TLMC

TAK LEE MACHINERY HOLDINGS LIMITED
德利機械控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 2102



Environmental, Social and Governance Report 2025

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ABOUT THIS REPORT

Tak Lee Machinery Holdings Limited (the "Company" or "TLMC", together with its subsidiaries, the "Group") is pleased to present its Environmental, Social and Governance ("ESG") Report (this "Report"). This Report aims to provide a balanced representation of the Group's ESG management approach, strategy, performance and achievements. All information is prepared and published based on existing policies, practices and official documents or reports in an accurate, genuine and transparent manner.

The scope of this Report focuses on the three segments operated by the Group, being the sales of heavy equipment and spare parts, leasing of heavy equipment, as well as the provision of repair, logistics and other ancillary services in Hong Kong. The Group has operational control over these principal activities, which are mainly conducted at its headquarters office, workshop and open storage warehouse facilities located in Pat Heung and branch office located in Tsuen Wan (discontinued operations on 16 June 2025). Unless otherwise specified, this Report covers the financial year from 1 August 2024 to 31 July 2025 (the "Reporting Period").

This Report is prepared in accordance with the "Mandatory Disclosure Requirements" and the "Comply or Explain" provisions of the ESG Reporting Guide set out 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 following four reporting principles served as the foundation in the preparation of this Report.

Materiality	Following an ESG stakeholder engagement exercise and a materiality assessment, this Report is structured based on the materiality of ESG issues of the Group. The board of directors of the Company (the "Board") and management review these sustainability issues annually to ensure that stakeholders' opinions are reflected. The results of the materiality assessment process are set out in the section headed "Materiality Assessment" in this Report.
Quantitative	This Report discloses relevant ESG key performance indicators ("KPIs") and quantitative information of the headquarters office, branch office, workshop and open storage warehouse facilities. Quantitative information is further accompanied by descriptions where appropriate.
Balance	The Board endeavours to present an unbiased overview of the Group's ESG performance in this Report, disclosing both achievements and areas of improvements whenever applicable.
Consistency	This Report follows methodologies that are consistent with previous years, which allows for meaningful comparison of ESG data over time, whereas any changes to the calculation scopes, methods, KPIs used, or any other relevant factors shall be disclosed. The scope of this Report has changed since the Group has closed its branch office in Tsuen Wan during the Reporting Period.

During the Reporting Period, the Group was not aware of any material complaints or cases of non-compliance relating to sustainability matters. Relevant information can be found in the sections headed "Company Policies" and "Laws, Rules and Regulations" in this Report.

The Group welcomes readers' feedback on this Report and its approach to sustainability. Please share comments or suggestions via the following channels:

Post	P.O. Box No. 351, Shek Wu Hui Post Office, Sheung Shui, Hong Kong
Email	tlmc@netvigator.com
Telephone	(852) 2488 8888

For more details regarding the Group's corporate governance and financial performance, please refer to the Annual Report 2025, which has been published on the websites of the Stock Exchange and the Company (https://www.tlmc-hk.com).

ABOUT TLMC

Overview

For over 24 years, TLMC has been serving customers in Hong Kong and Macau, as well as customers around the world. The Group mainly engages in the sales of new and used heavy equipment and spare parts, the leasing of heavy equipment, and the provision of repair, logistics and other ancillary services in Hong Kong. The Group provides a range of high-quality heavy equipment, including excavators, articulated dump trucks, compactors, wheel loaders, bulldozers, lifting cranes, aerial platforms, and diesel energy generators, among others.

Demonstrating a highly efficient quality management system, TLMC has successfully obtained ISO 9001:2008 and ISO 9001:2015 Quality Management Systems ("QMS") certification verified by SGS Hong Kong Limited. Besides, the Group provides after-sales and maintenance services, including on-site service for customers in Hong Kong, and designates specific staff to follow up and deal with customers' problems.

Listing on GEM (formerly known as the Growth Enterprise Market) of the Stock Exchange in July 2017 and then transferring to the Main Board of the Stock Exchange in October 2020 demonstrates the devotion of the Group to continuously deliver excellent services and quality products to its customers. As its business evolves, the Group will continue to create value for its stakeholders as well as strive to uphold its unique strengths and features.



Mission and Objectives

TLMC is committed to introducing high-quality heavy equipment and providing quality pre-sales and after-sales service to our customers. TLMC offers the most economical, most efficient and reliable supply of construction machinery and services to all. The usage of our services include quarry, construction, civil engineering, waste treatment and land reclamation.



Our Highlights

- Sole authorised dealer of Hitachi brand heavy equipment in Hong Kong and Macau
- Exclusive distributor of various earthmoving attachments of LaBounty brand in Hong Kong and Macau
- Exclusive distributor of various earthmoving attachments of Hyundai Everdigm brand in Hong Kong, Macau and certain provinces in the People's Republic of China ("PRC")
- Exclusive dealer of heavy vehicles of Ammann brand in Hong Kong and Macau
- Distributor of diesel engine generators of Airman brand in Hong Kong and Macau
- Distributor of articulated dump trucks and articulated trucks (water tankers) of Bell brand in Hong Kong
- Authorised dealer of Rotobec brand grapples and other earthmoving attachments in Hong Kong and Macau, and also the exclusive dealer for the supply of their Orange Peels product line in such territories
- Dealer of Xwatch brand machine safety and control systems in Hong Kong and Macau
- Authorised dealer of VIA brand Mobile360 heavy equipment safety system in Hong Kong

Awards and Recognitions

During the Reporting Period, the Group was acknowledged as a "Heart Caring Company" by the Occupational Safety & Health Council and the Labour Department of Hong Kong. This accolade recognises TLMC's solid implementation of targeted health initiatives to prevent Cardiovascular and Cerebrovascular Diseases ("CCVDs"), underscoring its commitment to building a supportive and healthy workplace for all employees.



SUSTAINABILITY AT TLMC

The Board considers it imperative that sustainability forms the backbone of the business to achieve corporate growth. Hence, the Group is dedicated to incorporating the concept of sustainability into every facet of its business, by upholding a well-rounded governance system, establishing strategic direction and maintaining active communication with its stakeholders.

The Group has developed and implemented a Sustainability Policy in order to be a responsible business that creates value for the community in which the Group operates. By embedding sustainability into its operations, the Group strives to provide innovative products and services, minimise environmental impact and strengthen relationships with its customers, suppliers and business partners.

ESG Management

The Board is responsible for overseeing the Group's ESG vision, objectives and strategies for the short, medium and long term. In addition to identifying material ESG issues of the Group, the Board is dedicated to evaluating, prioritising and managing material ESG issues, as well as considering relevant ESG risks and opportunities. The Board regularly meets to review its various ESG targets and progress, and the Board discusses, reviews and evaluates all ESG issues relevant to the Group at least once a year. The Board also reviews the policies such that they are up-to-date and consistent with any changes or developments in the Group's ESG vision, objectives and strategies.

In 2023, an ESG Committee was established with its purpose to assist the Board in managing matters relating to ESG. The Terms of Reference outlines its scope of responsibilities, which include but are not limited to:

Scope of Responsibilities of the ESG Committee

- Develop and review the Group's ESG vision, objectives and strategies, and make recommendations to the Board for the approval of relevant initiatives
- Set out ESG principles and priorities in managing ESG impacts and create sustained values for our stakeholders
- Identify, determine and evaluate ESG risks and opportunities of the Group, including climate risks, which shall be reported to the Board
- Identify, assess and determine relevant matters, including climate change, that significantly affect or may affect the operation of the Group and/or stakeholders' interests
- Advise the Board on the allocation of resources on ESG initiatives;
- Review and update as necessary the Group's policies and procedures on social responsibility management, corporate governance, environmental protection or other relevant ESG aspects

The ESG Committee is required to meet at least once a year and report its findings and recommendations to the Board on a regular basis. During the Reporting Period, the Board considered the Terms of Reference of the ESG Committee continued to be appropriate and effective.

For the management and governance of each ESG issue, the Group has developed a set of ESG policies. Through these policies, the Group's management and various business functions are guided to effectively implement ESG strategies and practices that address key ESG issues. Information about the Group's formulated policies are detailed throughout this Report, whilst a list of policies is disclosed in the section headed "Company Policies".

During the Reporting Period, the Board has attended 25.50 hours of relevant training to enhance ESG-related know-how and management effectiveness. Four directors of the Group attended the ESG- and sustainability-related training including "HKEX ESG Academy seminar - Harnessing the Power of Corporate Governance", "S&P Global Corporate Sustainability Assessment (CSA) and Sustainable Investment Insights Seminar" and "HKEX Workshop on IFRS Sustainability Disclosure Standards".

In addition, we have become a Green Member of the "ESG One" community initiated by the Hong Kong Productivity Council. This membership symbolises the Group's dedication to raising awareness and cultivating a harmonious ESG ecosystem along with industrial peers. Looking ahead, we will continue to deliver impactful contributions to society through a range of ESG initiatives within the "ESG One" community, generating lasting value for our stakeholders.

ESG Strategies

Global crisis and extreme weather events, such as the strong typhoons experienced by Hong Kong and rising geopolitical tensions globally, have highlighted the importance of creating a strategy that guides the Group in navigating against the turbulent environmental and social climate whilst remaining in sight of its objectives. The Group has therefore developed a series of ESG strategies to bring clarity and focus on the Group's sustainability direction.

Through the Group's ESG strategies, the Group strives to bring positive outcomes to its five focus areas: (i) Ethical Governance, (ii) Quality Product and Service, (iii) Dedicated Workforce, (iv) Corporate Citizen and (v) Green Operations. Each focus area details pragmatic objectives of the Group, which provides guidance in deploying resources whilst shaping its trajectory in how the Group can responsibly deliver its products and services in a way that strengthens the overall resilience of the Group. By adjusting the strategic priorities within our ESG strategies, we have effectively refined our ESG approach to pursue sustainable development. The Group also aligned its ESG strategies with 8 of the United Nations Sustainable Development Goals ("UN SDGs") to contribute to the global sustainable development agenda. Moving forward, we aim to disclose our key initiatives that highlight our positive impact on the aligned UN SDGs.



Stakeholder Engagement

Keeping abreast of stakeholders' opinions and concerns enables TLMC to improve its ESG approach and performance. By understanding stakeholders' expectations and gauging their priorities, the Group is better equipped to address their concerns, review its business approach, and ultimately, update or formulate sustainability policies and strategies.

The Group maintains active communication with internal and external stakeholders through various communication channels. The following table lists the stakeholders and corresponding engagement channels adopted during the Reporting Period.

Stakeholder Groups	Engagement Channels
Shareholders and Investors	• Press releases • Annual/ interim reports • Company webpage • Circulars • Meetings and teleconferences
Employees	• Meetings and teleconferences • Performance assessment • Training programmes • Company events
Customers	• Company webpage • Satisfaction surveys • Meetings and teleconferences • Correspondences
Suppliers	• Tender meetings • Supplier assessment • Correspondences • Meetings and teleconferences
Community	• Charity events • Correspondences
Media	• Press releases • Meetings and teleconferences
Regulatory Bodies	• Compliance/ non-compliance reports • Certifications/ licensing • Meetings and teleconferences • Site visits

Materiality Assessment

To better understand the views of stakeholders and ensure our sustainability strategies, priorities and policies align with their expectations, a comprehensive stakeholder engagement exercise was conducted in 2020/21. A four-step process was used to determine the ESG issues that are material to the Group.

