TLMC

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

(Incorporated in the Cayman Islands with limited liability)

Stock code : 2102



Environmental, Social and Governance Report 2026

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ABOUT THIS REPORT

Tak Lee Machinery Holdings Limited (the "Company" or "TLMC") and its subsidiaries (collectively, the "Group") are pleased to present the Environmental, Social and Governance Report of the Group (the "Report") for the financial year ended 31 July 2026.

This Report provides an overview of the Group's approach to managing the environmental, social and governance ("ESG") matters relevant to its business and stakeholders. It presents the Group's ESG governance, strategies, policies, practices, initiatives and performance during the Reporting Period, including its management of material ESG-related impacts, risks and opportunities.

Unless otherwise stated, the information contained in this Report has been prepared based on the Group's existing policies, practices, records and other information collected through its internal reporting and review processes.

Reporting Period

Unless otherwise stated, this Report covers the period from 1 August 2025 to 31 July 2026 (the "Reporting Period"), which corresponds with the Group's financial year.

Reporting Scope and Boundary

This Report covers the Group's principal operations in Hong Kong, comprising the sale of heavy equipment and spare parts, leasing of heavy equipment, and provision of repair, maintenance, logistics and other ancillary services.

The reporting boundary was determined with reference to the Group's operational control over, and the significance of the ESG impacts arising from, its business activities. Unless otherwise stated, the policies, practices and quantitative environmental and social information presented in this Report cover the Group's headquarters office, workshop and open storage warehouse facilities in Pat Heung. The reporting scope and boundary remained unchanged from the previous reporting period.

Where the reporting scope of any disclosure or performance indicator differs from the above boundary, the relevant scope and basis are explained in the corresponding section or accompanying notes.

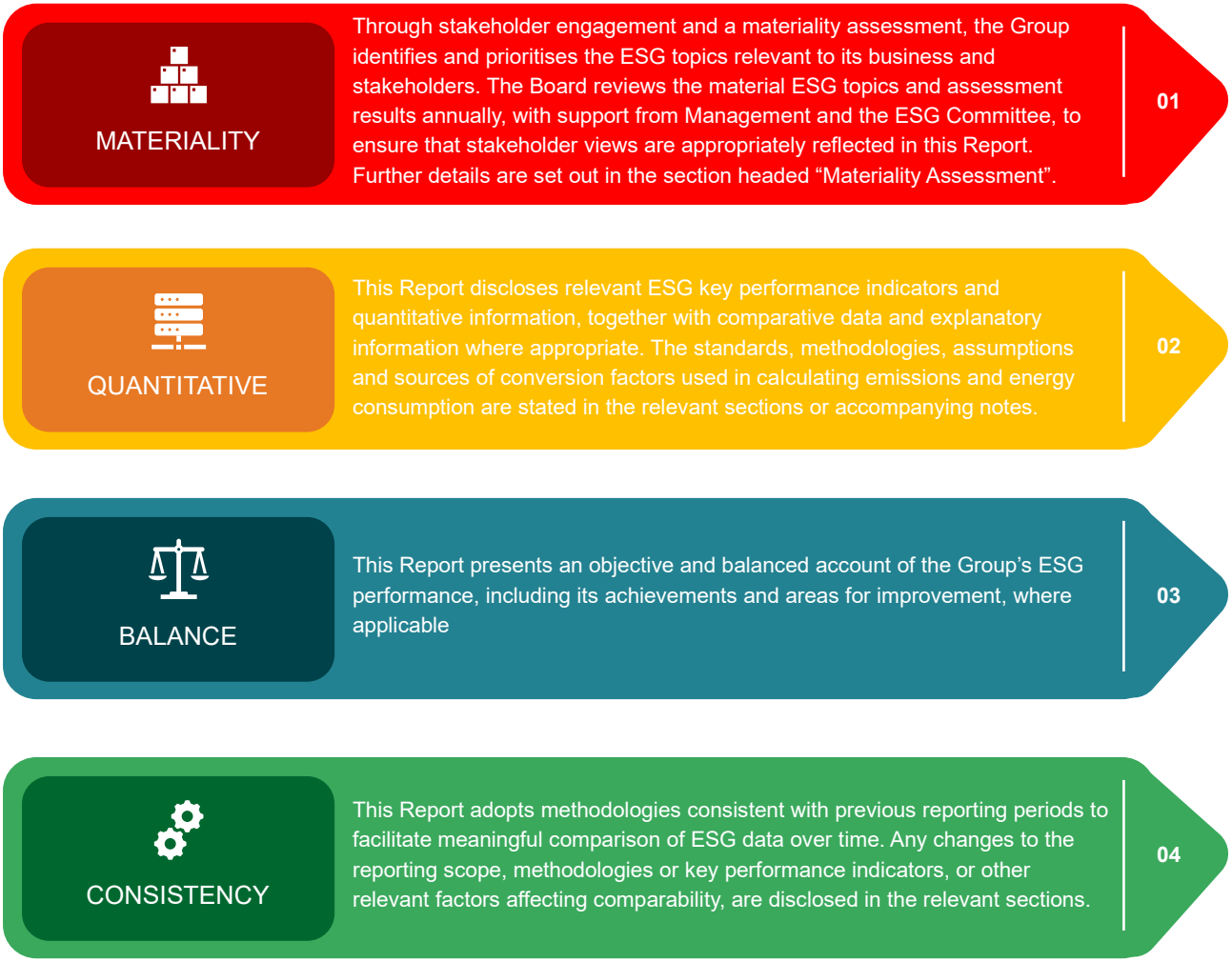
Reporting Basis

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the "Listing Rules", respectively, with reference to the implementation guidance on climate-related disclosures published by the Stock Exchange. It covers the mandatory disclosure requirements and the "comply or explain" provisions of the ESG Reporting Code, including the applicable climate-related disclosures under Part D.

An ESG Reporting Code Content Index is set out at the end of this Report to provide cross-references to the relevant disclosures.

Reporting Principles

In preparing this Report, the Group applied the reporting principles of materiality, quantitative, balance and consistency set out in the ESG Reporting Code.



Information on the Group's policies and compliance with laws and regulations relevant to its material ESG matters is set out in the corresponding sections of this Report and in the sections headed "Company Policies" and "Laws, Rules and Regulations".

Data Preparation and Review

The information presented in this Report was compiled by the Group's relevant business and corporate functions based on its internal records and established reporting and calculation procedures.

Review and Approval

This Report was reviewed and approved by the Board on 22 October 2026.

Access to and Feedback on This Report

This Report is available in English and Traditional Chinese on the websites of the Stock Exchange and the Company. In the event of any inconsistency between the two versions, the English version shall prevail.

The Group welcomes stakeholders' comments and suggestions regarding this Report and its ESG management and performance. Feedback may be submitted through the contact details provided on the Company's website.

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For more details regarding the Group's corporate governance and financial performance, please refer to the Annual Report 2026, which has been published on the websites of the Stock Exchange and the Company (https://www.tlmc-hk.com).

01

ABOUT TLMC

For over 25 years, TLMC has supported customers with high-quality heavy equipment, reliable solutions and comprehensive pre-sales and after-sales services, drawing on its established relationships with internationally recognised equipment brands. A continued focus on quality, service and responsible business practices has strengthened the Group's development and contributed to the recognition received for its achievements and earn external recognition.

Overview

Mission, Objectives and Highlights

Awards, Recognitions and Industry Participation

ABOUT TLMC

Overview

Tak Lee Machinery Holdings Limited ("TLMC" or the "Company") and its subsidiaries (collectively, the "Group") are principally engaged in the sale of new and used heavy equipment and spare parts, the leasing of heavy equipment and provision of machine operators, and the provision of repair, logistics and other ancillary services.

The Group's business was established in Hong Kong in 2001. Drawing on approximately 25 years of industry experience, the Group serves customers in Hong Kong and Macao, as well as customers in the People's Republic of China (the "PRC") and selected overseas markets.

The Group offers a diverse range of heavy equipment and related solutions, including excavators, articulated dump trucks, bulldozers, compactors, wheel loaders, lifting cranes, aerial platforms, hydraulic attachments, diesel generators and machine safety systems. Through authorised dealership and distribution arrangements, the Group represents a range of internationally recognised equipment and technology brands in Hong Kong and Macao.

