



御佳控股有限公司

Royal Deluxe Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 3789

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
2026

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INTRODUCTION

ABOUT THIS REPORT

Reporting Scope

The reporting scope aligns with the Group's annual report, covering its core business operations, notably the provision of formwork works in Hong Kong.

The Report details the Group's Environmental, Social and Governance ("**ESG**") policies, management approaches, and key performance indicators ("**KPIs**") applicable to operations under the Group's direct operational control. Unless otherwise specified, the scope encompasses the operation of (i) the offices of the headquarter, (ii) the warehouse of the storage of documents and (iii) the Group's major projects carried out at the construction sites in Hong Kong. As the operations at the construction sites are not under the Group's direct control, relevant environmental data was not made available to the Group and is therefore excluded from this Report. The Group will persistently pursue improvements in information collection to underpin robust ESG reporting and depth of our sustainability performance disclosures.

Reporting Period

Unless otherwise specified, this Report provides an overview of the Group's ESG performance for the period from 1 April 2025 to 31 March 2026 (the "**Reporting Period**"), which aligns with the Group's financial reporting period.

Reporting Framework

This Report has been prepared in accordance with the mandatory disclosure requirements and "comply or explain" provisions of the Environmental, Social and Governance Reporting Code ("**ESG Code**") set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEX**"). In parallel, the Group has prepared its ESG disclosures with reference to the Global Reporting Initiative ("**GRI**") Sustainability Reporting Standards (the "**GRI Standards**") issued by the Global Sustainability Standards Board. Furthermore, the climate-related disclosures contained herein have been prepared with reference to the International Sustainability Standards Board ("**ISSB**") Standards (IFRS S1 and IFRS S2), building upon our previous reference to the Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations.

Reporting Principles

This Report has been prepared in accordance with Appendix C2 of the Listing Rules and with reference to the GRI Standards 2021, with the application of the following fundamental reporting principles:

Materiality

The structure of the Report is informed by the materiality of each environmental, social, and governance issue as assessed by the Group's internal and external stakeholders. Drawing on the findings of a double materiality assessment conducted during the Reporting Period, this Report is organised into four distinct sections, each addressing relevant material topics aligned with the four key ESG pillars: "**Value Chain**", "**Business**", "**Environment**", and "**People**". For further details, please refer to the "**Stakeholder Engagement and Materiality**" subsection within this Report.

Quantitative

Relevant KPIs and other quantitative information pertaining to the Group's sustainability performance are disclosed throughout this Report. Where applicable, such quantitative information is accompanied by appropriate contextual explanations to facilitate accurate interpretation.

Balance

The Report presents a fair and unbiased overview of the Group's sustainability-related policies, performance, and areas of improvement.

Consistency

Methodologies applied in this Report remain consistent with those adopted in previous reporting periods, enabling meaningful comparisons of ESG data over time. For further details of the quantification methodology, please refer to the "**Performance Data Table**" subsection.

Reporting Approach

All information published in this Report is compiled from existing policies, practices, statistical data, and official documents to ensure a timely and accurate reflection of our ESG performance. This Report has been endorsed and approved by the Board of Directors (the "**Board**"), which oversees our ESG strategy, risk management, and material issue evaluations.

Report Assurance

This Report, the sixth annual standalone ESG report, has been independently verified by SGS Hong Kong Limited ("**SGS**") for the verification of environmental KPIs relating to greenhouse gas (GHG) emissions. The relevant assurance report will be provided upon completion of the assurance process. This external assurance reinforces the credibility and reliability of the information presented, ensuring the Report is prepared in accordance with the ESG Code and with reference to the GRI Standards. For financial information, please refer to our Annual Report 2026. Unless otherwise specified, all monetary amounts stated herein are in Hong Kong Dollars (HKD). This Report is prepared and published in both Chinese and English. In the event of any discrepancy or inconsistency between the two versions, the English version shall prevail.

Report Availability and Feedback

Opinions and Feedback

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

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

Email: ESG@royal-deluxe.com

Head Office and Principal Place of Business

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

Access to the Report

You can download the electronic version of this Report from the official website of Royal Deluxe Holdings Limited (<http://www.royal-deluxe.com/en/esg.aspx>) or at the Stock Exchange's website (www.hkexnews.hk), or scan the QR code for the mobile version.



ABOUT ROYAL DELUXE

CORPORATE PROFILE

Royal Deluxe Holdings Limited (Stock code: 3789) (the “**Company**”), together with its subsidiaries, (hereinafter referred to as the “**Group**”, “**Royal Deluxe**” or we or us) is delighted to publish the tenth ESG Report (the “**Report**”) to present the Group’s ESG performance and sustainability-related initiatives over the past year.

The Group is principally engaged in the provision of formwork erection and related ancillary services in Hong Kong. As a well-established subcontractor with origins dating back to 1994, the Group brings over 30 years of solid expertise to the industry. Its core competencies span traditional timber formwork, metallic (usually steel and aluminium) formwork, and engineering formwork systems suitable for all project types. Through decades of growth, the Group has evolved into one of Hong Kong’s largest subcontractors in the formwork business.

Committed to embedding innovation into its operations, the Group has initially applied Building Information Modeling (“**BIM**”) to enhance its design team’s intelligent formworks construction solutions and design capabilities. At the same time, we have advanced patented formwork system solutions based on Design for Manufacturing and Assembly (“**DfMA**”) principles. These efforts optimise resource utilisation, lower costs, and improve both construction and safety efficiency, supporting sustainable building development while earning recognition from our valued customers.

VALUE, CORPORATE VISION AND MISSION



Vision

Becoming one of the most environmentally conscious and influential formworks service providers in Hong Kong



Corporate Value

Integrity, Safety, Excellence, Innovation



Mission



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



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



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

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

On behalf of the Board of Royal Deluxe, I am pleased to present our sixth standalone annual ESG Report, underscoring our continued efforts and progress in integrating responsible practices into our core business, further reinforcing our leadership in Hong Kong's formwork industry.

Strategic Focus and Materiality

This year, we conducted a comprehensive double materiality assessment to understand our impacts on the environment, people, and economy, alongside ESG-related risks and opportunities affecting our financial performance. This robust framework guides our strategy, governance, and project execution.

Driving Innovation and Circularity

Innovation is central to our environmental commitment. We leverage Building Information Modelling (BIM), Artificial Intelligence (AI), and Digital Twin technologies to automate formwork planning and multi-material placement. This approach eliminates design friction, optimises scheduling, and strengthens value-chain collaboration among architects, engineers, clients and suppliers. To reduce carbon emissions and enhance reusability and load-bearing capacity, we are introducing Mainland-manufactured, premium high-strength S690 steel formwork systems to the local construction market. This initiative aligns directly with the Architectural Services Department's (ArchSD) Innovation and Smart Technology Guidelines (A5) regarding the promotion of recycled steel in public works. Furthermore, our strategic materials substitution aims to phase out timber formwork, a major contributor to deforestation and waste, and transition to highly reusable metal System Formwork (Aluminium/Steel) and Aluminium Tableform Formwork (listed under CITF Pre-approved Technologies). To ensure accountability, we developed a bottom-up climate transition KPI matrix, creating a three-tier data chain linking operational site metrics, engineering innovations, and corporate financial-ESG disclosures. Our core strategy integrates digital solutions like BIM and AI to optimise prefabrication designs and onsite resource scheduling, building a resilient foundation for operational scaling. To quantify our circular economy efforts, the Group is conducting further engineering studies to assess the embodied carbon of various formwork materials while actively expanding its data collection systems to encompass all new project sites. Moving forward, we will deploy our proprietary Reuse Rate Calculation Methodology, driven by integrated Apportionment and Carbon Reduction Formulas.

Enhancing Environmental and Safety Performance

Our environmental efforts yielded tangible results: total energy usage decreased by 4%, water usage dropped by 9%, and total greenhouse gas emissions fell by 22% compared with the previous year. We have also refined our approach to climate risk by reconstructing our climate scenario analysis, gaining deeper insights into the potential impacts of a changing climate on our business and the resilience of our strategy. Based on this progress, we have set new, ambitious environmental targets focusing on greenhouse gas emissions, energy, and waste.

Safety remains paramount to our business, and we maintained a commendable fatality control performance, with zero fatalities recorded over the past three years. Our dedicated safety measures have resulted in a 40% decrease in work injury cases, while the work injury rate per 200,000 man-hours fell significantly by 49% over the past year. To build on this, we have established formal occupational health and safety targets for different time horizons, ensuring we continue to pursue industry best practices.



Investing in People and Community

Our people are our greatest asset. We have ramped up our investment in training and development, with direct and indirect employees receiving a total of 46,012 hours of training during the Reporting Period, representing a 160% increase year-on-year. This commitment reflects our dedication to empowering our workforce with the skills and knowledge needed for a rapidly evolving industry.

Royal Deluxe also remains actively engaged in to the communities where we operate. We contributed a total of HK\$50,990 to various initiatives, including our ongoing support for the Construction Industry Lo Pan Rice Campaign and providing disaster relief to those affected by the Tai Po fire, reinforcing our role as a caring and responsible corporate citizen.

Looking Ahead

We are honoured to have received several awards and recognitions during the year, affirming our position as a company that prioritises safety, innovation, and social contribution. Moving forward, we remain dedicated to creating long-term value for our clients, employees, business partners, shareholders, and the wider community, contributing to Hong Kong's transition towards a more resilient and low-carbon future.

Wang Yu Hin

Chief Executive Officer and Executive Director

29 July 2026

2026 HIGHLIGHTS

FINANCIAL PERFORMANCE



Revenue

Decreased by 5.1% to
HKD **693.7** million



Gross profit margin

Increased by 36.8% points to
7.8%



Profit attributable to equity shareholders

Increased by 343.3% to
HKD **14.6** million



Basic earnings per share

Increased by 344.0% to
HKD **1.22** cents



Total outstanding value of projects on hand

Increased by 2.7% to
HKD **955.1** million



12 New projects awarded

OPERATIONAL PERFORMANCE



2026 Construction Floor Area ("CFA")

1,219,652.36 m²



2026 BEAM Plus projects

86% of projects participated

LEADING IN SUSTAINABILITY



VISION

Driven by our corporate values of safety, integrity, excellence, and innovation, our sustainability vision shapes everything we do. We believe that by championing these principles, we can secure a sustainable future and deliver unparalleled value to our clients and stakeholders.

CORPORATE VALUES

Safety | Integrity | Excellence | Innovation

These values underpin every decision and guide how sustainability is embedded across our business.

DRIVERS FOR SUSTAINABLE CHANGE

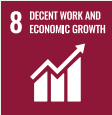
- Governance & Board Oversight
- Sustainability Risk Management
- Stakeholder Engagement & Materiality
- Circular Economy & Climate Change

Together these drivers identify our most significant ESG risks, opportunities and impacts, informing strategic priorities.



Our Sustainability Strategy

The Group's sustainability agenda is aligned with the United Nations Sustainable Development Goals ("SDGs"). The Group strongly advocates for all 17 SDGs and has identified eleven that align most closely with our business operations and have integrated them into Royal Deluxe's four sustainability pillars.

SDGs	Royal Deluxe's Sustainability Approach	Relevant Chapters
 3 GOOD HEALTH AND WELL-BEING	The health and safety of its employees is always at the heart of the Group's operation. As a formwork company operating within the construction industry, we have built our policies around protecting both our workforce and the communities we engage, ensuring that safety and sustainability progress hand in hand.	People; Value Chain
 4 QUALITY EDUCATION	Education and training are fundamental to how we build capability and create opportunity. We are committed to inclusive and equitable access to learning through comprehensive training programmes that build professional competencies and support individual career progression.	People
 5 GENDER EQUALITY	The Group actively fosters a culture of inclusion and diversity through robust equality measures applied at every level of our workforce. All employees and job applicants are afforded equal access to employment, training, and career development opportunities, free from discrimination of any kind. Going forward, we will continue to champion gender equality and ensure that all our people receive the support they need to thrive.	People
 8 DECENT WORK AND ECONOMIC GROWTH	The Group has a commitment to advancing inclusive and sustainable economic growth that generate quality employment opportunities. We strive to innovate and raise industry standards, creating value that extends beyond our business to benefit society as a whole.	People; Value Chain; Business
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	At Royal Deluxe, innovation is a long-standing pillar of our identity. As the artificial intelligence and cutting-edge technologies reshape the construction landscape, we continue to devote in expanding our patent portfolio. This pursuit of innovation underscores our dedication to bringing sustainable and resilient infrastructure to Hong Kong.	Value Chain
 10 REDUCED INEQUALITIES	Equal opportunities and treatment are central to the philosophy of the Group. Through our internal policies and community engagement activities, we seek to foster a harmonious ecosystem not only within the company, but also in the communities we serve.	People; Value Chain
 11 SUSTAINABLE CITIES AND COMMUNITIES	The Group's mission is to advance sustainable urban development through responsible construction practices that deliver lasting buildings and infrastructure. Recognising Hong Kong's unique and dynamic ecosystem, Royal Deluxe embraces the challenges it presents by introducing more sustainable materials and deploying innovative solutions. We are committed to implementing pioneering practices that reduce our ecological footprint and shape a more sustainable city.	Environment

SDGs	Royal Deluxe's Sustainability Approach	Relevant Chapters
	The construction industry is resource-intensive, and unchecked consumption can lead to substantial waste generation. The Group has therefore maintained a long-standing approach to sustainable consumption, underpinned by green procurement strategies and a dedicated focus on material reuse.	Value Chain; Environment; Business
	Climate change is a pressing reality that impacts every community and every livelihood. At Royal Deluxe, we are taking decisive action: measuring and reducing our carbon emissions, leading our industry and community by example, and meeting the highest environmental standards. Going further, we are building a Scope 3 data inventory roadmap to tackle indirect emissions throughout our supply chain, while leveraging digital solutions to optimise resource use and minimise waste at every stage of our projects.	Environment
	A robust governance framework is essential to ensuring that the Group's standards and policies are upheld, and that the highest levels of ethics and integrity are applied across all operations. Through this foundation, we actively promote inclusive institutions, respect for human rights, and justice within our organisation and beyond.	Business; People
	We work closely with clients, suppliers, subcontractors, and other stakeholders to forge collaborations and partnerships that extend across the construction industry and beyond. Together, we develop innovative and sustainable formwork solutions, advance construction technology, and reduce environmental impacts throughout the value chain.	Value Chain; People

DRIVERS OF SUSTAINABLE CHANGE

SUSTAINABILITY GOVERNANCE

The Board is responsible for setting the overall strategic direction for sustainability, while continuously evaluating and adapting our strategy to drive progress. It also establishes and monitors ESG-related targets and objectives, and oversees executive management to ensure that the highest standards of integrity and ethics are upheld, and that sustainability is embedded throughout the Group's operations, thereby enabling us to create lasting value for our stakeholders.

Governance Structure

The Group recognises that a sound governance framework is essential for upholding accountability, promoting transparency, and enhancing efficiency. The Board strives to adhere to the principles of corporate governance and adopts sound corporate governance practices to meet the legal and commercial standards by focusing on areas including risk management and internal control, fair disclosure and accountability to all shareholders. As disclosed in the Corporate Governance Report of Royal Deluxe's 2026 Annual Report, the Group has fully complied with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the financial year, and regularly reviews its corporate governance practices to ensure ongoing compliance.

The Board currently comprises six directors, including three Executive Directors ("**EDs**") and three Independent Non-Executive Directors ("**INEDs**"). It is responsible for overseeing all major matters of the Company, including the formulation and approval of policies, overall strategies, risk management and internal control systems, and the monitoring of management performance. All Directors are subject to the same legal duties under applicable laws and the Listing Rules. In performing their duties, they are required to act honestly and in good faith in the best interests of the Company as a whole, avoid actual and potential conflicts of interest, exercise reasonable care and diligence, and make objective decisions that serve the Company's best interests.

Under the Board, the ESG Committee was established on 31 March 2020. It comprises two EDs and three INEDs and is chaired by Mr. Hung Victor, an INED, by the appointment of the Board. The ESG Committee meets at least annually to provide ESG oversight to the Board. Its responsibilities include:

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

The ESG Committee is supported by two bodies: the ESG Working Group (the "**ESGWG**") and the Corporate Safety, Health and Environmental Committee (the "**CSHEC**"). The ESGWG identifies ESG risks, monitors material ESG aspects and formulates ESG management goals and work plans. The CSHEC leads the management of occupational health and safety-related matters, covering occupational health and safety risk identification, safety assessments, and compliance with health and safety laws and regulations across our operations.

During the Reporting Period, our directors completed a total of 29 hours of training on ESG-related topics, including continuing obligations, public sector integrity and construction safety.



Diversified Composition

Diversified Governance

We are committed to establishing a diversified governance structure. There are five committees under the Board, namely the Audit Committee, Remuneration Committee, Nomination Committee, Risk Committee and ESG Committee, each with defined terms of reference. The terms of reference for all Board Committees are available on the Company's website (www.royal-deluxe.com/en/rd.aspx) and the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk).

Prior to each committee meeting, all members are required to declare any interests in respect of the matters to be discussed and/or resolutions to be approved, in accordance with the Company's articles of association and/or the Listing Rules. Where a committee member (or their associate) has a material interest in a matter or resolution, the remaining committee members shall consider and decide whether that member shall abstain from voting on the relevant resolutions and/or be excluded from the meeting, to avoid any conflict of interest.

INEDs

INEDs play a significant role on the Board by virtue of their independent judgment, and their views carry significant weight in the Board's decision-making. In particular, they bring an impartial perspective to matters concerning the Company's strategy, performance and control. All INEDs possess extensive academic, professional, and industry expertise, as well as management experience, and have provided valuable professional advice to the Board. The Board also considers that INEDs can provide independent advice on the Company's business strategy, results and management, ensuring that the interests of shareholders are taken into account, and that the interests of both the Company and the shareholders are safeguarded.

Each INED is required to inform the Company as soon as practicable of any change in circumstances that may affect their independence. The Company has received written confirmation from all INEDs regarding their independence in compliance with Rule 3.13 of the Listing Rules.

The Nomination Committee has assessed the independence of each INED against the criteria set out in Rule 3.13 of the Listing Rules. The Board and the Nomination Committee are satisfied that all INEDs are independent. Currently, no INED individually holds directorships in seven or more listed public companies (including the Company) or has served for more than nine years.

Board Diversity Composition

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

The Nomination Committee will adhere to the Board Diversity Policy in ensuring that there is at least one female Director in the Board and is committed to further enhancing gender diversity as and when suitable candidates are identified. The Nomination Committee will deploy multiple channels to identify suitable Director candidates, including referrals from Directors, shareholders, management, advisors of the Company, and external agents, as appropriate, with the aim of establishing a robust pipeline of female successors to the Board in the near future.