Step 1 Identification	Potential material ESG issues were identified by reviewing ESG reports of TLMC and industry peers. The identification criteria include whether the issue has a significant impact on stakeholders' assessment and decisions, and whether it reflects the Group's material environmental and social impact. 22 material issues were identified and defined using the said criteria.
Step 2 Prioritisation	Different stakeholder groups were engaged based on their influence on the Group. A standardised survey was distributed to key stakeholder groups to ensure a consistent and systematic assessment of the material issues. Stakeholders were invited to rank the relative importance of identified ESG issues based on their own perceptions (represented by employees) and towards the Group's sustainable development (represented by the Board and management).
Step 3 Validation	The Group's management confirmed and validated the list of material issues for disclosure in this Report.
Step 4 Review	The Board reviewed the identified material ESG issues and the results of the materiality assessment to ensure these are relevant and important to the Group.

In 2023/24, the Board conducted an assessment of the 22 identified material ESG issues. Since there were no major changes in the strategic direction of the Group, the Board determined that the list continues to be applicable to the Reporting Period. Based on the survey responses, a materiality matrix was plotted, which depicts the importance of individual ESG issues to stakeholders against the Group's sustainable development. The top 10 material ESG issues are highlighted in bold in the ESG issues table below. The content of this Report is structured according to the overall materiality of ESG issues scored by different stakeholder groups. Moving forward, TLMC will update the list of material issues to keep abreast of the latest developments, and continue to maintain ongoing communication with stakeholders to strengthen its ESG management.



Ethical Governance	Quality Product and Service
1. Anti-corruption	**6. Product Quality Assurance**
2. Intellectual Property	**7. Product Safety**
3. Confidentiality and Data Privacy	**8. Customer Satisfaction**
4. Prohibition of Child and Forced Labour	9. Responsible Supply Chain Management
5. Marketing and Labelling	10. Suppliers' Environmental and Social Practices

Dedicated Workforce	Corporate Citizen
11. Employment Standards	16. Community Investment and Engagement
12. Occupational Health and Safety	17. Volunteering Opportunities
13. Workplace Well-being	
14. Diversity and Equal Opportunity	
15. Training and Development	

Green Operations
18. Environmental Compliance
19. Air, Noise and Greenhouse Gas ("GHG") Emissions Control
20. Energy Use and Efficiency
21. Waste Management
22. Climate-related Risks

ETHICAL GOVERNANCE

Strong corporate governance is essential both to delivering sustainable value as well as pursuing a culture of integrity. The Group is committed to ensuring that its business operates with the highest standard of business integrity by complying with all relevant laws, rules and regulations, preventing and prohibiting corrupt behaviour, implementing sound risk management, and undertaking responsible marketing practices and respecting human rights.

Anti-corruption

Professionalism, high ethical standards, integrity and honesty are core values of the Group. We strictly adhere to the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and prohibit any bribery or corrupt behaviour. By implementing the Code of Conduct in the Human Resources (the "HR") Manual, in conjunction with the Staff Handbook and the Anti-Fraud and Anti-Bribery Policy, the Group aims to ensure professional and ethical conduct across its operations.

The Code of Conduct details employees' responsibilities and obligations with respect to their work duties, whilst the Anti-Fraud and Anti-Bribery Policy contains provisions for combating bribery, extortion, fraud and money laundering, which apply to employees, contractors and suppliers. Employees are not allowed to solicit, accept, or provide any form of benefits without the approval of the Group. Benefits include money, gifts, loans, fees, remuneration, employment, contracts, services, or privileges.

We have updated the Staff Handbook in December 2023, which stipulates our employees must not violate the specified bribery regulations through agents, partners, contractors, family members or representatives. Those who breach these policies may be subject to summary dismissal. During the Reporting Period, there were no legal cases regarding corrupt practices brought against the Group or its employees.

The following tables detail the identification of potential fraudulent activities and responsibilities of key departments in upholding professional and ethical conduct.

Potential fraudulent activities at TLMC
● Fraudulent financial reporting arising from improper revenue recognition, capitalisation of expenses, asset valuation, related-party transactions, and management override of financial transactions ● Misappropriation of assets ● Improper or unauthorised expenditures ● Self-dealings, including kickbacks ● Violations of laws, rules and regulations

Responsibilities of TLMC Personnel	
The Board	To organise a formal fraud risk evaluation annually to evaluate and record key fraud risks, as well as review the effectiveness of controls to avoid any potential occurrence.
HR Department	To arrange for training on professional ethics and fraudulent behaviours.
All managers	To examine fraud risks within their scope of duty constantly and ensure that adequate controls are in place. Material fraud risks must be reported to the Board.

To put the provisions of the Code of Conduct into practice and reinforce good corporate governance, the Group has arranged anti-corruption training for the Board regularly. During the Reporting Period, 4 directors and 2 general staff of the Group have attended anti-corruption and integrity-related training. Training sessions include the "Ethical & Governance Roles of Directors & Senior Management of Publicly Listed Companies" delivered by the Independent Commission Against Corruption (the "ICAC"). With 9 hours of training time in total, such ethics training helps to enhance our employees' knowledge on best practices in preventing and stamping out corruption in the workplace and cultivate a culture of compliance and integrity within the Group. Moving forward, the Group is committed to keeping abreast of the latest anti-corruption advice, reporting requirements and the constantly evolving regulatory environment.

Whistle-blowing

The Whistleblowing Procedure, which was formulated in January 2021, is central to how the Group manages and handles unethical behaviour. The implementation of such procedure is overseen by the Audit Committee. It sets out examples of malpractice, the reporting process, as well as investigation procedures. The mechanism established under the procedure enables employees and those who deal with the Group (including customers and suppliers) to raise concerns to the Audit Committee about any suspected case of misconduct, malpractice or impropriety in a confidential manner, and without fear of retaliation. The mechanism also includes a whistleblowing email account accessible only by members of the Audit Committee, the address of which is shown at the Company's website. The procedure ensures that the whistle-blower who lodges a complaint will not be fired, mistreated, and/or suffer unnecessary disciplinary punishments.

In the event of an alleged misconduct being reported, investigative measures will commence with the advice and guidance of the Audit Committee and/or the Board (if no director is involved). If after investigation the Audit Committee is of the view that no director is involved in the suspected case, the entire Board will be informed. The Group may, on the grounds of misconduct, take appropriate disciplinary actions against any violators of corroborated allegations. All allegation records shall be preserved by the Audit Committee for review and analysis for improvement.

Risk Management and Internal Control

TLMC is keenly aware of any potential risks associated with the industry and makes efforts to respond to them appropriately. With rapidly emerging trends, changing regulatory requirements, as well as new prospective infrastructure projects, it is more important than ever to maintain an effective risk management system.

The Group has implemented a Corporate Governance Policy that ensures risk management is an integral part of its overall governance. Risk management is led by the Board and supported and executed by the Audit Committee and senior management. The policy details the process of identification, documentation, evaluation, assessment and treatment of risks. Risks are monitored and reviewed on a regular basis to ensure regulatory compliance at all times.

Amidst the challenging backdrop, the Group has adopted a flexible fleet management strategy in the operation of its leasing business, which enhanced its ability to adapt to changing circumstances. We have maintained strong relationships with our major suppliers, such as Hitachi Construction Machinery Co., Ltd., Bell Equipment Company SA (Pty) Ltd and Ammann BauAusrüstung AG, to create opportunities and competitive advantage.

Information Confidentiality

It is the Group's obligation to safeguard corporate and personal information, and the Group is committed to strengthening its security protocols to minimise risks of business disruption, such as leaks of information. As iterated in the Information Security Policy, which is managed by the Administration Manager, employees are required to handle, store and file confidential information received in the course of business with due care. In addition, our Corporate Security Policy strives to build a multi-layer protection system to protect our people, systems, information, data, facilities, property and reputation from potential human, environmental and cybersecurity threats.

The Staff Handbook also outlines that employees are prohibited from disclosing the Company's trade secrets or confidential information to any person or organisation they come into contact with during their tenure or after leaving, except with prior permission and under normal working conditions. Upon request, or in any case upon termination of employment, the employee must return all documents and tangible items belonging to the Company. If requested by the Company, employees must remove all confidential information from any reusable medium, and destroy all documents and tangible items that contain such confidential information in their possession and control.

To ensure that personal information is securely protected, the Personal Data Protection Officer is responsible for executing the Personal Data Privacy Policy by managing and implementing security protocols in accordance with the requirements of the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), as well as ensuring the effectiveness of such protocols through an annual review. Other privacy measures of the Group include the signing of confidentiality agreements upon engagement of third-party service providers, and forbidding employees to disclose any confidential information to any person or department prior to the Group's official announcement or disclosure to the public. In the event that any employees, departments or subsidiaries discover that information has been exposed improperly, they shall immediately notify the Personal Data Protection Officer and request advice from external advisers if necessary.

Intellectual Property

The Group protects its intellectual property rights, including copyrights, patents and trademarks. The Group currently possesses two registered trademarks of "TLMC'' in Hong Kong and is the owner of a domain name. The Group also makes all reasonable efforts to respect the intellectual property rights of third parties. For instance, the Group obtains authorisation before using third parties' intellectual property, including the use of its suppliers' brand names, logos, trademarks and other forms of branding for marketing purposes, under relevant dealership and distributorship agreements. Within its internal operations, the Group strictly prohibits employees from exploiting corporate internet access to communicate information that may infringe intellectual property rights or violate relevant laws or regulatory requirements. The Group shall continue to protect intellectual property rights by filing proper registrations in a timely manner.

Marketing and Labelling

The Group is committed to offering its customers an array of products and services based on their needs and preferences whilst adhering to the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong) and relevant regulations in the jurisdictions where it operates. As shown below, our marketing brochure clearly discloses all product features such as engine model, fuel, weight, capacity, frequency, voltage, rated output and current, phase, as well as power factor, so that customers can select the equipment that best suits them.





Moreover, we have utilised various channels to promote our advanced machinery, including setting up customer service channels on WhatsApp and hotlines managed by different departments, placing advertisements in newspapers and magazines, organising promotion campaigns on Facebook, as well as introducing and demonstrating products to customers.

Human Rights

The Group recognises that fundamental human rights should be protected. The Group strictly prohibits child and forced labour of any kind in accordance with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and all labour laws and regulations in the jurisdictions where it operates. Our Human Rights Policy outlines the protection for human rights, commitment to valuing diversity and non-tolerance for inappropriate or unfair treatment as well as the hiring of child and forced labour. It applies to all employees of the Group and draws reference from, among others, international human rights principles, such as the United Nations Guiding Principles on Business and Human Rights.

The employment practices in place strictly adhere to the guidelines issued by the Labour Department of Hong Kong, including A Concise Guide to the Employment of Children Regulations and A Concise Guide to the Employment of Young Persons (Industry) Regulations. Moreover, we have deployed sufficient controls in our HR processes to prevent the employment of child and forced labour, including checking identity documents and performing background verifications during the recruitment process. The recruitment process will only commence after the applicant's identity has been verified to ensure that prospective employees are lawfully employable. Children under 16 years old are prohibited from taking up any type of employment at the Group.

