

King's Stone Holdings Group Limited 金石控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(formerly known as SILVER TIDE HOLDINGS LIMITED)

Stock code: 1943



2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Report Overview

This Environmental, Social and Governance Report (the “**Report**”) summarises the environmental, social and governance (“**ESG**”) initiatives, plans and performances of King’s Stone Holdings Group Limited (the “**Company**”), together with its subsidiaries (the “**Group**” or “**We**”), and demonstrates its commitment to environmental protection and sustainable development.

Reporting Period

This Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 March 2026 (the “**Reporting Period**” or “**FY2026**”).

Reporting Scope

This Report focuses primarily on the Group’s ESG performance across its core operations, which are controlled directly by our management. During the Reporting Period, the Group is principally engaged in (i) the provision of construction services for the public and private sectors in Hong Kong, including traditional formwork, system formwork and related ancillary works; and (ii) intelligent storage business.

Reporting Framework

This Report has been prepared in compliance with all the applicable provisions as set out in the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) under Appendix C2 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HKEX**”).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Reporting Principles

During the preparation for this Report, the Group has applied the reporting principles stipulated in the ESG Reporting Code as follows:

Principle	Application
Materiality	The materiality assessment was conducted to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of this Report. The materiality of issues was reviewed and confirmed by the ESG Committee. Please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” for further details.
Quantitative	Supplementary notes have been added along with quantitative data disclosed in the ESG Report to explain any standards, methodologies, and sources of conversion factors used during the calculation of emissions and energy consumption.
Consistency	The preparation approach of this Report was substantially consistent with the previous year ended 31 March 2025 (“FY2025”), and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies (if any).
Balance	The information provided in this report was presented in an objective and impartial manner, which provided stakeholders with an unbiased view of how the Group performed in terms of its ESG activities.

Contact Us

We value the feedback from our stakeholders in developing our sustainability strategy. You are welcome to provide opinions and suggestions on this Report or our sustainability performance at:

Address: Suite 1306, 13th Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong
Website: www.kshgl.com

Forward-looking Statements

This Report contains forward-looking statements which are based on the current expectations, estimates, projections, beliefs, and assumptions of the Group about the businesses and the markets in which it and its subsidiaries operate. These forward-looking statements are not guarantees of future performance and are subject to market risk, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes and returns may differ from the assumptions made and the statements contained in this Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

THE ESG GOVERNANCE STRUCTURE

Board of Directors	ESG Committee
Evaluate ESG-related risks and opportunities	Oversee the development of ESG-related strategy, goals, policies and practices
Formulate ESG management approaches, strategies, priorities and goals	Identify the Group's ESG-related issues and risks
Review the disclosures in the ESG Report	Flag emerging ESG-related risks and opportunities
Oversee all ESG issues	Implement sustainability policies, procedures and initiatives
	Collect ESG information and data for ESG disclosures

Board Statement

The board of directors (the “**Board**”) of the Company is responsible for monitoring the Group's ESG issues, including its management approaches, strategies, and policies. To better manage the ESG performance and identify potential risks, the Board conducts materiality assessments where necessary, along with the assistance of the ESG Committee (the “**Committee**”) as established by the Group, which helps to evaluate and prioritise material ESG issues based on the opinions of our stakeholders. In support of its ESG strategies, the Board sets a general direction, ensuring that ESG risks are effectively controlled, and internal control mechanisms are in place. This Report was prepared by the ESG Committee and approved by the Board.

The Committee

The Group has established the Committee, consisting of core members from different departments and is responsible for collecting relevant information from the Group's ESG aspects for preparing this Report. It reports to the Board and assists in identifying and evaluating the Group's ESG risks and the effectiveness of its internal control mechanisms on a daily basis. It also has a role in assessing and evaluating the Group's performance relating to a number of socially responsible issues such as environment protection, health and safety, labour standards, and product responsibilities. The Committee is also responsible for implementing the ESG plans and to ensure the execution of various ESG-related strategies and policies to achieve the ESG-related targets in accordance with the Board's direction.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

STAKEHOLDER ENGAGEMENT

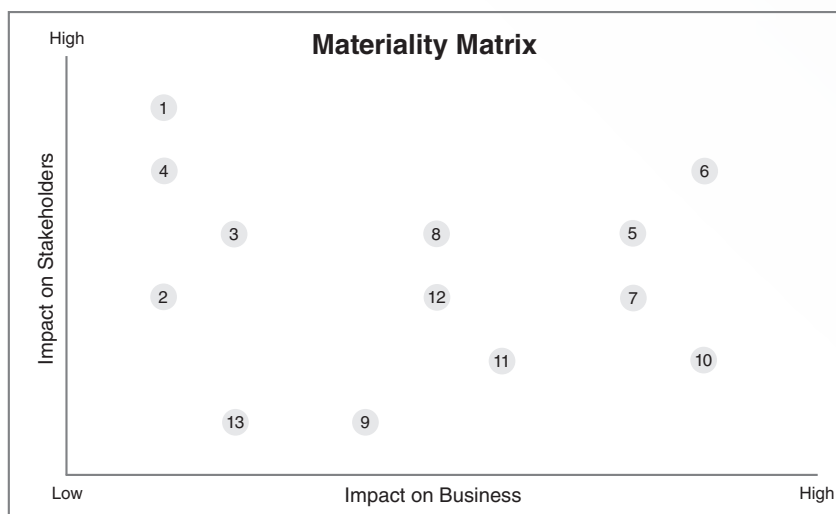
The Group seeks to collaborate with stakeholders to achieve better ESG performance and enhance value creation for the community. Thus, the Group values its stakeholders' feedback on its businesses and ESG practices. For a better understanding of their key concerns, the Group has maintained close communication with its key stakeholders, including but not limited to the shareholders and investors, government authorities and regulatory bodies, customers, employees, suppliers, community and the public. Through diverse engagement methods and communication channels, the Group takes stakeholder expectations into account in formulating its business and ESG strategies.