SUSTAINABILITY RISK MANAGEMENT

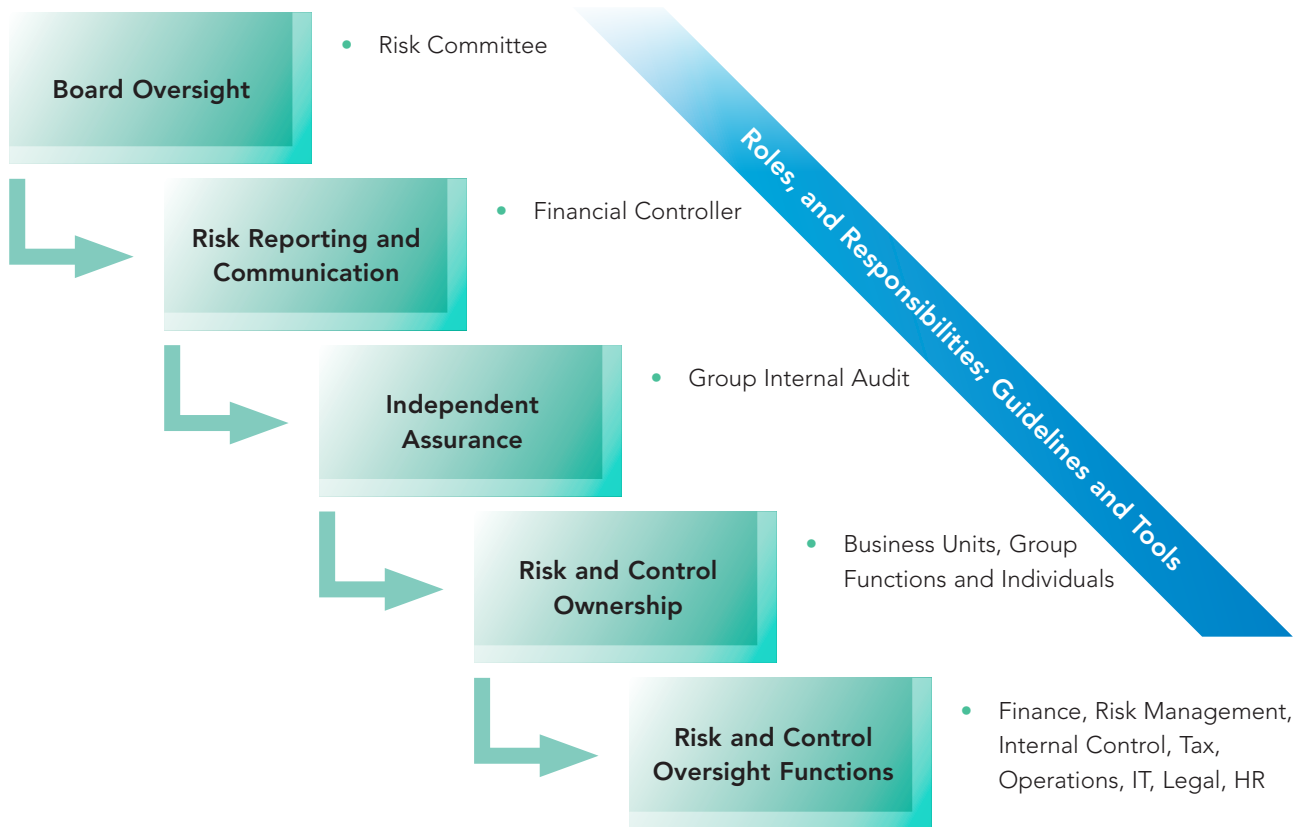
Risk Management Framework

A rigorous risk management framework underpins the Group's decision-making process and long-term value generation for its sustainability management. The Board takes responsibility for continuously monitoring and evaluating the effectiveness of the Group's internal control and risk management systems. The Risk Committee, established in 2022, comprises one ED and three INEDs, and is chaired by INED Mr. Fok Sheung Wai.

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

Risk Management Structure

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



Among all, the Board's responsibilities include:

- Approve risk management policies and monitor their effectiveness
- Ensure that risk management resource allocation is consistent with our corporate strategy

The Risk Committee's responsibilities include:

- Monitor and supervise the Group's risk policies and strategies
- Oversee climate risk management and address the impacts of climate change and climate-related risks and opportunities
- Review risk assessment reports
- Propose mitigation measures

Risk Management Procedures

Risk Management Process



The Group follows a five-step approach to manage its risks effectively. When a risk is identified, management engages with operational functions to gather significant risk factors affecting the Group from bottom to top. These risk factors are then recorded in the enterprise risk register. Management proceeds to analyse and evaluate the registered risks, prioritising them for follow-up actions based on their potential impact, likelihood of occurrence and the adequacy of existing response measures. This ensures efficient adaptation to identified risks.

The risk register is reviewed annually to maintain its accuracy and relevance, while management conducts a yearly assessment of the risk management framework's effectiveness. Business unit managers monitor risks on an ongoing basis and promptly report any changes to the Risk Committee. This process keeps all risk holders informed of their responsibilities, enabling them to develop timely and effective risk control measures.

During the Reporting Period, the Group identified various risks with a material impact on its operations, including business competition, extreme weather, workplace health and safety, and fraudulent conduct, and implemented appropriate mitigation measures in response.

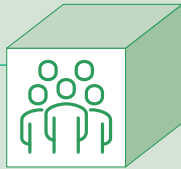
STAKEHOLDER ENGAGEMENT AND MATERIALITY

Stakeholder Engagement

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

Community

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



Customers

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



Employees

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



Government and Regulators

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



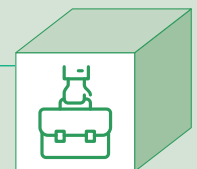
Investors and Shareholders

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



Suppliers and Business Partners

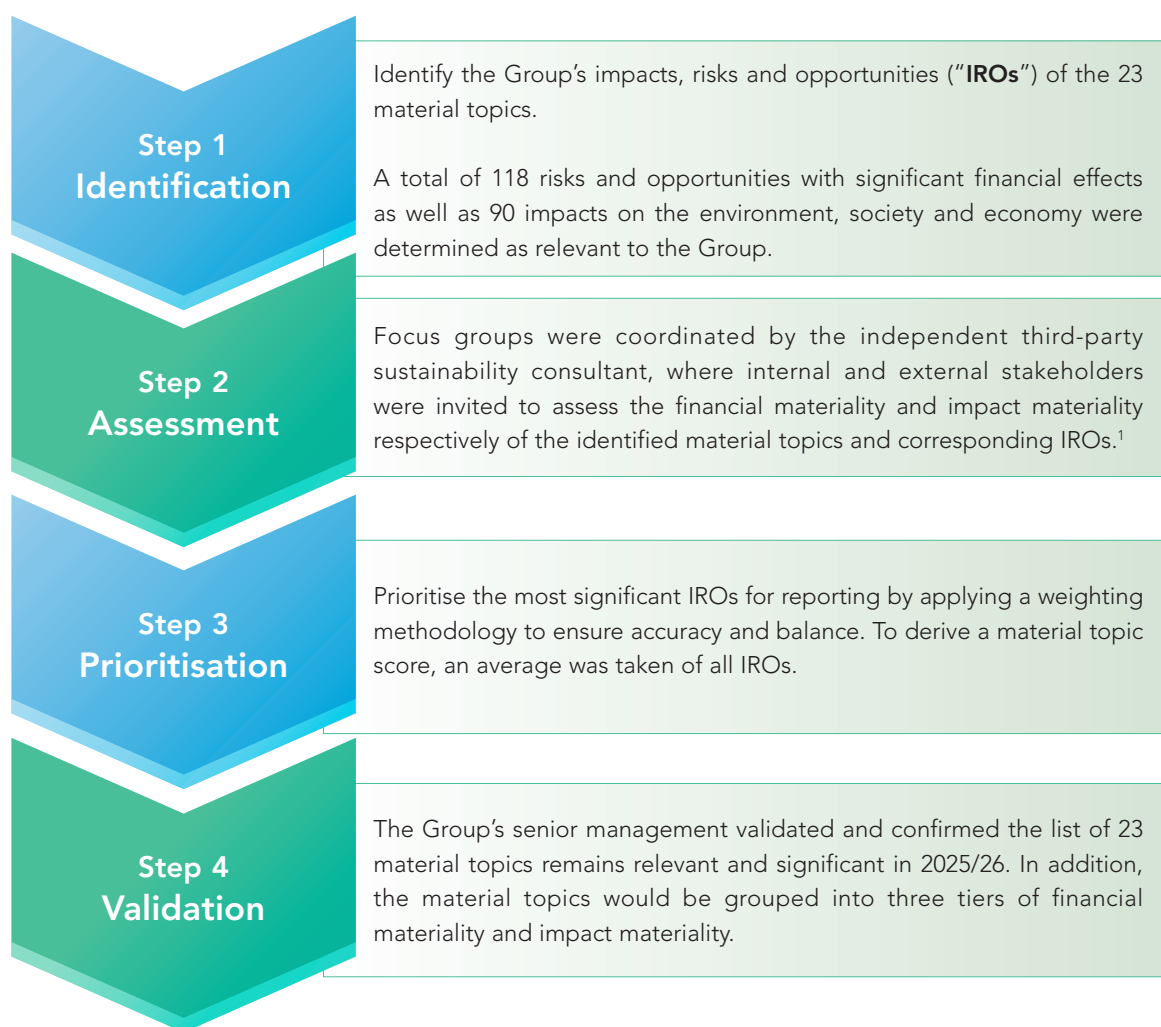
- Business meetings, supplier conferences and interviews
- Contracts and agreements
- Industrial communication channels and activities
- Quotations and tendering
- Emails



Materiality Assessment

During the Reporting Period, we conducted a double materiality assessment by engaging an independent professional consultant to carry out stakeholder engagement. This enables us to collect stakeholder feedback and prioritise issues through materiality analysis. We evaluated both the Group's impacts on the environment, people, and economy (known as "**impact materiality**"), as well as the ESG-related risks and opportunities that could affect the Group's financial performance, financial position, and cash flows over the short, medium, and long term (known as "**financial materiality**").

The adopted double materiality assessment approach is based on the Global Reporting Initiative ("**GRI**") and International Financial Reporting Standards ("**IFRS**"), which focuses on impact materiality and financial materiality respectively. The GRI's guidelines specified in the GRI Universal Standards 2021, specifically GRI 3: Material Topics 2021, were aligned with, while IFRS's guidance specified in S1 General Requirements for Disclosure of Sustainability-related Financial Information was referenced. The following 4-step process was applied when determining the Group's material IROs and topics:



¹ Internal stakeholders comprising representatives of various departments scored the magnitude and likelihood of risks and opportunities.

External stakeholders comprising suppliers and business partners scored the severity (scale, scope and irremediable character) and likelihood of impacts.

Double Materiality Matrix

Upon the prioritization of the IROs identified by internal and external stakeholders, a double materiality matrix was created that depicts the financial materiality against the impact materiality of 23 material topics:



Tier 1 Issues (Most important material issues)

Tier 2 Issues (Important material issues)

Tier 3 Issues (Moderately important material issues)

- 4 Technological Innovation
- 2 Legal Compliance
- 5 Safety Management at Site
- 6 Market Influence
- 9 Green Procurement
- 18 Construction Materials
- 10 Product Quality Management
- 13 Human Capital Development and Training
- 11 Occupational Health and Safety
- 21 Circular Economy and Waste Management
- 3 Intellectual Property Rights and Customer Privacy

- 22 Climate Change
- 7 Client Satisfaction
- 1 Ethical Business Behaviour
- 19 Air Emissions and Greenhouse Gas
- 12 Labour Shortage
- 8 Supplier and Sub-contractor Engagement

- 16 Diversity and Equal Opportunities
- 17 Community Investment and Participation
- 20 Energy Management
- 23 Sustainable Impact on Local Community
- 14 Human Rights
- 15 Child and Forced Labour



Double Materiality Results Overview

Pillars	Relevant Material Topics	Key Initiatives
Value Chain <i>We are strengthening our value chain through responsible partnerships, safe operations and a commitment to quality. By collaborating with suppliers, subcontractors and clients, and embedding responsible sourcing throughout our projects, we create lasting value and support a more resilient construction industry.</i> Read our Value Chain section on page 28 to 37.	      • Technological Innovation • Safety Management at Site • Supplier and Sub-contractor Engagement • Green Procurement • Product Quality Management • Client Satisfaction	• DfMA Construction and BIM for Sustainable Formwork • Digital Solutions for Resource Efficiency in Construction • New occupational health and safety target
Environment <i>We are transforming construction through innovative formwork solutions that maximise material efficiency, enable circularity and support lower-carbon building practices. By reducing environmental impacts and using resources responsibly, we contribute to resilient communities and a more sustainable built environment.</i> Read our Environment section on page 38 to 63.	   • Construction Materials • Air Emissions and Greenhouse Gas • Energy Management • Circular Economy and Waste Management • Climate Change • Sustainable Impact on Local Community	• Sustainable Material Substitution and transitioning to highly reusable or CITF pre-approved formwork materials • Climate Transition Plan, Climate scenario analysis and Climate Transition KPI Matrix • Introduction of high-strength alloy steel and aluminium systems • Deployment of reuse rate calculation methodology • New environmental targets

Pillars	Relevant Material Topics	Key Initiatives
Business <i>We are embedding integrity into the way we do business through strong governance, ethical conduct and responsible management of information and intellectual property. By earning the trust of our stakeholders, we create the foundation for sustainable and responsible growth.</i> Read our Business section on page 64 to 68.	   - Ethical Business Behaviour - Legal Compliance - Intellectual Property Rights and Customer Privacy - Market Influence	- Upholding zero-tolerance anti-corruption standards through the Code of Conduct on Business Ethics - Structured protection of 30 patents and 9 trademarks
People <i>We are investing in our people by fostering a safe, inclusive and respectful workplace where everyone has the opportunity to grow and succeed. Through a strong commitment to health and safety, human rights and continuous development, we empower our workforce to create lasting value for our business and communities.</i> Read our People section on page 69 to 75.	       - Occupational Health and Safety - Labour Shortage - Human Capital Development and Training - Human Rights - Child and Forced Labour - Diversity and Equal Opportunities - Community Investment and Participation	- Over 46,000 training hours across safety, technical and ESG competencies - More than HK\$50,000 donation in community support

IROs Matrix

For each material topic, we identified the IROs with the highest scores assigned by stakeholders. The most material IROs for our tier 1 topics represent the primary focus areas for our management approach and ESG reporting.

Most Material IROs – Tier 1		
Topic	Risks and Opportunities	Impacts
Technological Innovation	Obsolescence Risk: Competitors developing superior formwork technologies could surpass Ming Tai Tableform's advantages, eroding competitive position and losing market share.	Favourable Impact: Reusable formwork systems create less construction waste, reducing negative environmental impact and conserving landfill capacity for local communities. Favourable Impact: DfMA and BIM methodologies improve construction efficiency, reducing project timelines and minimising noise and dust emissions to nearby residents.
Legal Compliance	Revenue Growth: Preference of main contractors for subcontractors with clean compliance records increases tender success rates, leading to revenue growth.	Favourable Impact: Zero anti-competition incidents uphold fair competition, ensuring customers benefit from optimal quality, pricing, and value. Favourable Impact: Zero breaches of data privacy maintain customer trust in the industry, protecting individuals from identity theft and unauthorised use of personal information.
Safety Management at Site	Competitive Advantage: Client's preference of main contractors for subcontractors with zero fatalities increases tender success rates, leading to revenue growth. Client Trust: Main contractor demand for robust safety systems leads to repeat business, ensuring revenue stability.	Favourable Impact: Recipient of numerous safety awards set industry examples, encouraging other subcontractors to prioritise worker protection and raising safety standards across the construction sector.

Most Material IROs – Tier 1		
Topic	Risks and Opportunities	Impacts
Market Influence	Brand Differentiation: ESG awards and recognitions differentiate Royal Deluxe from competitors, increasing win rates and total revenue.	Favourable Impact: Participation in ESG awards showcases green building practices, raising awareness of sustainable construction across the industry and influencing client preferences toward environmentally responsible partners. Favourable Impact: Approval as Construction Industry Council ("CIC") "Approved Employer" for training young talents demonstrates commitment to workforce development, encouraging industry-wide investment in training and creating a more skilled construction workforce.
Green Procurement	Long-term Cost Savings: Rising cost of single-use timber makes durable, reusable materials (aluminium, steel) more cost-effective over multiple projects, improving profit margins.	Favourable Impact: FSC-certified timber prevents deforestation and protects forest ecosystems, preserving biodiversity and carbon storage capacity.
Construction Materials	Financial Risk: The storage of reusable construction materials leads to increased transportation and warehouse logistics costs, resulting in higher overhead expenses and lower profit margins.	Favourable Impact: Material recycling reduces demand for virgin material extraction and mining impacts, preventing habitat destruction and reducing energy consumption.
Product Quality Management	Client Trust: Main contractor preference for reliable subcontractors with consistent quality leads to long-term relationships, ensuring increased revenue generation.	Favourable Impact: Quality control systems prevent defective formwork from reaching construction sites, ensuring structural safety for workers during concrete pouring and for building occupants after completion.

Most Material IROs – Tier 1		
Topic	Risks and Opportunities	Impacts
Human Capital Development and Training	Skilled Workforce: Demand for new technologies (e.g., BIM, DfMA) creates need for continuous training, ensuring workers are proficient and improving project efficiency and profit margins. Employee Retention: Worker preference for employers offering development improves loyalty, reducing turnover and lowering recruitment costs.	Favourable Impact: Training programmes upskill the construction workforce, increasing workers' career advancement and earning potential, thereby improving their quality of life and family well-being.
Occupational Health and Safety	Debarment Risk: Government procurement rules may debar contractors with severe safety violations from public sector contracts, eliminating access to government revenue streams.	Favourable Impact: Safety training reduces workplace injuries, ensuring workers can continue supporting their families without interruption from medical leave or lost wages, contributing to social stability.
Circular Economy and Waste Management	Circular Economy Benefit: Increasing material costs make reusable formwork systems (aluminium, steel) more valuable over multiple projects, reducing waste and material costs, improving profitability.	Favourable Impact: Paper recycling reduces landfill waste and conserves forest resources, preserving trees and reducing the environmental impact of paper production.
Intellectual Property Rights and Customer Privacy	Competitive Advantage: Barriers to entry from strong IP protection allow premium pricing for proprietary formwork, improving profit margins and win rates.	Favourable Impact: Data protection policies safeguard customer personal information, preventing identity theft and privacy violations.

CIRCULAR ECONOMY AND CLIMATE CHANGE



Our Commitment & Strategic Framework

The Group recognised that the construction industry is one of the world's largest consumers of raw materials and generators of waste, and responsible for a significant portion of global CO2 emissions. Furthermore, rising material costs, tightening landfill capacity, and evolving clients and regulatory expectations for waste reduction have made circularity a business imperative.

In response, **Royal Deluxe** is committed to optimizing the use of construction materials and resources across all projects, embracing the circular economy principles to minimize waste, and extending materials lifecycles to reduce the operational carbon footprint. To formalise this commitment, Royal Deluxe has implemented robust frameworks, including:

- **Sustainable Procurement Policy**
- **Waste Management Policy**
- **Green Office Policy**

The Group's approach to circular economy, carbon footprint and waste management encompasses **three core pillars**: construction materials reuse, waste management and strategic material substitution.



Innovation in Practice: Timber vs. Metal Formwork

Traditional timber formwork drives deforestation and offers limited opportunities for recycled or reused. In contrast, **aluminium and steel formwork** advance green construction practices, aligning closely with net-zero carbon goals and environmental protection philosophies.

Structurally, their streamlined installation reduces the need for plastering work and lowers construction waste management costs. Renowned for their high recycling value, these metal formwork systems can also be **reused over 300 times**, effectively reducing carbon dioxide emissions while maintaining cleaner, safety project sites. Furthermore, because these materials are non-combustible, they substantially mitigate industrial safety risks.