Should any case of child or forced labour be discovered by the Group within its operations, clients or suppliers, immediate actions will be taken including reporting the situation to relevant authorities and the temporary suspension of all business relationships with the relevant parties until further confirmation. In the unlikely event of hiring a worker with false information or identity, the recruitment procedures or the employment (as the case may be) will be terminated immediately. To further foster a culture of integrity, human rights provisions have been extended to contractors and suppliers of the Group as outlined in the Code of Practice for Suppliers. For further information regarding the Code of Practice for Suppliers, please refer to the section headed "Supply Chain Management".

QUALITY PRODUCT AND SERVICE

In recent years, innovative technology has become the leading catalyst to improve the efficiency and safety of the construction industry. By specialising in various types of advanced electric construction machinery and applications that are energy efficient and low carbon, TLMC aims to promote a smart construction site, and a safe and green building environment. Meanwhile, TLMC continues to ensure its product quality and customer satisfaction levels, as well as maintaining mutually beneficial relationships with suppliers to ensure stable and reliable provisions of heavy equipment and related services.

Leveraging Technology

Rapid digitisation and automation in the heavy equipment industry are transforming the variety and quality of solutions the Group can offer to its customers. The Group is dedicated to working closely with its leading suppliers to harness technology and diversify its product offering to enhance operational efficiency, strengthen health and safety and boost productivity for its customers. The Group continuously pursues efforts to promote the uptake of innovative technology at construction sites, where four of its product line-up have been recognised by the Construction Innovation & Technology Fund (the "CITF"), enabling the local market to have access to cutting-edge and efficient technologies.

Smart Safety Optimisation System (CITF Pre-approved Code: PA24-023)



In view of a surge in demand for high quality products, the Group introduced the latest Hitachi brand ZAXIS-7 series hydraulic excavators designed for improved efficiency and safety.

Equipped with a smart anti-collision safety system and Aerial Angle smart cameras, these excavators significantly reduce the risk of accidents by automatically alerting operators of the presence of any workers or other machines within its working range.

The excavators are equipped with HIOS V or TRIAS III intelligent hydraulic system to control output pressure and hence reduces energy consumption.

Real-time Alerts and Notifications System


Data reports


Maintenance warranty


ConSite OIL



ConSite Pocket



ConSite Shot



ConSite Health Check







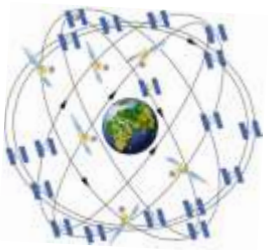
ConSite
Consolidated Solution for Construction Sites

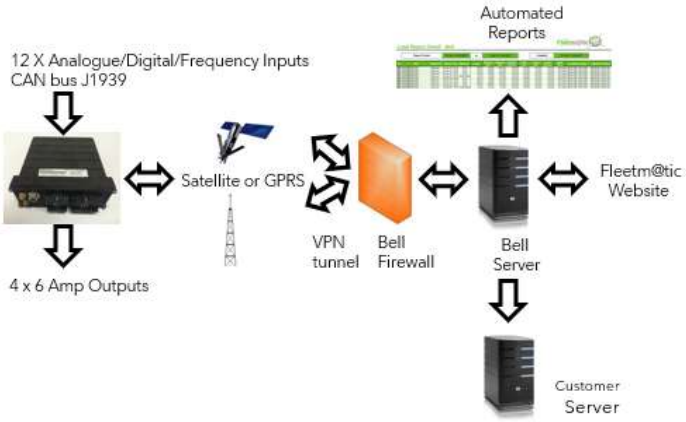
The Group offers the Hitachi brand excavators equipped with ConSite®. ConSite® is a consolidated solution service system that provides 24-hour real-time location detection and real-time overheating alarms.

Through gathering timely insights in ConSite® OIL solution, customers can avoid machine breakdown, including overheating and sudden changes in oil property and abnormality. In turn, it minimises maintenance cost and extends the service life of machines.

Furthermore, the system can predict the wear and tear of machines, which improves risk control management and enables a quicker response to improve the safety of the construction site.

Fleet Management System (CITF Pre-approved Code: PA22-025)

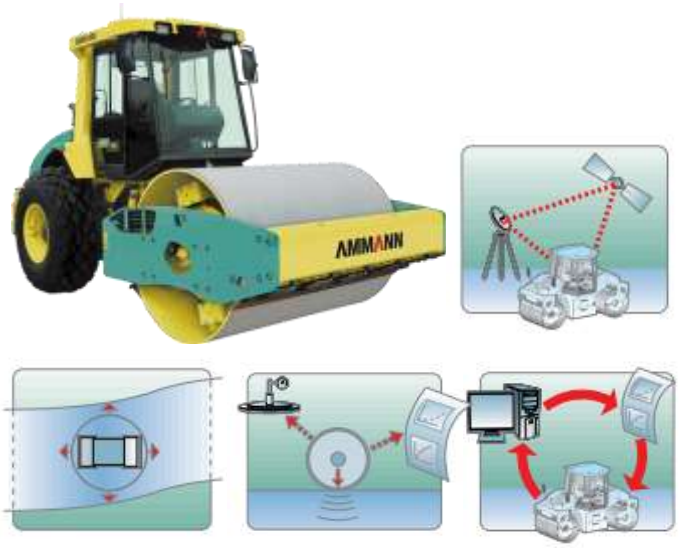






The Bell brand dump truck installed with Fleetm@tic® is a satellite-based fleet management system that provides automated reports, alerts, production data, various packages to choose from, and pole-to-pole satellite coverage to keep track of the equipment at the worksites on a continuous basis. This allows customers to manage their fleet with greater precision, and overall enhances operational efficiency.

Proprietary Intelligent Compaction System



The Ammann Compaction Expert (ACE), a proprietary intelligent compaction system installed in Ammann brand rollers, is able to provide data regarding the areas the roller has covered through GPS mapping capabilities.

In addition to its ability to conduct automatic measurement, control and documentation, it can display and measure the degree of compaction for worksite efficiencies and quality control purposes in the ACEforce system. This unique function reduces the risk of over-compaction and minimises material destruction.

Safety Monitoring and Restriction System



The safety monitoring system by Xwatch Safety Solutions Ltd. is a smart system with overload, height and slew limitation functions that are controlled using proportional soft-stop hydraulic valves. This comprehensive system monitors real-time usage and sends alerts to operators when limitations are approached to ensure that machinery is always operated within its safety capacity for any type of hydraulic excavator and special purpose machines.

Dual Purpose Safety Monitoring System



With dual monitoring functions of Mobile360 by VIA brand, the AI-powered wide-angle dual camera lens detects the movement of pedestrians in the dangerous area of work, sends real-time visual alarm and audio reminder to the operator, solves emergencies and provides protection for blind spots. In order to ensure that the operator is fully focused on the operation, the M500 indoor AI-powered face-specific camera lens can monitor whether the operator is fatigued, smoking, or focusing on the phone. Real-time visual alarms and audio reminders can prevent unsafe conditions and associated accidents from happening. The system can also be used with mobile phone applications to ensure the safety of pedestrians and operators alike.

X-Watch XW5 and VIA Mobile360 M500 are two sets of safety monitoring and restriction systems that complement each other to safeguard construction personnel. If there is a danger at the construction site, X-Watch XW5 will actively intervene to restrict or stop the construction machinery operations, whereas VIA Mobile360 M500, a smart site safety system, will provide real-time audio reminders and visual alarms to ensure the safety of frontline workers. Excavators, lifting cranes, and lifting platforms, in conjunction with these building safety restriction systems, can also actively sense nearby obstacles to prevent accidents at the construction sites.

X-Watch XW5 (CITF Pre-approved Code: PA23-012)	
VIA Mobile360 M500 (CITF Pre-approved Code: PA22-043)	

In November 2024, TLMC held a “New Smart Machinery Safety Briefing” (新型智能機械安全簡介會) to promote Smart Site Safety Systems (4S), and strengthen safety standards and awareness in the construction industry. During this event, we showcased our range of innovative and safety-driven machinery to stakeholders and peers, including the Hitachi Zaxis-7 series excavators, where we aim to encourage the adoption of these cutting-edge technologies in order to better safeguard workers.



Moving forward, TLMC will continue to introduce advanced construction machinery, and work together with government departments and industry stakeholders to jointly develop Hong Kong's construction industry.

Product Quality Assurance

The ISO 9001:2015 QMS underpins the Group's overall approach to the supply, rental, installation and maintenance of heavy equipment and ensures that its products continuously meet customer and regulatory requirements.



The Group has appointed senior management to oversee the procedures and actions in achieving the Group's quality objectives. The senior management is responsible for identifying risks and opportunities, delegating roles and responsibilities, ensuring employees' competence and awareness, as well as managing customer satisfaction. During the Reporting Period, the Group fulfilled the requirements in the QMS and had no major non-conformance.

Quality Requirements at TLMC

- Providing adequate, effective and sufficient resources to provide high quality and reliable services to customers
- Identifying and controlling business risks and opportunities
- Ensuring that the operations are customer-driven, and that customers' requirements and expectations are met as planned
- Maintaining effective internal and external communications, and actively monitoring, observing and understanding customers' needs
- Complying with all applicable requirements, including standards, statutory requirements, guidelines and codes, under all circumstances
- Being responsible for the continuous development, analysis, improvement and enhancement of product or service quality, as well as monitoring operational efficiency and the effectiveness of implementation to help reduce operating costs
- Monitoring and continuously improving the effectiveness of the QMS through regular internal audits, data analysis and management reviews

Regular internal reviews are conducted to ensure that the Group delivers products and services that meet or exceed customers' expectations. In March 2025, one quality manager and one director of the Group held the annual Quality Management Review Committee Meeting. The purpose of this meeting is to report to all management personnel on the current operation of the QMS and to review the overall performance, effectiveness, and suitability of the Company's QMS. The outcome of the meeting confirmed that all project activities complied with the relevant requirements of the QMS and no violations were detected during the Reporting Period.

The Group also appointed external auditors to evaluate whether its activities comply with the requirements of the ISO 9001:2015 QMS. According to the Management System Certification Audit Report, the quality of the supply, rental, installation and maintenance services of excavators, breakers and generators have been assessed in April 2025, with all requirements met. As a final step to ensure product quality, senior management had carried out a review against 2024/25 objectives and targets. During the Reporting Period, both targets were achieved, and the Group did not have any products sold or shipped that were subject to recalls for safety and health reasons.



Customer Satisfaction

TLMC aims to create and maintain a trusted relationship with its customers by treating them fairly and providing them with caring, competent and efficient services. Our Customer Services Code of Conduct Policy aims to enhance our commitment to complying with laws and regulations in relation to customer services matters in the jurisdictions in which it operates.

We believe in nurturing strong relationships with our customers through regular engagement, where we can listen to their feedback and subsequently improve our services. New customers are required to submit an assessment form to identify their expectations, so that TLMC can provide products and services that cater to their business operations. In addition to utilising the standardised terms and conditions for the ordering and acceptance of equipment quotations under the Sales Policy, the Group follows the Technical Procedures - Tender Review and Project Initiation under the QMS in the preparation, review, approval and post-contract processing of quotations. These policies and procedures help the Group maintain excellent customer satisfaction.