TLMC is committed to maintaining high standards throughout its product and service delivery. Its quality management system has been certified to ISO 9001:2008 and ISO 9001:2015 by SGS Hong Kong Limited and supports the Group's comprehensive approach to after-sales service and maintenance. The Group provides on-site support for customers in Hong Kong and assigns designated personnel to follow up on customer enquiries, address reported problems and respond to ongoing service needs.

The Group continues to strengthen its offerings through equipment and technology solutions designed to enhance site safety, operational productivity, equipment reliability and fleet management. These include machinery incorporating collision-prevention, intelligent camera and equipment-monitoring functions, together with digital machine safety and fleet management systems.

The Company was listed on GEM of The Stock Exchange of Hong Kong Limited in July 2017 and transferred its listing to the Main Board in October 2020. As its business continues to evolve, the Group remains committed to strengthening its capabilities, maintaining product and service quality, and responding to the changing operational needs of its customers.

MISSION AND OBJECTIVES

TLMC is committed to providing high-quality heavy equipment and comprehensive pre-sales and after-sales services that meet customers' operational needs. Through reliable equipment, practical solutions and responsive support, the Group serves customers across quarrying, construction, civil engineering, waste treatment, land reclamation and other applications.



INDUSTRIES AND APPLICATIONS

- Quarrying
- Construction
- Civil Engineering
- Waste Treatment
- Land Reclamation

OUR HIGHLIGHTS

Our Equipment and Technology Portfolio

HEAVY EQUIPMENT AND VEHICLES

HITACHI

Heavy Equipment

- Sole Authorised Dealer
- Hong Kong
- Macau

AMMANN

Heavy Vehicles

- Exclusive Dealer
- Hong Kong
- Macau

BELL

Articulated Dump Trucks and Articulated Trucks (Water Tankers)

- Distributor
- Hong Kong

ATTACHMENTS

LABOUNTY

Earthmoving Attachments

- Exclusive Distributor
- Hong Kong
- Macau

HYUNDAI EVERDIGM

Earthmoving Attachments

- Exclusive Distributor
- Hong Kong
- Macau
- PRC* (certain provinces in the People's Republic of China)

ROTOBEC

Grapples and Other Earthmoving Attachments

- Authorised Dealer
- Exclusive Dealer

Orange Peels Product Line

- Hong Kong
- Macau

POWER EQUIPMENT

AIRMAN®

Diesel Engine Generators

- Distributor
- Hong Kong
- Macau

SAFETY AND CONTROL SYSTEMS

XWATCH SAFETY SOLUTIONS

Machine Safety and Control Systems

- Dealer
- Hong Kong
- Macau

VIA

Heavy Equipment Safety System

- Authorised Dealer
- Hong Kong

Awards and Recognitions and Industry Participation

During the Reporting Period, the Group received external recognitions and participated in industry initiatives reflecting its continued commitment to employee wellbeing, responsible business conduct and professional engagement. These recognitions and activities acknowledge the Group's efforts to promote a supportive workplace, uphold integrity in its operations and maintain active connections with the industry.

Heart Caring Company

During the Reporting Period, the Group continued to be recognised as a "Heart Caring Company" by the Occupational Safety and Health Council and the Labour Department of Hong Kong. The recognition reflects the Group's efforts to promote employee health and raise awareness of the prevention of cardiovascular and cerebrovascular diseases, reinforcing its commitment to maintaining a healthy and supportive working environment.





Mental Health Friendly Supreme Organisation

During the Reporting Period, the Group was recognised as a "Mental Health Friendly Supreme Organisation" under the Mental Health Workplace Charter. The recognition reflects the Group's commitment to promoting a mental health-friendly workplace and fostering a supportive working environment that places importance on employees' physical and mental wellbeing and mutual support.



Construction Industry Integrity Charter 2.0（「誠」建約章 2.0）

During the Reporting Period, the Group participated in the Construction Industry Integrity Charter 2.0（「誠」建約章 2.0）, an industry initiative jointly launched by the Development Bureau, the Independent Commission Against Corruption and the Construction Industry Council to promote integrity management and strengthen professional and ethical conduct in the construction industry. The Group's participation reflects its commitment to upholding integrity and responsible business practices in its operations.



Appointment as committee member of the Hong Kong Professional Hoisting Engineering Association

During the Reporting Period, the Group's Chairman, Mr. CHOW Luen Fat, was appointed as committee member of the 10th Session of the Hong Kong Professional Hoisting Engineering Association. The appointment reflects the Group's active participation in the industry and provides a platform for maintaining professional exchanges and connections with other industry participants.





02

SUSTAINABILITY AT TLMC

TLMC integrates environmental, social and governance considerations into its business and operations through a structured governance framework and clearly defined ESG priorities. Ongoing stakeholder engagement and materiality assessment enable the Group to understand matters of significance to its business and stakeholders, refine its sustainability approach and support its long-term development.

- Sustainability Approach
- ESG Governance
- ESG Strategies
- Stakeholder Engagement
- Materiality Assessment

SUSTAINABILITY AT TLMC

Sustainability Approach

The Board recognises that responsible business practices are important to the Group's long-term development and resilience. The Group incorporates environmental, social and governance considerations into its decision-making and operations through its governance arrangements, ESG strategies, policies and stakeholder engagement.

The Group has adopted a Sustainability Policy that sets out its approach to responsible business conduct and guides the management of its principal ESG matters. In conducting its business, the Group seeks to provide quality products and services, manage the environmental impacts of its operations, support the wellbeing and development of its employees, and maintain constructive relationships with customers, suppliers, business partners and the wider community.

ESG Governance

The Group has established an ESG governance structure under which the Board retains overall responsibility for ESG matters, supported by the ESG Committee, Management and the relevant business functions. This structure facilitates the oversight, implementation, monitoring and reporting of the Group's ESG strategies, policies, goals and targets.

Board Oversight

The Board has overall responsibility for overseeing the Group's ESG matters and provides direction on its ESG vision, objectives and strategies over the short, medium and long term. The Board identifies, evaluates and prioritises material ESG matters and oversees the management of related risks and opportunities, including those arising from climate change. In determining the Group's ESG priorities, the Board considers the relevance and potential implications of these matters for the Group's business, operations and long-term development.

The Board reviews the Group's ESG goals and targets, the measures adopted to achieve them and the progress made during the Reporting Period. These goals and targets address matters relevant to the Group's operations, including environmental performance, occupational health and safety, employee development, product and service quality, and responsible business practices. The Board considers the Group's ESG matters at least annually and when significant matters arise, and reviews its ESG-related policies to ensure that they remain current and support the Group's ESG vision, objectives and strategies.

ESG Committee

The ESG Committee was established in 2023 to assist the Board in overseeing the Group's ESG matters. Comprising members of the Board and senior management, together with representatives from relevant business functions, the ESG Committee brings governance, management and operational perspectives to the review of the Group's ESG strategies, priorities and performance.

Acting under the authority delegated by the Board and in accordance with its Terms of Reference, the ESG Committee develops and reviews the Group's ESG vision, objectives and strategies and makes recommendations to the Board on relevant initiatives for consideration and approval. It also establishes ESG principles and priorities to guide the management of the Group's ESG impacts and support sustainable value creation for stakeholders.

The ESG Committee identifies, assesses and reviews material ESG risks and opportunities, including climate-related risks and opportunities, having regard to their actual or potential effects on the Group's operations and stakeholders' interests. Material matters, together with the Committee's findings and recommendations, are reported to the Board.

The ESG Committee monitors the implementation of ESG initiatives and progress towards relevant goals and targets. It advises the Board on the allocation of resources for ESG initiatives and reviews the continued appropriateness of the Group's policies and procedures relating to social responsibility, corporate governance, environmental protection and other material ESG matters.

Management and the relevant business functions provide the ESG Committee with information on ESG performance, implementation progress, progress towards goals and targets, and material matters arising within their respective areas of responsibility. The ESG Committee reviews the information received, follows up on matters requiring attention and reports its findings and recommendations to the Board.

The ESG Committee meets at least annually and considers significant ESG matters as and when required. During the Reporting Period, the ESG Committee reviewed the Group's ESG performance, progress towards relevant goals and targets, material ESG risks and opportunities, including climate-related risks and opportunities, and relevant ESG policies and initiatives. The Board also reviewed the ESG Committee's Terms of Reference and considered that they remained appropriate to the Group's ESG governance needs.