Maximising Material Lifespan & Lifecycle Utility

By prioritising reusable aluminium, steel, and tableform formwork systems over single-use timber, the Group extends materials lifespan and maximises utility. Upon projects completion, reusable formwork is carefully dismantled and refurbished for subsequent deployment, thereby minimizing the demand for primary raw materials, conserving natural resources, and preventing construction waste generation.

By establishing a robust **Reuse Rate Calculation Methodology** and transitioning to reusable metal formwork systems, we not only curtail waste but also insulate our business from resource price volatility and regulatory risk, while creating long term cost efficiencies through sustained material reuse.



Climate Risk Management & Future Resilience

Climate change presents both **physical and transition risks** to our operations:



Physical Risks: Our construction sites are exposed to severe typhoons, extreme precipitation, and rising temperatures, which can disrupt project timelines, escalate operational costs, and compromise worker safety.



Transition Risks: Hong Kong's commitment to carbon neutrality by 2050, coupled with tightening building codes and growing client demand for low-carbon solutions, is rapidly reshaping the competitive landscape. Subcontractors that fail to adapt to these risks potential exclusion from tenders and risk losing relevance in a decarbonising economy.

By proactively managing our carbon footprint through key initiatives, including our **Climate Transition Plan**, **climate scenario analysis**, and a **Scope 3 data inventory roadmap**, we secure our license to operate and position Royal Deluxe as a partner of choice for clients pursuing sustainable business cooperation.



Find Out More

For detailed discussions of our policies and initiatives, please refer to the **"Resource Management"** and **"Climate Change"** subsections in the Environment chapter.

VALUE CHAIN

SDGS ADDRESSED IN THIS SECTION



Relevant material topics

- Technological Innovation
- Safety Management at Site
- Supplier and Sub-contractor Engagement
- Green Procurement
- Product Quality Management
- Client Satisfaction

TECHNOLOGICAL INNOVATION

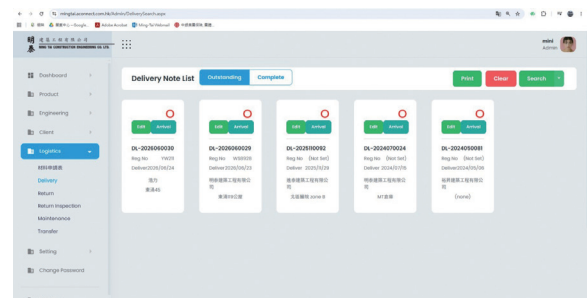
Commitment to innovation

Innovation and digitalisation are increasingly central to the development of Hong Kong's construction industry. Guided by its innovation motto of providing **"high-quality work and flexible solutions to deliver construction technical innovation and optimised customer design"**, the Group continues to invest in technology and innovation to enhance project efficiency, strengthen project management and maintain its competitive edge. Through ongoing assessment of risks and opportunities, as well as close monitoring of industry developments, the Group seeks to adopt technologies that improve operational efficiency, workforce planning, site safety and sustainable development performance.

Digital solutions for resource efficiency

The Group is committed to making digital transformation a core part of its ESG strategy, aiming to improve operational efficiency and reduce its environmental footprint. Its digitalisation initiatives are designed to minimise resource consumption, enhance collaboration, and promote the use of sustainable materials and reusable formwork across all construction sites.

The Group has strategically adopted innovative digital solutions that, in the long term, significantly reduce the consumption of timber formwork, automate the planning and placement of formwork, and enable the autonomous analysis of construction plans combining reusable formwork from different materials. These capabilities not only drive operational efficiency but also support the Group's broader sustainability objectives.

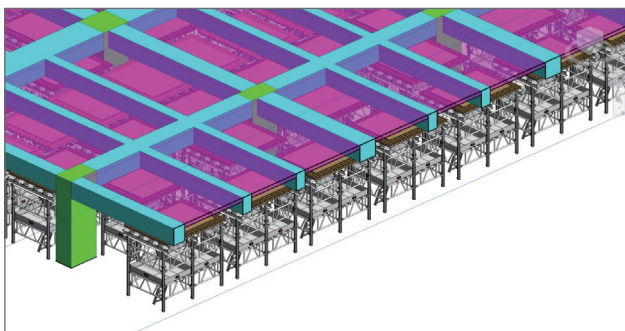


Proprietary technologies and industry recognition

The Group's key technological solutions include the Ming Tai Tableform (Patent No.: HK1253972). This technology is included in the Construction Innovation and Technology Fund ("CITF") pre-approved list of safety-related technologies, underscoring their industry-recognised value in enhancing site safety and operational performance. In addition, the Group applies BIM and Modular Integrated Construction ("MiC") technologies, while its engineering design business continues to advance the optimisation of DfMA technology.

The Group actively invest in innovation, technology and technical process enhancements to improve workforce efficiency, site safety, material utilisation and waste management. In particular, the Ming Tai Tableform is expected to be 15% more efficient than traditional tableform procedures, supported by streamlined installation and transportation processes.

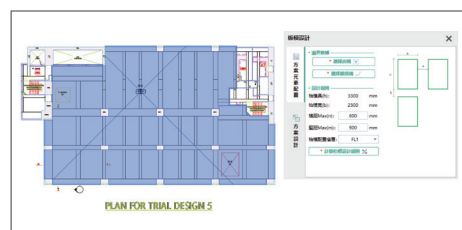
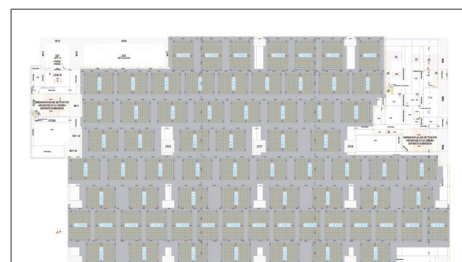
Innovation in craftsmanship and design



In recent years, the Group's engineering design team has continuously improved its DfMA application integration capabilities and strengthened BIM-based digital formwork design collaboration. This application has been extended to formwork systems of various materials, including aluminium formwork, platform formwork, iron formwork, and timber formwork. This approach supports the creation and management of "digital twins", which capture both the physical and functional aspects of buildings and construction sites.

By applying digital twin and related design technologies, the Group aims to improve project communication, optimise construction processes, and simplify drawing preparation at each stage of the project. These technologies also support closer collaboration among architects, engineers, clients, suppliers, surveyors, contractors, and other construction professionals involved in planning, design, manufacturing and construction. During the Reporting Period, 12 projects benefited from the application of DfMA methodology.

Looking ahead, the Group will gradually upgrade its software to further optimise automation, improve resource utilisation, and enhance operational resilience. The implementation of the circular economy principles in the waste sector holds significant potential to contribute to net-zero emissions targets by 2030 and 2050.



SITE SAFETY MANAGEMENT

For Royal Deluxe, occupational health and safety extends beyond regulatory compliance – it is a fundamental pillar of its operational philosophy. Following the Group's latest stakeholder engagement, occupational health and safety was identified as one of its most material topics this reporting year, reinforcing its commitment to safety excellence.

In line with our **"Safety First"** principle, the Safety Policy Statement is regularly reviewed by the CSHEC and displayed at prominent locations across offices and construction sites. The CSHEC plays a pivotal role in governing the Group's occupational health and safety framework, which includes monitoring policy implementation, evaluating performance against industry benchmarks, and ensuring that policy revisions reflect legislative updates, operational changes, and stakeholder feedback. Policy execution is overseen by the Executive Director, while the General Manager and Deputy Project Directors coordinate operational efforts to drive continuous improvement and ensure compliance with stringent safety standards. The Group's Safety Organisation Chart clearly illustrates the lines of authority for safety management.

The Group maintains a rigorous Safety Plan that applies to employees, subcontractors, and the wider community. It sets out comprehensive management measures for accident prevention and control, planning, training, risk assessment, safety audits and review, with the aim of minimizing risks across all project sites. It also incorporates contingency procedures for emergency responses, alongside safety incentive schemes and safety competitions to foster worker engagement and awareness.

Safety training plan

Royal Deluxe is dedicated to continuously enhancing workplace safety by exceeding basic statutory compliance. In addition to mandatory safety training, regular meetings, safety audits, and safety reviews, the Group adopts innovative technological solutions – such as the Ming Tai Tableform Formwork (recognised under the CITF Pre-approved Technologies list) – to further reduce operational risks and prevent occupational injuries related to **"work above ground"** and **"work at height"**.

The Company Safety Training Plan details the required training for workers based on their roles and duties, thereby preventing accidents and ensuring that personnel thoroughly understand emergency protocols. The Safety Officer reviews the Site Safety Training Programme monthly, and its effectiveness is regularly assessed by the Site Safety Committee. Safety training provisions include Site-Specific Induction Training, Safety Toolbox Talks and special safety training for high-risk tasks, covering site-specific risks, basic first aid, emergency contacts, good site practices and relevant laws and regulations. All employees must complete external safety training courses approved by the Labour Department prior to commencing on-site work, while Continuing Professional Development (**"CPD"**) courses are arranged for specialised roles to ensure workers possess the necessary technical skills.

Regular safety inspections and audits are conducted to verify compliance with safety regulations and the Safety Plan. Safety officers, contractors, and subcontractors share the responsibility of maintaining best practices on site. Furthermore, qualified external auditors regularly assess the effectiveness and reliability of the safety management system in accordance with relevant standards, including the Factories and Industrial Undertakings (Safety Management) Regulation (Cap. 59AF of the Laws of Hong Kong).



Safety Risk Assessment



Assessing health and safety risks

Safety Advisor/Safety Officer:

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



Reporting work-related hazards

Site Agent and Foremen:

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



Investigating accidents/incidents

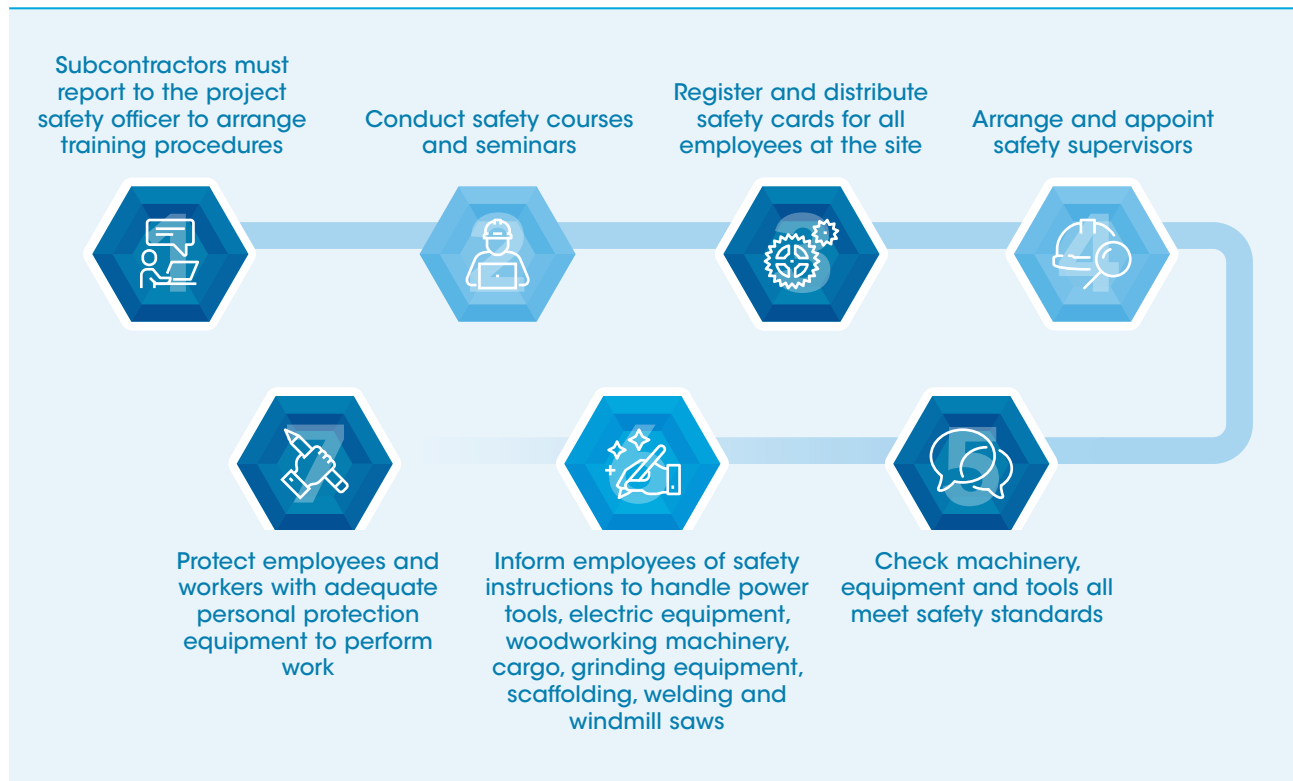
Safety Officer/Safety Supervisor:

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

The Group strictly abides by relevant laws and regulations regarding the provision of a safe working environment and protecting employees from occupational hazards, including the Guidance Notes on Standing Plan for Prevention of Heat Stress at Work issued by the Labour Department. To effectively mitigate heat stress risks, the Group project sites have established shaded rest areas equipped with drinking water, active deck shelters, industrial fans, and mechanical lifting aids. Health tracking includes regular blood pressure checks, and workers identified as hypertensive must provide a doctor's medical certificate prior to deployment to ensure their safety.

The Group has also established the Work Safety Code and Safety Instructions for workers and subcontractors, defining standard operating procedures and precautions for using construction tools and equipment and for executing high-risk works. On-site employees are provided with essential personal protective equipment ("PPE"), including helmets, safety harnesses, respirators, as well as eye, ear and hand protectors. All Group project sites strictly adhere to main contractors' safety and smoke-free workplace mandates, effectively enhancing workforce awareness regarding fire prevention and tobacco control to ensure full operational compliance.

Safety Instructions for Subcontractors



During the Reporting Period, the Group accumulated a total of 2,181,179 (2025²: 1,812,400) working hours. The Group's fatality control performance remained commendable, with no fatalities recorded over the past three years. To further improve its safety metrics, the Group will continue to address risks at source and strengthen preventive measures. It also actively promotes workers' participation in safety awareness programmes and professional training to enhance their accident prevention and emergency response capabilities.

² Based on guidance from the Architectural Services Department, annual working hours per worker are assumed to be 9 hours per working day. Historical data has been restated to reflect this change.

Handling of safety incidents

The Group recognizes that construction activities involve inherent occupational hazards that cannot be entirely eliminated. To mitigate the risk of work-related injuries, the CSHEC oversees safety assessments and action plans, with the aim of maintaining the highest safety standards across project sites. In the event of an incident or accident, the most senior site staff member who first becomes aware of the case is required to immediately initiate the notifiable or serious incident reporting procedure. Comprehensive investigations are then conducted to identify root causes, implement corrective measures and develop preventive strategies to reduce the likelihood of recurrence. To reinforce accountability in incident management, the Group has enhanced safety integrity governance by requiring site in-charges and safety officers to sign a **"Declaration of Disciplinary and Integrity Compliance for Workplace Accidents,"** guaranteeing that all work injuries are fully and truthfully reported without concealment, omission, or misrepresentation.

During the Reporting Period, the Group recorded 26 cases of work injury reportable to the Labour Department (2025: 43 cases), representing a 39.5% decrease compared with the previous year. Furthermore, the recordable work injury rate dropped significantly from 4.32 per 200,000 man-hours in 2025 to 2.22 during the Reporting Period, validating its endeavours in promoting a safety-first culture. The increase in lost workdays during the Reporting Period was primarily attributable to injuries sustained in the prior year, which accounted for approximately half of the total days recorded. The Group is also aware of the potential impact of labour disputes on our operations and have taken necessary and appropriate actions to settle work injury claims. Where an injury claim is confirmed, affected workers are entitled to compensation for medical expenses as mutually agreed.

	Work-Related Fatalities		Work Injury Cases ³		Lost Days Due to Work Injury ⁴		Work Injury Rate per 200,000 man-hours ^{5 6}	Accident Rate per 1,000 workers ⁷
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Total	Total
								
2024	0	0	2	41	26	4,929	4.18	53.80
2025	0	0	2	41	263	3,676	4.32	56.40
2026	0	0	11	15	820	4,311	2.22	28.20

During the Reporting Period, the Group received four court summonses in relation to alleged violations of Regulations of 38AA(2), 38B(1A) of the Construction Sites (Safety) Regulations (Cap 59I. of the Laws of Hong Kong) and the Factories and Industrial Undertakings Ordinance (Chapter 59). One summons, concerning the failure to provide suitable and sufficient means of safe egress, has been concluded, resulting in a fine imposed on the Group. The remaining three summonses are currently being processed and have not yet been concluded. The Group is actively engaging with the relevant authorities and will take appropriate remedial actions as required under applicable health and safety legislation.

³ "Work injury cases" refers to the number of work-related injury cases reportable to the Labour Department.

⁴ "Lost days due to work injury" refers to the number of work days lost due to cases reportable to the Labour Department.

⁵ "Work injury rate per 200,000 man-hours" refers to the number of reportable injury cases per 200,000 man-hours worked. It is calculated by the number of reportable injury cases to the Labour Department divided by total man-hours worked during the Reporting Period, and then times 200,000. The calculation for total daily working hours for all projects revised to 9 hours. Hence, historical data has been recalculated to reflect this change in calculation methodology.

⁶ Based on guidance from the Architectural Services Department, annual working hours per worker are assumed to be 9 hours per working day. Historical data has been restated to reflect this change.

⁷ "Accident rate per 1,000 workers" represents the number of reported accidents per 1,000 workers (including staff at project sites and offices). It is calculated by multiplying the total number of reported accidents by 1,000 and then dividing by the average daily number of workers.

Work-Related Injuries and Corrective Measures

During the Reporting Period, the Group recorded one serious work-related injury caused by a collapsed object. In response, the Safety Department immediately developed an Improvement Plan and initiated targeted Safety Improvement Training. Implemented corrective actions included re-conducting briefings on the latest method statement, delivering pre-work safety training, introducing comprehensive safety checklists, enforcing a strict permit-to-work system, and ensuring that all assigned workers possess adequate relevant experience and technical qualifications.

The Group also identified that the most frequent type of work-related injury was striking against a fixed or stationary object. To prevent recurrence, the Group has developed and implemented a series of comprehensive mitigation measures. Its primary focus centres on strengthening workers' safety awareness through ongoing safety training and toolbox talks. Concurrently, frontline management personnel ensure that the work environment remains inherently safe by keeping access routes clear and well-lit, while verifying that adequate personal protective equipment is provided and properly worn. Compliance with approved construction methods and safe working procedures is strictly mandatory for all personnel. Additionally, a transparent reporting mechanism is in place to encourage workers to promptly report any unsafe conditions, near misses, or operational concerns to their supervisors. By embedding these practices, the Group aims to systematically reduce the recurrence of such injuries and foster a more vigilant safety culture across our sites.

Occupational health and safety target setting

To reinforce the Group's commitment to continuous improvement in occupational health and safety, the Group has established quantified targets across key performance indicators for the short, medium, and long term. The baseline year for all targets is 2026, against which future performance will be measured.