Maintenance, Repair and Service

The Group provides attentive inspection, maintenance and other services throughout the equipment leasing process. Prior to the delivery of leased equipment, comprehensive component checks will be performed to meet safety expectations and ensure good conditions. Also, condition reports are generated for each equipment upon receipt and removal from the warehouse. When assembling the equipment on-site, technicians will conduct checks on the equipment and provide on-site training for lessees, whenever necessary. These equipment checks are also carried out when the equipment is returned.

Customers of the Group are offered with top-notch after-sales technical support, such as recondition and refurbishment services. In the case of a manufacturing defect, the Group will recover payment for the replacement from the manufacturer according to the dealership and distributorship agreements.

Assessment and Satisfaction

Customer feedback is paramount for the continuous improvement of our services. The Group welcomes all feedback to improve its operations and enhance customer experience. Guided by the Complaints Handling Policy and the Operations Procedures - Customer Satisfaction under the QMS, the Group distributed customer satisfaction surveys during the Reporting Period. The survey assesses appropriateness, efficiency and accuracy of services and communications, staff's willingness to assist and service attitude, as well as the ability to meet agreed timelines and expectations. During the Reporting Period, the Group neither received any material complaints nor negative customer feedback. The overall customer satisfaction rating reached merit (B level or above).

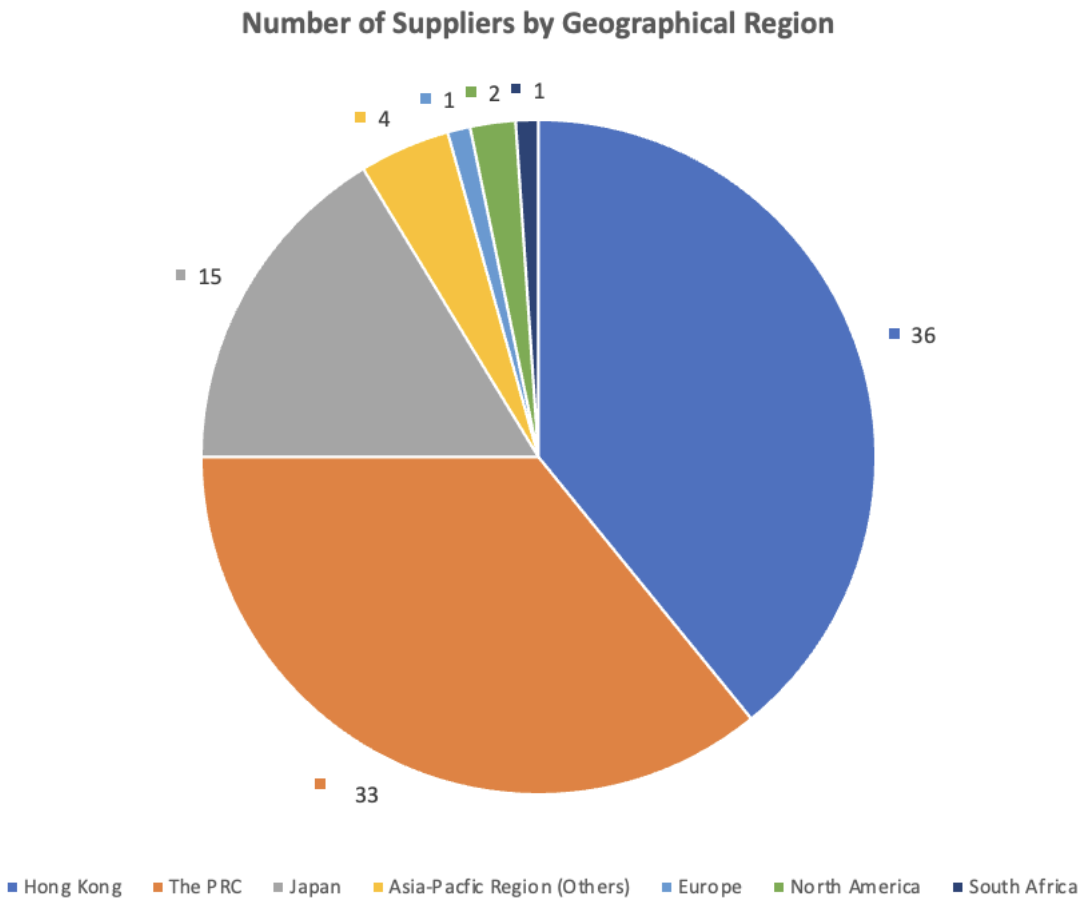
Supply Chain Management

TLMC greatly relies on the reliability and quality of products and services delivered by its suppliers. Hence, the Group is committed to developing ongoing collaborative working relationships within its supply chain. The selection of suppliers is governed by the Technical Procedures - Selection and Appointment of Suppliers under the QMS, as well as the New Supplier Assessment Procedures.

To ensure that the most qualified suppliers are selected to meet the needs of the Company as well as its customers, a Pre-qualification Assessment has been conducted before signing the contracts with potential suppliers. To achieve continuous management, the Group assesses potential suppliers on various criteria, such as the value of the procured products and/or services, customer requirements and quotation, and compliance with legal and contractual requirements. An annual Supplier Performance Assessment is performed to evaluate our existing suppliers based on 10 criteria, with a maximum score of 100. During the Reporting Period, all suppliers have successfully passed the assessment criteria for continual engagement, and the Group worked with 92 (2024: 86) suppliers around the world.

Supplier Performance Assessment Criteria	
1	Product and/or Service Pricing
2	Response to and Handling Quotation
3	Employee Attitude and Competency
4	Product and Craftmanship Quality
5	Provision of Sufficient Resources
6	Procedural Control
7	Compliance with Legal and Contractual Requirements
8	Timely and Accurate Delivery
9	Safety and Environmental Awareness
10	Protection Measures for Site Materials

The chart below sets out the distribution of the Group's suppliers by geographical region.



Suppliers' Environmental and Social Practices

The Group takes environmental and social considerations into account when managing its supply chain. The Code of Practice for Suppliers has been updated in January 2023, which outlines the CSR requirements that all our suppliers, contractors, and consultants must follow. Suppliers are encouraged to report their sustainability performance and influence their business partners in their supply chain to follow the Code of Practice for Suppliers so far as is practicable.

Code of Practice for Suppliers	
Business Ethics	Suppliers should maintain a high standard of ethics through business integrity, compliance with applicable laws and regulations, respect for intellectual property rights, non-disclosure of confidential information, and uphold anti-collusion and anti-corruption practices.
Working Operations	Suppliers should conduct sound workplace practices. The workplace refers to the activities that define the supplier's relationships with its employees, including equal opportunity, staff training and development, wage and benefits, working hours and rest days, child labour and forced labour, health and safety, freedom of association and human rights, and support of fair-trade products.
Marketing Activities	Suppliers should seek to influence their business partners in the supply chain to follow the same practices as laid down in the Code of Practice for Suppliers. When dealing with customers, information on products or services should be accurate, environmentally-friendly products and packaging should be used wherever possible, complaints need to be handled fairly and quickly, and customer data should be protected.
Community Contact	Suppliers should be proactive in finding opportunities to serve the community alongside conducting their own business, including encouraging employee volunteer activities, and helping the underprivileged of society through promotion of different schemes and wherever possible consider employing the disabled.
Environmental Protection and Climate Action	Suppliers should take precautions against climate change, conserve natural resources and improve the environment. Efforts include implementing environmental policies and management systems, minimising waste, operating energy-efficient schemes, adhering to environmental regulations, and implementing carbon reduction and sustainability initiatives.
Cybersecurity	Suppliers should comply with the Group's cybersecurity requirements.

During our supplier selection process, suppliers will be asked whether they have obtained any internationally-recognised certifications (i.e. ISO 9001, ISO 14001, OHSAS 18001) through our supplier questionnaires, and suppliers with these credentials are more likely to be selected or retained. CSR performance is also one of the supplier selection criteria. The Group is dedicated to working with suppliers who demonstrate a commitment to sustainable development and promote environmental practices in their supply chain by implementing environmental policies, conducting sustainability initiatives, and reporting their sustainability performance.

Sustainable Procurement

In July 2025, the Group has formulated the Sustainable Procurement Policy, which is in alignment with UN SDG 12 "responsible consumption and production". This Policy aims to clarify TLMC's business standards and expectations relating to procurement to all major business partners, contractors, suppliers, and subcontractors, and work with them to reduce negative impact on the environment and society, contributing to the overall sustainable development of the construction industry.

Sustainable Procurement Measures (Examples)

- Provide sustainable supply chain training and guidance for relevant employees, contractors, suppliers and subcontractors, and assist them in acquiring professional knowledge and skills related to sustainable procurement
- Prioritise the procurement of materials with relevant sustainable certifications, including but not limited to wood and paper certified by the Forest Stewardship Council or Programme for the Endorsement of Forest Certification schemes
- Prohibit the purchase of toxic and hazardous products and reduce the use of disposables
- Prioritise local procurement where reasonably practicable
- Establish a database of low-carbon materials and products, and evaluate the procurement specifications of relevant products and services from time to time

DEDICATED WORKFORCE

The contributions of the Group's workforce are critical to its success. Whilst the Group strives to safeguard the health and safety of its employees and to grow and maintain its talented workforce, it also aims to nurture talents to help them thrive professionally and grow their technical capabilities, as well as enhancing employee engagement. Our Staff Handbook, which was updated in December 2023, clearly sets out the guidelines in compliance with the relevant employment laws and regulations, including the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Employee Compensation Ordinance (Cap. 282 of the Laws of Hong Kong), the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong), and so on.

Occupational Health and Safety

The nature of the Group's works involves working with heavy equipment. Any inappropriate acts may create accidents and cause injuries. As such, the Group regards occupational health and safety as a primary concern. Such concern stems from the use, handling, storage, transportation and maintenance of its heavy equipment. The Group, therefore, is committed to constructing a hazard-free working environment by identifying, assessing, evaluating and mitigating operational hazards and risks for its employees and contractors. To achieve this, the Group strictly adheres to its Health and Safety Policy, which was updated in July 2024.

Health and Safety Policy Commitments

- Support and nurture a culture that promotes employee wellness and enhances health and safety awareness
- Adopt and maintain effective management systems designed to eliminate health and safety hazards, respond to public health emergencies, conduct regular reviews and make continuous improvement in pertinent areas of health and safety
- Provide necessary information, instruction, training and supervision, and enable a healthy and safe working environment
- Encourage commitments from all employees and all levels of management
- Extend its commitments to its business partners to meet the same health and safety standards

We have also formulated a Working Environment Inspection initiative in the QMS. The inspection items include air circulation, noise, hygiene, lighting, indoor temperature and humidity, unobstructed pedestrian walkways, fire-fighting facilities and escape routes, as well as other safety equipment. The inspection result shows that all items are in good condition during the Reporting Period.

Aside from establishing a management system, the Group holds safety awareness training classes regularly to ensure its employees can proactively recognise hazards and implement appropriate prevention and protection measures. All workers are required to attend the Success Sky Induction Training before working on-site. Individuals who do not hold the Safety Card and the Safety Training Form issued by TLMC after passing the induction training are forbidden from entering the construction job site. Regular briefing and relevant materials are provided to staff to ensure they have sufficient knowledge on occupational health and safety.