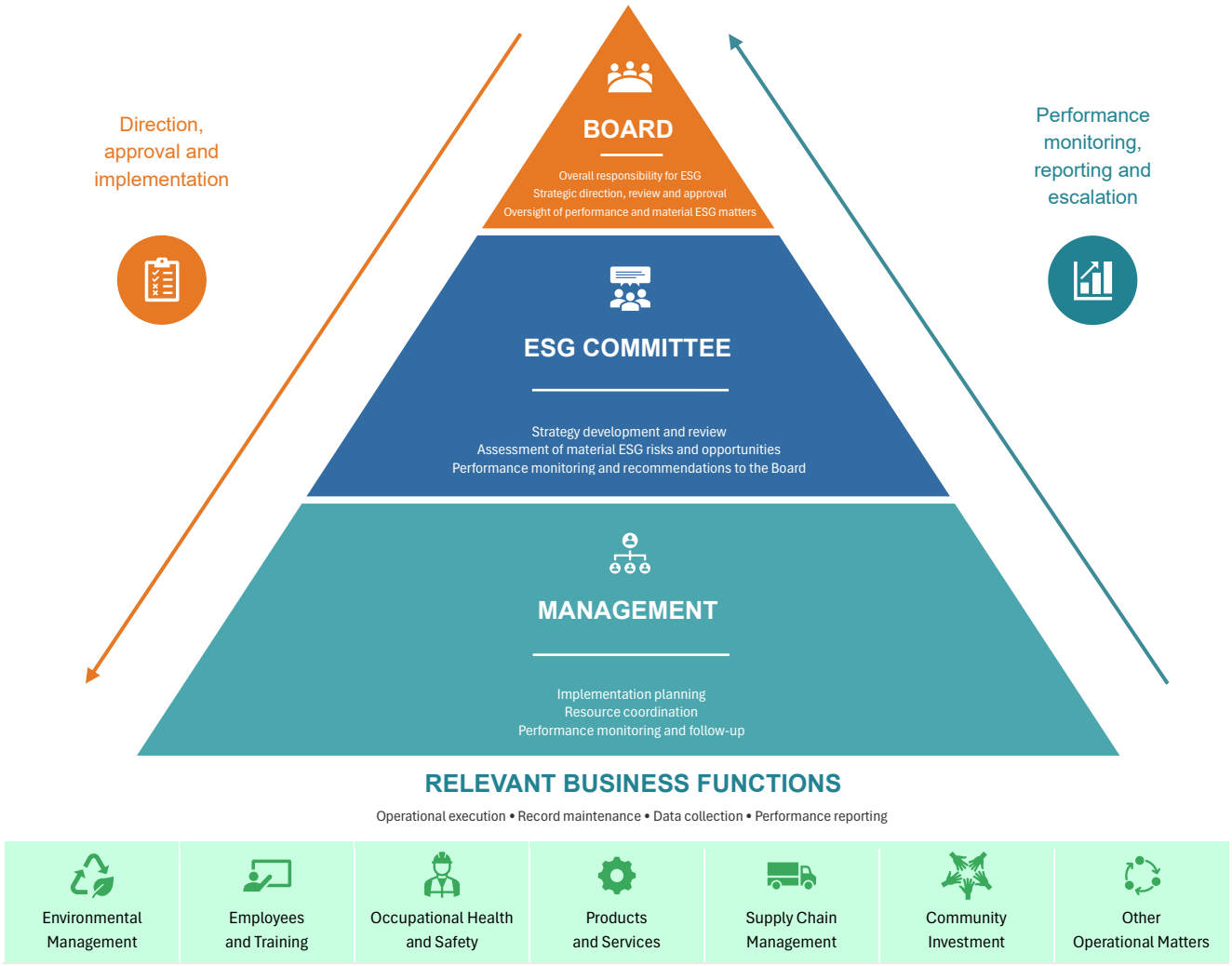
Management and Business Functions

Management is responsible for translating the Group's ESG strategies, policies, goals and targets into implementation plans and coordinating their execution across the business. Management also coordinates the resources required for implementation, monitors the Group's ESG performance and progress, and follows up on matters identified through its review.

The respective business functions implement the Group's ESG policies, procedures and initiatives within their areas of responsibility. They monitor operational performance, maintain supporting records and collect relevant ESG information, including information relating to environmental performance, employees, occupational health and safety, products and services, supply chain management and other operational matters.

ESG performance, implementation progress and matters requiring attention are reported by the respective business functions to management for review. Management coordinates any necessary follow-up action and reports material matters, significant implementation issues and progress towards the Group's goals and targets to the ESG Committee.

The Group's Integrated ESG Governance Framework



ESG Policies

The Group has established ESG-related policies and procedures to guide the management of environmental, employment, operating practice and governance matters across its operations. These policies and procedures provide a framework for management and the respective business functions to implement the Group's ESG strategies and initiatives, manage material ESG matters and maintain consistent practices within their areas of responsibility.

The ESG Committee reviews the Group's ESG-related policies and procedures and recommends updates where appropriate, taking into account changes in the Group's operations, ESG priorities and applicable requirements. Management and the respective business functions are responsible for implementing the policies and procedures, monitoring their application and identifying matters requiring further review.

Further information on the Group's principal ESG-related policies is provided in the relevant sections of this Report. A consolidated list is set out in the section headed "Company Policies".

ESG Governance in Practice

The Group recognises the importance of maintaining the knowledge and capabilities required to oversee evolving ESG matters. During the Reporting Period, four Directors completed a total of 29.00 hours of ESG and sustainability-related training. The training covered ethical and corporate governance responsibilities, risk management and internal controls, climate-related risks and their financial implications, carbon emissions disclosure, sustainability assurance and reporting standards, and developments in more sustainable heavy equipment. Relevant programmes included:

ESG and sustainability-related training

- ❑ "Proposed Regulatory Framework for Sustainability Assurance in Hong Kong";
- ❑ "ESG One Level Up: Smart Green – Decoding Carbon Emission Disclosure";
- ❑ "Charting Sustainability Reporting in Hong Kong: Public Briefing on HKFRS S1 and S2";
- ❑ "Ethical and Governance Roles of Directors and Senior Management of Publicly Listed Companies";
- ❑ "HKEX ESG Academy: Risk Management and Internal Controls – From Awareness to Action";
- ❑ "Climate Risks: Financial Implications, Responses and Opportunities"; and
- ❑ "Next-Generation Heavy Machinery: Towards Smarter and More Sustainable Equipment".

The training enhanced the Directors' understanding of current ESG and climate-related developments and supported the Board in carrying out its oversight responsibilities.

The Group also participated as a Green Member of the "ESG One" community initiated by the Hong Kong Productivity Council. Through the platform's self-assessment, knowledge-sharing and industry exchange opportunities, the Group seeks to enhance its ESG knowledge and maintain dialogue with other participating organisations.

ESG One 一站通 Green Member

ESG Strategies

The Group operates in a business environment shaped by evolving regulatory requirements, technological developments, supply-chain uncertainty and the increasing frequency and severity of extreme weather events. These developments may affect the Group's operations, products and services, employees, suppliers and customers. The Group has therefore established an ESG strategy to guide its management of material environmental, social and governance matters and support the resilience and long-term development of its business.

The Group's ESG strategy is structured around five focus areas: Ethical Governance, Quality Products and Services, Dedicated Workforce, Corporate Citizenship and Green Operations. Reflecting the nature of the Group's operations and business relationships, these focus areas guide the development of ESG-related policies and initiatives, the allocation of resources and the monitoring of ESG performance.

Through these five focus areas, the Group seeks to uphold responsible business practices, maintain the quality and safety of its products and services, support the development and wellbeing of its employees, contribute to the community and manage the environmental impacts of its operations. The Group reviews its ESG priorities with reference to developments in its business and operating environment, material ESG matters and stakeholder expectations, enabling it to refine its approach and direct resources towards matters relevant to its operations and long-term development.

The Group has mapped its five ESG focus areas against eight United Nations Sustainable Development Goals ("UN SDGs") relevant to its business, operations and ESG priorities. The mapping places the Group's ESG approach within a broader sustainable development context and reflects the areas in which its policies, practices and initiatives are most closely associated with internationally recognised sustainable development priorities.