KPI	Short-term (1 year horizon)	Medium-term (3 year horizon)	Long-term (5 year horizon)
Number of fatalities	0	0	0
Number of reportable accidents	-5%	-15%	-30%
Lost days due to work injuries	-5%	-15%	-30%
Work Injury Rate per 200,000 man-hours	-5%	-15%	-30%
Accident Rate per 1,000 workers	-5%	-15%	-30%

These targets reflect our proactive approach to safeguarding our workforce and will be reviewed annually to ensure they remain ambitious yet achievable, in line with industry best practices and evolving regulatory requirements. Progress against these targets will be reported on an annual basis as part of our ongoing commitment to transparency and continuous improvement.

CLIENT SATISFACTION

The Group recognises that client satisfaction is closely linked to the consistent delivery of safe, reliable, and high-quality products and services. The Group therefore places a strong emphasis on product quality management and control, ensuring that materials and products used in its projects meet client specifications, contractual requirements and applicable statutory obligations.

Product quality management and control

Across all projects, the Group applies a disciplined quality management framework covering every stage, from material sourcing to on-site delivery. Our procurement team operates under clearly defined internal protocols, with verification checks performed upon each shipment's arrival to confirm order accuracy in volume, cost, and specification. A dedicated tracking document allows visibility over incoming deliveries and return transactions, ensuring that both project leads and the procurement team remain fully updated as materials move through the supply chain.

The Company Quality Manual provides a formal structure for identifying and managing products that fall short of stipulated requirements, with explicit accountability for preventing their accidental deployment. In the rare instance that an issue emerges post-delivery, or when a customer lodges a formal grievance, the project manager is alerted through established escalation routes, and the involved subcontractor or responsible party is notified without delay.

Each non-conformity case undergoes a thorough assessment combining physical inspection and documented reporting, leading to targeted remedial actions when warranted. All incidents are logged and retrospectively analysed to identify patterns and inform preventive strategies. Beyond case-specific follow-ups, the Group carries out recurring site audits and supervisory checks to maintain a consistent, proactive grip on quality standards. During the Reporting Period, the Group recorded zero significant complaints tied to project execution or material quality relative to contract terms. Likewise, there were no breaches of regulatory requirements or voluntary industry codes concerning the safety and health performance of the formwork products supplied.



SUSTAINABLE SUPPLY CHAIN MANAGEMENT

The Group recognises that responsible supply chain management is essential to advancing sustainable construction practices and mitigating social and environmental risks across its value chain. It has built strategic relationships with construction material suppliers and subcontractors, including those responsible for site supervision and overseeing workforce operations. Through fair and transparent procurement practices, the Group seeks to maintain mutually beneficial relationships with its value chain partners while integrating responsible corporate practices into its supply chain management.

The Group expects its suppliers and subcontractors to comply with its sustainability requirements in relation to labour practices, health and safety standards, environmental management, and business ethics and code of conduct. In addition, the Group regularly identifies and assesses supply chain risks related to the business environment, material supply and social impacts, and formulates tailored countermeasures and preventive mechanisms to mitigate such risks. Key indicators, including fluctuations in procurement costs and delivery lead times, are continuously monitored to help the Group anticipate potential disruptions and strengthen operations resilience.

Green procurement

The Group's approach to green procurement is guided by its broader commitment to sustainable resource management. Its Sustainability Policy sets out the Group's strategic commitment to reducing environmental impacts through value chain collaboration and the adoption of innovative construction technologies that enhance project sustainability and efficiency. The Green Office Policy also provides employees with clear guidelines on reusing and recycling materials and minimising energy consumption. Together, these policies support the Group's efforts to reduce its ecological footprint at construction sites, offices and across its construction projects.

As part of its sustainable procurement strategy, the Group integrates social and environmental responsibility into procurement and value chain management. It prioritises sourcing from local suppliers where practicable, thereby reducing the carbon footprint associated with transportation while contributing the local economy. During the Reporting Period, out of a total of 63 suppliers, only 4 were based in the PRC, while the remaining 59 were local suppliers. Given that timber formwork remains the most common type of formwork used in Hong Kong, the Group sources 100% of its timber and plywood products from forests certified by the Forest Stewardship Council ("**FSC**") or the Programme for the Endorsement of Forest Certification ("**PEFC**"). This supports the use of sustainably harvested wood, helps minimise deforestation, and promotes biodiversity conservation.

Royal Deluxe is also pursuing low-carbon aluminium alternatives manufactured with renewable energy, moving away from conventional coal-dependent production. Supplier accreditation through bodies such as the Aluminium Stewardship Initiative ("**ASI**") and the China Green Metal Certification Centre ("**CGMC**") guides the Group's selection, helping ensure that extraction and manufacturing align with sustainable practices. This approach supports its broader commitment to minimising the carbon footprint of the formwork value chain.

Supplier and Subcontractor Engagement

We work closely with suppliers, subcontractors and key stakeholders to promote continuous improvement, mitigate supply chain risks and strengthen ESG alignment. Through ongoing engagement, the Group encourages its partners to adopt responsible practices that are consistent with its core values and sustainability expectations.

We combine ESG data collection with ongoing monitoring of business and operational indicators, including procurement cost fluctuations and changes in delivery lead times. Where potential material ESG risks are identified, the Group engages with the relevant parties and encourages the adoption of appropriate mitigation measures. Through this approach, the Group aims to reinforce social and environmental responsibility across its operations and promote sustainable development throughout the supply chain.



Sustainable Procurement Policy

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



Supplier Code of Conduct

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



Supply Chain Management

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

The Group governs supplier assessment and selection through a formal Sustainable Procurement Policy, supported by its product quality management framework. An approved supplier list is also maintained to ensure engagement only with partners that have a proven, long-term commitment to sustainable development. By doing so, we actively reduce the social and environmental risks inherent in our procurement activities.

In accordance with the Sustainable Procurement Policy, preference is given to new suppliers that have demonstrated a commitment to sustainable development, complied with all applicable ESG-related laws and regulations, developed a sustainability policy and sustainable procurement policy, and adopted recognised ESG management systems. Suppliers on the approved list are required to commit to the Group's Supplier Code of Conduct and integrity policies, which set out the Group's environmental and social requirements and promote a culture of integrity across the value chain.

ENVIRONMENT

SDGS ADDRESSED IN THIS SECTION



Relevant material topics

- Construction Materials
- Air Emissions and Greenhouse Gas
- Energy Management
- Circular Economy and Waste Management
- Climate Change
- Sustainable Impact on Local Community

Royal Deluxe recognises that environmental stewardship is fundamental to sustainable business operations and long-term value creation. As a leading formwork subcontractor in Hong Kong's construction industry, the Group is committed to minimising its ecological footprint across its operations and value chain. This commitment is embedded in the Group's Sustainability Policy, Environmental Protection Policy, and Green Office Policy, which together provide a comprehensive framework for managing environmental impacts, complying with relevant laws and regulations, and contributing to the Hong Kong's goal of achieving carbon neutrality by 2050.

The Group's environmental stewardship focuses on four key areas: circular economy and waste management, climate change mitigation and adaptation, and the identification and mitigation of impacts on local communities. Through the adoption of innovative technologies such as BIM and DfMA, the prioritisation of reusable formwork materials, and the implementation of rigorous environmental management systems, Royal Deluxe strives to reduce GHG emissions, conserve natural resources, and promote sustainable construction practices across all projects.

RESOURCE MANAGEMENT

Circular economy and waste management

Royal Deluxe is committed to optimising the use of construction materials and resources throughout its projects, embracing the principles of the circular economy to minimise waste and extend the lifecycle of materials, thereby reducing our operational carbon footprint. The Group recognises that the construction industry is a significant consumer of natural resources and a generator of waste and is also responsible for a significant portion of global GHG emissions. As such, Royal Deluxe has implemented a range of policies and practices to reduce its environmental impact, including the Sustainable Procurement Policy, Waste Management Policy, and Green Office Policy.

The Group's approach to circular economy, carbon footprint and waste management focuses on sustainable construction materials and reuse management. Each area is addressed in turn below, outlining the specific initiatives and performance metrics Royal Deluxe has adopted to drive continuous improvement.

Sustainable construction materials

The construction industry is widely recognised as one of the largest contributors to global carbon emissions and environmental pollution. Against this backdrop, the adoption of sustainable building materials is no longer an industry trend, but a critical imperative for mitigating CO2 emissions and combating climate change.

In Hong Kong, the construction materials market is facing significant challenges posed by industry evolution, including rising demand for sustainable timber, recycled metals, reusable DfMA solutions, and MiC products, alongside volatile raw material supplies and increasingly stringent environmental regulations and building codes. Sustainable construction materials, ranging from recycled aluminium and steel to responsibly sourced and reclaimed timber, are designed to reduce environmental impact, offer better efficiency, and support healthier living environments. More importantly, they signify a paradigm shift toward renewable building resources that prioritise circular economy principles over linear consumption.

Against this backdrop, the Group actively develops and adopts next-generation formwork materials to phase out traditional timber formwork and reduce reliance on single-source resources. We plan to introduce premium, mainland-manufactured high-strength alloy steel formwork systems across our Hong Kong construction sites. The sustainable and environmental advantages of these systems are anchored in the following pillars:

Electric Arc Furnace (EAF) Steelmaking Process:

The majority of mainland steel formwork manufacturing utilizes high-quality high-strength steel (e.g., S690 grade). This material is typically produced from steel scrap through the short-process EAF, thereby incorporating a substantial proportion of recycled content and significantly reducing the carbon intensity associated with primary steel production.

Low-Carbon and Circular Attributes:

Deploying recycled steel for high-strength alloy steel formwork directly aligns with national strategic directives toward a green, low-carbon, and circular economy. Through the incorporation of micro-alloying elements to enhance structural toughness and strength, the manufacturing process reduces carbon intensity while guaranteeing high load-bearing capacity and an exceptional turnover rate, with a reuse capability exceeding 300 times, far surpassing that of traditional timber formwork.

By integrating our innovative AI-driven Digital Twin application software and BIM technology, we optimise the synergistic combination of high-strength steel and reusable standard aluminium formwork. This hybrid approach maximises structural load efficiency, extends material lifecycle rotations, minimises construction waste, and significantly reduces the carbon footprint of our temporary works operations.





While the Group's formwork systems are deployed as temporary works and concrete forming tools, the application of high-strength alloy steel formwork systems in Hong Kong public sector projects, such as those under the ArchSD or the Housing Authority ("**HKHA**") remains subject to rigorous customer approval and acceptance protocols. These protocols are necessary to satisfy the stringent quality control and regulatory compliance procedures governing public works, notwithstanding the established foundation of high-strength steel and metal formwork in the Hong Kong market.

We noticed that the ArchSD's Innovation and Smart Technology Guidelines (A5) has explicitly recommended and incentivised the utilisation of recycled steel materials in public works, signalling strong policy support for sustainable material adoption. Looking ahead, we anticipate that the new high-strength alloy steel formwork materials will achieve widespread adoption across various public construction sites in Hong Kong, further aligning with the Group's sustainable development goals and reinforcing our position as a leader in green construction innovation.

Reuse Rate KPI

The Group is driving sustainable construction transformation by shifting from traditional timber formwork to highly reusable metal system formwork (aluminium or steel) and aluminum tableform formwork which is recognised in the CITF Pre-approved Technologies list. This transition is a typical example of the “**low-carbon transformation driven by a circular economy**” principle for the construction industry. Concurrently, we have embraced a dual-wheel strategy that drives the integration of digital solutions, specifically BIM and AI. We believe this digital transformation will optimise our prefabrication designs, DfMA, and on-site resource scheduling, thereby laying a resilient foundation for long-term operational scaling.

To support circularity and reuse of sustainable formwork materials, including aluminium, steel and Ming Tai tableform formwork, we have established a generic KPI to benchmark the Group’s performance in sustainable formwork materials reuse. This KPI factors in the actual materials utilized relative to the total floor-areas constructed across our projects. It will enable a comprehensive life-cycle assessment of reusable formwork materials, providing a clearer metric of the Group’s performance in circular usage, extending material lifespans and effectively diverting waste from landfills.

Pilot Program Performance and Material Reuse Data

During the Reporting Period, we piloted the calculation of the material reuse rate KPI across six project sites, recording a weighted reuse rate of 3.0 cycles for Ming Tai Tableform formwork materials. For steel and aluminum formwork materials, weighted reuse rates reached 36.0 and 10.9 cycles across six and seven project sites, respectively. Additionally, timber formwork materials achieved a weighted reuse rate of 1.3 cycles across fifteen major project sites.

Carbon Accounting and Calculation Methodology

We are actively expanding the data collection system to all new project sites and conducting further studies to assess the carbon emissions of various formwork materials, while identifying the opportunities to reduce embodied carbon associated with the reused materials. By establishing our Reuse Rate Calculation Methodology (encompassing Apportionment and Carbon Reduction Formulas), our ultimate goal is to accurately calculate the emissions reductions achieved through our circular economy practices. Guided by ISO Life Cycle Assessment (“**LCA**”) standards, we endeavour to utilise both the Allocation Method and the Baseline Substitution Method to ensure our carbon accounting remains transparent, robust, and verifiable (for further details, please refer to the “**Climate Change**” subsection).

Climate Transition KPI Matrix: Our Three-Tier Data Chain

To ensure rigorous monitoring and data traceability from construction sites to corporate disclosures, we have established a bottom-up Climate Transition KPI Matrix. This matrix effectively links operational site metrics, asset-level engineering innovations, and corporate financial-ESG disclosures.

Tier 1: Operational-Level KPIs (Site Operations)

These KPIs monitor material efficiency and waste reduction directly at the project site level to optimize resource utilization

KPI 1: Timber Formwork Consumption Intensity per 10,000 m2 of Construction Floor Area (CFA)

Strategic target: Achieve an annual reduction of 15%–20%, driving our construction projects toward a “**Near-Zero Timber Formwork Site**” blueprint

KPI 2: Weighted Reuse Rate of Hybrid Formwork Systems

Strategic target: track the consolidated circular lifecycle of combined aluminium, steel, and timber systems to maximize material circularity

Tier 2: Asset & Technical-Level KPIs (R&D and DfMA Engineering)

This KPI measures our technical capability to scale circular economy assets through design optimization and engineering innovation.

KPI 3: DfMA Aluminum Table Formwork Adoption Rate

Climate-circularity relevance: DfMA enhances structural standardization. This shifts aluminum formwork from standard system limits to extended lifetime cycles, directly accelerating the dilution of amortized embodied carbon

Strategic target: By 2030, maintain annually the adoption rate of Sustainable Formwork at no less than 60% of the total formwork contracting area, driving our construction projects toward “**Sustainable Construction**” blueprint

Tier 3: Strategic Corporate-Level KPIs (Financial & ESG Disclosure)

This KPI translates site-level resource efficiencies into financial and climate indicators aligned with global financial markets.

KPI 4: Scope 3 Carbon Intensity (Upstream Embedded Carbon)

Strategic alignment: this metric establishes a direct connection with the disclosure frameworks of the HKEX ESG Rules and the Science Based Targets initiative (SBTi), showcasing our decoupled growth model to green investors.



Timber

We source 100% of its timber and plywood products from FSC or PEFC certified forests, ensuring all wood is harvested sustainably and any possible deforestation is avoided (please refer to the “**Sustainable Supply Chain Management**” subsection for more details). As timber is difficult to fully recycle, the Group not only has established its policy of reuse, but also keeps exploring innovative solutions for transforming timber waste into a renewable construction material. For the unused timer panels and scraps, the Group returns them to licensed collectors or repurpose for other projects sites.

Timber	Consumed (m³)	Recycled (m³)	Recycling Rate (%)
2024	6,179.24	Nil	Nil
2025	6,899.06	Nil	Nil
2026	9,572.08	Nil	Nil



Aluminium and Steel

The Group is transitioning towards low-carbon aluminium manufactured with renewable energy, moving away from conventional coal- and fossil-fuel-based production. By selecting certified suppliers including but not limited to those by the Aluminium Stewardship Initiative (“**ASI**”) and the China Green Metal Certification Centre (“**CGMC**”), we ensure that our formwork materials are produced sustainably, from extraction through to manufacturing. This initiative is a key step in minimising the carbon footprint of our value chain. Similar to timber, before materials are sent back to authorised collectors or sorting facilities, we assess the material condition, seeking to avoid hazards caused by corrosion, rust and dents.

Aluminium	Consumed (tonnes)	Recycled (tonnes)	Recycling Rate (%)
2024	126.85	32.72	25.79
2025	1,193.08	81.28	6.81
2026	134.15	751.06	559.87 ⁸

Steel	Consumed (tonnes)	Recycled (tonnes)	Recycling Rate (%)
2024	617.27	617.27	27.17
2025	1,667.07	645.81	38.74
2026	1,107.07	1,555.07	140.47 ⁸

⁸ The recycling rate exceeds 100% as the figures reflect the recycling of materials accumulated from projects across multiple reporting periods. As materials from different project cycles are stored and sorted together, it is not practicable to distinguish recycling by the year of initial consumption.



Metals

The Group uses and reuses metal components in most of its formwork projects. During the Reporting Period, 135.39 tonnes of metals were consumed.

Metal	Consumed (tonnes)	Recycled (tonnes)	Recycling Rate (%)
2024	921.51	Nil	Nil
2025	820.24	Nil	Nil
2026	135.39	Nil	Nil



Paper

The Group continues to drive digitalisation as a core initiative to reduce paper consumption. For instance, email communication and electronic greeting cards are promoted within the Group. Recycling bins are placed next to printers and fax machines for wastepaper collection, which is then collected by licensed professional recycling companies for recycling purposes.

During the Reporting Period, paper consumption was 1,915.19 kg (2025: 3,245.36 kg), where 1,008.00 kg (2025: 696.00 kg) of paper were recycled, and the paper recycling rate was 52.63% (2025: 21.45%).

Paper	Consumed (kg)	Recycled (kg)	Recycling Rate (%)
2024	3,367.06	3,158.00	93.79
2025	3,245.36	696.00	21.45
2026	1,915.19	1,008.00	52.63

Environmental Compliance

Royal Deluxe is dedicated to optimising the use of construction materials and resources throughout its projects. The Group complies with key environmental ordinances including the Dumping at Sea Ordinance (Cap. 466), Environmental Impact Assessment Ordinance (Cap. 499), Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N), Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C), Waste Disposal Ordinance (Cap. 354), and Water Pollution Control Ordinance (Cap. 358). The Group's Waste Management Policy and Green Office Policy also play a key role in creating an internal system for waste reduction, recycling, and sustainable resource use.

To reduce its environmental impact, the Group sources sustainable materials, reuses formwork, and minimises and recycles waste. During the Reporting Period, the Group completed one BEAM Plus project and engaged in eleven ongoing BEAM Plus projects, promoting efficient and sustainable construction practices with partners to build sustainable buildings and communities.

Water management

The Group recognises water as a treasured natural resource. The direct water use from the Group is primarily limited to cleaning purposes and communal washrooms operated by the office building management at its headquarters. However, we have not allocated water management as a material aspect due to the nature of its operations. At the construction sites, water management falls under the responsibility of the main contractors or property owners, and therefore water usage records are not retrievable by Royal Deluxe.

The Group's water supply is provided by the Hong Kong Water Supplies Department and discharged to public sewerage, with no issues regarding sourcing water that is fit for purpose. Consequently, the Group has omitted water efficiency targets from its environmental strategy. Despite that, Royal Deluxe always strives for encouraging responsible water consumption throughout its operations by promoting water-saving awareness among employees.