By participating in the induction training and familiarising themselves with the general duties and safety guidelines, employees have gained a solid understanding of the Company's safety rules, and are equipped with good response and protection abilities in the face of unexpected situations during outdoor work. For more details regarding the measures to address outdoor work under extreme weather conditions, please refer to the "Climate Change Adaptation" section in this Report.

During the Reporting Period, there were 6 (2024: 6) reported work injuries, which resulted in 150 (2024: 120) lost days, and an injury rate per 100 employees of 5.17[1] (2024: 5.61). There were no work-related fatalities for the past three years, which includes the Reporting Period.

Workplace Well-being

The Group takes crucial steps to safeguard the safety and well-being of the physical environment for a healthier and productive workforce. As a regular practice, the QMS auditor commissioned by the Group performed the annual Workplace Environmental Assessment at the facility site during the Reporting Period. A total of eight workplace health and safety elements were assessed, and all aspects received satisfactory levels of conformance.

Workplace Environmental Assessment	
1	Air Ventilation and Odour
2	Noise Nuisance and Vibration
3	Hygiene Condition
4	Adequacy of Lighting
5	Room Temperature and Humidity
6	Unobstructed Corridors
7	Availability of Fire-fighting Equipment
8	Availability of Other Safety Equipment

In a bid to instil a culture of health and safety at the offices, the Group maintains a Smoke-Free Workplace Policy and communicates the Office Occupational Health and Safety Guidelines developed by the Occupational Safety and Health Council to its employees.

Smoke-Free Workplace Policy	Office Occupational Health and Safety Guidelines
The Group recognises that smoking can impair the health of its employees as well as their job performance. The policy ensures that smoking is prohibited as smoking is illegal in all indoor areas of workplaces and public places.	The guidelines cover topics such as office workplace management, appropriate lighting, indoor air quality, security, equipment handling, hazard response and mental well-being. Understanding and adhering to this guideline enables the Group to maintain a thriving work environment.

Moreover, the Group has further strengthened its commitment to occupational health and safety by providing specific guidelines on the prevention of occupational diseases, including occupational asthma, arthritis, and tenosynovitis. We also distributed Guidelines on Work-Above-Ground Safety produced by the Construction Industry Council (the "CIC") and Code of Practice for Safety and Health at Work in Confined Spaces produced by the Occupational Safety & Health Council. These initiatives are integral to our strategy of safeguarding employee well-being and ensuring operational excellence through proactive risk management.

[1] Total number of injuries divided by total workforce at the end of the Reporting Period multiplied by 100.

Training and Development

TLMC values the professional development of its employees and encourages them to enrich their knowledge to unleash their potential. The Learning and Development Policy of the Group guides the Administration Department in implementing a diverse range of training courses for employees at all levels and is formulated based on a balance between employee preferences and strategic business objectives.

Apart from the Success Sky Induction Training that aims to guide employees to understand the Group's core values, organisation structure, business goals, relevant policies, as well as the Code of Conduct, for technicians and operators that require specific professional expertise, the Group ensures technical training is arranged for relevant products. A portion of these product trainings are directly conducted by the suppliers, who ensure that the Group's technical team is equipped with the latest knowledge and skills to effectively operate and properly maintain the equipment. These skills also serve to help address customers' enquiries promptly and efficiently.

In order to cultivate the younger generation to master professional skills and create development pathways for different talents, TLMC has been recognised as an approved employer for the Approved Technical Talents Training Programme held by the Hong Kong Institute of Construction ("HKIC"). Targeting recent college graduates from the HKIC, the Group offered apprenticeship programmes that last for two or three years for successful candidates. During the recruitment process, candidates are assessed based on their merits and abilities through their application and an on-the-spot interview. During the Reporting Period, our subsidiary, Success Sky Corporation Limited, was honoured by the Labour Department of Hong Kong with a Certificate of Appreciation for The Most Improved Trainees Award 2024 of the Youth Employment and Training Programme. This recognition celebrates our efforts in caring for and nurturing the next generation of talented youth by providing high-quality training and fostering personal and professional growth.



Meanwhile, the Group sponsors external training programmes related to individuals' job scope, relevant public examinations, as well as the application for membership of professional associations. The training courses supported by the Group cover the aspects of business ethics, anti-corruption and occupational health and safety, among others. During the Reporting Period, a total of 596.80 (2024: 363.00) hours have been allocated for training purposes for the Group's employees, including directors and management, office employees, technicians and operators. Training seminars delivered include workshops on "How to Handle Employees' Negative Emotions in Workplace", online seminars on "Safe Operation of Heavy Machinery at Construction Sites" provided by the Occupational Safety & Health Council, and "Ethical & Governance Roles of Directors & Senior Management of Publicly Listed Companies" delivered by the ICAC. For further details of the training data during the Reporting Period, please refer to the section headed "Performance Data Summary" in this Report.

Employment Welfare

Employees are indispensable to the long-term development and sustainability of TLMC. Guided by a people-oriented philosophy, the Group strives to cultivate an ideal workplace by providing attractive benefits, rewarding high performers, facilitating two-way communication and promoting fairness in the workplace. In order to enhance the sense of belonging and team spirit of our employees, we regularly arrange different forms of leisure activities to enhance physical and mental health, and encourage all employees to actively participate in these events. For example, as shown below, we organised a 2025 company opening ceremony after Chinese New Year (left) and a BBQ team building event (right) during the Reporting Period, as well as the company annual dinner in January 2025.





Benefits and Compensation

To develop a thriving workforce, the Group offers competitive remuneration and benefits. These include a basic salary, performance-related discretionary bonus, retirement benefits, overtime allowance, as well as the Group Medical Insurance Scheme. As stated in the Staff Handbook, our employees are also entitled to rest periods and leave, such as annual leave, sick leave, education leave, maternity leave, paternity leave, marriage leave, compassionate leave and jury leave. As set out in the Human Resources Manual ("HR Manual"), employees who work outside of normal working hours, as required by management, are appropriately compensated in the form of compensation leave, or job-related payments and reimbursement.

Communication and Engagement

The Group believes that the success of the business depends on mutual trust, communication, respect and understanding between different departments and seniority. Hence, employees are encouraged to candidly share their views and constructive criticisms with their immediate supervisors or senior management through various communication channels, including staff communication groups, briefing sessions or other informal channels. In striving to build a culture of fairness, the Group is also committed to ensuring that grievances are treated with respect and confidentiality. Appropriate investigation and resolution procedures will be taken if necessary.

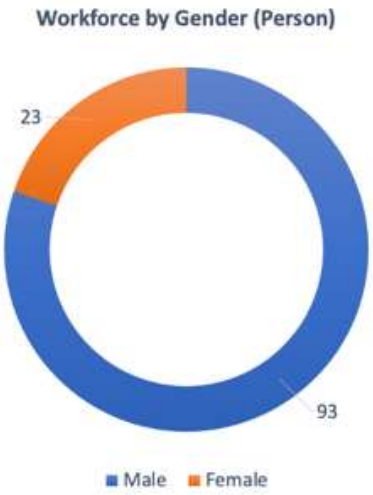
Diversity and Equal Opportunity

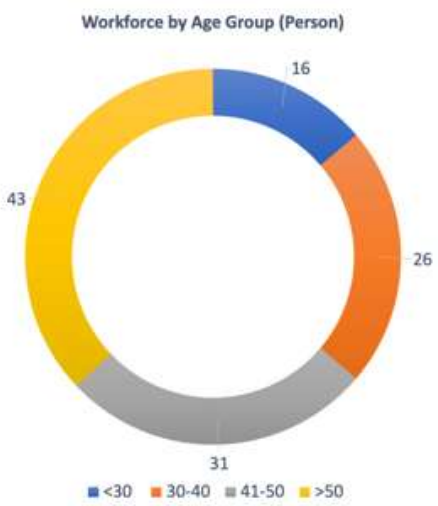
The Workforce Diversity Policy, which was formulated in March 2025, together with the Equal Opportunity Policy in the HR Manual embody the Group's dedication to fostering a diverse and inclusive workplace that strictly prohibits any form of discrimination, harassment, victimisation or vilification. The Group takes an active approach to ensure that the recruitment, promotion and retention processes of employees are free from discrimination.

As stated in the Staff Handbook, our recruitment process adheres to the principles of openness, fairness, and impartiality, and candidates are selected based solely on their ability and integrity. The Group is committed to providing equal opportunities regardless of their age, sex, marital status, pregnancy, family status, disability, race, nationality or religion, provided that these do not impede the abilities of the prospective appointees to carry out their normal job duties or affect the health and safety of fellow employees. The Group prides itself in being a competence-based employer by evaluating candidates based on their merits and abilities, including job knowledge and technical know-how, competence and potential, performance and quality of work, qualifications, working attitude and interpersonal skills, as well as personal attributes. The Group will provide training to its employees on diversity and inclusion-related topics from time to time.

Besides, the Staff Handbook adheres to the Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong) and stipulates that we do not tolerate sexual harassment. Employees who are sexually harassed can file a complaint to the HR Department, and the complaint will be investigated with due diligence. For employees who violate relevant legislation, the Company will take appropriate disciplinary action.

As of 31 July 2025, the Group's workforce consisted of 116 (31 July 2024: 107) employees. The workforce of the Group comprises directors and management, office employees, technicians and operators. All employees are full-time and based in Hong Kong.


Workforce by Gender (Person)
23
93
Male
Female


Workforce by Age Group (Person)
16
26
31
43
<30
30-40
41-50
>50


Workforce by Employment Type (Person)
4
10
11
10
41
40
Management
Administration, Accounting and Finance
Sales and Marketing
Procurement, Warehousing and Logistics
Technical and Maintenance
Operators

CORPORATE CITIZEN

As a socially responsible corporate, the Group is dedicated to engaging in community investment through community engagement programmes, volunteer services, charitable donations and expertise sharing, which enables it to continue to nurture a healthy, caring and sustainable society. To this end, TLMC engages in an ongoing conversation with and supports charitable and non-profit organisations, such as the End Child Sexual Abuse Foundation, Hong Chi Association and Chung Sing Benevolent Society.

Community Investment and Engagement

In July 2023, the Group formulated and implemented its Social Investment Policy, which emphasises the commitment to contributing to the betterment of the communities it serves, fostering social integration and creating long-term value for its stakeholders. As listed in the table below, our community initiatives focus on three domains to create positive impacts on areas in which we operate. Where applicable, all our project companies, associates, suppliers and business partners are encouraged to make reference to the Social Investment Policy shown below.

Community Health and Wellness	• We aim to share our values with our communities and create better living conditions • We support initiatives that can improve social inclusion and community well-being, including but not limited to helping our staff and the underprivileged
The Environment	• We are working to reduce the carbon footprint of our operations • We support initiatives that aim for decarbonisation and can create a sustainable world for future generations
Youth Development	• We put great emphasis on public education and are committed to investing our resources for future generations to ensure the future of our communities

During the Reporting Period, the Group donated approximately HK$105,000 (2024: HK$36,300) to support various organisations focusing on, among others, the underprivileged, public welfare and community well-being. For example, in November 2024, the Group donated HK$30,000 to the End Child Sexual Abuse Foundation in Hong Kong to help protect youngsters under the age of 18 years from sexual abuse. We hope to contribute to an increasing awareness of children and young people about self-protection and to enhance public awareness of child sexual abuse. In addition, the donation to Hong Chi Association is for the purpose of helping people with intellectual disabilities. We also donated to Chung Sing Benevolent Society in April 2025 to support healthcare, elderly care, and social services.