Stakeholder Engagement

The Group values ongoing communication with its stakeholders and seeks to understand their views, expectations and concerns regarding its business and ESG performance. Stakeholder feedback provides useful insights into matters affecting the Group's operations and supports the continued development of its ESG priorities, policies and practices.

The Group maintains communication with its internal and external stakeholders through channels appropriate to the nature of each relationship. These channels enable the Group to communicate relevant information, understand matters of interest to stakeholders and respond to feedback received. During the Reporting Period, the Group engaged with its stakeholders through a range of communication channels, with particular attention to the matters most relevant to each stakeholder group.

Stakeholder Engagement

Stakeholder Groups	Principal Engagement Channels	Principal Areas of Interest
Shareholders and Investors 	• Corporate announcements and press releases • Annual and interim reports • Company website • Circulars • General meetings, other meetings and teleconferences	• Business and financial performance • Corporate governance and regulatory compliance • Business outlook and long-term development • ESG strategies and performance • Shareholder returns
Employees 	• Meetings and internal communication • Performance appraisals • Training programmes • Company activities	• Remuneration and employee benefits • Occupational health and safety • Working environment and employee wellbeing • Training and professional development • Equal opportunities and career development
Customers 	• Company website • Customer satisfaction surveys • Meetings and teleconferences • Correspondence • After-sales service and customer follow-up	• Product quality, reliability and safety • Product availability and delivery arrangements • Technical support and maintenance • After-sales service • Handling of enquiries and reported problems
Suppliers and Business Partners 	• Tender discussions • Supplier assessments • Meetings and teleconferences • Correspondence	• Product and service quality • Pricing and commercial terms • Delivery and logistics arrangements • Business integrity and regulatory compliance • Environmental and social practices
Community 	• Charitable and community activities • Communication with community organisations • Correspondence	• Community needs and wellbeing • Charitable contributions • Community participation and engagement • Employment and economic contribution
Media 	• Corporate announcements and press releases • Company website • Meetings and teleconferences • Responses to enquiries	• Corporate developments • Business performance • Corporate governance • ESG initiatives and performance
Regulatory Bodies 	• Regulatory filings and reports • Certification and licensing processes • Meetings and teleconferences • Site visits and inspections • Responses to regulatory enquiries	• Compliance with applicable laws and regulations • Corporate governance and disclosure obligations • Operational licences and certifications • Occupational health and safety • Environmental and other regulatory requirements

Feedback and information received through these engagement activities are communicated to management and the respective business functions for review and follow-up where appropriate. Matters that may materially affect the Group's operations, ESG performance or stakeholders' interests are reported through the Group's ESG governance structure for consideration. The Group will continue to strengthen stakeholder engagement and consider stakeholder feedback in reviewing its ESG priorities, policies and practices.

Materiality Assessment

The Group recognises that regular engagement with stakeholders and a systematic assessment of material ESG topics are important to understanding the sustainability matters relevant to its operations and long-term development. The materiality assessment also assists the Group in determining the relative importance of identified ESG topics and establishing the appropriate focus of its ESG management and reporting.

During the Reporting Period, the Group refreshed its materiality assessment to ensure that its material ESG topics continued to reflect its business activities, operating environment and stakeholder expectations. Building on the Group's existing material topic framework, the review considered the ESG topics and disclosure practices of selected peer and reference companies, relevant regulatory developments, industry trends and market practices.

The identification process also took into account the HKEX ESG Reporting Code, including the enhanced climate-related disclosure requirements, and relevant international sustainability references, including the SASB Standard for the Industrial Machinery & Goods industry. These references were considered having regard to the nature of the Group's business as a supplier, lessor and service provider of heavy equipment.

Following the review, the identified topics were consolidated into 23 ESG topics across the Group's five ESG focus areas, namely Ethical Governance, Quality Product and Service, Dedicated Workforce, Corporate Citizenship and Green Operations. Internal and external stakeholders were invited to assess each topic using a five-point scale according to its importance to stakeholders and importance to TLMC.

The survey results were consolidated and analysed to determine the relative importance of the ESG topics and formulate the materiality matrix. The assessment results were subsequently reviewed and validated by Management and the ESG Committee, and submitted to the Board for review and approval. The identified material ESG topics formed the basis for determining the focus and disclosure emphasis of this Report.

Materiality Assessment Process

The Group conducted a four-step materiality assessment to identify and prioritise the ESG topics that are mostly relevant to our Stakeholders and our business. The assessment results inform our ESG priorities and the disclosure emphasis of this Report.



IDENTIFICATION

Identified potentially material ESG topics with reference to:

- The Group's existing material topics and previous disclosures
- The Group's business activities and operating environment
- ESG topics and disclosure practices of selected peer and reference companies
- Relevant international sustainability references, including the SASB Standard for the Industrial Machinery & Goods industry

Long list of potentially relevant ESG topics



PRIORITISATION

Shortlisted and assessed the identified topics through a stakeholder survey:

- Internal and external stakeholders were invited to participate
- 23 ESG topics across five ESG focus areas were assessed
- Each topic was rated on dimensions of (1) Importance to stakeholders, and (2) Importance to TLMC
- Responses were consolidated and average scores were calculated to determine the

Topic scores and preliminary rankings



VALIDATION

Reviewed and validated the assessment results with reference to:

- The Group's business activities and operating circumstances
- Stakeholder feedback obtained through the survey
- The relevance and clarity of the identified topics to ESG management and reporting
- Applicable regulatory and reporting requirements
- Confirmed the topic classifications and higher-priority material topics, adjustments were made where considered necessary with a reasonable basis

Validated topic rankings and materiality matrix



REVIEW

Review the final assessment results through the Group's ESG governance structure and consider their implications for:

- ESG management priorities
- The structure and disclosure emphasis of this Report
- The ongoing review of ESG strategies, initiatives, goals and targets

Final material ESG topics and reporting priorities

Materiality Assessment Results

During the reporting period, the Group reviewed and updated its materiality assessment framework with reference to stakeholder feedback, industry developments, applicable ESG disclosure requirements, peer benchmarking and the Group's operational priorities.

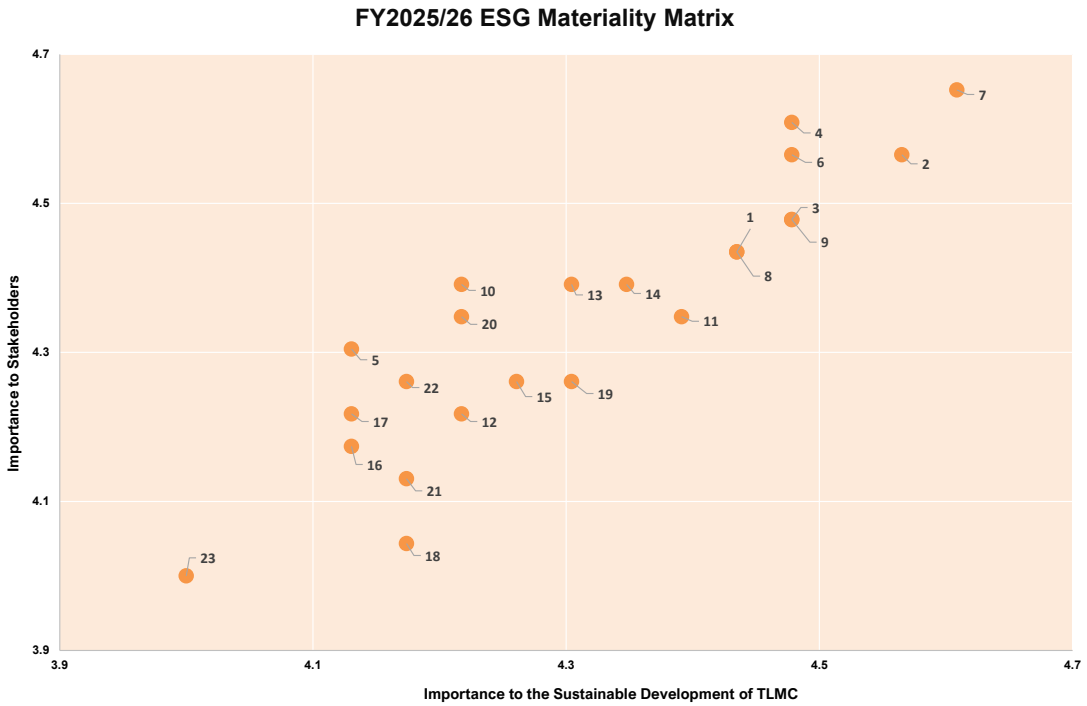
Based on the materiality assessment process described above, the Group identified and assessed 23 ESG topics across five ESG focus areas, namely Ethical Governance, Quality Product and Service, Dedicated Workforce, Corporate Citizen and Green Operations.

