staff to engage in exciting activities, such as Archery Tag, Bubble Soccer and Dodgeball games, where everyone can join in the fun.





Besides, to celebrate the Mid-Autumn Festival, the Group partnered with Kee Wah to host a mooncake baking class, bringing employees together for a hands-on experience in crafting traditional festive treats. The event provided a wonderful opportunity to learn, socialise, and embrace cultural traditions, while enjoying the artistry behind these beloved pastries. Through this collaboration, we fostered a spirit of creativity, connection, and appreciation for the rich heritage of the festival.

LABOUR RIGHTS AND PROTECTION

Diversified Governance

The Group is committed to ensuring that recruitment at all levels, including the Board, adheres to stringent diversity criteria in order to consider an expensive pool of talented individuals. The Group firmly believes that diversity is an asset to the Group.

Diversity and Equal Opportunities

The Group believes that the power of a diverse pool of talent promotes innovation, better decision-making and higher employee engagement. Therefore, the Group prides itself in being an equal opportunity employer and pays particular attention to ensuring fair and just treatment throughout the recruitment, employment, and promotion processes. As guided by the Staff Requisition and Recruitment Policy, our screening process during the recruitment process is solely based on experience and expertise, such as competency, technical skills, industry knowledge, and educational background. This procedure also helps us to prevent any occurrence of unfair treatment.

During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations.

Workforce Diversity

The Group continues to adopt employee diversity measures to promote the diversity at all levels of its workforce. All employees enjoy the equal opportunities for employment, training and career development without discrimination. As of 31 March 2025, the Group had a total workforce of 271 direct employees, of which 89% are male, and 11% are female. The Group will continue to take opportunities to increase the proportion of female workforce over time. For details of the gender ratio in the workforce, please refer to the section headed "Appendix II - Performance Data Table" in the ESG Report.

Child and Forced Labour

Safeguarding the human rights of our employees and the employees of our suppliers and subcontractors is of paramount importance to us. We unwaveringly maintain a zero-tolerance attitude against any form of child or forced labour across our value chain to ensure a fair and ethical work environment for all individuals involved in our operations.

The Group rigorously adheres to relevant laws and regulations relating to employment, and child and forced labour practices. Our Requisition and Recruitment Policy stipulates strict policies relating to the recruitment process and the labour standards that we uphold. All personnel are required to provide valid personal identification documents for verification purposes, while reference checks are conducted accordingly. At the project sites, employees have to be formally registered at the beginning of the contract, and their documents would be authenticated with the head office by the site coordinator. Subsequently, incoming and outgoing daily employee traffic is monitored using facial identification recognition technology, while employment cards are regularly checked.

Across the Group, overtime work and other allowances are rightfully compensated to our staff according to the Employee Handbook. In the unlikely event that false information or a false identity is discovered, the Group will address the situation by closely following the necessary procedures in accordance with the relevant laws and regulations.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group relating to labour standards and no cases of child or forced labour were reported.

Communication with Employees

The Group has established multiple communication channels with its employees to strengthen communication and engagement, including through webmail, whistleblowing mailbox, Microsoft Teams, WhatsApp Messenger, as well as commissioning an external consultant to conduct an internal online survey to seek employees' opinions and feedback.

SDGs ADDRESSED IN THIS SECTION



BUILDING A BETTER COMMUNITY

– DIVERSITY AND EQUAL OPPORTUNITIES

ENGAGING WITH LOCAL COMMUNITY

Drawing on our nearly 30 years of experience, the Group has developed a strong bond with the local community in Hong Kong. As a responsible corporation, we are dedicated to fostering a healthy, caring, and sustainable society. We actively contribute to the community through charitable donations, engaging in volunteer work and community events, and providing ongoing support for the development of talented young individuals.

During the Reporting Period, Ming Tai continues to be named as a Construction Industry Caring Organisation by the CIC. It reflects our unwavering commitment to fostering a positive and enduring impact on the communities we serve.

Building Futures: Royal Deluxe's Partnership in Nurturing Next-Gen Construction Talent

Royal Deluxe proudly partnered with the HKIC and Hong Kong Shue Yan University to support the Site Practice Summer Internship Scheme, which is an initiative that provides students with hands-on industry experience after completing their compulsory construction theory and practical training. By offering internship positions such as quantity surveying, building supervision, and civil engineering supervision, we equipped students with real-world exposure to site operations, teamwork, and professional adaptability – key skills for their future careers.