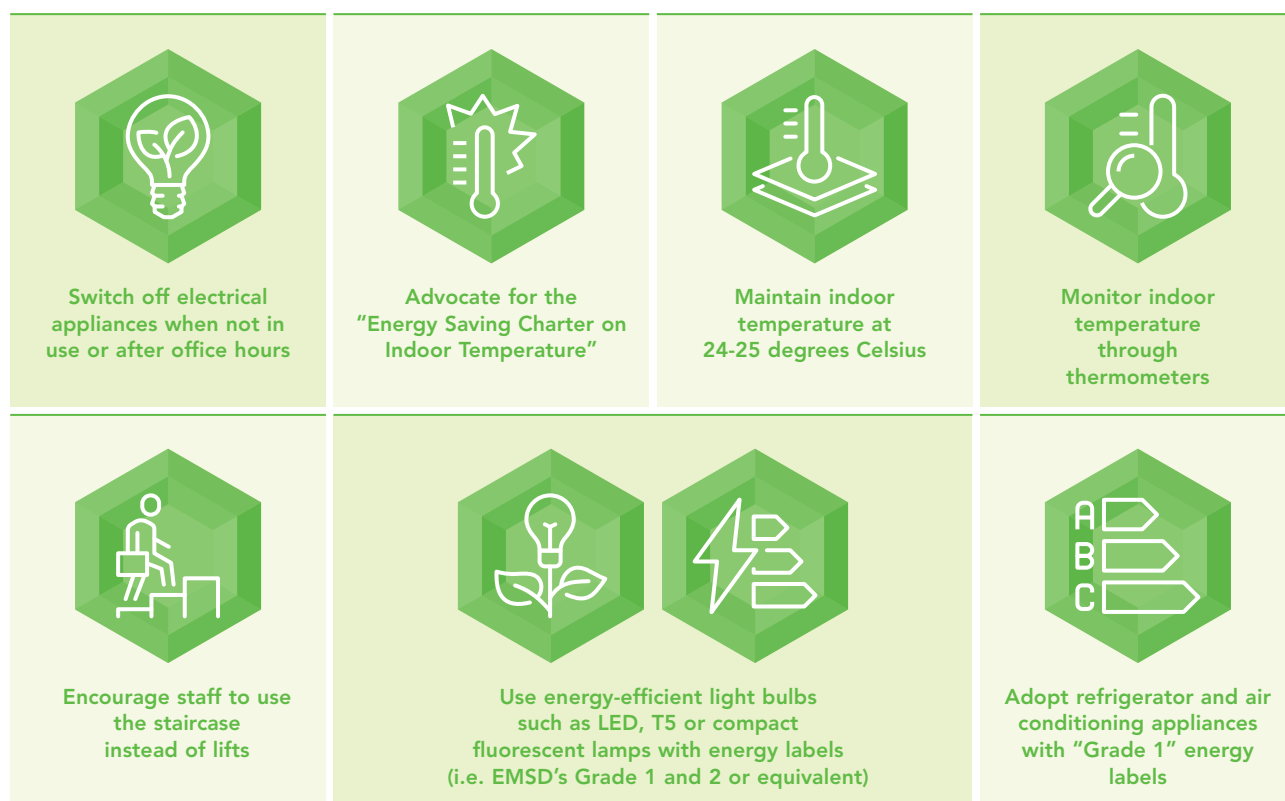
	2025	2026	Year-on-year percentage change
Water Usage (m ³)	146.77	133.48	-9.05%

Energy management

At Royal Deluxe, we are committed to reducing energy consumption as a core component of our environmental stewardship strategy. The Group's energy use primarily arises from electricity consumption at its headquarters office and document storage warehouse, as well as petroleum and diesel used for company vehicles.

To manage this impact systematically, the Group has implemented an Environmental Management System ("EMS") that guides out energy consumption and integrates energy efficiency considerations into subcontracting, procurement, and daily operational decisions. At the Office, the Green Office Policy provides clear guidelines for employees to advocate sustainable resource use. The policy encourages staff to reuse and recycle materials, while also helping them to minimize the energy consumption in the workplace.

Energy Efficient Initiatives



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

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

During the Reporting Period, the Group's total energy usage was 611,029.09 MJ (2025: 638,104.67 MJ), representing a 4.24% year-on-year decrease, with electricity comprising the largest component, followed by petroleum and diesel.

Detailed energy consumption figures and relative yearly percentage change are summarised in the table below:

Category	2025	2026	Year-on-year percentage change
Electricity Usage (kWh)	83,696.64	75,970.79	-9.23%
Petroleum Usage (Litre)	7,503.97	5,867.60	-21.81%
Diesel Usage (Litre)	2,197.24	3,447.02	56.88%
Total Energy Usage (MJ)	638,104.67	611,029.09	-4.24%

CLIMATE CHANGE

Climate change presents a serious global threat to societal well-being and long-term sustainable development. As a specialist in formwork solutions within Hong Kong's construction sector, the Group recognizes the importance of supporting the industry's decarbonisation and contributing to the city's goal of achieving carbon neutrality by 2050. Acknowledging the severe challenges posed by global climate change, the Group is proactively adapting to these challenges and striving to transform into a green, low-carbon organisation.

Climate transition plan

In response, Royal Deluxe has developed a strategic climate transition plan to guide our long-term adaptation and ensure we remain a competitive and responsible partner in this evolving landscape. We have referred to the UK Transition Plan Taskforce Disclosure Framework during the preparation of this plan, which centers on the disclosure around three pillars: ambition, action, and accountability. This plan integrates our environmental ambitions with operational actions and a robust accountability framework, ensuring the Group remains resilient and competitive in a decarbonizing construction sector.

Pillar	Description
Ambition	The Group's primary ambition is to become one of Hong Kong's most environmentally conscious and influential formwork services providers. To achieve this, we have set a transition strategy that is centered on a "low carbon transformation driven by a circular economy", with the objective of decarbonizing our temporary works and project lifecycles. Through this transition, we aim to decouple our business growth from resource consumption and carbon emissions in the long term, positioning ourselves as a partner of choice for clients pursuing sustainable construction. The successful implementation of our transition plan depends on client acceptance of sustainable construction materials, ongoing regulatory support for recycled materials, and the continued availability of registered skilled and semi-skilled workers for digitalisation formwork construction workflows.
Action	Our transition strategy is built upon a dual-wheel approach comprising material revolution and digital transformation. Key initiatives include strategic materials substitution, next-generation material innovation, and hybrid formwork systems integration. For a detailed description of these initiatives, please refer to the "Resource Management" subsection. Furthermore, the Group has deployed capital towards addressing climate risks and seizing climate opportunities, with a particular focus on logistics and warehousing. The Group incurs average monthly logistics and warehousing costs of approximately HK\$500,000 or amounting to approximately HK\$6 million annually. This capital deployment supports the Group's ability to strategically store materials, minimize procurement and effectively manage reusable sustainable formwork materials (such as aluminium and steel), which is a key component of the Group's circular economy and climate mitigation strategy. In addition, the Group is planning to replace its fuel-powered vehicles with electric vehicles, with the disposal and transition plan currently under review. We also intend to fund our initiatives mainly through internal resources, supplemented by a minor proportion of green finance mechanisms. We manage climate-related transition risks by proactively capturing resource-efficiency opportunities across our operations. Key risk mitigation measures include transitioning to durable, multi-use materials to address supply chain volatility and regulatory pressures, leveraging digital technologies to enhance resource efficiency, and realising operational co-benefits through reduced waste and improved site safety. Further details on these risk management approaches are set out in the "Technological Innovation" and "Resource Management" subsections.

Pillar	Description
Accountability	The governance arrangements underpinning this climate transition plan are described in the “Sustainability Governance” subsection. The Board oversees the execution of the plan, management embeds circular economy principles into day-to-day operational practices, and project sites enhance ESG data collection to improve transparency and progress tracking. For more details on the competencies, trainings and remuneration linked to climate change, please refer to the “Governance” and “Metrics and targets” subsections below. We further reinforce accountability and transparency through a bottom-up Climate Transition KPI Matrix, a Scope 3 GHG data inventory development roadmap, and a set of updated environmental targets (please see “Resource management” and “Metrics and targets” subsections for more details). Our progress against these targets will be reviewed annually and reported in future ESG reports. During the Reporting Period, the Group has established a specific KPI to benchmark our performance in circular material usage, factoring in actual materials utilised relative to total floor areas constructed: <i>Formwork Reuse Rate Metric</i> $= \frac{\text{Actual Reuseable Formwork Materials Utilised (by volume/weight)}}{\text{Total Construction Floor Area (CFA)}}$ This metric enables a comprehensive life-cycle assessment of reusable materials, quantifying our performance in extending material lifespans and diverting waste from landfills.

During the Reporting Period, the Group continued to align its climate-related disclosure with the enhanced climate disclosure requirements under the HKEX ESG Reporting Framework, which are structured around the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets. These disclosures also refer to the International Financial Reporting Sustainability Disclosure Standards No. 2 – Climate-related Disclosures (“**IFRS S2**”). This section explains how the Group identifies, assesses and manages climate-related risks and opportunities, and how such considerations are integrated into sustainability strategy.

Governance

The Board has the ultimate responsibility for climate-related matters, including defining the Group’s climate strategy and monitoring progress on climate-related targets. Meanwhile, the Board receives regular updates regarding the latest identified or emerging climate-related risks and opportunities from the Risk Committee.

The ESG Committee and its supporting ESGWG, are responsible for identifying and managing climate-related risks and opportunities, as well as shaping the Group’s climate strategy, overseeing its implementation, and tracking GHG reduction performance. The ESG Committee convenes at least once a year to review ESG matters, including climate change. During the Reporting Period, the Committee held one meeting focused on climate-related issues, such as the Group’s climate-related risks and the most recent regulatory updates on climate change.

Furthermore, the Risk Committee is responsible for overseeing climate risk management, evaluating the impacts of climate change and associated risks and opportunities, reviewing risk assessment reports, and recommending mitigation measures. The Committee also summarises the Group’s latest identified or emerging climate-related risks and opportunities for the Board’s updates. It meets at least every six months, with climate change risk included as an addressing item.

To ensure the adequate expertise on climate change, the Group provides regular climate-related training to the Board and management. They receive regular training on the latest ESG and climate change trends, including dedicated climate-focused sessions. During the Reporting Period, training is delivered through industry seminars and external ESG programmes, such as “**Business Action on Climate Impact**” and “**Understanding the methodology of S&P Global Corporate Sustainability Assessment and Global Ratings Climate Transition Assessment**”. When necessary, the Group consults external experts for specialised knowledge and tools to assist its risk management and strategic planning. For further details on climate change governance, please refer to the “**Sustainability Governance**” subsection of the Report.

Strategy

During the Reporting Period, the Group has reconstructed the climate scenario analysis to further evaluate the impact of material risks to our operations. For more information, please refer to the “**Risk Management**” subsection of this chapter.

In response to the identified risks, the Group has formulated a climate change strategy that emphasised on three core pillars: procurement, project planning, and project sites. This strategy enables the Group to leverage climate-related opportunities along the value chain, including within its upstream supply chain and downstream construction sites. The Group’s climate change strategy is summarised as follows:

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

Risk Management

Except as disclosed in the Corporate Governance Report on pages 23 to 38 in the Annual Report 2026 of the Company, the identification, assessment and management of climate-related risks are integrated into the Group’s overall risk management framework by the Risk Committee. The Risk Committee reviews the Group’s overall risk levels annually to ensure potential risks are assessed, managed and monitored. Identified risks are recorded in the enterprise risk register, assessed according to potential impact, likelihood and adequacy of existing controls, and prioritised for follow-up action. With the aid of a double materiality assessment, climate risk assessment and climate scenario analysis, the Risk Committee evaluates the Group’s resilience to the identified climate-related risks and formulates appropriate mitigation measures, as well as regularly reviews the risk assessment model to ensure its relevance and robustness to the latest climate challenges. For more details on the risk management process of climate-related risks, refer to subsection “**Sustainability Risk Management**”.

Climate Scenario Analysis

Testing the Group's climate resilience is a key mechanism to enable the transition to low-carbon operations. During the Reporting Period, the Group engaged an external consultancy to carry out a climate scenario analysis, aiming to explore the implications of climate-related risks and opportunities and evaluate its readiness against plausible future pathways.

To facilitate a robust analysis, we conducted an assessment of relevant climate-related risks and opportunities, where it was determined that the acute physical risks of typhoons and extreme precipitation, and chronic physical risk of rising temperatures would significantly affect our operations and financials. Hence, these physical risks were deemed as material and further evaluated under different trajectories.

A hybrid qualitative and quantitative approach was adopted in the modelling process, supplementing narrative interpretations with practical data. Short-term (2030), medium-term (2045), and long-term (2070) were selected as time horizons as these reflected key periods with pivotal transitions deriving from the Group's business strategy, Hong Kong's construction industry and/or climate data. The scope of the analysis focused on our formwork erection and related ancillary services at construction sites in Hong Kong since these operating activities are highly susceptible and exposed to the ramifications manifesting from climate-related risks.

Grounded by climate science, the suite of authoritative scenarios from the Network for Greening the Financial System (NGFS) was selected due to its streamlined datasets combining physical risks with transition-driven financial impacts, alongside data coverage that is downscaled to China and then applied to Hong Kong through localised datasets. Within these NGFS Phase V long-term scenarios, the 'Net Zero 2050' (orderly scenario and aligned with 1.5°C), 'Delayed Transition' (disorderly scenario) and 'Current Policies' (hot house world scenario) were adopted to capture diverse characteristics stemming from low, medium, and high physical risks coupled with material implications at key time horizons that resonate with the Group's business strategy.

Climate-related Risk	Climate Variables	Methodological Assumptions
Typhoons (acute physical risk)	- Intensity of typhoons - Frequency of typhoons - Average annual number of extreme rainfall days (typhoon-induced) - Mean sea level rise	- Typhoons intensity will increase where global warming approaches or exceeds 2°C - Typhoons frequency is held constant - Attribution rate for typhoon-associated extreme rainfall - Royal Deluxe's exposure to storm surge is indirect and largely absorbed by main contractors
Extreme Precipitation (acute physical risk)	- Average annual number of amber, red and black rainstorm warning days - Annual maximum daily rainfall - Average annual number of extreme rainfall days	- Extreme rainfall non-attributable to typhoons rate is applied equally to amber, red and black rainstorm warning days - More intense rainfall events increase warning day counts uniformly - Extreme rainfall days coincide with and are reflected under amber, red and/or black rainstorm warnings
Rising Temperatures (chronic physical risk)	- Mean temperature - Average annual number of very hot days - Average annual number of hot nights	- Mean temperature drives the effects of the very hot days and hot nights variables - The Labour Department's warning issuance criteria and thresholds do not change materially over time - Next-day productivity loss (in hours) per hot night

By integrating climate hazard projections with Company-specific data, the model generated several operational and financial outputs for each evaluated physical risk. These quantified outcomes illustrate the anticipated effects on the Group's productivity, direct operational disruption costs (includes direct labour costs and indirect disruption costs), and revenue across different scenarios and time horizons, while accounting for the number of workers deployed and active construction projects. The results of the climate scenario analysis are shown in the table below, which are based on the ranges from datasets of the Hong Kong Observatory ("HKO"), and present the net residual risk by integrating the effectiveness of the expected adaptation or mitigation measures implemented over the short, medium and long-term.

To derive these operational and financial outputs for each physical risk, specific approaches were adopted. The outcomes at the site-level were calculated and then scaled to model the company-wide impact by incorporating the average concurrent number of workers deployed at construction sites and average concurrent number of active formwork erection projects. For the operational productivity loss, climate variable projection data from the HKO was combined with the working days lost or labour hours lost driven by the climate variable in question to generate the annual productivity loss. Regarding the direct operational disruption costs, relevant parameters representing the direct labour costs (such as remuneration and man hours worked) and indirect disruption costs (such as response measures) stemming from the specific physical risk were integrated with the operational productivity loss output. In relation to the revenue lost, revenue per productive labour hour was synthesised with the annual productivity loss to measure the anticipated ramifications on revenue generation.

A percentage change was assigned to each projected outcome to estimate the significance of the impacts. The relative percentage changes were measured based on a comparison of the forecasted climate-driven mean data with the total working days (310,699 worker-days) or labour hours (2,330,239 man hours) to obtain operational productivity loss outcomes, and with the revenue generation amount (HKD 693,738,000) to determine direct operational disruption costs and revenue loss outcomes.

Typhoons Output: Operational Productivity Loss (Working Days Lost)			
	Net Zero 2050	Delayed Transition	Current Policies
	Days/Year	Days/Year	Days/Year
Short-term 2030	3.24%	3.24%	3.24%
Medium-term 2045	3.24%	3.30%	3.33%
Long-term 2070	3.24%	3.30%	3.68%

Typhoons Output: Direct Operational Disruption Costs			
	Net Zero 2050	Delayed Transition	Current Policies
	HKD/year	HKD/year	HKD/year
Short-term 2030	1.77%	1.77%	1.77%
Medium-term 2045	1.77%	1.77%	1.78%
Long-term 2070	1.77%	1.77%	1.79%

Typhoons Output: Revenue Lost			
	Net Zero 2050	Delayed Transition	Current Policies
	HKD/year	HKD/year	HKD/year
Short-term 2030	1.31%	1.31%	1.31%
Medium-term 2045	1.31%	1.37%	1.40%
Long-term 2070	1.31%	1.37%	1.74%

Extreme Precipitation Output: Operational Productivity Loss (Labour Hours Lost)			
	Net Zero 2050	Delayed Transition	Current Policies
	Hours/year	Hours/year	Hours/year
Short-term 2030	2.92%	2.97%	2.95%
Medium-term 2045	2.97%	3.00%	2.99%
Long-term 2070	2.99%	3.00%	3.05%

Extreme Precipitation Output: Direct Operational Disruption Costs			
	Net Zero 2050	Delayed Transition	Current Policies
	HKD/year	HKD/year	HKD/year
Short-term 2030	1.74%	1.74%	1.74%
Medium-term 2045	1.74%	1.75%	1.74%
Long-term 2070	1.74%	1.75%	1.75%

Extreme Precipitation Output: Revenue Lost			
	Net Zero 2050	Delayed Transition	Current Policies
	HKD/year	HKD/year	HKD/year
Short-term 2030	0.99%	1.04%	1.02%
Medium-term 2045	1.04%	1.07%	1.06%
Long-term 2070	1.06%	1.07%	1.12%

Rising Temperatures Output: Operational Productivity Loss (Labour Hours Lost)			
	Net Zero 2050	Delayed Transition	Current Policies
	Hours/year	Hours/year	Hours/year
Short-term 2030	5.23%	5.48%	5.67%
Medium-term 2045	5.94%	6.44%	7.55%
Long-term 2070	6.20%	7.60%	10.16%

Rising Temperatures Output: Direct Operational Disruption Costs			
	Net Zero 2050	Delayed Transition	Current Policies
	HKD/year	HKD/year	HKD/year
Short-term 2030	3.95%	4.15%	4.29%
Medium-term 2045	4.44%	4.79%	5.58%
Long-term 2070	4.61%	5.62%	7.41%

Rising Temperatures Output: Revenue Lost			
	Net Zero 2050	Delayed Transition	Current Policies
	HKD/year	HKD/year	HKD/year
Short-term 2030	3.30%	3.55%	3.74%
Medium-term 2045	4.01%	4.51%	5.62%
Long-term 2070	4.27%	5.67%	8.23%

Material Climate Risk Identification

The results show that rising temperatures constitute the most dominant climate-related hazard that the Group is exposed to. Due to its chronic nature, this risk carries substantial implications for our overall operational and climate resilience. Sustained capital allocation toward adaptive measures, alongside the implementation of flexible shift schedules, would need to be considered to reduce the effects of heat stress on outdoor construction sites workers.