Each topic was evaluated against two assessment dimensions: (i) its importance to stakeholders and (ii) its significance to the Group's sustainable development. The assessment results were consolidated into a materiality matrix to facilitate the prioritisation of ESG issues and support the Group's ESG management and reporting efforts.

The Board reviewed and approved the materiality assessment results and confirmed that the identified material ESG topics appropriately reflect the ESG matters most relevant to the Group's business operations and long-term development.

Materiality Matrix

The materiality matrix below presents the relative significance of the identified ESG topics based on their importance to stakeholders and their significance to the Group's sustainable development.



ETHICAL GOVERNANCE	QUALITY PRODUCT AND SERVICE	DEDICATED WORKFORCE	CORPORATE CITIZENSHIP	GREEN OPERATIONS
1. Business Ethics and Anti-corruption 2. Data Privacy and Information Security 3. Responsible Marketing and Communication 4. Human Rights and Labour Standards 5. Business Continuity and Operational Resilience	6. Product Quality Assurance 7. Product Safety and Customer Health and Safety 8. Customer Service and Satisfaction 9. Smart Equipment and Innovation 10. Sustainable Equipment and Lifecycle Support 11. Responsible and Resilient Supply Chain 12. Supplier ESG Practices	13. Employment Standards and Labour Compliance 14. Occupational Health and Safety 15. Workplace Well-being 16. Diversity, Equal Opportunity and Inclusion 17. Training and Development	18. Community Investment and Engagement	19. Environmental Compliance 20. Emission Management 21. Energy Use and Efficiency 22. Waste Management 23. Climate-related Risks and Opportunities

The materiality matrix presents the relative significance of the identified ESG topics based on their importance to stakeholders and their significance to the Group's sustainable development. The assessment results indicate that stakeholders and management generally regard all identified topics as important to the Group's long-term development, with certain topics receiving comparatively higher levels of significance.

Identified Material ESG Topics

The materiality assessment identified the following ESG topics as being relevant to the Group's business operations, strategic development and stakeholder expectations. These topics form the basis of the Group's ESG management approach and the corresponding disclosures in this Report.



Ongoing Review

The Group recognises that stakeholder expectations, regulatory requirements and business priorities continue to evolve. Accordingly, the Group will review its material ESG topics on a regular basis to ensure that its ESG management priorities and disclosures remain relevant to its business operations and responsive to stakeholder interests. The outcomes of future assessments will continue to be reviewed by management and the Board as part of the Group's ongoing sustainability governance framework.

02

ETHICAL GOVERNANCE

Sound corporate governance and high standards of integrity underpin TLMC's approach to responsible business. Through clear standards of conduct, effective internal controls and appropriate safeguards, the Group promotes ethical business practices, manages risks, protects information and intellectual property, communicates responsibly with customers, and respects human and labour rights across its operations and business relationships.

- Anti-corruption
- Risk Management and Internal Control
- Intellectual Property
- Human Rights
- Whistleblowing
- Information Confidentiality
- Marketing and Labelling

United Nations Sustainable Development Goals (SDGs)



ETHICAL GOVERNANCE

Sound corporate governance and high standards of integrity are fundamental to the Group's responsible and sustainable development. The Group is committed to conducting its business honestly, ethically and in compliance with applicable laws and regulations, supported by policies and controls that promote accountability and responsible conduct across its operations.

The Group applies these principles in its decision-making, internal controls and relationships with employees and business counterparties. Through clear standards of conduct, appropriate safeguards and ongoing oversight, the Group seeks to manage ethical and operational risks, protect the interests of its stakeholders and maintain confidence in the way it conducts its business.

Anti-corruption

Professionalism, integrity, honesty and high ethical standards are fundamental to the way the Group conducts its business. The Group complies with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and prohibits bribery, extortion, fraud, money laundering and other forms of corrupt conduct throughout its operations.

The Group's standards of conduct are set out in the Code of Conduct contained in its Human Resources Manual, the Staff Handbook and the Anti-Fraud and Anti-Bribery Policy. These policies establish the conduct expected of Directors and employees and, where applicable, extend to contractors and suppliers. They also provide guidance on the prevention, identification and reporting of suspected fraud and corruption.

Directors and employees must not solicit, accept or offer any advantage in connection with the Group's business without the appropriate approval. Such advantages may include money, gifts, loans, fees, remuneration, employment, contracts, services or privileges. Directors and employees are also required to avoid situations in which their personal interests may conflict, or appear to conflict, with those of the Group and to disclose any actual or potential conflict in accordance with the Group's established procedures.

The Staff Handbook was updated in December 2023 to reinforce the Group's anti-bribery requirements. Directors and employees are prohibited from circumventing these requirements through agents, business partners, contractors, family members or other representatives. Any breach may result in disciplinary action, including summary dismissal where appropriate.

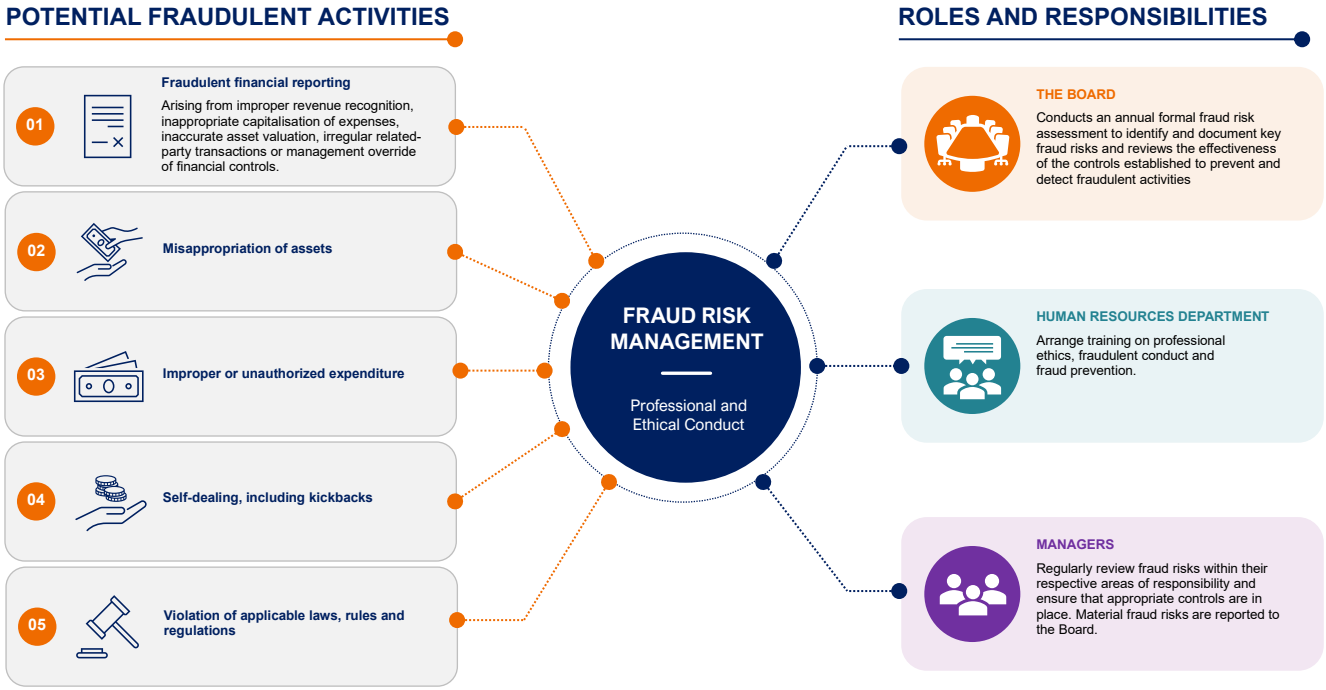
Integrity and Fraud Risk Management

The Group recognises that integrity risks may arise across different areas of its business, including equipment and spare-parts procurement, dealership and distribution arrangements, tendering and quotations, sales negotiations, equipment leasing, repair and maintenance, logistics, inventory management and the engagement of contractors and service providers.