During the Reporting Period, Ming Tai hosted multiple summer interns, with supervisors conducting fortnightly progress reviews to ensure meaningful learning. This collaboration not only contributed to the development of future construction professionals but also allowed us to identify and recruit talented graduates, enhancing both workforce readiness and cost-effective talent acquisition.

Construction Industry Lo Pan Rice Campaign 2024



The Group remained an active contributor to the CISVP Lo Pan Rice 2024 campaign. Through financial contributions and by encouraging employee participation in volunteer efforts, the Group partnered with NGOs to distribute meal boxes to underprivileged individuals and families. This initiative embodies the compassion of the construction industry, sharing care and solidarity with those in need.

Charitable Donations

The Group continues to uphold its proud history of supporting charitable and non-profit organisations. Through these donations, we aim to promote a sustainable community and create a positive impact among our employees and within the community. During the Reporting Period, we have donated HK$53,280 (2024: HK$227,000) to support the operations of various non-profit organisations.

PROSPECT

Innovation and digitalisation have become central themes in the development of Hong Kong's construction industry. The Group's innovation philosophy is to deliver "high-quality work and flexible solutions to realise advancements in construction technology and optimise customers designs." To improve project efficiency and management standards, the Group is committed to investing in technology and innovation to maintain its competitive edge and contributing to the industry's sustainable development. By analysing risks and opportunities and monitoring the latest industry trends, we continuously develop technologies that enhance project efficiency, strengthen workforce planning and safety, promote sustainable construction, and achieve sustainability across the value chain.

APPENDIX

APPENDIX I – LAWS AND REGULATIONS

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

Environmental:

- Air Pollution Control (Construction Dust) Regulation (Cap. 311R)
- Air Pollution Control (Fuel Restriction) (Amendment) Regulation (Cap. 311I)
- Air Pollution Control (Open Burning) Regulation (Cap. 311O)
- Air Pollution Control (Non-Road Mobile Machinery) (Emission) Regulation (Cap. 311Z)
- Air Pollution Control Ordinance (Cap. 311)
- Buildings Ordinance (Application to the New Territories) Ordinance (Cap. 121)
- Buildings Ordinance (Cap. 123)
- Dumping at Sea Ordinance (Cap. 466)
- Environmental Impact Assessment Ordinance (Cap. 499)
- Factories and Industrial Undertaking Ordinance (Cap. 59)
- Noise Control Ordinance (Cap. 400)
- Public Cleansing and Prevention of Nuisances Regulation (Cap. 132BK)
- Public Health and Municipal Services Ordinance (Cap. 132)
- Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N)
- Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C)
- Waste Disposal Ordinance (Cap. 354)
- Water Pollution Control Ordinance (Cap. 358)
- Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611)

Social:

- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615)
- Apprenticeship Ordinance (Cap. 47)
- Companies Ordinance (Cap. 622)
- Competition Ordinance (Cap. 619)
- Construction Industry Council Ordinance (Cap. 587)
- Construction Industry Security of Payment Ordinance (Cap. 652)
- Construction Works Registration Ordinance (Cap. 583)
- Construction Sites (Safety) Regulations (Cap. 59I)
- Disability Discrimination Ordinance (Cap. 487)
- Employees' Compensation Ordinance (Cap. 282)
- Employment of Children Regulations (Cap. 57B)
- Employment of Young Persons (Industry) Regulations (Cap. 57C)
- Employment Ordinance (Cap. 57)
- Factories and Industrial Undertakings Ordinance (Cap. 59)
- Factories and Industrial Undertakings (Safety Management) Regulation (Cap. 59AF)
- Family Status Discrimination Ordinance (Cap. 527)
- Immigration Ordinance (Cap. 115)

- Race Discrimination Ordinance (Cap. 602)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485)
- Minimum Wage Ordinance (Cap. 608)
- Occupational Retirement Schemes Ordinance (Cap. 426)
- Occupational Safety and Health Ordinance (Cap. 509)
- Occupiers Liability Ordinance (Cap. 314)
- Patent Ordinance (Cap. 514)
- Personal Data (Privacy) Ordinance (Cap. 486)
- Prevention of Bribery Ordinance (Cap. 201)
- Sex Discrimination Ordinance (Cap. 480)
- Supply of Services (Implied Terms) Ordinance (Cap. 457)
- Trademarks Ordinance (Cap. 559)