Furthermore, 20 of our employees took part in "The Community Chest New Territories Walk for Millions 2025 – GO PARK Sai Sha" in February 2025, with HK$60,000 donated and 40 hours contributed to the event by the Group. 100% of the funds raised through the activity are designated to support 24 member agencies in providing "Family and Child Welfare Services" to maintain and strengthen family bonding, to encourage mutual support relationship among family members, to help them prevent and cope with individual or family problems, as well as to provide services for their unmet needs.



Undoubtedly, philanthropy has been fully integrated into TLMC's corporate culture, which enables the Company to continue to foster positive values and relationships with its communities. In the future, we will continue to champion local social causes and lend a helping hand to those socially vulnerable people.

GREEN OPERATIONS

TLMC is committed to strengthening the control of environmental pollutants and adopting more environmentally conscious operational methods. As the Group is primarily engaged in the sales, leasing and maintenance of heavy equipment, the environmental impact is relatively low when compared to its manufacturers and product users at construction sites. Nevertheless, the Group still seeks ways to minimise its environmental footprint by strictly complying with laws, rules and regulations, closely controlling emissions, improving energy efficiency, managing waste and adapting to climate change.

The Group's Environmental Policy was developed to manage environmental risks systematically and integrate environmental considerations into all aspects of its business operations in line with all applicable laws and regulations. Updated in July 2025, the Environmental Policy demonstrates our commitment to continuously improving our environmental performance and minimising the impact of our operations on the environment while supporting the government's environmental and climate policies.

Environmental Compliance

The Group procures machinery that strictly adheres to the regulatory requirements of the Environmental Protection Department (the "EPD") on the emission of non-road mobile machinery. To comply with the prescribed air and GHG emissions standards, the Group ensures that its machineries comply with the Air Pollution Control (Non-road Mobile Machinery) (the "NRMM") (Emission) Regulation (Cap. 311Z of the Laws of Hong Kong). The noise levels of the heavy equipment of the Group also comply with the Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong) and are indicated by the Quality Powered Mechanical Equipment ("QPME") Labels.

The Group has obtained approval or exemption labels for regulated machineries for inventory and leasing purposes. Equipment with such labels are in compliance with international standards, including Article 12 of the Directive 2000/14/EC relating to the noise emission in the environment by equipment for use outdoors of the European Union (EU) and the Low Noise Construction Equipment Regulations by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) of Japan. The table below sets out the amount of equipment adhering to different standards:

(As of 31 July 2025)	Exempted NRMM	Approved NRMM	QPME Labels
Inventory (unit)	0	155	66
Leasing Fleet (unit)	2	537	357

Environmental Impact and Resource Efficiency

The Group recognises the role it plays in helping to transition the world into a low-carbon society. Whilst its direct impact remains low, the Group strives to optimise its operational efficiency, as well as to seek environmentally-friendly solutions for its customers.

Air, Noise and GHG Emissions Control

The Group's air emissions primarily consist of GHG and exhaust gas emissions. In terms of GHG emissions, scope 1 direct emissions stemmed from fuel combustion of the usage of its own vehicles, whereas scope 2 indirect emissions derived from generated electricity used in its offices and facilities. Exhaust gas emissions mainly derived from the operation of the Group's own vehicles, which generate direct air pollutants, including nitrogen oxides ("NOx"), sulphur oxides ("SOx") and particulate matter ("PM").

The quantification methodology refers to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, published by the Electrical and Mechanical Services Department (the "EMSD") and EPD, as well as the latest emission factors, published by the China Light and Power Company Limited ("CLP"). The Global Warming Potential values are referenced from the Intergovernmental Panel on Climate Change's Sixth Assessment Report, and the fuel economy of electric vehicles is referenced from the latest ratings published by the Environmental Protection Agency of the United States.

The following table shows the Group's GHG emissions profile for the Reporting Period as compared with the previous two years.

Emission Type	Unit	2022/23	2023/24	2024/25	% Change[2]
NOx	kg	573.21	421.56	**442.84**	**5.05%**
SOx	kg	0.94	0.68	**0.77**	**13.23%**
PM	kg	45.74	33.14	**34.02**	**2.66%**
Scope 1 Emissions	tCO_2-e	158.89	115.33	**129.82**	**12.56%**
Scope 2 Emissions	tCO_2-e	39.10	44.37	**67.85**	**52.92%**

To ensure that the operational performance of the machinery provided to its customers is of excellent condition and reduces emissions, the Group conducts thorough inspections before rental and performs regular maintenance during the rental process. Additionally, older machinery would be progressively phased out to keep in line with the most updated regulatory control requirements, and machinery that are more environmentally-friendly and efficient are introduced. The Group also adopts initiatives to lower noise emission levels in its machineries, such as applying anti-vibration devices to equipment, installing silencers, air compressor tubes, using flexible joints for draught fans, as well as adopting quieter equipment. We conduct regular maintenance to ensure the machinery and equipment operate as quietly as possible.

[2] This column compares information of FY24/25 with FY23/24.

Case Study: Hybrid and Electric Equipment Product Line	
To improve its customers' environmental footprint, for a number of years, the Group has expanded its rental and sales product lines to include hybrid hydraulic excavators. Hybrid equipment are environmentally-friendly equipment with higher fuel efficiency levels than those powered by internal combustion engines. In August 2021, the Group leased out its first electric excavator for use in construction sites in Hong Kong. As customers are becoming increasingly conscious of their environmental impacts, the Group hopes to offer a diverse range of machinery to tailor to their sustainability requirements and values.	

Regarding vehicles that support its daily business operations, the Group strives to lessen its impact on climate change by continuously monitoring their emissions performance, documenting energy usage, and calculating respective air and GHG emissions annually, in an accurate and transparent manner. During the Reporting Period, the Group maintained a total fleet of 29 (2024: 28) vehicles and their total travelled distance was 320,393.78 (2024: 332,774.10) km.

Case Study: Shell's Carbon Reduction Programme	
While we continue to work towards phasing in more electric vehicles into our company fleet, some replacements are not yet feasible due to technical or operational constraints. In order to lessen the impacts of our fossil fuel-powered vehicles, we have participated in Shell's Carbon Reduction Programme. For all carbon emissions generated from the use of fuel supplied by Shell, they will be offset through Shell's carbon offsetting projects. During the Reporting Period, we obtained 105 carbon credits, equivalent to compensating for 105 tonnes of tCO_2-e emissions from Shell products purchased in 2024.	

Energy Usage and Efficiency

Enhancing energy efficiency can lead to an overall improvement in environmental performance and lessen the impact on the environment. The two principal energy sources that support the operations of the Group are fossil fuel and electricity.

Energy Type	Function
Diesel, Petroleum	❑ Operation and transportation of heavy equipment for the delivery and collection of sold and leased equipment to and from customers ❑ Transportation means for the Group's personnel
Electricity	❑ Powering electronic appliances that support operations and electric vehicles for commercial purposes

In 2020, the Group installed solar panels on the rooftops of its warehouse. The solar panels are connected to the power grid and CLP's Feed-in Tariff (FiT) Scheme and provide a source of renewable energy. During the Reporting Period, the solar panels generated 53,442.29 (2024: 81,899.95[3]) kWh of electricity. Moving forward, the Group aims to seek further opportunities in expanding solar panels to its other facilities to promote the wider use of renewable energy.

Within its office, the Group actively practises energy-saving measures as efforts to reduce its overall carbon footprint (see the first table below). The Group will continue to strengthen employees' awareness in responsible energy usage at the office. The second table below shows the energy usage of the Group for the Reporting Period as compared with the previous two years.

Energy Saving Initiatives at TLMC
• Maintaining indoor temperature at an optimal level of comfort • Encouraging employees to turn off computers and monitors when not in use • Setting timers and other sensors to automatically turn off office appliances, such as copiers, TV monitors and air-conditioners, after office hours • Encouraging employees to make the best use of telecommunication systems to avoid unnecessary travel arrangements • Putting up signage that emphasise the importance of energy saving • Optimising logistics arrangement to and from customers' sites • Using 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) • Monitoring room temperature through inspecting thermometers • Adopting solar-powered fans

[3] This figure has been recalculated due to an error in the calculation methodology used last year.

Energy Usage	Unit	2022/23	2023/24	2024/25	% Change[4]
Diesel	L	50,667.36	34,688.52	**42,015.04**	**21.12%**
Petroleum	L	8,324.84	8,029.28	**6,184.16**	**-22.98%**
Electricity[5]	kWh	122,568.00	137,991.25	**212,543.80**	**54.03%**

Waste Management

Waste generated by machineries, if improperly handled, can be a potential health risk and harm the environment. TLMC is dedicated to managing its waste effectively and divesting useful resources from landfills to recycling or for repurposing, whenever applicable. As set out in our Environmental Policy, we aim to manage waste through the "5R" principle of Replace, Reduce, Reuse, Recover and Recycle, not only within our operations but also along our value chain.

The Group generates two major types of waste from its operations, specifically scrap metal and other non-hazardous waste, including package materials of parts, domestic waste and office waste. For scrap metals, the Group performs a systematic process for sorting, organising and storing scrap metal at its facility site. Once a certain amount is collected, the Group commissions a metal recycler to collect and recycle the scrap metal waste in accordance with the Construction Waste Disposal Charging Scheme implemented by the EPD. During the Reporting Period, the Group recycled 116,170 (2024: 110,710) kg of scrap metals.

For other non-hazardous waste, the Group encourages the recycling and reuse of materials. A designated area has been set up for waste handling by an appointed waste collection company. During the Reporting Period, 506 (2024: 44) tonnes of waste have been collected for further handling by the licensed waste collector. In the future, we will not only adopt sustainable procurement practices to reduce waste at source, but also provide Group-wide education campaigns on waste segregation and the importance of the "5R" principles to all employees.

Since the operations of the Group only produce an insignificant amount of hazardous chemical waste, there are no hazardous waste records. However, the Group still ensures the hazardous chemical waste is handled with due care at all times. As a registered Chemical Waste Producer, the Group strictly abides by the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) to control the release of chemical waste generated by its own direct usage of heavy equipment. Moreover, the Group ensures that chemical waste is responsibly handled at its sites by creating a designated area for the storage of waste, in accordance with the Code of Practice on the Packaging, Labelling and Storage of Chemical Wastes under the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong). To strengthen its commitment, the Group also encourages lessees to exercise utmost attention when managing hazardous chemical waste at their sites.

[4] This column compares information of FY24/25 with FY23/24.
[5] Figures include electricity procured from non-renewable and renewable sources.

Paper Usage

At the office, the Group is committed to reducing paper consumption by adopting digital means of communication. In addition to employing double-sided printing, the Group promotes the concept of reusing and sharing stationery and office furniture. During the Reporting Period, the Group disposed of 72,900 (2024: 99,000) and recycled 5,000 (2024: 5,000) pieces of paper.

Water Usage

The Group recognises that water is a scarce resource and strives to use its water resources efficiently by treating sewage in a sustainable manner. Our Environmental Policy indicates our implemented water conservation measures within our operations and production processes, including promoting water saving awareness, upgrading to water efficient appliances and fixtures, and increasing our water recycling rate, amongst others.