The Group has identified potential fraudulent activities that may arise in its operations and assigned responsibilities for assessing and managing the related risks. The Group's fraud risk management framework brings together the identified activities and the respective responsibilities of the Board, the Human Resources Department and managers in maintaining appropriate controls, promoting professional and ethical conduct, and reporting material fraud risks.

FRAUD RISK MANAGEMENT FRAMEWORK

The Group has identified key fraudulent activities that may arise in its operations.
These risks are managed through defined governance, controls and clear allocation of responsibilities



Anti-corruption Training and Compliance

The Group provides anti-corruption and integrity training to strengthen awareness of ethical conduct and the prevention and reporting of misconduct. During the Reporting Period, four Directors completed a total of 15.50 hours of anti-corruption and integrity-related training. The training covered the ethical and governance responsibilities of directors and senior management, integrity management in the private sector, and the importance of trust and integrity in an evolving business environment.

The programmes included "Ethical and Governance Roles of Directors and Senior Management of Publicly Listed Companies" and "Integrity Training Workshop for Management Staff Working in the Private Sector", both delivered by the Independent Commission Against Corruption, as well as "Ethics Conference 2025: Navigating Technology, Trust and Integrity" organised by the Hong Kong Institute of Certified Public Accountants.

Employees were also required to complete anti-corruption self-learning materials provided by the Hong Kong Business Ethics Development Centre of the Independent Commission Against Corruption. The Group will continue to keep its Directors and employees informed of relevant anti-corruption requirements and regulatory developments and to reinforce a culture of integrity and accountability across its operations.

During the Reporting Period, there were no concluded legal cases concerning corrupt practices brought against the Group or its employees.

Whistleblowing

The Group's Whistle-blowing Procedure, adopted in January 2021, provides a formal mechanism for reporting suspected misconduct, malpractice or impropriety relating to the Group. The Audit Committee oversees the implementation of the procedure, which sets out the matters that may be reported, the available reporting channels and the procedures for reviewing and investigating concerns.

Employees and persons who conduct business with the Group, including customers and suppliers, may raise concerns confidentially and anonymously with the Audit Committee. A dedicated whistle-blowing email account, accessible only by members of the Audit Committee, is maintained for this purpose, with the relevant contact details available on the Company's website. The Group prohibits retaliation against any person who raises a concern in good faith and takes appropriate measures to protect the identity and interests of the reporting person.

Upon receipt of a report, the Audit Committee assesses the nature and circumstances of the matter and determines the appropriate investigation and escalation arrangements. Investigations are conducted under the oversight of the Audit Committee and, where appropriate, the Board. Where an allegation is substantiated, the Group may take appropriate disciplinary, remedial or other action having regard to the nature and seriousness of the misconduct. Matters involving suspected criminal conduct may also be referred to the relevant authorities where appropriate.

The Audit Committee maintains records of reports received, investigations undertaken and actions taken to facilitate subsequent review and improvements to the Group's internal controls and business practices. During the Reporting Period, the Group received no reports through its whistle-blowing mechanism.

Risk Management and Internal Control

Effective risk management and internal control are integral to the Group's corporate governance and long-term development. The Group maintains a risk management and internal control framework to identify, assess and manage risks arising from its business and operations, as well as changes in market conditions and regulatory requirements.

The Board has overall responsibility for evaluating and determining the nature and extent of the risks that the Group is willing to accept in pursuing its strategic objectives. The Board also oversees the maintenance of appropriate and effective risk management and internal control systems. The Audit Committee supports the Board in reviewing these systems, while senior management implements the relevant policies and controls and manages risks arising from the Group's day-to-day operations.

The Group's Corporate Governance Policy sets out its approach to the identification, documentation, evaluation, assessment and management of risks. Management and the respective business functions monitor risks within their areas of responsibility, review the operation of relevant controls and report material matters through the Group's established reporting arrangements. The Group regularly reviews its principal risks and related controls to ensure that they remain appropriate to its operations and the changing business environment.

As part of its management of operational risks, the Group adopts a flexible fleet management approach in its equipment leasing business to respond to changes in customer demand and operating conditions. The Group also maintains strong relationships with its major suppliers, including Hitachi Construction Machinery Co., Ltd., Bell Equipment Company SA (Pty) Ltd and Ammann BauAusrüstung AG, supporting the continuity of equipment and spare-parts supply and the availability of product and technical support.

Further information on the Group's risk management and internal control systems is set out in the Corporate Governance Report contained in the Annual Report.

Information Confidentiality

The Group recognises its responsibility to safeguard confidential business information and personal data against unauthorised access, use, disclosure, alteration or loss. Given the nature of its operations, such information may include employee and customer records, supplier and commercial information, technical documents and other information obtained through the Group's business relationships.

The Group's Information Security Policy sets out the requirements for handling, storing and retaining confidential information. The Administration Manager oversees the implementation of the policy, while employees are required to exercise due care when accessing, using, transmitting, filing or disposing of information obtained in the course of their duties. The Corporate Security Policy further supports the protection of the Group's employees, systems, information, data, facilities, property and reputation against physical, environmental and cybersecurity threats.

The Staff Handbook prohibits employees from disclosing the Company's trade secrets or confidential information without prior authorisation, both during and after their employment. Upon request or termination of employment, employees must return documents and other property belonging to the Company and, where instructed, remove or securely destroy confidential information held on reusable media or in other forms.

The Group handles personal data in accordance with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and its Personal Data Privacy Policy. The Personal Data Protection Officer is responsible for overseeing the implementation of the policy and related security measures and reviewing their effectiveness annually. Appropriate confidentiality arrangements are also adopted when third-party service providers are engaged to handle confidential information or personal data.

Employees must promptly report any suspected loss, unauthorised disclosure or improper exposure of confidential information or personal data to the Personal Data Protection Officer. The Group assesses the circumstances and potential consequences of each incident and takes appropriate containment, investigation, remedial and notification measures where necessary. The Office of the Privacy Commissioner for Personal Data recommends prompt assessment and containment of data breaches and notification to the Commissioner and affected individuals where a breach may result in a real risk of harm.

During the Reporting Period, no material incidents involving the loss, unauthorised disclosure or improper use of confidential information or personal data were identified.

Intellectual Property

The Group recognises the importance of protecting its intellectual property rights and respecting those of third parties. The Group's intellectual property assets include its registered trademarks, domain name and copyright-protected materials. The Group currently holds two registered "TLMC" trademarks in Hong Kong and owns its corporate domain name.

Given the Group's dealership and distribution arrangements with international equipment and technology brands, the proper use of third-party intellectual property is particularly important to its business. The Group obtains the necessary authorisation before using suppliers' brand names, logos, trademarks and other branding materials for marketing and promotional purposes in accordance with the relevant dealership and distributorship agreements.

Employees are prohibited from using the Group's systems or internet access to reproduce, distribute or communicate materials in a manner that may infringe third-party intellectual property rights or contravene applicable laws and regulations. The Group will continue to manage and protect its intellectual property assets and make appropriate registrations where necessary.

Marketing and Labelling

The Group is committed to providing customers with clear, accurate and relevant information about its products and services. Its marketing activities are conducted in accordance with the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong) and other applicable laws and regulations in the jurisdictions where it operates. The Group seeks to ensure that its product descriptions and promotional materials are not false or misleading and provide customers with sufficient information to make informed decisions based on their operational needs.

Given the technical nature of the Group's heavy equipment and related products, its marketing materials provide information on relevant product specifications, features and performance. Depending on the equipment concerned, such information may include the engine model, fuel type, operating weight, capacity, frequency, voltage, rated output, current, phase and power factor. Information concerning equipment durability, reliability, safety, fuel efficiency and operating performance is presented with reference to the specifications and product materials provided by the relevant manufacturers.





The Group promotes its machinery and related services through advertisements in newspapers and magazines, construction-industry publications and platforms, and social media channels, including Facebook, Instagram and YouTube. It also maintains WhatsApp customer service channels and departmental hotlines for customer enquiries and service requests. Product introductions and demonstrations are provided to help customers understand the features and specifications of the equipment offered and select products and services suited to their operational needs.