MAJOR STAKEHOLDERS	COMMUNICATION CHANNELS	EXPECTATIONS
Shareholders and Investors	- Financial reports - Announcements and circulars - Annual general meetings - Company website	- Corporate governance - Business compliance - Financial performance - Strategic development
Government Authorities and Regulatory Bodies	- Tele-conferences - Written or electronic correspondence - On-site inspections - Corporate reports and announcements	- Compliance with laws and regulations - Timely taxation - Employment growth - Security operations
Customers	- Face-to-face meetings - Interviews - Hotline and emails	- Project quality - Customer service - Privacy protection - Business ethics
Employees	- Professional training - Internal meetings - Annual performance appraisals - Employee opinion surveys	- Compensation and benefits - Workplace health and safety - Career development - Legal rights and interests
Suppliers	- Periodic assessments - Supplier management meetings and events - Open tendering	- Stable supply chain - Fair and open tendering - Information resources sharing - Long-term cooperation
Community and the Public	- Community investment plans - ESG reports - Media	- Community contributions - Ethical operations - Environmental protection

MATERIALITY ASSESSMENT

By reviewing the Group's operations and identifying relevant ESG issues, the Committee has assessed the importance of related matters to the Group's businesses and stakeholders. According to industry practices and internal development strategy, the Group identified 13 ESG issues and created a questionnaire to collect information from the relevant internal and external stakeholders. The Group reviewed the materiality assessment result and considered that the result was applicable to the Group. The continuous monitoring of the Group's ESG performance will be conducted as part of its business operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)



NO. MATERIAL ISSUES

1. Emissions control
2. Energy management
3. Noise control
4. Climate change
5. Employment and labour practices
6. Protecting staff's health and safety
7. Training and development

NO. MATERIAL ISSUES

8. Supply chain management
9. Project quality assurance
10. Privacy protection
11. Service pledge to customers
12. Anti-corruption
13. Community investment

OUR APPROACH TO ESG

During the Reporting Period, the Group is principally engaged in (i) the provision of construction services for the public and private sectors in Hong Kong, including traditional formwork, system formwork and related ancillary works; and (ii) intelligent storage business. We believe that driving green technological innovation, embedding sustainable practices into our daily operations, and fostering employees' environmental awareness are vital to improving our community's living quality and protecting our ecosystem. The Group has established an ESG policy to ensure that its business operations have the least negative impact on the environment and society. Recognising the importance of environmental protection, low carbon footprint, resource conservation, and sustainable development as key trends in society, we have integrated ESG aspects into our risk management system. This integration allows us to incorporate ESG factors into our decision-making process and adopt corresponding development principles in our daily operations. By doing so, we aim to strengthen our ESG management and risk control capabilities, enabling the Board to effectively track, monitor, and manage key ESG issues.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

A. ENVIRONMENTAL

The Group adheres to good environmental management and strives to protect the environment to fulfil its corporate social responsibility. During the Reporting Period, the Group was not aware of any material non-compliance with air and greenhouse gas (“**GHG**”) emissions, discharges into water and land, the generation of hazardous and non-hazardous-related laws and regulations that would have a significant adverse impact on the Group.

The Group has established environmental policies, such as Integrated Management Procedures, which outline the process controls related to the environment, including but not limited to the aspects of air pollution control, waste control, noise pollution control, water pollution control and resources preservation. The Group has also integrated the concept of sustainable development into its operations. The environmental management system has been certified by the international standard ISO 14001:2015 and complies with the standard to ensure environmental friendliness across our daily operations, construction services and intelligent storage activities, and business activities.

By recycling, recovering, and reusing used materials, the Group minimises the adverse impacts brought on by its operations by controlling pollution, conserving resources, and reducing waste.

Environment goals are set at the group level to facilitate the evaluation of the effectiveness of the Group’s strategies and measures to mitigate climate impacts. The table below summarises the Group’s environmental targets:

	Aspects	Environmental Targets	Progress
Our 2030 Environmental Targets	GHG Emissions	Using FY2023 as baseline, change in percentage of GHG emissions intensity decreases by 5%.	In progress
	Non-hazardous Waste	Using FY2023 as baseline, change in percentage of non-hazardous waste intensity decreases by 5%.	In progress
	Electricity Consumption	Using FY2023 as baseline, change in percentage of electricity consumption intensity decreases by 4%.	In progress
	Water Consumption	Using FY2023 as baseline, change in percentage of water consumption intensity decreases by 5%.	In progress

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

A1. Emissions Control

Air Emissions

During the Reporting Period, the Group did not maintain its own vehicle fleet. Based on the environmental data collected for operations within the reporting scope, no significant air emissions were identified during the year.

GHG Emissions

The consumption of electricity at the offices and paper waste disposed at landfill are the major sources of GHG emissions generated by the Group.

During the Reporting Period, the Group's GHG emissions performance is as follows:

Indicators ¹	Unit	FY2026	FY2025
Direct GHG Emissions (Scope 1)			
• Petrol and Diesel Consumption	tCO ₂ e	NA	NA
Energy Indirect GHG Emissions (Scope 2)			
• Electricity Consumption	tCO ₂ e	5.22	0.28
Other Indirect GHG Emissions (Scope 3)			
• Paper waste disposed at landfills	tCO ₂ e	0.29	NA
Total GHG Emissions (Scope 1, Scope 2 and Scope 3)	tCO ₂ e	5.51	0.28
Total GHG Emissions Intensity ²	tCO ₂ e/employee	0.09	0.01

Remarks:

- GHG emissions data is presented in carbon dioxide equivalent and with reference to, including but not limited to, the reporting requirements of the "GHG Protocol Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX and the latest Sustainability Report published by Hong Kong Electric.
- As of 31 March 2026, the Group had a total of 60 employees (As of 31 March 2025: 31 employees). The data is also used for calculating other intensity data.

Consumption of electricity is accounted for as the major source of indirect energy and indirect GHG emissions (Scope 2). The Group has implemented measures as described under "Energy Management" in aspect A2 to reduce energy consumption, thereby minimising carbon footprint.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Sewage Discharge

Due to the Group's business nature, the consumption of water is minimal. Additionally, water supply and discharge facilities are mostly managed by the property management. Therefore, our business activities did not generate a material portion of discharges into water.

Waste Management

Throughout its operation, the Group is dedicated to minimising the adverse impacts associated with the disposal of solid waste, general refuse, and wastewater resulting from the waste generation process.

The Group has developed sustainable waste management practices that have been compliant with the relevant laws and regulations regarding environmental protection in order to safeguard the health and welfare of the community from adverse environmental effects related to the handling and disposal of waste.

Non-hazardous Waste

In view of the business nature, we consumed paper for drawing, designing, and commercial purposes during operations. The non-hazardous wastes generated by the Group's operations mainly consist of office paper.

Type of Waste	Unit	FY2026	FY2025
Non-hazardous Waste Produced			
• Office Paper	tonnes	0.06	0.09
Non-hazardous Waste Produced Intensity	tonnes/employee	0.001	0.003

The Group has established and implemented the following measures to reduce paper consumption:

- Monitor the consumption of paper to avoid abnormal situations.
- Adopt double-sided printing and electronic means for the circulation of documents to create a paperless workplace.
- Place recycling bins beside the printer to encourage paper recycling.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Hazardous Waste

During the Reporting Period, the Group did not record any material hazardous waste generated from operations within the reporting scope. Nevertheless, the Group has established guidelines which detail the steps in governing the management and disposal of hazardous wastes. In case there are any hazardous wastes produced, the Group will engage qualified waste collectors to handle the waste in order to comply with the relevant environmental regulations and rules.