APPENDIX II – PERFORMANCE DATA TABLE

Environmental KPIs	Unit	2025	2024	2023
Air and GHG Emissions				
NOx Emissions	kg	**38.10**	129.22	119.05
SOx Emissions	kg	**0.15**	0.33	0.47
PM Emissions	kg	**3.46**	10.74	10.15
GHG Emission – Scope 1 [7]	tCO_2-e	**33.32**	55.18	82.01
GHG Emission – Scope 2	tCO_2-e	**31.80**	37.97	38.47
GHG Emission – Scope 3 [8]	tCO_2-e	**12.31**	1.11	13.66
Total GHG Emissions (Scope 1-3)	tCO_2-e	**77.43**	94.27	134.15
GHG Emission Intensity by Area (warehouse included)	tCO_2-e/m^2	**0.10**	0.11	0.14
GHG Emission Intensity by Area (warehouse excluded)	tCO_2-e/m^2	**0.14**	0.15	0.21
GHG Emission Intensity by Workforce [9]	tCO_2-e/person	**0.29**	0.87	0.99
Energy				
Petroleum Usage	Litre	**7,503.97**	5,040.55	16,291.72
Diesel Usage	Litre	**2,197.24**	15,644.12	14,342.72
Electricity Usage	kWh	**83,696.64**	97,368.51	98,648.39
Total Energy Usage	MJ	**638,104.67**	1,123,663.10	1,455,839.16
Energy Usage Intensity by Workforce	MJ/person	**2,354.63**	10,404.29	10,704.70
Water				
Water Usage	m^3	**146.77**	167.91	200.36
Water Usage Intensity by Workforce	m^3/person	**0.54**	1.55	1.47
Waste				
Paper Consumption	kg	**3,245.36**	3,367.06	3,350.28
Paper Recycling	kg	**696.00**	3,158.00	531.00
Paper Disposal	kg	**2,549.36**	209.06	2,819.28
Paper Disposal Intensity by Workforce	kg/person	**9.41**	1.94	20.73
Timber Consumption	m^3	**6,899.06**	6,179.24	6,186.01
Aluminium Consumption	Tonnes	**1,193.08**	126.85	1,212.46
Aluminium Recycling	Tonnes	**81.28**	32.72	86.39
Steel Consumption	Tonnes	**1,667.07**	617.27	1,337.09
Steel Recycling	Tonnes	**645.81**	167.69	513.62
Metal Consumption	Tonnes	**820.24**	921.51	1,141.52

[7] Scope 1 emissions from refrigerants consumption were estimated due to a lack of available records relating to the disposal of our air conditioners, where a proxy was used to estimate the refrigerant charge of the discarded air conditioners, and it was assumed that all components were disposed of via landfill.

[8] GHG emission – Scope 3 includes GHG emissions from paper waste disposed at landfills and electricity used for processing fresh water and sewage.

[9] Environmental KPIs intensity by workforce are limited to direct workforce only.

Social KPIs	Unit	2025	2024	2023
Direct Workforce [10]				
Direct Workforce by Gender				
Male	Person	**240**	80	105
Female	Person	**31**	28	31
Direct Workforce by Age				
18-25	Person	**15**	12	9
26-35	Person	**69**	46	54
36-45	Person	**83**	27	37
46-55	Person	**70**	16	20
56-65+	Person	**34**	7	16
Direct Workforce by Employment Category				
Senior Management	Person	**4**	5	7
Middle Management	Person	**12**	19	18
General Staff	Person	**73**	69	62
Others	Person	**182**	15	49
Indirect Workforce [11]				
Indirect Workforce by Gender				
Male	Person	**3,166**	3,053	2,196
Female	Person	**124**	83	50
Indirect Workforce by Age				
18-64	Person	**3,210**	3,026	2,167
65 or above	Person	**80**	110	79
Indirect Workforce by Nationality				
Chinese Nationals	Person	**2,693**	2,556	1,858
Non-Chinese National	Person	**597**	580	388

[10] All employees under direct employment of the Group and not subcontracted.
[11] All employees working at the Group's operation sites but not directly employed by the Group.