Physical Risk Assessment and Operational Responses

Heat stress is projected to intensify in severity and frequency, particularly under high emissions scenarios, signalling that the Group's outdoor formwork erection activities face escalating operational disruptions. Consequently, the Group should evaluate the long-term feasibility of shifting specific formwork erection or pre-assembly activities to indoor environments. Conversely, although typhoons represent the least material risk, they still exert a heightened impact on operational productivity, particularly under the Current Policies pathway in 2070. Hence, project planning and contractual frameworks should account for these increasingly severe and recurrent typhoon events. Regarding extreme precipitation, active construction sites are not expected to be uniformly vulnerable, indicating that enhanced drainage infrastructure can effectively minimise the Group's exposure.

Methodological Assumptions and Analysis Limitations

As climate scenario analysis is a forward-looking assessment dependent on numerous assumptions and complex variables, the resulting projections are inherently subject to structural uncertainties. Adaptation and/or mitigation measures tailored to each physical risk are regularly reviewed and strengthened to align with the latest regulatory guidelines, which could significantly alter the effectiveness of these measures. Several datasets from the HKO show contradictory patterns in the anticipated trajectories. Localised datasets forecasting the future intensity and frequency of typhoons specific to Hong Kong are currently unavailable. The mean sea level rise variable for typhoons was not modelled quantitatively, limiting the ability to assess the effects deriving from this specific dimension. Furthermore, forecasted data for amber, red and black heat stress warning days is based on conservative estimates as this data does not exist.

Near-Term Adaptive Capacity and Current Measures

In the short-term, the Group possesses a strong capacity to adapt to climate change, as the impacts posed by these physical risks incur modest changes compared to baseline conditions. Consequently, the Group can readily accommodate these shifts through its existing operational practices and established mitigation measures, such as executing pre- and post-typhoon protocols, providing shaded rest areas and inspecting formwork materials after extreme rainfall events.

Medium-Term Financial Implications and Capital Allocation

Over the medium-term, the Net Zero 2050 and Current Policies scenarios project an increasing divergence across all three physical risks, with rising temperatures anticipated to exert considerable operational and financial impacts. Investment in enhanced adaptation or mitigation measures to tackle heat stress, such as site infrastructure, wearable technology and medical equipment, will become necessary across all active construction sites to safeguard workers and retain skilled labour.

Long-Term Strategic Resilience and Structural Adaptation

By the long term, all three scenarios exhibit a high degree of variance, with heat stress emerging as an urgent priority under the Current Policies pathway. The Group's role as a subcontractor limits its ability to rearrange schedules to avoid working under extreme heat stress conditions. In addition, advanced technology that eliminates extreme heat exposure is not available, signifying that outdoor construction work may need to be fundamentally reimaged.

Metrics and Targets

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

To accurately quantify the Group's GHG emissions, the calculation process refers to both local and international guidelines, including the **"Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong"** published by the Environmental Protection Department ("EPD") and the Electrical, Mechanical Services Department ("EMSD"), and the Greenhouse Gas Protocol. The Group also utilises the latest emission factors, which are periodically published by relevant power companies. For global warming potential values, reference is made to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. The Group measured and reported its energy consumption and Scope 1 and Scope 2 GHG emissions, as well as certain categories of Scope 3 GHG emissions from its operations and GHG emissions intensity metrics by floor area and workforce. For specific values, please refer to the following table and the subsection **"Performance Data Table"**.

	Mobile Combustion – Petrol and Diesel (tCO ₂ -e)	Fugitive Emissions – Refrigerant (tCO ₂ -e)	Purchased Electricity (tCO ₂ -e)	Disposal of Paper Waste (tCO ₂ -e)	Fresh Water Processing (tCO ₂ -e)	Sewage Water Processing (tCO ₂ -e)	Total GHG Emissions (tCO ₂ -e)
	Scope 1		Scope 2	Scope 3			Scope 1-3
2024	55.18	N/A	37.97	1.00	0.07	0.04	94.27
2025	33.32	N/A	31.80	12.24	0.04	0.03	77.43
2026	25.15	4.83	25.83	4.35	0.03	0.03	60.22

The total GHG emissions of 60.22 tCO₂-e in 2026 represented a decrease of 22.22% from the previous year. Meanwhile, the Group avoided a total of 4.84 tCO₂-e of Scope 3 emissions by recycling paper waste through external licensed contractors. For BEAM Plus projects, the Group adopted the CIC Carbon Assessment Tool to measure the embodied carbon of materials used in its scaffolding and formwork, where a total of 27,369.94 tCO₂-e of Scope 3 embodied GHG emissions were generated during the Reporting Period.

The Group has reviewed its environmental targets set in 2021/22 covering GHG emissions, energy use and waste management. Meanwhile, recognising that our most material environmental impacts stem from construction site activities, the Group adopted an innovative approach in 2025 by setting additional environmental targets based on project site operations rather than office-based operations. Progress in 2026 of all these targets has been summarised in the tables below. This evolution in our target-setting methodology underscores our commitment to addressing the most significant impacts across our own operations and the wider value chain, advancing a more sustainable construction industry.

Category	Targets	Progress in 2026
GHG	By 2030, reduce 10% of GHG emissions (scope 1-3) intensity by revenue (tCO ₂ -e/HK\$million) (2021 baseline).	-53% (Achieved)
Petroleum	By 2025, replace 30% of the company's vehicles with electric or hybrid vehicles.	56% (Achieved in 2025)
Diesel	By 2025, reduce 40% of diesel consumption (litres) (2021 baseline) at all of our construction sites, with the aim to eliminate diesel on all of our construction sites by 2035.	-92% (Partially achieved)
Electricity	By 2030, reduce 5% of electricity consumption intensity by revenue (kWh/HK\$million) (2021 baseline).	-27% (Achieved)
Waste	By 2024, identify a company-specific KPI for the reuse rate for timber, aluminium, and steel.	The Reuse Rate KPI has been established and is being piloted for 15 projects (Achieved)
Paper	By 2025, increase paper recycling rate to 20% (2021 baseline).	53% (Achieved)
Waste Recycling	By 2027, achieve a minimum recycling rate of 30% for steel and 15% for aluminium across all applicable construction projects	140% for steel (Achieved); 560% for aluminium (Achieved)
Sustainable Projects	By 2027, ensure 80% of projects participated are BEAM Plus projects	86% (Achieved)
Embodied Carbon	By 2027, apply the CIC Carbon Assessment Tool to 90% of construction projects	100% (Achieved)
Sustainable Procurement	By 2027, increase spending on CIC Carbon Labelling Scheme-certified materials by 20% as compared to the 2025 baseline	33% (Achieved)

We are pleased to confirm that, with the sole exception of our target to eliminate diesel usage across all construction sites by 2035, all environmental targets have been achieved either as planned or ahead of plan. Accordingly, the Group hereby announces the latest environmental targets, which are summarised in the table below:

Category	Targets
GHG emissions	By 2028, reduce 20% of GHG emissions (scope 1-3) intensity by revenue (tCO₂-e/HK\$million) as compared to 2026 baseline
Energy	- By 2028, reduce the total consumption of diesel and petroleum (litres) by 20% as compared to 2026 baseline - By 2035, eliminate the use of diesel on all our construction sites - By 2028, reduce electricity consumption intensity by revenue (kWh/HK\$million) by 15% as compared to 2026 baseline
Waste	By 2028, improve paper recycling rate to 70% as compared to 2026 baseline

The Group confirms that remuneration for managerial grades is not currently linked to climate-related performance metrics. The Committee is reviewing whether, and how, climate-related metrics may be incorporated into the Group's remuneration framework in the future, taking into account the Group's governance structure, climate strategy and evolving market practices.

Carbon accounting and GHG inventory development

Carbon accounting methodology

The Group is conducting engineering studies to assess the embodied carbon of various formwork materials and is expanding data collection systems across all new project sites. Guided by ISO LCA standards, our carbon accounting methodology employs two robust evaluation models: the Allocation Method, which apportions emissions across multi-cycle material lifespans, and the Baseline Substitution Method, which calculates net emission savings against traditional virgin timber baselines. These methodologies will be deployed through our Reuse Rate Calculation Methodology to ensure verifiable and transparent carbon reporting.

Roadmap for Scope 3 GHG Data Inventory Development

Royal Deluxe is committed to enhancing the transparency and comprehensiveness of its climate-related disclosures. As part of this commitment, we are currently undertaking the development of a robust Scope 3 value chain GHG inventory, referring to the GHG Protocol Corporate Value Chain (Scope 3) Standard.

Our ongoing action plan includes the following key steps:

Steps	Details
1. Value chain mapping and category screening	- Identify relevant upstream and downstream activities and entities that contribute to Scope 3 emissions - Determine applicable Scope 3 categories for Royal Deluxe and conduct high-level screening to forecast expected emissions magnitudes - Select categories and activities for detailed data collection and calculation, with clear justification for any exclusions based on GHG Protocol criteria
2. Methodology selection and boundary verification	- Verify that minimum boundary requirements are met or document justified exclusions - Evaluate optional disclosure items and select calculation methodologies that align with our objectives, internal criteria, and data availability - Compile relevant activity data requirements and emission factors for each selected category
3. Calculation and reporting	- Perform Scope 3 emission calculations using a combination of primary and secondary data - Prepare an independent Scope 3 GHG inventory report - Incorporate key findings into ESG reporting

The results of this Scope 3 inventory development process, including quantified emissions and methodological approaches, will be formally disclosed in Royal Deluxe's next annual ESG report, reinforcing our dedication to climate action and stakeholder transparency.

Moving forward, the Group will continue to collaborate with professionals in the construction industry to refine its GHG emission sources and extend its Scope 3 indirect emissions coverage to other categories deemed as material. These actions are intended to support more robust performance monitoring, strengthen alignment with HKEX climate disclosure requirements, and contribute to Hong Kong's green transition.

IDENTIFICATION AND MITIGATION OF IMPACTS ON LOCAL COMMUNITY

Royal Deluxe recognises that its construction activities have the potential to create environmental impacts on the local communities in which it operates. The Group is committed to identifying, mitigating and minimising these impacts through a range of targeted measures covering dust control, air emissions and noise control. During the Reporting Period, the Group established a comprehensive Environmental Protection Policy to systematically minimise its ecological footprint across construction operations and the value chain. The policy mandates Board-level governance through dedicated committees, with focus areas spanning sustainable construction practices, resource efficiency, biodiversity protection and climate-related management, strengthening the Group's regulatory compliance and climate resilience.

Dust Control

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

The following targeted measures have been implemented for dust control:

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

Air Emissions

The Group closely monitors its air emissions stemming from the vehicles, including nitrogen oxides ("NOx"), sulphur oxides ("SOx") and particulate matter ("PM"). During the Reporting Period, the Group's air emission performance was as follows:

	NOx (kg)	SOx (kg)	PM (kg)
2024	129.22	0.33	10.74
2025	38.10	0.15	3.46
2026	36.24	0.14	3.30

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

Measures	Description
Equipment Smoke Control	Open burning of waste, tyres, and other refuse is strictly prohibited at construction sites. In addition, equipment that emits excessive black smoke is not permitted, and any such units are immediately repaired or replaced.
Vehicle Maintenance	Regularly inspecting and maintaining vehicles to avoid excessive emissions due to improper operation or wear and tear.
Operational Management	Continuously apply water mist or dust suppressants to prevent fine dust particles from dispersing into the air during drilling, cutting, and polishing operations.

Noise Control

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

The following targeted measures have been implemented for noise emissions control:

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

BUSINESS

SDGS ADDRESSED IN THIS SECTION



Relevant material topics

- Ethical Business Behaviour
- Legal Compliance
- Intellectual Property Rights and Customer Privacy
- Market Influence

BUSINESS ETHICS AND LEGAL COMPLIANCE

Our Commitment to Ethical Governance

The Group recognizes that strong ethical governance and legal compliance are essential to protecting its reputation, supporting operational excellence, and promoting sustainable development. Since its establishment, the Group has contributed to urban development and infrastructure projects in Hong Kong while upholding high standards of business conduct across its operations and value chain. (For further details on Corporate Governance Practices, please refer to the Group's Corporate Governance Report on pages 23 to 38 of the Annual Report 2026.)

Royal Deluxe maintains clear policies and controls to prevent bribery, corruption, data breaches, and other misconduct. Employees are required to comply with the Code of Conduct, which includes anti-corruption requirements, and receive mandatory ethics training to strengthen awareness of their responsibilities. The Group also extends its standards to suppliers and subcontractors through the Supplier Code of Conduct, which is supported by regular audits to monitor compliance.

Anti-corruption Framework and Code of Conduct

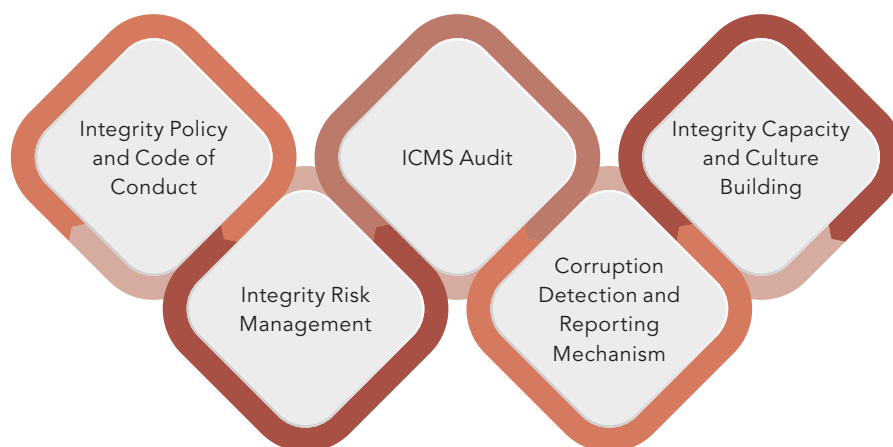
The Group is unwavering in its commitment to fostering a culture of compliance, ethical conduct, and sound corporate governance. This commitment is codified in the Code of Conduct on Business Ethics ("CCBE") and the Code of Prevention of Bribery Conduct, which collectively articulate explicit prohibitions against bribery, corruption, conflicts of interest, and extortion in all forms.

Employees are expected to act with honesty and integrity at all times, safeguarding the Group and its value chain from fraud, misconduct, and corruption. To this end, employees must not solicit, accept, or obtain any undue advantage or benefit in connection with the performance of their duties. Any non-compliance may result in disciplinary action, including termination of employment where appropriate.

Beyond internal conduct, the CCBE extends its reach to all parties dealing with the Group, including customers, contractors, suppliers, creditors, debtors, and other stakeholders, encouraging and expecting them to report any suspected misconduct, fraud, or violations to the Head of the Administration and Human Resources (“HR”) Department. The Group also reviews and updates its CCBE and related policies on a regular basis to maintain alignment with applicable laws and regulations. By upholding these high standards of conduct, the Group strives to preserve the trust and confidence it has cultivated with its stakeholders over time.

Integration of the Integrity Compliance Management System (“ICMS”)

During the Reporting Period, the Group continued to reinforce its business ethics framework against a backdrop of evolving regulatory expectations and growing stakeholder emphasis on integrity risk management within the construction sector. In July 2025, the HKEX updated its Corporate Governance Code and Corporate Governance Guide for Boards and Directors, introducing the ICMS developed by the Corruption Prevention Department of the Independent Commission Against Corruption (“ICAC”). The ICMS is built around five core pillars, and listed companies are encouraged to adopt this system to further enhance their anti-corruption capabilities and overall governance quality:



In response to heightened expectations arising from the Tai Po Hung Fuk Court incident, integrity risk management has become an increasingly critical concern for stakeholders across the construction industry. The Group’s management and internal control team are actively studying the ICMS guidance documents alongside the Company’s existing policies, with a view to assessing and managing identified risks in alignment with the framework.

Proactive Risk Management and Industry Collaboration

During the Reporting Period, our team conducted integrity risk analyses across key operational areas, including worker engagement through subcontractors and main contractors, general project supervision, procurement (including quotation-based processes), and corporate governance and integrity management. These efforts underscore the Group’s ongoing commitment to upholding the highest standards of ethics and integrity across all levels of its operations and supply chain.

Reinforcing these internal efforts, two of the Group’s principal subsidiaries—Ming Tai Construction Engineering Company Limited and Ming Tai Civil Engineering Company Limited—continued their support during the Reporting Period for the Construction Industry Integrity Charter, a collaborative initiative jointly launched by the Development Bureau, the ICAC, and the CIC. This ongoing participation underscores the Group’s proactive engagement with industry-wide efforts to uphold ethical standards and combat corruption.

Capacity Building and Anti-Corruption Training

To reinforce the Group's zero-tolerance approach to corruption, management members actively participated in targeted integrity training during the Reporting Period (see accompanying table). These programmes enhanced professional competencies and equipped leadership with up-to-date regulatory knowledge. This ongoing capacity building strengthens accountability, transparency, and compliance across all levels of our operations.

Table: Management Training and Development Performance

Performance Indicator (KPI)	Metric/Programme Title	Reporting Period (2025/2026)
Total Training Hours	Anti-corruption & Integrity Management	25 Hours
Target Audience	Board Directors & Senior Management Members	100% Engagement
Core Programmes Covered	1. "Integrity Governance Role of Directors and Senior Management of Listed Companies"	Completed
	2. "Integrity Training Workshop for the Construction Industry Practitioners"	
Governance Objective	Regulatory alignment with HKEX Corporate Governance Code & ICMS framework	Achieved

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

Conflict of Interest

The Group's Conflict of Interest Policy requires all directors and employees to avoid engaging in any business, investment or activity that may conflict with the interests of the Group. Together with the Connected and Related Transaction Policy, the policy requires any potential conflict of interest and any connected or related transaction to be reported to an Executive Director or the Board.

To manage conflicts of interest, committee members need to declare any material interests before meetings. If a member (or their associate) has a material interest in a matter under discussion, other members decide whether that member should abstain from voting or be excluded from the meeting. All committees have sufficient resources to perform their duties and may seek independent professional advice at the Company's expense. They may also invite internal personnel or external advisers to attend meetings as needed.

INEDs bring independent judgment that carries significant weight in Board decisions, particularly on strategy, performance, and control. They possess extensive academic, professional, and industry expertise, and provide independent advice to protect the interests of both the Company and its shareholders. Each INED promptly notifies the Company of any changes affecting their independence. The Company has received written independence confirmations from all INEDs in compliance with Listing Rule 3.13. The Nomination Committee has assessed each INED's independence against the same criteria, and both the Board and the Nomination Committee confirm that all INEDs are independent. Currently, no INED individually holds directorships in seven or more listed public companies (including the Company) or has served for more than nine years. During the Reporting Period, there were no substantiated incidents relating to breaches of conflict-of-interest requirements reported.