A2. Use of Resources

The Group continues to introduce resource efficiency and eco-friendly measures to the Group's operations and is committed to optimising the use of resources efficiently. During our operation, fuel and electricity are consumed. The Group has established relevant policies and procedures governing the efficient use of resources to attain the objective of achieving higher energy efficiency and reducing unnecessary use of resources.

Energy Management

Energy consumption of the Group primarily consists of electricity consumed at our office premises. No petrol or diesel consumption from vehicles owned or controlled by the Group was recorded during the Reporting Period. The Group's energy consumption performance is as follows:

Indicators	Unit	FY2026	FY2025
Total Direct Energy Consumption ³	MWh	NA	NA
• Petrol	MWh	NA	NA
• Diesel	MWh	NA	NA
Total Indirect Energy Consumption	MWh	8.51	0.75
• Purchased Electricity	MWh	8.51	0.75
Total Energy Consumption	MWh	8.51	0.75
Total Energy Consumption Intensity	MWh/employee	0.14	0.02

Remarks:

3. The unit conversion calculation is based on the conversion factors in "Energy Statistics Manual" issued by the International Energy Agency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Given that transportation accounts for most of the energy consumption, the Group has also conducted corresponding measures to cut down the fuel usage disclosed in Aspect A1. Besides, to achieve a better energy efficiency performance, the Group has implemented the below policies:

- Encourage employees to turn off idle equipment, computers, and lighting;
- Utilise natural light where possible;
- Adopt power-saving features for office equipment and computers;
- Maintain an average indoor temperature between 24-26°C during the summer period; and
- Procure energy-efficient appliances only upon replacement of old appliances or due to new business needs.

Water Management

The Group does not consume a significant amount of water in its business activities due to its business nature. At the same time, since the water consumption of the Group's offices is included in the property management fee, the water consumption from its office is therefore not included in this Report. Due to the Group's business nature and geographical region which its operation is mainly based in Hong Kong, the issue of sourcing water that is fit for purpose is not relevant to the Group.

Despite limited water consumption, we still promote behavioural changes at the office and encourage water conservation. Water conservation messages are displayed in the pantry and toilets to remind our employees to conserve water, which enhances their awareness.

Use of Packaging Materials

Due to the Group's business nature, it does not consume a significant amount of packaging materials. Therefore, the disclosure does not apply to the Group.

A3. The Environment and Natural Resources

The Group pursues the best practices in environment protection and focuses on its impact on the environment and natural resources. The Group has established relevant policies and procedures to indicate process controls related to the environment, including but not limited to the aspects of noise control and waste control. The Group has integrated the concept of environmental protection into its daily operations with the aim of achieving environmental sustainability.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Indoor Air Quality

To ensure a pleasant working environment, the Group regularly monitors indoor air quality across its offices. Throughout FY2026, air quality remained satisfactory. Where suitable, air purifiers are utilized, and air conditioning systems are cleaned on a periodic basis. These steps help maintain satisfactory indoor air quality by removing pollutants, contaminants, and dust.

The Group is convinced that an environmentally sustainable business model significantly reduces operational risk and, in turn, provides more stable returns for both the Group and its shareholders. It remains committed to achieving this objective over the long term.

A4. Climate Change

Phased Approach to Climate Disclosure

In accordance with Part D of the ESG Reporting Code, the Group has adopted a phased implementation approach for its climate-related disclosures for the Reporting Period. While we provide details on governance and risk management as set out below, we have applied specific implementation reliefs for several quantitative metrics to ensure that the information eventually disclosed is accurate and meaningful.

Application of Reliefs

The Group has applied the following reliefs as permitted by the Exchange:

- Financial Effects Relief: We provide qualitative assessments of climate impacts. Quantitative financial data is currently not available.
- Capabilities Relief: Our climate resilience is assessed through qualitative scenario analysis rather than complex financial modeling, as this is more commensurate with our current resource allocation.
- Reasonable Information Relief: Part of the value-chain data (such as certain categories of Scope 3 GHG emissions) is not disclosed this year, as it cannot currently be obtained without undue cost or effort.

Considered Reasons for Phased Disclosure

The Group's current reporting systems are primarily focused on operational performance. At present, our internal accounting and data collection frameworks do not yet isolate climate-specific financial expenditures with sufficient precision for external audit. Furthermore, we are currently focused on improving the accuracy and coverage of our Scope 1 and Scope 2 emissions data before expanding the reporting boundary to include more complex Scope 3 categories or quantitative financial projections.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Future Roadmap

The Group is committed to the continuous enhancement of our ESG reporting standards. Our path toward more granular disclosure involves the following steps:

- Phase 1 (Short Term): We will continue to monitor developments in climate-related disclosure and carbon accounting standards relevant to construction services and intelligent storage activities, and review our internal data collection processes to identify potential gaps.
- Phase 2 (Medium Term): We intend to evaluate the feasibility of integrating climate-related information into our financial tracking systems and explore methods for engaging with key suppliers and business partners regarding their carbon footprints.
- Ongoing: We will periodically assess our technical capabilities and resource requirements to determine when a transition to more detailed quantitative climate-related disclosure would be most appropriate and reliable for our stakeholders.

Governance

The Board takes leadership for and accountability in overseeing ESG (including climate-related) performance and reporting.

Management determines the appropriate climate-related skills and competencies of relevant personnel. They assess staff's existing knowledge regarding construction operations and intelligent storage operations, equipment and inventory management, procurement, energy use, business continuity and environmental data collection. They may consult external ESG advisors, where necessary, to understand best practices and regulatory requirements. Internal training is then provided to management and working groups on relevant areas, while roles and responsibilities may be refined over time as needed. This helps ensure that the Group has the capacity to develop and oversee strategies addressing climate-related risks and opportunities.

Climate-related risks and opportunities are discussed during the regular risk assessment review meetings, which cover ESG and climate-related risks. In these meetings, senior executives provide updates on relevant data, including environmental KPIs, weather-related incidents, utility consumption, supply chain disruption and business continuity considerations. Management may also engage external advisors, where necessary, for specialised insights. This supports timely and informed decision-making regarding climate strategy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Climate-related risks and opportunities are integrated into strategic planning during these meetings. Management reviews data and analyses potential impacts on offices, operating sites, selected equipment and inventory, project or service delivery, procurement, logistics and business continuity. Major equipment purchases, system upgrades and selected contract arrangements may be flagged for this assessment to identify risks and opportunities. Decisions may consider trade-offs upfront, such as higher initial cost but lower lifecycle cost of energy-efficient equipment, digital systems, backup arrangements or selected lower-emission vehicles and logistics arrangements where operationally suitable. This supports a proactive approach to managing climate impacts across the Group's core business areas.