Social KPIs	Unit	2025	2024	2023
Turnover Rate				
Total Turnover Rate [12]	%	**25.86**	44.26	78.81
Turnover Rate by Gender				
Male	%	**11.25**	41.08	82.35
Female	%	**105.08**	54.24	69.70
Turnover Rate by Age				
18-25	%	**22.22**	76.19	183.33
26-35	%	**22.61**	32.00	52.53
36-45	%	**32.73**	34.38	90.32
46-55	%	**20.93**	66.67	87.18
56-65+	%	**29.27**	60.87	91.67
Turnover Rate by Employment Category				
Senior Management	%	**0.00**	16.67	21.05
Middle Management	%	**0.00**	10.81	22.22
General Staff	%	**69.01**	44.27	44.62
Others	%	**0.00**	68.75	227.45
Training and Development [13]				
Total Training Hours	Hours	**3,397.00**	1,656.25	2,276.25
Average Training Hours	Hours/employee	**12.54**	15.34	16.74
Total Percentage of Employees Trained	%	**81.92**	32.41	31.62
Percentage of Employees Trained by Gender				
Male	%	**85.00**	36.25	34.29
Female	%	**58.06**	21.43	22.58
Percentage of Employees Trained by Employment Category				
Senior Management	%	**100.00**	80.00	57.14
Middle Management	%	**75.00**	21.05	55.56
General Staff	%	**36.99**	18.84	27.42
Others	%	**100.00**	93.33	24.49
Average Training Hours by Gender				
Male	Hours/employee	**11.18**	19.27	19.62
Female	Hours/employee	**23.00**	4.11	6.98

[12] Turnover rates are limited to direct workforce only.
[13] Training-related KPIs are limited to direct workforce only.

Social KPIs	Unit	2025	2024	2023
Average Training Hours by Employment Category				
Senior Management	Hours/employee	**49.44**	53.30	32.61
Middle Management	Hours/employee	**25.98**	9.43	26.50
General Staff	Hours/employee	**13.27**	10.78	12.11
Others	Hours/employee	**10.54**	31.10	16.73
Work-related Incident [14]				
Work-related Fatalities	Case	**Nil**	Nil	Nil
Work Injury Case	Case	**43**	43	49
Lost Days due to Work Injury	No. of Days	**3,939**	4,955	2,852
Work Injury Rate	Per 200,000 man-hours [15]	**3.92**	3.80	6.01
Accident rate	Per 1,000 workers	**56.40**	53.80	84.90
Supplier's Geographical Location				
Hong Kong	Supplier	**100**	64	64
PRC	Supplier	**8**	4	1

[14] Inclusive of both direct workforce and indirect workforce.

[15] To align with the GRI Standards, the work injury rate has been revised from "per 100,000 man-hours" to "per 200,000 man-hours". In addition to project site workers, the calculation has been enhanced to also include workers at offices. Hence, historical data has been recalculated to reflect this change in calculation methodology.

APPENDIX III – HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Mandatory Disclosure Requirements		
Governance Structure		
	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Strengthening our Landscapes: Promoting Responsible Business Operation
Reporting Principles		
	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be discussed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About this Report
Reporting Boundary		

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report
A. Environmental		
Aspect 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.	Sustainable Development for Building Towards a Greener Future; Laws and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Sustainable Development for Building Towards a Greener Future; Performance Data Table
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).	Sustainable Development for Building Towards a Greener Future; Performance Data Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The production of hazardous waste continues to be insignificant when compared to non-hazardous waste generated by our Group. Hence, we currently do not have a centralised monitoring system to record the amount of hazardous waste we produce.