The Group respects the intellectual property rights and branding requirements of the equipment and technology brands it represents. Brand names, logos, trademarks, product images and other promotional materials are used in accordance with the applicable dealership and distributorship arrangements and the requirements of the respective brand owners.

During the Reporting Period, the Group was not aware of any material non-compliance with applicable laws and regulations relating to advertising, labelling or the provision of product and service information.

Human Rights

The Group respects fundamental human rights and is committed to treating employees and persons affected by its operations with dignity and fairness. Its Human Rights Policy sets out the Group's commitment to equal opportunities, diversity and the prevention of discrimination, harassment, child labour, forced labour and other forms of unfair or inappropriate treatment. The policy applies to all employees and has regard to internationally recognised principles, including the United Nations Guiding Principles on Business and Human Rights.

The Group prohibits child and forced labour throughout its operations and complies with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and other applicable employment and labour laws in the jurisdictions where it operates. Its employment practices also take into account relevant guidance issued by the Labour Department of Hong Kong, including A Concise Guide to the Employment of Children Regulations and A Concise Guide to the Employment of Young Persons (Industry) Regulations.

As part of its recruitment procedures, the Group verifies the identity and eligibility for employment of prospective employees by inspecting identity documents and conducting appropriate background checks. Recruitment proceeds only after the applicant's identity and eligibility for employment have been verified. As a matter of Group policy, the Group does not employ any person under 16 years of age and complies with the statutory requirements governing the employment and working conditions of young persons.

If any instance of child or forced labour is identified within the Group's operations, the Group will take prompt action to protect the person concerned, investigate the circumstances and report the matter to the relevant authorities where appropriate. Any employment obtained through false identity documents or material misrepresentation may be terminated in accordance with applicable laws and the Group's established procedures.

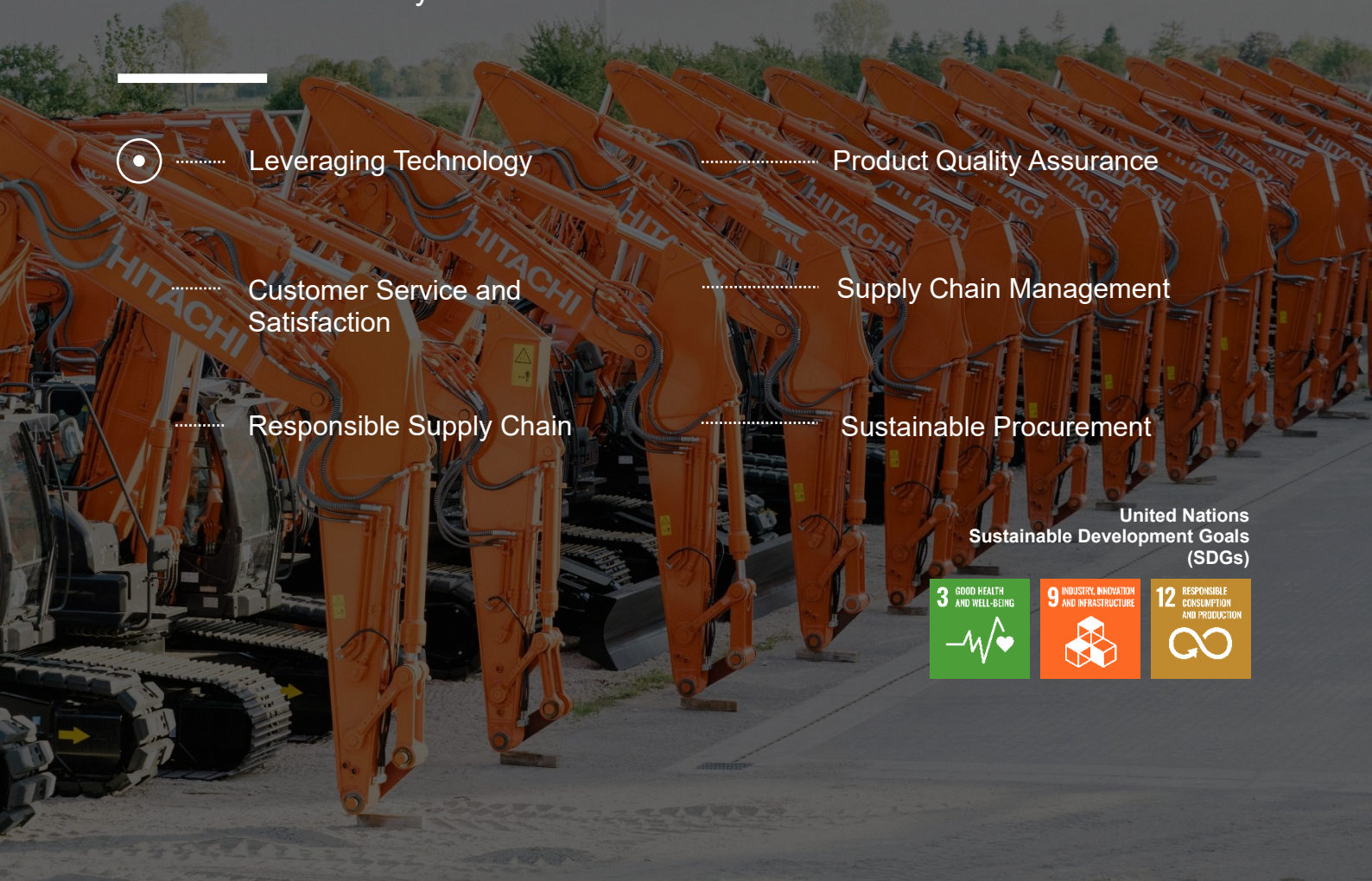
The Group also communicates its expectations concerning human rights and labour practices to contractors and suppliers through its Code of Practice for Suppliers. Where suspected child labour, forced labour or other serious labour-practice concerns are identified in the supply chain, the Group will review the circumstances, require appropriate remedial action and consider suspending or terminating the business relationship where the matter is not satisfactorily addressed. Further information on the Code of Practice for Suppliers is provided in the section headed "Supply Chain Management".

During the Reporting Period, the Group was not aware of any material non-compliance with applicable laws and regulations relating to the prevention of child and forced labour, and no instance of child or forced labour was identified within its operations.

03

QUALITY PRODUCT AND SERVICES

TLMC works closely with leading equipment manufacturers and technology providers to deliver quality machinery, innovative solutions and reliable services that respond to customers' operational needs. Supported by its quality management system, customer service practices and responsible approach to supplier and procurement management, the Group seeks to enhance equipment safety, operational efficiency and service quality across the construction industry.



- Leveraging Technology
- Product Quality Assurance
- Customer Service and Satisfaction
- Supply Chain Management
- Responsible Supply Chain
- Sustainable Procurement

United Nations Sustainable Development Goals (SDGs)

QUALITY PRODUCT AND SERVICE

The Group is committed to providing quality heavy equipment, technology solutions and related services that respond to customers' operational needs. Working closely with its equipment manufacturers and suppliers, the Group continues to broaden its product and service offerings and introduce technologies that support site safety, operational efficiency, equipment reliability and fleet management.

The Group maintains its focus on product and service quality throughout the customer journey, from understanding customer requirements and selecting suitable equipment to inspection, delivery, maintenance and after-sales support. Its quality management system, customer feedback mechanisms and supplier management practices provide the framework for maintaining consistent service standards and supporting continual improvement.

Recognising the importance of a reliable and responsible supply chain, the Group evaluates supplier performance and communicates its expectations concerning business ethics, labour practices, environmental protection and other responsible business practices. The Group also incorporates sustainability considerations into its procurement approach and works with its suppliers and business partners to support the responsible development of the construction industry.

Leveraging Technology

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

Smart Safety Optimisation System

(CITF Pre-approved Code: PA24-023)

The Group introduced the Hitachi ZAXIS-7 series of hydraulic excavators, which incorporates technologies designed to enhance operational safety and efficiency. The excavators are equipped with a smart anti-collision safety system and Aerial Angle cameras, which improve visibility around the machinery and alert operators when workers or other machinery are detected within the operating area. These functions help operators identify potential hazards and reduce the risk of accidents during operation.