Climate-related targets, where applicable, are overseen by management during these meetings. Management reviews data, including GHG emissions, energy use, water use and waste generation, and analyses progress against relevant annual environmental objectives. Performance against climate-related targets is set out in the section headed "Metrics and Targets" below. While specific climate metrics are not directly tied to remuneration at this stage, related operational and sustainability performance may be considered by management when reviewing the Group's overall progress. This oversight helps align the Group's climate strategy with its core business activities.

Regarding climate-related risks and opportunities, management exercises control by ensuring that senior executives and department heads implement approved policies, contingency measures and operational procedures for managing these risks. Progress monitoring involves regular data reviews on metrics such as utility usage, maintenance records and weather-related incident reports. Management ensures alignment with the Group's overall objectives and risk appetite regarding climate factors. The role is managed collectively by management rather than being delegated to a single position.

Climate-related risks and opportunities are managed through established controls and procedures. Management utilises departmental data from the construction services business, intelligent storage business, procurement, finance and administration as key control mechanisms to monitor progress.

Strategy

During the Reporting Period, the Group is principally engaged in (i) the provision of construction services for the public and private sectors in Hong Kong, including traditional formwork, system formwork and related ancillary works; and (ii) intelligent storage business.

Businesses in these sectors may gradually become accustomed to the weather and climate patterns in the areas where they operate and source goods or services. Through experience and data gathering, businesses may develop operating practices intended to reduce weather-related disruption. Due to climate change, however, weather patterns have become less predictable. As a result, the Group's operations may be affected when extreme weather conditions disrupt office operations, delay logistics or project implementation, damage equipment or inventory, or reduce the effectiveness of emergency response planning.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

To address climate-related issues, our objective is to identify relevant risks and opportunities, adapt our operations where appropriate, and manage climate-related impacts in a practical and proportionate manner. In 2025, the Group conducted a climate scenario analysis to better understand and address the potential impacts of climate change. This analysis covered both physical risks and transition risks, with screening and assessment performed for each risk category. To better determine and analyse the potential physical and transition risks that the Group may face, we utilise climate scenarios including the Shared Socio-economic Pathways developed by the Intergovernmental Panel on Climate Change (“**IPCC**”) and the climate scenarios of the Network of Central Banks and Supervisors for Greening the Financial System (“**NGFS**”). This approach helps us better understand the resilience of our climate strategies and the potential impacts on core operations under different climate change projections, thereby further enhancing our ability to address climate change.

Physical risk		
Climate scenario	Low risk scenario	High risk scenario
	SSP1-1.9	SSP5-8.5
Scenario description	Rapid global phase-out of fossil fuels. Net-zero global carbon dioxide emissions by around 2050. Renewable energy becomes more dominant, with broader electrification. Large-scale afforestation. Rapid development and implementation of low-carbon technologies, including energy storage, hydrogen, and carbon capture and storage. Extensive global cooperation, more effective climate policies, and a shift in consumer behaviour towards lower-carbon alternatives.	Reliance on abundant, globally connected fossil fuel resources. Active technological innovation, but primarily focused on energy extraction and consumption efficiency rather than low-carbon alternatives. No effective global carbon pricing or stringent international climate agreements. Global income disparities narrow and investment in human capital increases.
Expected temperature rise	With a temperature rise of less than 2°C in 2100.	With a temperature rise of 4.4°C in 2100.
Transition risk		
Climate scenario	High risk scenario	Low risk scenario
	Net Zero 2050	Current policies

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Physical risk		
Scenario description	Implement more stringent climate policies, with global carbon dioxide emissions reaching net zero around 2050. Carbon prices rise more quickly, increasing the cost of carbon-intensive goods and services and influencing consumption and production patterns. Carbon dioxide removal technologies are deployed to accelerate decarbonisation, though their scale remains constrained by sustainability limitations.	Currently implemented policies are preserved without adding significant new emission reduction commitments or measures. Technology changes more slowly, fossil fuels remain important in the energy system, and renewable energy grows but may be insufficient to substantially disrupt the existing system. Carbon pricing remains relatively low and less effective in promoting deep decarbonisation.
Expected temperature rise	With global warming limited to below 1.5°C (50% probability) in 2100.	With a temperature rise of more than 3°C in 2080.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

We assess the potential impacts of climate risks on the Group's operations and service delivery, the level of risk impact, and the Group's mitigation measures based on climate scenarios. The potential climate-related risks faced by the Group are set out below:

Physical Risk					
Risk Description	Potential Impact	Risk Level		Time Horizon	Mitigation Strategy
		SSP1-1.9	SSP5-8.5		
Typhoons or flooding may disrupt office operations, warehouses or storage locations, project implementation or delivery arrangements, and may damage equipment, inventory or records.	Loss of revenue due to service or delivery disruption Increased operating expenses due to emergency response and repair works Damage to assets, inventory or records and increased reinstatement costs	Low	Medium	Long-term	The Group will prioritise contingency planning, site inspection, drainage and water-ingress prevention, the securing of premises, equipment and inventory, and emergency staffing or communication arrangements where appropriate. The Group may also maintain insurance coverage and coordinate with suppliers, customers and service providers to support continuity.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Physical Risk					
Risk Description	Potential Impact	Risk Level		Time Horizon	Mitigation Strategy
		SSP1-1.9	SSP5-8.5		
Extreme precipitation or severe storms may interrupt transportation, site access, deliveries, installation or service activities, and may damage selected equipment or goods in transit or storage.	Loss of revenue due to project, service or delivery disruption Damage to assets, equipment or inventory and increased repair costs	Low	Low	Long-term	The Group has established emergency plans and corresponding measures to reduce damage to assets and to help safeguard employee safety, information systems and continuity of service or delivery where applicable.
Sustained higher temperatures over time or extreme heat waves may increase cooling demand at offices or equipment locations and may reduce the productivity of staff engaged in site visits, outdoor work or logistics coordination.	Increased operating costs due to reduced employee productivity Increased cooling and utility costs	Low	Low	Long-term	The Group has considered longer-term adaptation measures, such as appropriate work scheduling, rest arrangements, hydration support, heat alerts and the selective use of more efficient cooling systems, with the aim of safeguarding service quality and operational efficiency in a warmer climate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Transition Risk					
Risk Type	Potential Impact	Risk Level		Time Horizon	Mitigation Strategy
		Net Zero 2050	Current policies		
Risk from tighter environmental, product-compliance, disclosure and energy-efficiency requirements, together with higher electricity, logistics and selected input costs.	Increase in operating and compliance costs	Medium	Low	Short-to Medium-term	The Group will continue to monitor regulatory developments, review procurement and operating procedures, and prioritise practical and cost-effective efficiency improvements, digitalisation and selected supplier engagement where suitable.