Anti-competition

The Group recognises that fair competition is an important driver of growth and sustainable development. It strictly prohibits anti-competitive practices and places strong emphasis on compliance with applicable competition laws and regulations. Employees are regularly reminded of their obligations and are educated to identify and avoid circumstances or conduct that may be considered anti-competitive. This approach supports a fair and competitive business environment while reinforcing the Group's ethical standards. During the Reporting Period, there were no reported cases of non-compliance with the Competition Ordinance (Cap. 619 of the Laws of Hong Kong), and the Group did not face any legal actions relating to anti-competitive conduct or violations of anti-trust and monopoly legislation.

Whistleblowing

The Group's Whistleblowing Policy sets out clear procedures for reporting suspected improprieties, conflicts of interest, malpractice or compliance breaches, while also providing protection against retaliation. Our multiple reporting channels enable employees and relevant stakeholders to raise concerns about suspected misconduct or compliance breaches. Employees may raise concerns with colleagues at different levels, including their supervisors, HR managers, the Chief Executive Officer and the Chairman of the Board. Complaints may be submitted in person, by post or by email using the designated whistleblowing declaration form.

The Group is committed to ensuring that individuals who make complaints in good faith are not subject to discrimination or reprisals. Where necessary, appropriate measures may be taken to protect the identity of the complainant. All allegations are handled with fairness and impartial due diligence by the Audit Committee. If a potential case involves criminal activity, an external investigator may be appointed to review the matter. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that had a significant impact on the Group in relation to bribery, extortion, fraud and money laundering.

Intellectual property rights

As an innovator, the Group owns a portfolio of intellectual property ("IP") in Hong Kong and the People's Republic of China ("PRC"), including trademarks, patents and domain names. The Group complies with applicable IP laws and provides employees with guidance on safeguarding its IP assets. Employees are required under the Group's Code of Conduct to maintain the confidentiality of trade secrets and protect the Group's proprietary IP. The Group also obtains the necessary authorisation before using any third-party IP.

To protect its interests, the Group has established an internal IP management system to support the registration and renewal of patents and trademarks relating to the development of its formwork systems and the protection of its corporate brand. Regular IP training is also provided to enhance employees' awareness of IP protection. Currently, the Group maintains 30 patents (2025: 32) and 9 trademarks (2025: 9). Further information on the Group's patents is set out in the subsection "**Technological Innovation**" of this Report.

During the Reporting Period, there was one material infringement of Royal Deluxe's IP rights. We have issued a lawyer's letter requesting the immediate cessation of the use of the impugned system.

Data protection and consumer privacy

The Group places strong emphasis on information security and the protection of private information relating to its customers, employees and partners. To safeguard privacy, the Employee Handbook prohibits employees from disclosing any confidential or private information of the Group and its customers under any circumstances. Such information includes IP, business contracts, customer information and other financial information.

Access to confidential information is restricted to authorised employees only. The Group's Privacy Policy and Information Technology End User Policy set out requirements for the use, processing, storage and transfer of personal data and sensitive information, including backup procedures, user account management, software usage and network access controls. Administrative, physical and technical safeguards have been implemented to protect collected customer data and personal data, and to prevent unauthorised access.

The Group collects personal data only for necessary purposes and in accordance with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong). During the Reporting Period, there were no substantiated incidents concerning breaches of customer data or personal data privacy.

Legal Compliance

The Group is committed to upholding the highest standards of occupational health and safety and to full compliance with all applicable laws and regulations. During the Reporting Period, the Group received four court summonses concerning alleged violations of safety regulations (see subsection of "**Site Safety Management**" for further details). Specific regulatory requirements applicable to our value chain, environmental management, workplace safety, employment practices, and business conduct are detailed in the subsection "**Laws and Regulations**" under Appendix, as well as within the corresponding sections of this Report.

MARKET INFLUENCE

Contributing to industry development

Royal Deluxe anchors Hong Kong's urban infrastructure and civil development through its specialised formwork capabilities. Capitalising on deep technical expertise, the Group consistently delivers large-scale formwork systems across major building and civil engineering sectors. These core contributions underpin critical residential, commercial, and transport projects, seamlessly connecting with the operational milestones (detailed on pages 7 to 18 of the Management Discussion and Analysis in the Annual Report 2026).

Driven by a commitment to operational excellence, Royal Deluxe continues to embed innovative digital tools and proprietary formwork engineering to unlock value-chain efficiencies, raise safety thresholds, and enhance built-quality. Through these initiatives, the Group actively shapes Hong Kong's urban transformation. Furthermore, Royal Deluxe collaborates closely with subcontractors, suppliers, engineers, and partners across the value chain. This robust professional network leverages collective expertise and skilled labour to champion safer workplace practices, streamline project coordination, and pioneer sustainable development within the construction sector.

PEOPLE

SDGS ADDRESSED IN THIS SECTION



Relevant material topics

- Occupational Health and Safety
- Labour Shortage
- Human Capital Development and Training
- Human Rights
- Child and Forced Labour
- Diversity and Equal Opportunities
- Community Investment and Participation

OCCUPATIONAL HEALTH AND SAFETY

Safety management, training, and inspection

The Group has reaffirmed its commitment to occupational health and safety through its “**Safety First**” policy, which emphasises providing a high-standard safe working environment for employees and all stakeholders. During the Reporting Period, the Group strictly complied with relevant laws and regulations, including the Factories and Industrial Undertakings Ordinance (Cap 59. of the Laws of Hong Kong) and the Labour Department’s Heat Stress at Work Warning Guidelines, to protect employees from occupational hazards.

New recruits receive the Group’s Safety Policy upon joining, which comprehensively states the Group’s commitment to occupational health and safety. The policy is communicated through Safety Induction Training, Site Specific Safety Training, and Orientation Courses, and is displayed prominently in offices and construction sites. The policy is reviewed on a regular basis to ensure it remains up to date. In addition, a Work Safety Code and Safety Instructions have been established to outline procedures and precautions for using construction tools and equipment, and for undertaking high-risk works. On the construction sites, employees are provided with personal protective equipment, including helmets, eye and ear protectors, and respirators, to safeguard their health and safety.

To further manage the safety risk on site, the Group established the CSHEC, for governing the Group’s occupational health and safety framework. The Committee is responsible for monitoring policy implementation, evaluating performance against industry benchmarks, and ensuring that revisions reflect legislative updates, operational changes, and stakeholder feedback. For the policy execution, it is overseen by the Executive Director, with the General Manager and Deputy Project Directors coordinating efforts to ensure continuous improvement and adherence to the highest safety standards.

To mitigate the potential risks of occupational diseases and industrial injuries, the Group updated its Safety Plan to reinforce preventive measures. The Plan comprises a comprehensive set of management measures for safety prevention and control, including planning, training, risk assessment, safety audits, and periodic review, to reduce risks across all project sites. It also sets out contingency plans to be activated in the event of an accident or emergency. For further details on safety management and inspection, please refer to the “**Site Safety Management**” subsection of this Report.

During the Reporting Period, comprehensive safety training was provided to employees, covering site-specific risks and emergency protocols for preventing accidents and ensuring emergency preparedness. Before commencing any on site work, all employees are required to complete Labour Department-approved training, while Continuing Professional Development (CPD) courses are arranged for specialised roles. Training requirement for each role is stated in the Safety Training Plan, that defines revised monthly by the Safety Officer and reviewed by the Site Safety Committee.

EMPLOYEE WELFARE AND TRAINING

Talent acquisition and retention

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

The Group provides a competitive remuneration package, which is determined by industry benchmarks, individual performance, and relevant experience. The package comprises salary, discretionary bonus scheme, Mandatory Provident Fund contributions, dental and group medical scheme, and training and development sponsorship. The Human Resources Department and supervisors also conduct performance appraisals annually to foster an engaging workforce and recognise the achievements of its employees. The remuneration package is regularly reviewed in order to ensure employee compensation aligns with the Company’s evolving needs and strategic goals.

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



To enhance employee welfare and wellbeing, the Group organised a variety of engaging activities throughout the year. These included a Labubu cookie baking workshop, a Christmas party, recreational sports competitions, charitable initiatives, and birthday celebrations, all aimed at fostering team spirit and promoting work-life balance.

HUMAN CAPITAL DEVELOPMENT AND TRAINING

Strategic Approach to Industry Talent and Growth

The Group recognises that investing in employees' knowledge and technical skills is crucial for maintaining a safe working environment and delivering high-quality services. Through continuous professional development programmes, the Group aims to enhance the capabilities and competencies of its workforce, enabling them to adapt to evolving construction trends and technologies. Under the Group's Training and Development Policy, financial subsidies are provided to employees to facilitate the pursuit of external training courses that align with their job responsibilities.

The Group actively participates in human capital development and training activities, cultivating the next generation of talent for the construction industry to support its long-term sustainable development.

Embracing AI Innovation and the Green Economy

To harness the power of artificial intelligence (AI), the management team participated in the Construction Innovation and Technology Application Centre ("CITAC") thematic exhibition, "**AI Optimising Construction Processes.**" This experience provided valuable insights into advanced technological applications and broadened participants' strategic perspectives.

In addition to AI-focused learning, management-grade employees attended specialized vocational skills training on "**CCER (Certified Emission Reductions) Development and Trading.**" This programme was designed to help professionals master carbon trading mechanisms and the voluntary carbon market, serving as a critical step in enabling the Group to achieve its climate goals and thrive in the green economy. Notably, one member of the Senior Management completed a total of 32.00 hours of training under this specialized programme, reflecting the leadership's commitment to steering the Group towards low-carbon transitions.

Comprehensive Onboarding and Quality Assurance

Beyond occupational health and safety training, all new recruits undergo comprehensive orientation to familiarize themselves with the Group's core values, organizational structure, business objectives, pertinent policies, and Code of Conduct. Additionally, they receive department-specific training tailored to equip them with the practical skills required for their respective roles.

To ensure that these initiatives deliver measurable value to both employees and the business, the Group invites participants to complete training evaluation forms. This feedback is systematically analyzed to assess course quality and delivery, measure learning outcomes, and identify specific areas for future improvement.

Training Performance and Data Highlights

During the Reporting Period, employees attended a diverse range of occupational and professional training provided by the CIC, universities, and other professional institutes. The curriculum covered critical areas including construction management, health and safety, business ethics and integrity, and ESG reporting.

Trainings Performance:

- Direct workforce training increased by 9.05% year-on-year.
- Indirect workforce training surged by 196.45%, driven by expanded safety and technical compliance across supply chains and subcontracted operations.

Employee Category	2026 Training Hours	2025 Training Hours	YoY Change (%)
Direct Full-Time Employees	3,704.50	3,397.00	+9.05%
Indirect Employees (<i>Site workers & subcontractors</i>)	42,307.83	14,271.42	+196.45%
Total Training Hours	46,012.33	17,668.42	+160.42%

DIVERSITY AND EQUAL OPPORTUNITIES

Commitment to Workplace Diversity

The Group firmly believes that diversity is an asset. Ensuring that recruitment at all levels, including the Board of Directors, adheres to robust diversity criteria allows the Group to access and cultivate an expansive pool of talented individuals. A diverse talent pool is widely recognized within the organisation as a catalyst for innovation, enhanced decision-making, and increased employee engagement. For further details regarding the Group's policy and strategic initiatives on Board diversity, please refer to the subsection "**Sustainability Governance**" of this Report.

Equal Opportunity, Fairness, and Objective Merit

As an equal opportunity employer, the Group places paramount emphasis on fairness and equity across all stages of recruitment, employment, and promotion. Guided by the *Staff Requisition and Recruitment Policy*, the screening and selection processes are based solely on objective metrics. These include:

- Professional competencies and technical skills
- Practical industry knowledge
- Relevant educational backgrounds

By anchoring decisions to these measurable standards, the Group strictly prevents any occurrence of bias or unfair treatment.

Implementation of the Workforce Diversity Policy

During the Reporting Period, the Group formalised its commitment by adopting a comprehensive *Workforce Diversity Policy*. This policy reinforces the mission to foster a diverse, inclusive, and respectful workplace where all employees are valued and empowered to contribute their unique perspectives. The framework spans all facets of the employment lifecycle, including:

- Recruitment and selection
- Training and professional development
- Compensation, benefits, and career advancement

The ESG Committee assumes ultimate responsibility for monitoring progress, ensuring that diversity and inclusion are deeply embedded across the Group's workplace culture, corporate strategy, and operational processes.

Regulatory Compliance and Non-Discrimination

The Group continuously reviews and strengthens its talent measures to promote equal opportunities for training and career advancement without discrimination. During the Reporting Period, the Group was not aware of any incidents of non-compliance with relevant laws and regulations regarding equal opportunity and diversity. For KPIs relating to workforces diversity, please refer to the page 82 to 84 of "**Performance Data Table – Social KPIs**" of this Report.

HUMAN RIGHTS AND LABOUR PROTECTION

Rigorous Recruitment and On-Site Verification Processes

The Group strictly complies with all applicable laws and regulations concerning employment, child labour, illegal labour and forced labour. Guided by the *Staff Requisition and Recruitment Policy*, the Group implements a multi-layered verification framework to prevent any labour violations:

- **Pre-employment Screening:** All prospective personnel must submit valid identification documents for age and legal identity verification, followed by comprehensive reference checks.
- **On-Site Registration:** At project sites, workers are formally registered at the commencement of each contract. All documentation is cross-authenticated by site coordinators in conjunction with the head office.
- **Digital Access Control:** Daily site access is strictly monitored via biometric facial recognition technology, and physical employment cards are subject to regular, unannounced inspections.

Zero-Tolerance Approach to Forced and Child Labour

The protection of human rights—both for the Group's direct employees and for those employed by its suppliers and subcontractors—is of fundamental importance to Royal Deluxe (the "**Group**"). The Group upholds a strict zero-tolerance approach to any form of child or forced labour across its entire value chain, ensuring a fair, safe, and ethical work environment for all individuals associated with its operations.

Fair Compensation

As articulated in the *Employee Handbook*, overtime and other relevant allowances are properly and transparently compensated across the Group. In the event that any fraudulent identification or misrepresentation is discovered, the Group will immediately respond in strict accordance with relevant legal frameworks and internal disciplinary procedures.

Labour Compliance Performance

During the Reporting Period, the Group identified no material non-compliance with labour laws or regulations, and zero cases of child or forced labour were reported or recorded.

COMMUNITY INVESTMENT AND PARTICIPATION

Corporate Citizenship and Community Engagement

Drawing on over 30 years of experience in Hong Kong, Royal Deluxe has cultivated a strong, enduring connection with the local community. As a responsible corporate citizen, the Group is dedicated to fostering a healthy, caring, and sustainable society through targeted financial donations, active volunteerism, community events, and ongoing support for youth talent development.

Recognition of Community Contribution

During the Reporting Period, Ming Tai Construction Engineering Company Limited ("**Ming Tai**"), a key subsidiary of the Group, continued to be recognized by the CIC as a *Construction Industry Caring Organisation*. This prestigious recognition reflects the Group's steadfast commitment to creating a meaningful, positive, and lasting impact on the communities it serves. Please refer to Appendix – Awards and Recognitions.

Construction Industry Lo Pan Rice Campaign 2025



During the Reporting Period, the Group continued to support the CISVP Lo Pan Rice 2025 campaign. Through financial contributions and employee participation in volunteer activities, the Group worked with NGOs to distribute meal boxes to underprivileged individuals and families. By participating in this initiative, Royal Deluxe joined the wider construction industry in promoting compassion, solidarity and mutual support within the community.

Charitable Donations

The Group remains committed to giving back to the community and supporting charitable and non-profit organisations. Through its donations and participation in community initiatives, the Group seeks to contribute to social well-being, foster a caring culture among employees and create a positive impact in the wider community.

During the Reporting Period, the Group donated HK\$50,990 (2025: HK\$53,280) to support the operations and initiatives of various non-profit organisations. These included participation in a small-sided football fundraising activity, support for the Construction Industry Lo Pan Rice Campaign 2025, and donations for disaster relief to support those affected by the Tai Po fire. Through these charitable activities, the Group continued to direct resources towards causes that promote community care, emergency support and social resilience.

PROSPECTS

The Group's sustainability-related priorities are closely connected with the transformation of the construction industry. As contractors face rising expectations on safety, quality, productivity, carbon management, and supply chain responsibility, Royal Deluxe's dedication to effective site safety measures, technological innovation, circular economy and waste management, sustainable procurement, business ethics and client satisfaction have become central to maintaining operational resilience and competitiveness. In particular, our enhanced safety controls effectively address the industry's persistent occupational risk exposure, while digital tools, BIM and DfMA drive efficient materials planning and project management, minimising skilled labour requirements and ensuring better quality assurance. Furthermore, our increased deployment of reusable formwork systems, coupled with resource efficiency initiatives and sustainable procurement directly mitigates construction waste, embodied carbon and environmental impacts across the project lifecycle.

These priorities are also aligned with Hong Kong's regional development direction. With ongoing investment in public housing, infrastructure, urban renewal, the Northern Metropolis and wider Greater Bay Area connectivity, the demand for reliable, responsible and technologically capable construction partners is expected to remain significant. However, this growth will be accompanied by tighter regulatory, environmental and stakeholder expectations, including climate-related disclosure, site safety performance and responsible supply chain management. Royal Deluxe will therefore continue to embed its most material issues of concern into governance, risk management and project execution, strengthening its ability to deliver safe, efficient and sustainable construction solutions. By doing so, the Group remains committed to supporting Hong Kong's transition towards a more resilient, low-carbon and sustainable building environment while creating long-term value for clients, employees, business partners, shareholders and the wider community.