In its facilities, the Group has set up a water sedimentation tank as the first layer of wastewater treatment that allows suspended particles to settle as the water flows into the public stream. Once the accumulated solids, or sludge, are formed at the bottom of the tank, they are periodically removed by a professional licensed waste collector. During the Reporting Period, the Group did not encounter any issues in sourcing water, and has consumed a total of 7,821.05 (2024: 4,573.67) cubic metres of water covering three operating sites.

Biodiversity

While biodiversity is not recognised as a material issue to the Group, it has a commitment to work towards no net loss and strives to achieve a net positive impact, as stated in its Environmental Policy. We uphold the following principles to minimise any impact on biodiversity and will consider biodiversity during the planning of our whole operational cycle:

Biodiversity Principles

- Avoid operating in areas rich in biodiversity or close proximity to World Heritage areas or the International Union for Conservation of Nature (IUCN) Category I-IV protected areas
- Minimise the potential adverse impact on biodiversity and meet our no deforestation commitment by conducting environmental and biodiversity impact assessment for projects at environmentally significant sites
- Utilise technology and employ mitigation hierarchy to reduce, restore and offset biodiversity disturbance and operational effects
- Promote biodiversity awareness among employees and stakeholders through community investment and training programmes
- Respect indigenous people inhabiting within the vicinity of our operational boundaries, and minimise the ecological and cultural impacts on local communities

Climate Change Adaptation

The Group acknowledges the importance of minimising the climate-related impacts of its business activities to tackle pertinent global environmental challenges. We strive to induce behavioural change and adopt resource-efficient technology, processes and systems to manage the environmental footprint across the Group.

The Group has updated its Climate Change Policy in July 2024, which demonstrates its commitment to complying with the laws, regulations and standards in relation to climate change matters at its business locations. We aim to not only adopt applicable industry best practices to reduce the carbon footprint from our own operations and along the value chain, but also engage our stakeholders to promote climate awareness and influence their behaviour.

To strengthen the approach to managing climate-related issues, during the Reporting Period, the Group reviewed its preliminary climate-related risk assessment conducted in accordance with the framework of the Task Force on Climate-Related Financial Disclosures ("TCFD"). Nine climate-related risks consisting of four physical and five transition risks were continued to be identified as likely to have an impact on the Group. Through the assessment, all nine climate-related risks were deemed by the Group to be of low risk and thus have a minimal impact on its business activities. As mentioned in our Climate Change Policy, we aim to establish an appropriate risk management plan to address climate-related risks and impacts, and we will conduct a regular review of such risks.

Nevertheless, the Group has proactively adopted appropriate mitigation measures to deal with the more frequent risks of extreme weather events, which include typhoons, extreme heat, rainstorms and flooding. To mitigate typhoon risks, emergency management and emergency evacuation plans are in place, whilst suitable storage facilities for materials and equipment are set up. Our Staff Handbook and HR Manual also set out comprehensive guidelines for all employees on responding to typhoon and rainstorm warnings in accordance with the Code of Practice in Times of Typhoons and Rainstorms published by the Labour Department of the Government of Hong Kong. To manage flooding risks, building designs are enhanced to increase resistance to extreme precipitation, and flood risk assessments are conducted for specific construction sites.

With the number of hot days expected to increase over the 21st century, the Group strictly follows the Guidelines on Site Safety Measures for Working in Hot Weather issued by the CIC and Guidelines for Preventing Heat Stroke at Work provided by the Labour Department of Hong Kong. To reduce worker's heat load and prevent disruption to its operations, the Group provides them with work shelters, ventilation facilities, rest periods, potable water, appropriate clothing and relevant training. During the Reporting Period, we also installed sun shelters for our technicians. In addition, the Group regularly updates employees with information on extreme hot weather conditions through staff communication groups. Through these measures, the Group aims to promote good practices to its employees and ensure that they are aware of the latest weather information to make timely arrangements.

Metrics and Targets

To join the global efforts in combating climate change, the Group formulated a series of environmental targets in 2020/21 that aim to reduce its operational impact on the environment.

Environmental Issue	Target	Status	2024/25 Progress
GHG Emissions	By 2025, reduce GHG emissions (Scope 1 & 2) intensity (by tCO_2-e / HK$ 'million revenue) by 4%, compared to a 2017/18 baseline	Incomplete	Increased by 122.22%, from 0.27 tCO_2-e / HK$ 'million in 2017/18 to 0.60 in 2024/25
Electricity	By 2025, reduce electricity consumption intensity (by full time employee ("FTE")) by 67%, compared to a 2017/18 baseline	Incomplete	Increased by 41.07%, from 1,298.85 kWh/person in 2017/18 to 1,832.27 in 2024/25

We acknowledge that we did not achieve the aforementioned environmental targets, and this result underscores the need for a more focused and accelerated green transition. In response, the Group has established a new, more comprehensive set of environmental targets, which are detailed in the table below. These targets, supported by specific initiatives, reflect our continued dedication to enhancing energy efficiency, accelerating our transition to a low-carbon future, and minimising our environmental footprint.

Environmental Aspect	Target	Relevant Initiatives
GHG Emissions and Air Emissions	• By 2027/28, reduce GHG emissions (Scope 1&2) intensity (by tCO2e/HKD'million) by 10% as compared to the 2024/25 baseline • By 2027/28, reduce total air emissions (NOx, SOx and PM) by 15% as compared to the 2024/25 baseline	• Prioritise the procurement of hybrid or electric vehicles for the company fleet and gradually phase out fossil fuel-powered vehicles • Encourage and facilitate the wider use of renewable energy
Waste Management	• By 2027/28, reduce non-hazardous waste generation intensity (tonne/HKD'million) by 20% annually as compared to the 2024/25 baseline • By 2027/28, arrange a mandatory training session on waste segregation and the importance of the "5R" principles annually	• Adopt sustainable procurement practices and select products that are certified by recognised standards (e.g., Forest Stewardship Council (FSC)) • Embed the "5R" principles into operational guidelines • Arrange a training session on waste segregation and the implementation of the "5R" principles for all employees

Environmental Aspect	Target	Relevant Initiatives
Energy	• By 2027/28, reduce energy usage intensity (MJ/HKD'million) by 5% as compared to the 2024/25 baseline • By 2027/28, increase renewable electricity generation (kWh) by 10% as compared to the 2024/25 baseline	• Adopt more energy efficient products, monitor energy performance data and leverage technology to drive energy efficiency improvement continuously • Explore options to adopt more renewable energy sources
Water	• By 2027/28, reduce water consumption intensity (m3/HKD'million) by 20% as compared to the 2024/25 baseline • By 2027/28, organise at least one water-saving education campaign to all employees annually	• Conduct a water audit to identify major uses and leaks, and replace existing taps and toilets with low-flow, water-efficient models in all applicable facilities • Affix educational posters in kitchens and toilets reminding staff to report leaks and use water responsibly • Explore the feasibility of installing simple water recycling systems to reuse water for equipment cleaning or other non-potable workshop uses

COMPANY POLICIES

Guided by its approach to maintaining responsible corporate governance as demonstrated by the Sustainability Policy, the Group exerts considerable efforts to ensure that the necessary policies are in place in order to facilitate compliance with the relevant legislation and promote best practices for employees to adopt. Thus, the Group commits to regularly reviewing current procedures and revising company policies to streamline internal processes and keep abreast of the changing business landscape. The following table lists out the formulated policies that are implemented within its operations.

Established Company Policies
Ethical Governance
• Anti-Fraud and Anti-Bribery Policy • Code of Conduct (within Human Resources Manual) • Compliance Policies and Procedures • Corporate Governance Policy • Corporate Security Policy • Human Rights Policy • Information Security Policy • Personal Data Privacy Policy • Risk Management Policy • Whistleblowing Procedure
Quality Product and Service
• Code of Practice for Suppliers • Complaints Handling Policy • Customer Services Code of Conduct Policy • Insurance Management Policy and Procedures • New Supplier Assessment Procedures • Operations Procedures – Customer Satisfaction • Operations Procedures – Internal Audit • Quality Manual ISO 9001:2015 • Sales Policy • Sustainable Procurement Policy • Technical Procedures – Inspections • Technical Procedures – Selection and Appointment of Suppliers • Technical Procedures – Tender Review and Project Initiation
Dedicated Workforce
• Equal Opportunity Policy (within Human Resources Manual) • Health and Safety Policy • Learning and Development Policy • Office and Warehouse Contingency Procedures • Office Occupational Health and Safety Guidelines (created by the Occupational Safety and Health Council) • Operations Procedures – Infrastructure & Working Environment • Smoke-Free Workplace Policy • Staff Handbook • Workforce Diversity Policy
Corporate Citizen
• Social Investment Policy

COMPANY POLICIES (continued)

Established Company Policies
Green Operations
• Climate Change Policy • Environmental Policy • Sustainable Purchasing Policy

LAWS, RULES AND REGULATIONS

The Group recognises the importance of and is committed to having an effective governance system. Its Compliance Policies and Procedures outline its goals to maintain the highest standards of diligence in all areas of public accountability and conduct its activities in accordance with the relevant regulatory requirements, internal policies and procedures. The Group's Corporate Governance Policy also requires members of the senior management, who have been delegated responsibilities, to use their best endeavours to ensure that operations are in strict compliance with the applicable laws, rules and regulations in the jurisdictions in which it operates. The following table provides a summary of all laws, rules and regulations that have a significant impact on the Group's operations.

Applicable Laws, Rules and Regulations	Compliance
Ethical Governance	
• Listing Rules • Companies Ordinance (Cap. 622 of the Laws of Hong Kong) • Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) • Competition Ordinance (Cap. 619 of the Laws of Hong Kong) • Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong) • Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) • Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) • Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong) • Employment of Young Persons (Industry) Regulations (Cap. 57C of the Laws of Hong Kong)	During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to bribery, extortion, fraud, and child and forced labour that had a significant impact on the Group.
Quality Product and Service	
• Motor Vehicles (First Registration Tax) Ordinance (Cap. 330 of the Laws of Hong Kong) • Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374E of the Laws of Hong Kong) • Factories and Industrial Undertakings Ordinance (Cap. 59 of the Laws of Hong Kong) • Factories and Industrial Undertakings (Loadshifting Machinery) Regulation (Cap. 59AG of the Laws of Hong Kong) • Factories and Industrial Undertakings (Lifting Appliances and Lifting Gear) Regulations (Cap. 59J of the Laws of Hong Kong) • Code of Practice on Safe Use of Excavators	During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that had a significant impact on the Group.
Dedicated Workforce	
• Employment Ordinance (Cap. 57 of the Laws of Hong Kong) • Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong) • Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) • Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong) • Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) • Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)	During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, occupational health and safety and other safety treatments that had a significant impact on the Group.

LAWS, RULES AND REGULATIONS (continued)

Applicable Laws, Rules and Regulations	Compliance
Green Operations	
● Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Cap. 311Z of the Laws of Hong Kong) ● Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong) ● Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) ● Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong) ● Hazardous Chemicals Control Ordinance (Cap. 595 of the Laws of Hong Kong)	During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to air and GHG emissions, noise emissions, discharges into water and land and generation of hazardous and non-hazardous waste that had a significant impact on the Group.