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainable Development for Building Towards a Greener Future; Performance Data Table
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Sustainable Development for Building Towards a Greener Future
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.	Sustainable Development for Building Towards a Greener Future
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainable Development for Building Towards a Greener Future
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).	Sustainable Development for Building Towards a Greener Future; Performance Data Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Sustainable Development for Building Towards a Greener Future; Performance Data Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Sustainable Development for Building Towards a Greener Future
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.	Sustainable Development for Building Towards a Greener Future
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's operations do not involve the use of packaging for finished products.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Sustainable Development for Building Towards a Greener Future
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Sustainable Development for Building Towards a Greener Future

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
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.	Sustainable Development for Building Towards a Greener Future
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.	Sustainable Development for Building Towards a Greener Future
B. Social		
Employment and Labour Practices		
Aspect 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.	Diversity and Inclusion – Empowering our People; Laws and Regulations
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Performance Data Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Table
Aspect 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.	Diversity and Inclusion – Empowering our People; Laws and Regulations
KPI B2.1	Number and rate of work-related fatalities.	Diversity and Inclusion – Empowering our People; Performance Data Table
KPI B2.2	Lost days due to work injury.	Diversity and Inclusion – Empowering our People; Performance Data Table
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Diversity and Inclusion – Empowering our People

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Diversity and Inclusion – Empowering our People
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Table
KPI B3.2	The average training hours completed per employee by gender and employee category	Performance Data Table
Aspect 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.	Diversity and Inclusion – Empowering our People; Laws and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Diversity and Inclusion – Empowering our People
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Diversity and Inclusion – Empowering our People
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Cooperation for Win-Win Results
KPI B5.1	Number of suppliers by geographical region.	Performance Data Table
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.	Cooperation for Win-Win Results
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Cooperation for Win-Win Results
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Cooperation for Win-Win Results

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect 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.	Strengthening our Landscapes: Promoting Responsible Business Operation; Cooperation for Win-Win Results; Laws and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Nil
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Cooperation for Win-Win Results
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Strengthening our Landscapes: Promoting Responsible Business Operation Innovation for Sustainable Construction
KPI B6.4	Description of quality assurance process and recall procedures.	Cooperation for Win-Win Results
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Strengthening our Landscapes: Promoting Responsible Business Operation
Aspect 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.	Strengthening our Landscapes: Promoting Responsible Business Operation; Laws and Regulations
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.	Nil
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Strengthening our Landscapes: Promoting Responsible Business Operation
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Strengthening our Landscapes: Promoting Responsible Business Operation

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
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.	Building a Better Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Building a Better Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Building a Better Community

APPENDIX IV – GRI CONTENT INDEX

Statement of use	Royal Deluxe Holdings Limited has reported the information cited in this GRI content index for the period 1 April 2024 to 31 March 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 2: General Disclosures 2021	2-1 Organisational details	About this Report	
	2-2 Entities included in the organisation's sustainability reporting	About this Report	
	2-3 Reporting period, frequency and contact point	About this Report	
	2-4 Restatements of information	About this Report	
	2-5 External Assurance		The relevant assurance report will be provided upon completion of assurance process.
	2-6 Activities, value chain and other business relationships	About this Report	
	2-7 Employees	Performance Data Table	
	2-8 Workers who are not employees	Performance Data Table	
	2-9 Governance structure and composition	Strengthening our Landscapes: Promoting Responsible Business Operation	
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report	
	2-11 Chair of the highest governance body	Corporate Governance Report	
	2-12 Role of the highest governance body in overseeing the management of impacts	Strengthening our Landscapes: Promoting Responsible Business Operation	
	2-13 Delegation of responsibility for managing impacts	Strengthening our Landscapes: Promoting Responsible Business Operation	
	2-14 Role of the highest governance body in sustainability reporting	Strengthening our Landscapes: Promoting Responsible Business Operation	
	2-15 Conflicts of interest	Strengthening our Landscapes: Promoting Responsible Business Operation	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
	2-16 Communication of critical concerns	Strengthening our Landscapes: Promoting Responsible Business Operation	
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report	
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report	
	2-19 Remuneration policies	Corporate Governance Report	
	2-20 Process to determine remuneration	Corporate Governance Report	
	2-21 Annual total compensation ratio	Corporate Governance Report	
	2-22 Statement on sustainable development strategy	Strengthening our Landscapes: Promoting Responsible Business Operation	
	2-23 Policy commitments	Strengthening our Landscapes: Promoting Responsible Business Operation	
	2-24 Embedding policy commitments	Strengthening our Landscapes: Promoting Responsible Business Operation	
	2-25 Processes to remediate negative impacts	See relevant disclosures on respective material topics	
	2-26 Mechanisms for seeking advice and raising concerns	Strengthening our Landscapes: Promoting Responsible Business Operation	
	2-27 Compliance with laws and regulations	Laws and Regulations	
	2-28 Membership associations		Hong Kong Formwork Contractors Association, Registered Specialist Trade Contractors
	2-29 Approach to stakeholder engagement	Strengthening our Landscapes: Promoting Responsible Business Operation	
	2-30 Collective bargaining agreements		Collective bargaining agreements are not legally mandated in Hong Kong. Employees are free to engage in labour unions and participate in union activities.