Note: The time horizon is defined by the impact period that climate-related risk may cause to the operation of the Group. Short-term is for 1 to 3 years, medium-term is for 3 to 5 years and long-term is for 5 to 10 years.

Transition Opportunity			
Specific Opportunity	Detailed Description	Time Horizon	Potential Benefits
Demand for resource-efficient construction and energy-efficient intelligent storage operations	Process and energy-efficiency improvements may help the Group respond to evolving customer demand and strengthen operational resilience.	Short-to Medium-term	Support business resilience, market positioning and operational efficiency over time.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Business Model and Value Chain

During the Reporting Period, the Group is principally engaged in (i) the provision of construction services for the public and private sectors in Hong Kong, including traditional formwork, system formwork and related ancillary works; and (ii) intelligent storage business. The Group's value chain covers procurement, project and service delivery, and customer fulfilment activities associated with these business segments.

Climate-related risks and opportunities are concentrated in specific areas of our business model and value chain. Physical risks, such as flooding, typhoons, extreme precipitation and prolonged heat, are concentrated in our offices, selected operating sites, equipment and inventory, supplier and customer delivery interfaces, and any site-based activities where applicable. Transition risks, including policy changes, rising utility and logistics costs and changing customer expectations, are concentrated in our operations, procurement, product mix and supply chain activities. Conversely, opportunities associated with digitalisation, energy efficiency and lower-carbon products or solutions are concentrated in the construction services and intelligent storage segments, where selective upgrades, product optimisation and process improvements may enhance resilience and competitiveness.

Current Financial Effects

The Group integrates sustainability into its strategy and operations. We currently manage climate-related matters through routine operating measures such as contingency planning, supplier and logistics monitoring, utility monitoring, insurance arrangements and selected efficiency improvements. To date, these measures have not resulted in any material current financial effects on the Group's financial position, financial performance, or cash flows for the Reporting Period. Related expenditures have generally been expensed as incurred or capitalised as part of ordinary office, system, equipment or asset replacement cycles, and do not represent a material deviation from ordinary operating expenditure. Furthermore, the Group has assessed that there is no significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period as a result of climate-related matters.

Anticipated Financial Effects

Looking ahead, the Group expects climate-related factors to influence its financial position, performance, and cash flows over the following time horizons:

Short to Medium Term (1-5 years): The Group may experience moderate increases in operating expenditure related to utilities, logistics, insurance, business continuity measures and compliance with evolving environmental and disclosure requirements. These effects are currently expected to be manageable and are not presently forecast to be material.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Medium to Long Term (3-10 years): The Group may selectively invest in more energy-efficient office or operating equipment, digital monitoring systems, backup or resilient infrastructure measures and, where operationally suitable, lower-emission vehicles, logistics arrangements or product solutions. While the precise quantitative impact is not separately identifiable at this stage, these investments may gradually alter the composition of the Group's assets and, over time, may support improved operational efficiency, resilience and cost management.

Risk Management

Climate-Related Risk Management Processes

The Group has incorporated climate-related risk and opportunity considerations into its daily operations and its enterprise risk management system. The processes used to identify, assess, prioritise, and monitor climate-related risks are integrated with the Group's overall risk management framework, with management responsible for identifying and addressing sustainability-related, including climate-related, risks and opportunities.

Inputs and Parameters

The climate-related risk management process utilises specific inputs and parameters to identify, assess, prioritise, and monitor risks tied to the Group's construction services and intelligent storage operations. Key inputs include:

- Utility consumption records from offices, operating sites and selected equipment, where applicable
- Maintenance and asset records for office facilities, systems, equipment, inventory and selected operating assets
- Weather-related incident logs, delivery or project disruption records and business continuity records
- Regulatory updates on environmental disclosure, construction standards, energy efficiency, relevant environmental requirements and logistics or transportation requirements

These data sources cover the principal scope of the Group's offices, operating sites, selected equipment, inventory, supplier interfaces and service or delivery activities.

Assessment of Nature, Likelihood and Magnitude

To assess climate-related risks, the Group evaluates both qualitative factors, such as regulatory trends, customer demand, supplier conditions and operational exposure, and quantitative indicators, such as utility cost movements, delivery disruptions, maintenance cycles and selected logistics or energy cost data. Based on this assessment, the potential financial and operational impacts of identified climate-related risks were rated as not currently material relative to the overall scale of the Group's business operations for the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Use of Scenario Analysis

As disclosed in the section headed “Strategy” above, the Group conducted climate scenario analysis in the Reporting Period, utilising scenarios from the IPCC (SSP1-1.9, SSP5-8.5) and NGFS (Net Zero 2050 and Current Policies) to better understand potential physical and transition risks. The outcomes of this scenario analysis inform the identification of climate-related risks and are integrated into the Group’s risk assessment processes.

Prioritisation of Risks

Climate-related risks are prioritised alongside other enterprise risks based on their assessed likelihood and potential magnitude. Relative to other risk categories, such as operational, financial, legal and regulatory risks, climate-related risks are currently considered to be of lower priority given the limited assessed potential impact at this stage. Nevertheless, they remain subject to ongoing monitoring.

Monitoring of Risks

Climate-related risks are continuously monitored through regular review of the input data sources described above. Management reviews utility trends, weather-related incidents, project or delivery disruption records, supplier and logistics issues, maintenance information and relevant regulatory developments on a periodic basis to identify any changes in risk exposure.

Changes from Previous Reporting Period

This is the first reporting period in which the Group has formally conducted climate scenario analysis and expanded its risk management processes to include the specific inputs and parameters described above. No other significant changes were made to the risk management processes compared with the previous reporting period.

Climate-Related Opportunities Identification Process

The processes for identifying climate-related opportunities are aligned with the Group’s strategic planning and market monitoring activities. Management monitors market and policy trends, including changes in customer demand relating to resource-efficient construction practices, energy efficiency and lower-carbon operations. Opportunities are assessed based on their potential to enhance the Group’s market positioning, operational efficiency and long-term resilience. As with risk identification, scenario analysis outcomes also inform the identification of opportunities, particularly those arising from the transition to a lower-carbon economy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Integration with Overall Risk Management

The processes for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities are integrated into the Group's enterprise risk management system. Climate-related considerations are incorporated into business decision-making and approval processes, including procurement planning, project or service delivery, inventory and logistics planning, system and equipment upgrades and selected investment decisions. This integration helps ensure that climate-related factors are considered alongside other enterprise risks and opportunities in the Group's development and strategic planning.

Metrics and Targets

The Group monitors quantitative environmental KPIs, including greenhouse gas emissions, energy consumption, water use and waste generation, and reports relevant progress annually to support transparency and comparability. We also assess the effectiveness of climate-related initiatives using operational data as an input to management review, thereby providing a basis for future strategic adjustments and supporting the Group's sustainable development.