APPENDICES

AWARDS AND RECOGNITIONS

Our Winning ESG Report Awards



CarbonCare® ESG Label Level 2

CarbonCare InnoLab

Royal Deluxe Holdings Limited



CarbonCare® Start Label

CarbonCare InnoLab

Royal Deluxe Holdings Limited



Our Social Achievements



**Construction Industry
Caring Organisations**

Construction Industry
Council (CIC)

Ming Tai Construction
Engineering Co. Ltd



**Appreciation Award
– CIC Lo Pan
Rice Campaign 2025**

Ming Tai Construction
Engineering
Company Limited

Our Safety Awards



2025 Safe SME Subcontractor Award (Main Works Package 2(Stage 1) for New Acute Block for Expansion of North District Hospital) – Gold Award

The Lighthouse Hong Kong

Ming Tai Construction Engineering Co. Ltd

Best Safety Worker Award

Hip Hing Engineering Co Ltd

(Two employees of Ming Tai Construction Engineering Co. Ltd)



Monthly Safety Worker Award

Hip Hing Engineering Co Ltd

(Three employees of Ming Tai Construction Engineering Co. Ltd)



Our Safety Awards

Site Safety Model Worker Award

CR Construction Co. Ltd

(Two employees of Ming Tai Construction Engineering Co. Ltd)



Safety Model Worker Award

NDH Joint Venture

(Ten employees of Ming Tai Construction Engineering Co. Ltd)



Our Recognitions



Registered Specialist Trade Construction Scheme - the Construction Industry Council (CIC)

Ming Tai Construction Engineering Company Limited and Ming Tai Civil Engineering Company Limited



Construction Innovation and Technology Fund - PA24-066

Ming Tai Construction Engineering Company Limited



Recognised Sustainable Development Corporate 2025-26 - World Institute of Sustainable Development Planners



The Construction Industry Integrity Charter 2.0 - the Development Bureau (DEVB), the Independent Commission Against Corruption (ICAC) and the Construction Industry Council (CIC)

Ming Tai Construction Engineering Company Limited and Ming Tai Civil Engineering Company Limited



Approved Technical Talents Training Programmes (CICATP) Approved Employers - Hong Kong Institute of Construction

Ming Tai Construction Engineering Company Limited and Ming Tai Civil Engineering Company Limited

PERFORMANCE DATA TABLE

Environmental KPIs	Unit	2026	2025	2024
Air and GHG Emissions				
NOx Emissions	kg	36.24	38.10	129.22
SOx Emissions	kg	0.14	0.15	0.33
PM Emissions	kg	3.30	3.46	10.74
GHG Emission – Scope 1 ⁹	tCO ₂ -e	29.98	33.32	55.18
GHG Emission – Scope 2	tCO ₂ -e	25.83	31.80	37.97
GHG Emission – Scope 3 ¹⁰	tCO ₂ -e	4.42	12.31	1.11
Total GHG Emissions (Scope 1-3)	tCO ₂ -e	60.22	77.43	94.27
GHG Emission Intensity by Area (warehouse included)	tCO ₂ -e/m ²	0.07	0.10	0.11
GHG Emission Intensity by Area (warehouse excluded)	tCO ₂ -e/m ²	0.11	0.14	0.15
GHG Emission Intensity by Workforce ¹¹	tCO ₂ -e/person	0.10	0.29	0.87
Energy				
Petroleum Usage	Litre	5,867.60	7,503.97	5,040.55
Diesel Usage	Litre	3,447.02	2,197.24	15,644.12
Electricity Usage	kWh	75,970.79	83,696.64	97,368.51
Total Energy Usage	MJ	611,029.09	638,104.67	1,123,663.10
Energy Usage Intensity by Workforce	MJ/person	1,028.67	2,354.63	10,404.29
Water				
Water Usage	m ³	133.48	146.77	167.91
Water Usage Intensity by Workforce	m ³ /person	0.22	0.54	1.55
Waste				
Paper Consumption ¹²	kg	1,915.19	3,245.36	3,367.06
Paper Recycling	kg	1,008.00	696.00	3,158.00
Paper Disposal	kg	907.19	2,549.36	209.06
Paper Disposal Intensity by Workforce	kg/person	1.53	9.41	1.94
Timber Consumption	m ³	9,572.08	6,899.06	6,179.24
Aluminium Consumption	Tonnes	134.15	1,193.08	126.85
Aluminium Recycling	Tonnes	751.06	81.28	32.72
Steel Consumption	Tonnes	1,107.07	1,667.07	617.27
Steel Recycling	Tonnes	1,555.07	645.81	167.69
Metal Consumption	Tonnes	135.39	820.24	921.51

⁹ Scope 1 emissions from refrigerants consumption were estimated due to a lack of available records relating to the disposal of our air conditioners, where a proxy was used to estimate the refrigerant charge of the discarded air conditioners, and it was assumed that all components were disposed of via landfill.

¹⁰ GHG emission – Scope 3 includes GHG emissions from paper waste disposed at landfills and electricity used for processing fresh water and sewage.

¹¹ Environmental KPIs intensity by workforce are limited to direct workforce only.

¹² It has been assumed that all paper consumed was either recycled or disposed of via licensed waste management contractors.

Social KPIs	Unit	2026	2025	2024
Direct Workforce ¹³				
Direct Workforce by Gender				
Male	Person	558	240	80
Female	Person	36	31	28
Direct Workforce by Age				
18-25	Person	21	15	12
26-35	Person	133	69	46
36-45	Person	176	83	27
46-55	Person	258	70	16
56-65+	Person	6	34	7
Direct Workforce by Employment Category				
Senior Management	Person	4	4	5
Middle Management	Person	15	12	19
General Staff	Person	50	73	69
Others	Person	525	182	15
Indirect Workforce ¹⁴				
Indirect Workforce by Gender				
Male	Person	2,231	3,166	3,053
Female	Person	129	124	83
Indirect Workforce by Age				
18-64	Person	2,263	3,210	3,026
65 or above	Person	97	80	110
Indirect Workforce by Nationality				
Chinese Nationals	Person	1,826	2,693	2,556
Non-Chinese National	Person	534	597	580

¹³ All employees under direct employment of the Group and not subcontracted.

¹⁴ All employees working at the Group's operation sites but not directly employed by the Group.

Social KPIs	Unit	2026	2025	2024
Turnover Rate				
Total Turnover Rate ¹⁵	%	5.78	25.86	44.26
Turnover Rate by Gender				
Male	%	3.51	11.25	41.08
Female	%	32.84	105.08	54.24
Turnover Rate by Age				
18-25	%	0.00	22.22	76.19
26-35	%	5.94	22.61	32.00
36-45	%	6.95	32.73	34.38
46-55	%	3.66	20.93	66.67
56-65+	%	20.00	29.27	60.87
Turnover Rate by Employment Category				
Senior Management	%	0.00	0.00	16.67
Middle Management	%	14.81	0.00	10.81
General Staff	%	37.40	69.01	44.27
Others	%	0.00	0.00	68.75
Training and Development ¹⁶				
Total Training Hours	Hours	3,704.50	3,397.00	1,656.25
Average Training Hours	Hours/employee	6.24	12.54	15.34
Total Percentage of Employees Trained	%	176.77	81.92	32.41
Percentage of Employees Trained by Gender ¹⁷				
Male	%	180.47	85.00	36.25
Female	%	119.44	58.06	21.43
Percentage of Employees Trained by Employment Category				
Senior Management	%	100.00	100.00	80.00
Middle Management	%	46.67	75.00	21.05
General Staff	%	56.00	36.99	18.84
Others	%	192.57	100.00	93.33
Average Training Hours by Gender				
Male	Hours/employee	5.90	11.18	19.27
Female	Hours/employee	11.51	23.00	4.11

¹⁵ Turnover rates are limited to direct workforce only.

¹⁶ Training-related KPIs are limited to direct workforce only.

¹⁷ The percentage of employees trained exceeds 100% because the numerator includes all training participants during the Reporting Period, including new joiners and leavers, calculated against the period-end workforce.

Social KPIs	Unit	2026	2025	2024
Average Training Hours by Employment Category				
Senior Management	Hours/employee	33.56	49.44	53.30
Middle Management	Hours/employee	1.48	25.98	9.43
General Staff	Hours/employee	10.30	13.27	10.78
Others	Hours/employee	5.78	10.54	31.10
Work-related Incident ¹⁸				
Work-related Fatalities	Case	Nil	Nil	Nil
Work Injury Case	Case	26	43	43
Lost Days due to Work Injury	No. of Days	5,131	3,939	4,955
Work Injury Rate ¹⁹	Per 200,000 man-hours ²⁰	2.22	4.32	4.18
Accident Rate	Per 1,000 workers	28.20	56.40	53.80
Supplier's Geographical Location				
Hong Kong	Quantity	59	100	64
PRC	Quantity	4	8	4

¹⁸ Inclusive of both direct workforce and indirect workforce.

¹⁹ Based on guidance from the Architectural Services Department, annual working hours per worker are assumed to be 9 hours per working day. Historical data has been restated to reflect this change.

²⁰ To align with the GRI Standards, the work injury rate includes both workers at offices and at project sites.

HKEX ESG REPORTING CODE CONTENT INDEX

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

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
	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.	
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.	Introduction
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment; Appendix
KPI A1.1	The types of emissions and respective emissions data.	Environment; Appendix
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The production of hazardous waste continues to be insignificant when compared to non-hazardous waste generated by our Group. Hence, we currently do not have a centralised monitoring system to record the amount of hazardous waste we produce
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environment; Appendix
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environment
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.	Environment

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment; Value Chain
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).	Environment; Appendix
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environment; Appendix
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment
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.	Environment
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	This KPI is not applicable to the Group's operations as formwork services do not involve packaging of finished products
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People; Appendix
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Appendix
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Value Chain; People; Appendix
KPI B2.1	Number and rate of work-related fatalities.	Value Chain; Appendix
KPI B2.2	Lost days due to work injury.	Value Chain; Appendix
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Value Chain; People

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Value Chain; People
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People; Appendix
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Value Chain
KPI B5.1	Number of suppliers by geographical region.	Appendix
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Value Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Value Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Value Chain

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Business; Value Chain; Appendix
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Value Chain
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Value Chain
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Business
KPI B6.4	Description of quality assurance process and recall procedures.	Value Chain; While the quality assurance process is described in “ Client Satisfaction ” section, formal recall procedures are not documented. This is because the nature of formwork services, in which product recalls are not typical and defects are addressed through the Group’s quality control and complaint handling processes.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Business

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 and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business
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.	Business
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	People
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	People
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	People

Disclosures Description	Remarks
Climate-related Disclosures	
(I) Governance	
19. An issuer shall disclose information about:	
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	Drivers of Sustainable Change; Environment
(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	The Group is in the early stages of formalising its climate competency assessment. While climate training is already provided, the structured process for assessing and developing Board-level climate competencies will be provided in the future.
(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Drivers of Sustainable Change; Environment
(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Drivers of Sustainable Change; Environment
(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Drivers of Sustainable Change; Environment
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	Drivers of Sustainable Change; Environment
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Drivers of Sustainable Change; Environment
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Drivers of Sustainable Change; Environment

Disclosures Description	Remarks
(II) Strategy	
Climate-related risks and opportunities	
20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Environment
(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Environment
(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Environment
(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Environment
Business model and value chain	
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Environment
(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Environment

Disclosures Description	Remarks
Strategy and decision-making	
22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	Environment
(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Environment
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Environment
(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	Environment
(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Environment
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Environment
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Environment
Financial position, financial performance and cash flows	
Current financial effect	
24. An issuer shall disclose qualitative and quantitative information about:	
(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Environment
(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Environment

Disclosures Description	Remarks
Anticipated financial effect	
25. The issuer shall provide qualitative and quantitative disclosures about:	
(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	Environment
(i) its investment and disposal plans; and	Environment
(ii) its planned sources of funding to implement its strategy; and	Environment
(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Environment
Climate resilience	
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	Environment
(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	Environment
(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	Environment
(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Environment

Disclosures Description	Remarks
(b) how and when the climate-related scenario analysis was carried out, including:	
(i) information about the inputs used, including:	Environment
(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	Environment
(2) whether the analysis included a diverse range of climate-related scenarios;	Environment
(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	Environment
(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	Environment
(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	Environment
(6) time horizons the issuer used in the analysis; and	Environment
(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	Environment
(ii) the key assumptions the issuer made in the analysis; and	Environment
(iii) the reporting period in which the climate-related scenario analysis was carried out.	Environment

Disclosures Description	Remarks
(III) Risk Management	
27. An issuer shall disclose information about:	
(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	Drivers of Sustainable Change; Environment
(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Environment
(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	Environment
(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	Environment
(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	Environment
(v) how the issuer monitors climate-related risks; and	Environment
(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Environment
b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Environment
(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Environment

Disclosures Description	Remarks
(IV) Metrics and Targets	
Greenhouse gas emissions	
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions;	Environment; Appendix
(b) Scope 2 greenhouse gas emissions; and	Environment; Appendix
(c) Scope 3 greenhouse gas emissions.	Environment; Appendix
29. An issuer shall:	
(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Environment; Appendix
(b) disclose the approach it uses to measure its greenhouse gas emissions including:	Environment Operational control approach is used to determine the organisational boundary. Emissions are measured using activity data multiplied by applicable emission factors, in accordance with the " Appendix 2: Reporting Guidance on Environmental KPIs " issued by HKEX.
(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Environment
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Environment
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	No changes have been applied

Disclosures Description	Remarks
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Environment The Group did not enter into any contractual instruments during the reporting period.
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	The report identifies Scope 3 categories: paper waste disposal, fresh water processing, and sewage processing. This corresponds to GHG Protocol Category 5 (Waste Generated in Operations).
Climate-related transition risks	
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Only insignificant amount and percentage of assets and business activities currently considered vulnerable to climate-related transition risks.
Climate-related physical risks	
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Only insignificant amount and percentage of assets and business activities currently considered vulnerable to climate-related physical risks.
Climate-related opportunities	
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group could access preferential interest rates for green building enterprises, with particular relevance to the Northern Metropolis. However, the exact percentage and amount remain to be quantified and will be subject to further assessment.
Capital deployment	
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Environment

Disclosures	Description	Remarks
Internal carbon prices		
34. An issuer shall disclose:		
(a)	an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	An internal carbon price is not currently used in the Group’s decision-making processes
(b)	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
Remuneration		
35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).		Environment
Industry-based metrics		
36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.		Environment
Climate-related targets		
37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:		Environment
(a)	the metric used to set the target;	Environment
(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Environment
(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Environment
(d)	the period over which the target applies;	Environment
(e)	the base period from which progress is measured;	Environment
(f)	milestones or interim targets (if any);	The report does not set up interim targets.

Disclosures Description	Remarks
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	Environment
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	The report does not explicitly link targets to the Paris Agreement or other international agreements.
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a) whether the target and the methodology for setting the target has been validated by a third party;	The targets were not validated by a third party
(b) the issuer's processes for reviewing the target;	Environment
(c) the metrics used to monitor progress towards reaching the target; and	Environment
(d) any revisions to the target and an explanation for those revisions.	Environment
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Environment
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a) which greenhouse gases are covered by the target;	Environment
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Environment
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	Environment
(d) whether the target was derived using a sectoral decarbonisation approach; and	The target was not yet derived using a sectoral decarbonisation approach

Disclosures Description	Remarks
(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	The Group has not yet set any net GHG emissions targets, and hence carbon credits were not used
(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
(ii) which third-party scheme(s) will verify or certify the carbon credits;	
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics	
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Environment

GRI STANDARDS CONTENT INDEX

Statement of use	Royal Deluxe Holdings Limited has reported the information cited in this GRI content index for the period from 1 April 2025 to 31 March 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 2: General Disclosures 2021	2-1 Organisational details	Introduction	
	2-2 Entities included in the organisation's sustainability reporting	Introduction	
	2-3 Reporting period, frequency and contact point	Introduction	
	2-4 Restatements of information	Introduction	
	2-5 External Assurance	Appendix	
	2-6 Activities, value chain and other business relationships	Introduction; Drivers of Sustainable Change; Value Chain	
	2-7 Employees	Appendix	
	2-8 Workers who are not employees	Appendix	
	2-9 Governance structure and composition	Drivers of Sustainable Change	
	2-10 Nomination and selection of the highest governance body	Drivers of Sustainable Change; Corporate Governance Report	
	2-11 Chair of the highest governance body	Drivers of Sustainable Change; Corporate Governance Report	
	2-12 Role of the highest governance body in overseeing the management of impacts	Drivers of Sustainable Change	
	2-13 Delegation of responsibility for managing impacts	Drivers of Sustainable Change	
	2-14 Role of the highest governance body in sustainability reporting	Introduction; Drivers of Sustainable Change	
	2-15 Conflicts of interest	Drivers of Sustainable Change; Business	
	2-16 Communication of critical concerns	Drivers of Sustainable Change; Business	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report	
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report	
	2-19 Remuneration policies	Corporate Governance Report	
	2-20 Process to determine remuneration	Corporate Governance Report	
	2-21 Annual total compensation ratio	Corporate Governance Report	
	2-22 Statement on sustainable development strategy	Introduction; Drivers of Sustainable Change	
	2-23 Policy commitments	Drivers of Sustainable Change	
	2-24 Embedding policy commitments	Drivers of Sustainable Change; Value Chain Business; Environment; People	
	2-25 Processes to remediate negative impacts	Drivers of Sustainable Change; Value Chain Business; Environment; People	
	2-26 Mechanisms for seeking advice and raising concerns	Drivers of Sustainable Change; Business	
	2-27 Compliance with laws and regulations	Appendix	
	2-28 Membership associations		Hong Kong Formwork Contractors Association, Registered Specialist Trade Contractors
	2-29 Approach to stakeholder engagement	Drivers of Sustainable Change	
	2-30 Collective bargaining agreements		Collective bargaining agreements are not legally mandated in Hong Kong. Employees are free to engage in labour unions and participate in union activities.

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Drivers of Sustainable Change	
	3-2 List of material topics	Drivers of Sustainable Change	
	3-3 Management of material topics	Drivers of Sustainable Change	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Environment	
	201-3 Defined benefit plan obligations and other retirement plans	People	
GRI 202: Market Presence	202-2 Proportion of senior management hired from the local community		100%
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Value Chain	
	203-2 Significant indirect economic impacts	Value Chain	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		93.63%
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business	
	205-2 Communication and training about anti-corruption policies and procedures	Business	
	205-3 Confirmed incidents of corruption and actions taken	Business	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Business	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Environment; Appendix	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Appendix	
	302-2 Energy consumption outside of the organisation		The Group does not have energy consumption outside the organisation.
	302-3 Energy intensity	Appendix	
	302-4 Reduction of energy consumption	Environment	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environment	
	303-3 Water withdrawal	Environment; Appendix	
	303-4 Water discharge	Environment	
	303-5 Water consumption	Environment; Appendix	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment; Appendix	
	305-2 Energy indirect (Scope 2) GHG emissions	Environment; Appendix	
	305-3 Other indirect (Scope 3) GHG emissions	Environment; Appendix	
	305-4 GHG emissions intensity	Appendix	
	305-5 Reduction of GHG emissions	Environment	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Environment; Appendix	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environment; Appendix	
	306-2 Management of significant waste-related impacts	Environment	
	306-3 Waste generated	Environment; Appendix	
	306-4 Waste diverted from disposal	Environment; Appendix	
	306-5 Waste directed to disposal	Environment; Appendix	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Value Chain	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Appendix	
	401-3 Parental leave	People	
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		One week via formal communication channels
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Value Chain; People	
	403-2 Hazard identification, risk assessment, and incident investigation	Value Chain	
	403-3 Occupational health services	Value Chain	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Value Chain	
	403-5 Worker training on occupational health and safety	Value Chain; People	
	403-6 Promotion of worker health	Value Chain; People	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Value Chain	
	403-8 Workers covered by an occupational health and safety management system	Value Chain	
	403-9 Work-related injuries	Value Chain; Appendix	
	403-10 Work-related ill health	Appendix	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Appendix	
	404-2 Programs for upgrading employee skills and transition assistance programs	People	
	404-3 Percentage of employees receiving regular performance and career development reviews	People	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Drivers of Sustainable Change; Appendix	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	People	
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	People	
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	People	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Value Chain	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Value Chain	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Value Chain	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Business	

LAWS AND REGULATIONS

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

Environmental:

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

Social:

- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615)
- Apprenticeship Ordinance (Cap. 47)
- Companies Ordinance (Cap. 622)
- Competition Ordinance (Cap. 619)
- Construction Industry Council Ordinance (Cap. 587)
- Construction Industry Security of Payment Ordinance (Cap. 652)
- Construction Works Registration Ordinance (Cap. 583)
- Construction Sites (Safety) (Amendment) Regulations 2026 (Cap. 59I)
- Disability Discrimination Ordinance (Cap. 487)
- Employees' Compensation Ordinance (Cap. 282)
- Employment of Children Regulations (Cap. 57B)
- Employment of Young Persons (Industry) Regulations (Cap. 57C)
- Employment Ordinance (Cap. 57)
- Factories and Industrial Undertakings Ordinance (Cap. 59)
- Factories and Industrial Undertakings (Safety Management) Regulation (Cap. 59AF)
- Family Status Discrimination Ordinance (Cap. 527)
- Immigration Ordinance (Cap. 115)
- Race Discrimination Ordinance (Cap. 602)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485)

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