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Strengthening our Landscapes: Promoting Responsible Business Operation	
	3-2 List of material topics	Strengthening our Landscapes: Promoting Responsible Business Operation	
	3-3 Management of material topics	See relevant disclosures on respective material topics	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainable Development for Building towards a Greener Future	
	201-3 Defined benefit plan obligations and other retirement plans	Diversity and Inclusion – Empowering our People	
GRI 202: Market Presence	202-2 Proportion of senior management hired from the local community		100%
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Innovation for Sustainable Construction	
	203-2 Significant indirect economic impacts	Innovation for Sustainable Construction	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		92.59%
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Strengthening our Landscapes: Promoting Responsible Business Operation	
	205-2 Communication and training about anti-corruption policies and procedures	Strengthening our Landscapes: Promoting Responsible Business Operation	
	205-3 Confirmed incidents of corruption and actions taken	Strengthening our Landscapes: Promoting Responsible Business Operation	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Strengthening our Landscapes: Promoting Responsible Business Operation	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainable Development for Building Towards a Greener Future; Performance Data Table	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
	302-2 Energy consumption outside of the organisation	Sustainable Development for Building Towards a Greener Future	
	302-3 Energy intensity	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
	302-4 Reduction of energy consumption	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Sustainable Development for Building towards a Greener Future	
	303-3 Water withdrawal	Sustainable Development for Building Towards a Greener Future	
	303-4 Water discharge	Sustainable Development for Building Towards a Greener Future	
	303-5 Water consumption	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
	305-3 Other indirect (Scope 3) GHG emissions	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
	305-4 GHG emissions intensity	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
	305-5 Reduction of GHG emissions	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Sustainable Development for Building Towards a Greener Future; Performance Data Table	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainable Development for Building Towards a Greener Future	
	306-2 Management of significant waste-related impacts	Sustainable Development for Building Towards a Greener Future	
	306-3 Waste generated	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
	306-4 Waste diverted from disposal	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
	306-5 Waste directed to disposal	Sustainable Development for Building Towards a Greener Future; Performance Data Table	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Cooperation for Win-Win Results	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Performance Data Table	
	401-3 Parental leave	Diversity and Inclusion – Empowering our People	
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		One week via formal communication channels
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Diversity and Inclusion – Empowering our People	
	403-2 Hazard identification, risk assessment, and incident investigation	Diversity and Inclusion – Empowering our People	
	403-3 Occupational health services	Diversity and Inclusion – Empowering our People	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Diversity and Inclusion – Empowering our People	
	403-5 Worker training on occupational health and safety	Diversity and Inclusion – Empowering our People	
	403-6 Promotion of worker health	Diversity and Inclusion – Empowering our People	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Diversity and Inclusion – Empowering our People	
	403-8 Workers covered by an occupational health and safety management system	Diversity and Inclusion – Empowering our People	
	403-9 Work-related injuries	Diversity and Inclusion – Empowering our People; Performance Data Table	
	403-10 Work-related ill health	Diversity and Inclusion – Empowering our People	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Performance Data Table	
	404-2 Programs for upgrading employee skills and transition assistance programs	Diversity and Inclusion – Empowering our People	
	404-3 Percentage of employees receiving regular performance and career development reviews	Diversity and Inclusion – Empowering our People	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Report; Performance Data Table	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Cooperation for Win-Win Results; Diversity and Inclusion – Empowering Our People	
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Cooperation for Win-Win Results; Diversity and Inclusion – Empowering Our People	
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Diversity and Inclusion – Empowering our People	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Cooperation for Win-Win Results	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Cooperation for Win-Win Results	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Cooperation for Win-Win Results	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Strengthening our Landscapes: Promoting Responsible Business Operation	