Given that our business model depends on collaboration with suppliers, logistics providers, customers and other value-chain partners, Scope 3 emissions are expected to represent a meaningful portion of the Group's carbon footprint. Based on our business activities, Scope 3 emissions may include purchased goods and services, upstream and downstream transportation and distribution, waste generated in operations, employee commuting, business travel and selected outsourced services. The Group is currently evaluating data availability and working to improve its ability to calculate and disclose Scope 3 emissions over time. These will be disclosed in future reports once the methodology is finalised and data collection is sufficiently complete.

Further to the environmental targets set out in the earlier sections, the Group is currently assessing the feasibility of setting additional climate-related transition targets that are appropriate to its business model, operational coverage and data quality. At this stage, the Group focuses on annual monitoring of greenhouse gas emissions, energy consumption intensity, water use and waste generation, together with gradual operational improvements such as energy-saving measures, digitalisation, business continuity planning and selected supplier engagement where applicable. Any longer-term transition target will be considered after further review of operational feasibility, data coverage and regulatory developments.

Qualitative Focus: Continue to improve environmental data coverage and operational resilience through practical measures such as utility monitoring, energy-saving measures, digitalisation, business continuity planning and selected supplier engagement, while assessing the feasibility of additional medium- to long-term transition targets.

Remuneration

We do not currently factor climate-related considerations into our remuneration policy. Our compensation structure does not incorporate incentives or adjustments based on environmental performance metrics. Such factors are considered as part of the Group's broader operational and sustainability strategy, but not as direct determinants of remuneration at this stage.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Internal Carbon Price

The Group does not currently apply an internal carbon price to its operations or investment decisions. Given the nature of our business and the current scale of our emissions profile, the Group has determined that the adoption of an internal carbon price is not considered a material or necessary tool at this stage. The Group will continue to evaluate the appropriateness of internal carbon pricing in future periods as regulatory frameworks evolve and our climate strategy develops.

B. SOCIAL

B1. Employment

The Group believes that employees are the largest and most valuable assets of the Group. Human resources managing procedures are formally documented in the Employee Handbook, covering matters such as resources planning, performance evaluation, training, recruitment, resignation, transfer, remuneration and welfare. This procedure provides a standardised method of labour employment management and also ensures that the legitimate interests of each employee are protected. During the Reporting Period, the Group was not aware of any material non-compliance with employment and labour practices-related laws and regulations that would have a significant adverse impact on the Group.

Area	Description
Recruitment, Promotion and Dismissal	The Group hires employees through open recruitment. The Group adheres to the principles of transparency and fairness to adopt a robust recruitment process. The Group promises to provide all candidates fair access to information and resources. Factors such as capabilities, academic qualification, practical working requirements, functional knowledge and language proficiency are considered recruitment standards. Employees are promoted based on performance appraisals, which are conducted by the Group's management on a regular basis. The process of appraisals and promotion are stated in relevant human resources policies. The Group's Employee Handbook is regularly reviewed and updated to ensure compliance with applicable laws and regulations. The Group has no tolerance for unfair and illegitimate dismissals and makes sure the dismissal procedure is fair and open. The Group has formulated the procedures and conditions of dismissal in the Employee Handbook. The management conducts face-to-face interviews with the resigned staff in order to understand employees' opinions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Area	Description
Remuneration and Benefits	Compensation and human resources budgets are regularly reviewed by the Group's management. This is to ensure that staff remuneration packages attract and retain talent and remain competitive in the industry. Statutory benefits, including the Mandatory Provident Fund and different types of leaves, are provided. Employees' remuneration is paid timely and accurately according to the requirement of relevant labour standards and as stated in the Employee Handbook for the staff's notification. The Group actively recruits and attracts talents and provides fair and competitive compensation. Employees' salaries and year-end bonuses are determined based on qualifications, work performance, performance appraisal results and market trends.
Working Hours and Rest Periods	The Group stipulates the working days and rest time for employees in the Employment Contract to eliminate the possibility of forced labour. When overtime is required, the Group negotiates with employees and provides compensatory time off or overtime money as required by law. Employees of the Group are entitled to a variety of paid leaves, including but not limited to annual leave, maternity leave, paternity leave, marriage leave, compassionate leave, examination leave, and so on, in addition to statutory or public holidays and rest days.
Equal Opportunity, Diversity and Anti-discrimination	The Group provides equal opportunities in all aspects of employment and maintains a workplace that is free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, color, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation. We have established and implemented policies that promote a fair and respectful workplace. With the aim of ensuring fair and equal protection for all employees, the Group has zero tolerance for sexual harassment or abuse in the workplace in any form. Any employee who is intimidated, humiliated, bullied or harassed (including sexual harassment) may report to the employee's representative or file complaints directly to the management representative or the general manager. The Group will take serious approaches to resolve these issues upon receiving the said complaints.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Area	Description
Employment Engagement	Communication with employees is an important part of the Group's effort to provide a decent work environment that is beneficial to the physical and mental health of its employees and that allows them to maximise their potential. Employees are also free to voice their ideas or register complaints through a variety of communication mechanisms, including mailbox, emails and employee surveys. Communication mechanisms are regularly evaluated to ensure their effectiveness.

As of 31 March 2026, the Group's employee size breakdown is as follows:

Breakdown of Employees	FY2026	FY2025
Total	60	31
By Gender		
Male	36	23
Female	24	8
By Age Group		
Below 30	17	3
30–50	40	20
Above 50	3	8
By Geographical Region		
Hong Kong	16	31
The PRC	44	–
By Employment Type		
Full-time	60	30
Part-time	–	1

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

The Group's overall employee turnover rate during the Reporting Period was approximately 11%. The employee turnover rate of the Group by category is as follows:

Employee Turnover Rate (%)⁴	FY2026	FY2025
Total	11%	15%
By Gender		
Male	14%	17%
Female	6%	10%
By Age Group		
Below 30	20%	–
30-50	7%	20%
Above 50	18%	10%
By Geographical Region		
Hong Kong	4%	15%
The PRC	N/A	NA

Remarks:

4. Employee turnover rate = the number of departures during the reporting year ÷ [(number of employees at the beginning of the reporting year + number of employees at the end of the reporting year) ÷ 2] × 100%.

B2. Health and Safety

Safety is considered to be of the utmost importance during the delivery of the Group's services. A safe and healthy working environment is a top priority for the Group, and we strive to maintain zero tolerance for hazards, incidents, non-compliances, and accidents across all our operational sites.