PERFORMANCE DATA SUMMARY

The table below sets out quantitative information regarding the records in relation to emissions, use of resources and employment data of the Group:

Key Performance Indicators	Unit	2022/23	2023/24	2024/25
Environmental				
GHG				
NOx Emissions	kg	573.21	421.56	442.84
SOx Emissions	kg	0.94	0.68	0.77
PM Emissions	kg	45.74	33.14	34.02
GHG Emissions - Scope 1	tCO_2-e	158.89	115.33	129.82
GHG Emissions - Scope 2	tCO_2-e	39.10	44.37	67.85
GHG Emissions (Scope 1 & 2)	tCO_2-e	197.99	159.70	197.67
GHG Emissions Intensity by Revenue[6]	tCO_2-e / HKD Million	0.73	0.57	0.60
GHG Emissions Intensity by FTE	tCO_2-e / Person	1.49	1.49	1.70
Energy Consumption				
Purchased Electricity Usage[7]	kWh	98,751.09	111,853.57	178,103.13
Renewable Electricity Usage	kWh	23,816.91	26,137.67	34,440.67
Total Electricity Usage	kWh	122,567.99	137,991.25	212,543.80
Petroleum Usage	Litre	8,324.84	8,029.28	6,184.16
Diesel Usage	Litre	50,667.36	34,688.52	42,015.04
Total Energy Usage	MJ	2,676,553.00	2,105,368.41	2,594,602.19
Energy Usage Intensity by Revenue	MJ / HKD Million	9,840.38	7,546.12	7,845.79
Energy Usage Intensity by FTE	MJ / Person	20,124.46	19,676.34	22,367.26
Water Consumption				
Water Usage	m^3	3,975.56	4,573.67	7,821.05
Water Usage Intensity by Revenue	m^3 / HKD Million	14.62	16.39	23.65
Water Usage Intensity by FTE	m^3 / Person	29.89	42.74	67.42

[6] The total revenue for the Group in 2024/25 is HK$330.70 million.

[7] Purchased electricity usage includes electricity consumption across all operating sites and for the offsite charging of TLMC's electric vehicle (EV) fleet. For the five EV models in our fleet, two were charged exclusively onsite. For the remaining three models, we estimate that 80% of charging occurred onsite and 20% offsite. Emissions from offsite charging were calculated using Hong Kong's territory-wide grid emission factor (0.7 kg CO2e/kWh) and are reported under Scope 2 emissions.

PERFORMANCE DATA SUMMARY (continued)

Key Performance Indicators	Unit	2022/23	2023/24	2024/25
Environmental				
Non-hazardous Waste				
Non-hazardous Waste Generated[8]	Tonne	113.20	155.17	622.51
Non-hazardous Waste Generated Intensity by Revenue	Tonne / HKD Million	0.42	0.56	1.88
Non-hazardous Waste Generated Intensity by FTE	Tonne / Person	0.85	1.45	5.37
Scrap Metals Recycled	kg	87,620.00	110,710.00	116,170.00
Paper Recycled	Tonne (Piece)	0.02 (5,000)	0.02 (5,000)	0.02 (5,000)
Paper Disposed	Tonne (Piece)	0.56 (111,000)	0.44 (99,000)	0.32 (72,900)

[8] Non-hazardous waste generation calculation methodology has been refined in 2024/25 to include paper waste generation and scrap metals recycled amount. Hence, historical data has been recalculated to reflect this enhancement and ensure consistency over time.

PERFORMANCE DATA SUMMARY (continued)

Key Performance Indicators	Unit	2022/23	2023/24	2024/25
Social				
Total Workforce (Turnover Rate)	Person (%)	133 (100.96%)	107 (92.50%)	116 (98.13%)
Workforce by Gender (Turnover Rate)				
Male	Person (%)	109 (100.76%)	83 (108.33%)	93 (114.46%)
Female	Person (%)	24 (102.04%)	24 (29.17%)	23 (41.67%)
Workforce by Age Group (Turnover Rate)				
<30 Years Old	Person (%)	25 (73.08%)	20 (57.78%)	16 (50.00%)
30-40 Years Old	Person (%)	24 (134.38%)	22 (78.26%)	26 (81.82%)
41-50 Years Old	Person (%)	37 (88.89%)	28 (70.77%)	31 (125.00%)
>50 Years Old	Person (%)	47 (104.67%)	37 (135.71%)	43 (113.51%)
Workforce by Employment Category (Turnover Rate)				
Directors and Management	Person (%)	4 (0.00%)	4 (0.00%)	4 (0.00%)
Administration and Accounting	Person (%)	10 (50.00%)	10 (30.00%)	10 (10.00%)
Sales and Marketing	Person (%)	16 (115.15%)	15 (38.71%)	11 (53.33%)
Procurement and Warehousing	Person (%)	6 (183.33%)	7 (61.54%)	10 (85.71%)
Technical and Maintenance	Person (%)	38 (33.33%)	39 (57.14%)	41 (30.77%)
Operators	Person (%)	59 (135.80%)	32 (167.03%)	40 (243.75%)
Trained Employees				
Total Trained Employees (% of Employees Trained)	Person (%)	115 (86.47%)	79 (73.83%)	87 (75.00%)
Total Training Hours (Average per Employee)	Hour (Hour/Person)	562.50 (4.23)	519.00 (4.85)	596.80 (5.14)
Trained Employees by Gender (% of Employees Trained)				
Male	Person (%)	94 (86.24%)	62 (74.70%)	64 (68.82%)
Female	Person (%)	21 (87.50%)	17 (70.83%)	23 (100.00%)

PERFORMANCE DATA SUMMARY (continued)

Key Performance Indicators	Unit	2022/23	2023/24	2024/25
Social				
Trained Employees by Employment Category (% of Employees Trained)				
Directors and Management	Person (%)	4 (100.00%)	4 (100.00%)	4 (100.00%)
Administration and Accounting	Person (%)	8 (80.00%)	8 (80.00%)	10 (100.00%)
Sales and Marketing	Person (%)	16 (100.00%)	12 (80.00%)	11 (100.00%)
Procurement and Warehousing	Person (%)	6 (100.00%)	5 (71.43%)	10 (100.00%)
Technical and Maintenance	Person (%)	22 (57.89%)	50 (70.42%)[9]	41 (100.00%)
Operators	Person (%)	59 (100.00%)		11 (27.50%)
Training Hours by Gender (Average per Employee)				
Male	Hour (Hour/Person)	400.50 (3.67)	370.75 (4.47)	479.00 (5.15)
Female	Hour (Hour/Person)	162.00 (6.75)	148.25 (6.18)	117.80 (5.12)
Training Hours by Employment Category (Average per Employee)				
Directors and Management	Hour (Hour/Person)	130.50 (32.63)	86.00 (21.50)	96.30 (24.08)
Administration and Accounting	Hour (Hour/Person)	35.50 (3.55)	67.00 (6.70)	27.00 (2.70)
Sales and Marketing	Hour (Hour/Person)	32.50 (2.03)	42.00 (2.80)	64.00 (5.82)
Procurement and Warehousing	Hour (Hour/Person)	10.00 (1.67)	9.00 (1.29)	20.00 (2.00)
Technical and Maintenance	Hour (Hour/Person)	295.00 (7.76)	315.00 (4.44)[9]	378.50 (9.23)
Operators	Hour (Hour/Person)	59.00 (1.00)		11.00 (0.28)
Work-related Injuries				
Work-related Injuries	Case	3	6	6
Lost Days due to Work Injuries	Days	222	120	150
Work-related Fatalities	Fatalities	0	0	0
Injury Rate	Per 100 Employees	2.26	5.61	5.17

[9] Due to changes in the method of data collection, the categories of "Technical and Maintenance" and "Operators" were combined for calculation.

STOCK EXCHANGE ESG GUIDE CONTENT INDEX

Mandatory Disclosure Requirements		
	Description	**Relevant Chapter or Explanation**
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.	Sustainability at TLMC - ESG Management, ESG Strategies, Stakeholder Engagement and Materiality Assessment
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; and (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 Sustainability at TLMC - Stakeholder Engagement and Materiality Assessment Performance Data Summary
Reporting Boundary		
	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

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

"Comply or Explain" Provisions		
Aspects, General Disclosures and KPIs	**Description**	**Relevant Chapter or Explanation**
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules 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.	Green Operations - Environmental Compliance, Environmental Impact and Resource Efficiency and Climate Change Adaptation Company Policies Laws, Rules and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Green Operations - Environmental Impact and Resource Efficiency Performance Data Summary
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).	Green Operations - Environmental Impact and Resource Efficiency Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations - Environmental Impact and Resource Efficiency
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations - Environmental Impact and Resource Efficiency Performance Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Operations - Environmental Impact and Resource Efficiency and Climate Change Adaptation
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.	Green Operations - Environmental Impact and Resource Efficiency and Climate Change Adaptation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operations - Environmental Impact and Resource Efficiency Company Policies
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Green Operations - Environmental Impact and Resource Efficiency Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Operations - Environmental Impact and Resource Efficiency Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operations - Environmental Impact and Resource Efficiency and Climate Change Adaptation
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.	Green Operations - Environmental Impact and Resource Efficiency and Climate Change Adaptation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group did not use packaging material to support its operations during the Reporting Period.

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

"Comply or Explain" Provisions		
Aspects, General Disclosures and KPIs	**Description**	**Relevant Chapter or Explanation**
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Operations - Environmental Compliance, Environmental Impact and Resource Efficiency and Climate Change Adaptation Company Policies
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operations - Environmental Compliance, Environmental Impact and Resource Efficiency and Climate Change Adaptation
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.	Green Operations - Climate Change Adaptation Company Policies
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.	Green Operations - Climate Change Adaptation
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules 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.	Dedicated Workforce - Employment Welfare Company Policies Laws, Rules and Regulations
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Dedicated Workforce - Employment Welfare Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Dedicated Workforce - Occupational Health and Safety Company Policies Laws, Rules and Regulations
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Dedicated Workforce - Occupational Health and Safety Performance Data Summary
KPI B2.2	Lost days due to work injury.	Dedicated Workforce - Occupational Health and Safety Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Dedicated Workforce - Occupational Health and Safety

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

"Comply or Explain" Provisions		
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.	Dedicated Workforce – Training and Development Company Policies
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Ethical Governance - Human Rights Company Policies Laws, Rules and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Ethical Governance - Human Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Ethical Governance - Human Rights
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Quality Product and Service - Supply Chain Management Company Policies
KPI B5.1	Number of suppliers by geographical region.	Quality Product and Service - Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Quality Product and Service - Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Quality Product and Service - Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Quality Product and Service - Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules 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.	Quality Product and Service - Leveraging Technology, Product Quality Assurance, Customer Satisfaction Ethical Governance - Information Confidentiality Company Policies Laws, Rules 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.	Quality Product and Service – Customer Satisfaction Nil
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Ethical Governance - Information Confidentiality
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Product and Service - Product Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ethical Governance - Information Confidentiality

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

"Comply or Explain" Provisions		
Aspects, General Disclosures and KPIs	**Description**	**Relevant Chapter or Explanation**
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ethical Governance - Anti-corruption Company Policies Laws, Rules 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, and how they are implemented and monitored.	Ethical Governance - Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ethical Governance - Anti-corruption
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.	Corporate Citizen – Community Investment and Engagement Company Policies
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture and sport).	Corporate Citizen – Community Investment and Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Corporate Citizen – Community Investment and Engagement