The Group has established comprehensive work instructions and manuals outlining precise guidelines, requirements, and precautionary measures related to occupational health and safety. Emergency response plans and policies are also in place to prevent and remediate workplace incidents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Health and Safety Systems

To ensure a secure working environment across our projects, the Group maintains a robust occupational health and safety management system aligned with international standards. The Group has established a dedicated safety management framework to oversee risk mitigation during service delivery. Additionally, regular safety inspections, risk assessments, and targeted training sessions are provided to directors, senior management, and front-line staff for specific operational activities. Subcontractors and partners are strictly required to follow the Group's in-house safety guidelines, and disciplinary actions, such as warning letters, will be issued in the event of non-compliance.



Safety Training

Employees should attend the training courses organised by the Group on occupational safety and environmental control. Emergency and evacuation procedures have been established for the employees to respond to major safety accidents timely and orderly. Employees are also free to provide feedback on improving workplace safety and efficiency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

The Group has achieved 0 work-related fatalities (rate of work-related fatalities: 0%) for three consecutive years (including the Reporting Period). During the Reporting Period, the Group has 0 lost working days due to work injury.

Indicators	Unit	FY2026	FY2025
Lost Days Due to Work Injury	Days	0	0
Work Injury Rate	%	0	0

B3. Development and Training

We believe that our staff's development and training contribute greatly to the Group's success in the future. We are committed to motivating our human resources to deliver excellence.

The Group ensures that all staff members are adequately equipped with the necessary education, training, and experience so as to enable them to effectively carry out their assigned tasks, which are also outlined in the Internal Control Manual as established by the Group. Training sessions have been conducted for our employees on a variety of topics.

Training Type	Description
Operational Training	There are mainly three types of training, which are site-specific induction training, toolbox talks, and job-specific safety training. The Group regularly provides on-site and mechanical safety training, as well as appropriate and adequate tools for employees to operate effectively. This promotes our service quality and keeps our employees in pace with the latest industry trends.
Induction Training	All new hires would be briefed by their immediate supervisors to better equip them with the knowledge to fulfil their job duties.
Professional Training	The Group also sponsored employees to join professional training courses relevant to their job duties. We train skilful and professional employees for the Group with the aim of providing better service to our customers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Due to the strategic business transition took place, the Group did not arrange formal structured training programs for our employees. Consequently, no training performance data is recorded for the Reporting Period. Nonetheless, the Group remains deeply committed to empowering our workforce. Moving forward, we strive to equip our employees with up-to-date professional knowledge and specialized technical skills that closely align with the Group's business activities, including construction services, intelligent storage operations, and modern operational compliance. The tables below show the employee training data by category:

Percentage of Employees Trained (%) ⁵	FY2026	FY2025
By Gender⁶		
Male	NA	74%
Female	NA	63%

By Employment Category⁶		
Board & Senior Management	NA	43%
Project Management & Execution	NA	100%

Average Training Hours (Hours) ⁷	FY2026	FY2025
By Gender⁶		
Male	NA	17.18
Female	NA	3.13

By Employment Category⁶		
Board & Senior Management	NA	7.75
Project Management & Execution	NA	30.57

Remarks:

5. Percentage of employees trained = (total number of employees trained during the reporting year ÷ total number of employees at the end of the reporting year) × 100%.
6. Breakdown of employees trained = (number of employees trained in the category during the reporting year ÷ number of employees in the category at the end of the reporting year) × 100%.
7. Average training hours = number of training hours of employees in the category during the reporting year ÷ number of employees in the category at the end of the reporting year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

B4. Labour Standards

The Group has zero tolerance and strictly prohibits the use of child labour, forced labour and the hiring of illegal immigrants in our operations. During the Reporting Period, the Group was not aware of any material non-compliance with the prevention of forced labour and child labour-related laws and regulations that would have a significant adverse impact on the Group. Below are measures that have been taken to avoid illegal employment practices.

Area	Measures
Prevention of child labour	During the recruitment process, the Human Resources Department will verify the applicant's identity documents and ensure that they have reached the minimum age for employment.
Prohibition of forced labour	The Group specifies overtime compensation provisions in the Employee Handbook. The Group carefully monitors the employee working time and schedule to ensure they work voluntarily and freely.

In case of any illegal labour practice, the Group will stop their employment immediately. An investigation will be carried out subsequently and reported to the relevant authorities.

B5. Supply Chain Management

Supplier Management

To ensure that our suppliers and subcontractors meet both our customers' and our own high standards, the Group has established a robust supply chain management system aligned with ISO 9001 and ISO 14001 standards for our selection and procurement processes.

Our procurement framework ensures that all suppliers and subcontractors receive fair and equal treatment, while simultaneously optimizing the pricing of procured goods, services, and equipment. The selection of partners is based on a comprehensive set of criteria, including quality, service capability, background, market reputation, and their dedication to environmental protection measures.

Under this system, rigorous background and quality checks are mandatory for all new suppliers and vendors, and approved partners are subject to periodic performance reviews. To ensure the quality of services delivered to customers under the construction services and intelligent storage businesses, the Group's management teams regularly carry out operational and service inspections, where applicable. The Group also holds regular meetings with subcontractors to review their operational performance. During the Reporting Period, the Group has fully implemented these practices across the engagement of all suppliers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Green Sourcing

The Group is aware of the environmental and social practices of the suppliers and tries to engage suppliers with responsible acts to society to practise green sourcing. As outlined in the Integrated Management Procedures, the Group ensures that suppliers and subcontractors are evaluated before they are selected for use and that reasonable environmental needs are taken into account in the procurement process, in line with the principle of green procurement. The Group is committed to selecting environmentally friendly products with competitive prices and superior quality to safeguard end users' health and safety, prevent pollution and efficiently use natural resources.

The Group prioritises local suppliers and environmentally friendly products and services. As the majority of the suppliers and subcontractors are located in Hong Kong, it reduces the carbon footprint caused by procurement while supporting local economic development and employment growth for local communities. In addition to environmental factors, the Group will also adopt measures to monitor whether its suppliers or contractors comply with relevant social laws and regulations or meet other standards in terms of health, safety, forced labour and child labour.

Location	FY2026	FY2025
Hong Kong	130	141
China	2	2

B6. Product Responsibility

Achieving and maintaining high-quality standards for projects are of utmost importance for the sustainable growth of enterprises. The Group closely monitors its work to ensure deliver high-quality services to its customers with good satisfaction levels. During the Reporting Period, the Group was not aware of any material non-compliance with product health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods-related laws and regulations that would have a significant adverse impact on the Group.

Quality Assurance

Product and service quality is the cornerstone of corporate development. To ensure its goal of delivering excellent quality service, the Group has established a robust quality management system developed with reference to international standards, including ISO 9001 and ISO 14001, to cultivate a sustainable, performance-oriented culture to pursue continuous improvement in quality. Before delivery, all technical solutions, operational services, and traded products are subjected to strict quality inspections and compliance checks.

During the Reporting Period, the Group was not aware of any cases where products sold or shipped were subject to recalls for safety and health reasons, and no major complaints about products and services were received.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Customer Service

The Group's customers primarily comprise clients in the public and private construction sectors in Hong Kong and customers of its intelligent storage business.

To deeply understand our customers' evolving needs and deliver tailored services that exceed their expectations, the Group maintains regular and active communication with them. These customer expectations and service standards are fully integrated into the Group's quality management manuals, operational procedure plans, and technical standards.

Protection of Customers' Privacy

In respect of customer personal data and confidential documents, we adhere to strict security and confidentiality standards in compliance with the guidance of the Office of the Privacy Commissioner for Personal Data of Hong Kong. We will not disclose any personal information collected by the Group to any third parties without the consent of the personnel. During the Reporting Period, the Group did not receive any significant complaints regarding the breach of customer privacy.

Protection of Intellectual Property ("IP") Rights

IP Rights promote innovation and creativity, helping society to increase its competitiveness. The Group respects IP Rights and formulated procedures and guidelines to ensure its operations at all levels in the fight against IP infringement. Employees of the Group are encouraged to innovate and comply with local laws and regulations regarding IP protection. Employees are prohibited from disclosing confidential information, including the Group's strategies, business interests, know-how, inventions, and intellectual property, whether during or after employment.

Advertising and Labelling

The Group prohibits advertisements to disclose false descriptions, claims or illustrations not true. To align with the relevant laws and code of practices, the Group has established procedures to ensure that its published advertisements are truthful, fair and reasonable and free of misleading elements for the protection of the consumers' interests.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

B7. Anti-corruption

The Group is committed to achieving the highest standards of ethics in its business operations. Fraudulent behaviours such as corruption, bribery and collusion are strictly prohibited. Employees should comply with the rules stated in the Employee Handbook and the Internal Control Manual in performing business activities. They should report to the management if they suspect any professional misconduct. The Group has zero tolerance for any corruption-related cases. During the Reporting Period, the Group was not aware of any material non-compliance with bribery, extortion, fraud, and money laundering-related laws and regulations that would have a significant adverse impact on the Group. The Group has also implemented Anti-Fraud Policy and relevant compliance manual to ensure strict internal control on governing anti-corruption practices.

Anti-corruption-related training is conducted annually. During the Reporting Period, the Board and employees of the Group have completed anti-corruption training in form of reading relevant training materials issued by the ICAC. Such training familiarises them at various levels with their corresponding roles and responsibilities in anti-corruption and business ethics, and helps cultivate employees' awareness towards anti-corruption and a high standard of professional conduct to comply with relevant laws and regulations.

Whistle-blowing Mechanism

We adopt a whistle-blowing policy and procedure for the Group at all levels. Employees can raise concerns, in confidence, about possible improprieties, such as misconduct and malpractice, in any matter related to the Group. Complaints received will be handled in a prompt and fair manner. The policy aims at protecting the whistle-blowers from unfair dismissal, victimisation, and unwarranted disciplinary actions. The whistleblower will not be subject to unfair dismissal or unjustified discipline, and all of his or her other legal rights will be protected. During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

B8. Community Investment

Community investment is an essential part of the Group's strategic development. The Group believes that community investment can be mutually beneficial to the Group's business and the community it is serving.

Our area of contribution is to support the underprivileged in rehabilitation to improve their quality of life. We also focus on inspiring our employees towards social welfare concerns. We believe that by participating in these activities that contribute to the community, our staff could build positive value and be socially responsible citizens. The Group encourages its employees to participate in all kinds of voluntary work that can help the community.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

MAJOR APPLICABLE LAWS AND REGULATIONS RELATED TO THE GROUP'S BUSINESS

Aspects	Major Applicable Laws and Regulations
Emissions	Air Pollution Control Ordinance Water Pollution Control Ordinance Waste Disposal Ordinance
Employment and Labour Standards	Employment Ordinance the Employment of Children Regulations Employees' Compensation Ordinance Sex Discrimination Ordinance the Race Discrimination Ordinance Disability Discrimination Ordinance Family Status Discrimination Ordinance Personal Data (Privacy) Ordinance
Health and Safety	Occupational Safety and Health Ordinance Fire Safety Ordinance Employees' Compensation Ordinance
Product Responsibility	Trade Descriptions Ordinance Personal Data (Privacy) Ordinance
Anti-corruption	Prevention of Bribery Ordinance Anti-Money Laundering and Counter-Terrorist Financing Ordinance

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	THE ESG GOVERNANCE STRUCTURE
Reporting Principles	ABOUT THIS REPORT – Reporting Principles
Reporting Boundary	ABOUT THIS REPORT – Reporting Scope

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Subject Areas, Aspects, General Disclosure and KPIs

	Description	Section/Declaration
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 GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Control; Appendix I
KPI A1.1	The types of emissions and respective emissions data.	Emissions Control – Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity.	Emissions Control – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions Control – Waste Management – Hazardous Waste (Not applicable – explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions Control – Waste Management – Non-hazardous Waste
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental; Emissions Control
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.	Environmental; Emissions – Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity.	Use of Resources – Water Management (Not applicable – explained)
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental; Use of Resources – Energy Management
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.	Environmental; Use of Resources – Water Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Subject Areas, Aspects, General Disclosure and KPIs

Subject Areas, Aspects, General Disclosure and KPIs	Description	Section/Declaration
KPI A2.5	Total packaging material used for finished products.	Use of Resources – Use of Packaging Materials (Not applicable – explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Indoor Air Quality
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change – Physical Risks and Transition Risks
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change – Physical Risks and Transition Risks
Aspect B1: Employment		
General Disclosure	Information on employment policies and compliance with relevant laws and regulations.	Employment; Appendix I
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on health and safety policies and compliance with relevant laws and regulations.	Health and Safety; Appendix I
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety – Safety Training
KPI B2.2	Lost days due to work injuries.	Health and Safety – Safety Training
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety – Health and Safety Systems, Safety Training

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Subject Areas, Aspects, General

Disclosure and KPIs	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on labour standards policies and compliance with relevant laws and regulations.	Labour Standards; Appendix I
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management – Green Sourcing
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management – Subcontractor Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management – Green Sourcing
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management – Green Sourcing

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Subject Areas, Aspects, General Disclosure and KPIs

Disclosure and KPIs	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on product responsibility policies and compliance with relevant laws and regulations.	Product Responsibility; Appendix I
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility – Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Quality Assurance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Protection of Customers' Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on anti-corruption policies and compliance with relevant laws and regulations.	Anti-corruption; Appendix I
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.	Anti-corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates.	Community Investment
KPI B8.1	Focus areas of contribution.	Community Investment
KPI B8.2	Resources contributed.	Community Investment