The ZAXIS-7 series also incorporates the HIOS V or TRIAS III intelligent hydraulic system. By controlling hydraulic output pressure according to operating requirements, the system supports efficient equipment operation and helps reduce energy consumption.



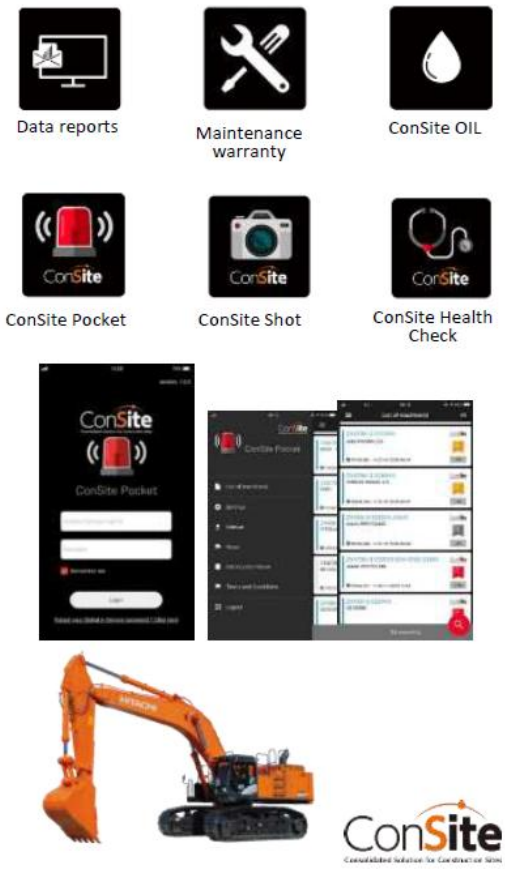
Real-time Equipment Monitoring and Alerts

The Group offers Hitachi brand excavators supported by ConSite®, a consolidated service solution designed to provide customers with timely information on equipment location, operating condition and maintenance requirements. The system provides 24-hour location monitoring and real-time overheating alerts, enabling customers to keep track of their machinery and respond promptly when abnormal operating conditions are detected.

ConSite® brings together a range of equipment management and support functions, including data reports, maintenance and warranty information, ConSite OIL, ConSite Pocket, ConSite Shot and ConSite Health Check. Through its digital applications and reporting functions, customers can access relevant equipment information and monitor machinery condition more conveniently, supporting the planning and coordination of inspection and maintenance activities.

ConSite OIL provides timely insights into changes in oil properties and other detected abnormalities. This information assists customers in identifying potential equipment issues, including overheating and abnormal oil conditions, before such issues develop into unexpected machinery breakdowns. Earlier identification of maintenance requirements can help contain maintenance costs, reduce equipment downtime and contribute to extending the service life of the machinery.

The condition-monitoring information available through ConSite® also assists customers in identifying signs of equipment wear and responding more promptly to operational and maintenance risks. By improving the availability of machinery information and enabling earlier follow-up, the system supports equipment reliability, more effective risk management and safer construction-site operations.The condition-monitoring information provided through ConSite® also assists customers in identifying signs of equipment wear and responding more promptly to maintenance and operational risks, thereby supporting equipment reliability and safer construction-site operations.



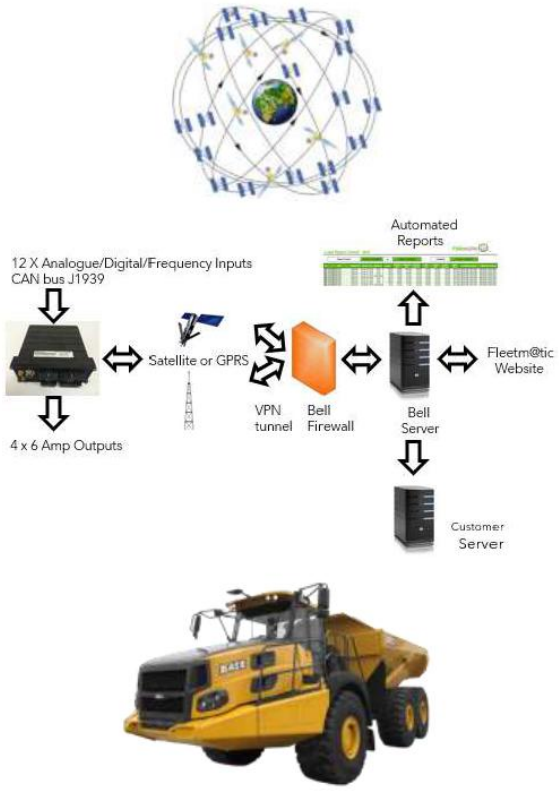
Hitachi excavator and ConSite® equipment amonitoring and support functions

Fleet Management System

(CITF Pre-approved Code: PA22-025)

Installed in Bell brand dump trucks, Fleetm@tic® is a satellite-based fleet management system that provides customers with automated reports, alerts and production data concerning equipment deployed at worksites. The system offers a range of service packages and pole-to-pole satellite coverage, enabling customers to track the location and operating information of their equipment on a continuous basis.

Through the collection and communication of relevant fleet data, Fleetm@tic® provides customers with timely information to support the monitoring and coordination of equipment across different worksites. This enables customers to manage their fleets with greater precision, identify operational matters requiring attention and improve overall operating efficiency.

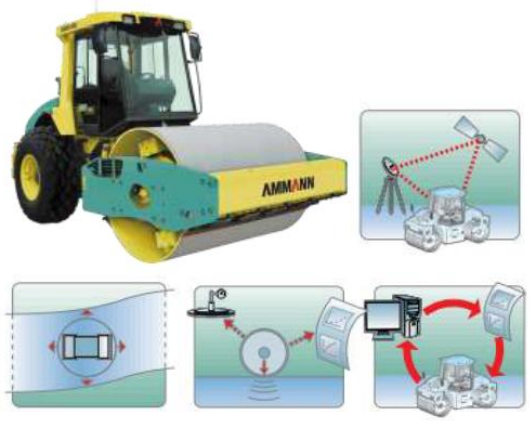


Bell articulated dump truck and
Fleetm@tic fleet management system

Proprietary Intelligent Compaction System

The Ammann Compaction Expert ("ACE") is a proprietary intelligent compaction system installed in Ammann rollers. Through its GPS mapping capabilities, ACE provides data on the areas covered by the roller.

The system also supports automatic measurement, control and documentation. Through ACEforce, it displays and measures the degree of compaction achieved, providing information for worksite efficiency and quality-control purposes. These functions help reduce the risk of over-compaction and minimise material damage.



Ammann roller equipped with
ACE intelligent compaction system

Safety Monitoring and Restriction System

CITF Pre-approved Code: PA23-012

Developed by Xwatch Safety Solutions Ltd., the X-Watch XW5 is an intelligent safety monitoring and restriction system for hydraulic excavators and other special-purpose machinery. The system provides overload monitoring together with height and slew limitation functions, using proportional soft-stop hydraulic valves to control machinery movement as preset operating limits are approached.

The X-Watch XW5 monitors machinery operation in real time and provides operators with information and alerts concerning the applicable load, height and slew limits. By progressively restricting movement near the preset limits, the system supports the operation of machinery within the specified parameters and helps reduce the risks associated with overloading or exceeding the permitted operating range.



X-Watch XW5 safety monitoring and restriction functions

Dual-purpose Safety Monitoring System

CITF Pre-approved Code: PA22-043

The VIA Mobile360 M168/M500/M600 are dual-purpose safety monitoring system comprising external and in-cab monitoring functions. Its AI-powered wide-angle dual-camera system detects pedestrians entering hazardous areas around the machinery and provides operators with real-time visual and audible alerts. By monitoring the machinery's front and rear detection areas, the system enhances operators' awareness of nearby pedestrians and helps address risks arising from blind spots.

The in-cab AI-powered driver-monitoring camera detects specified operator conditions and behaviours that may affect safe operation, including signs of fatigue, smoking and mobile phone use. Where such conditions or behaviours are detected, the system provides visual and audible alerts to the operator, supporting timely attention to potential safety risks.

The Mobile360 M168/M500/M600 may also be used in conjunction with mobile applications and cloud-based platforms, enabling relevant monitoring information to be accessed through connected devices. By combining pedestrian detection with operator monitoring and real-time alerts, the systems support the safety of both machinery operators and persons working nearby.



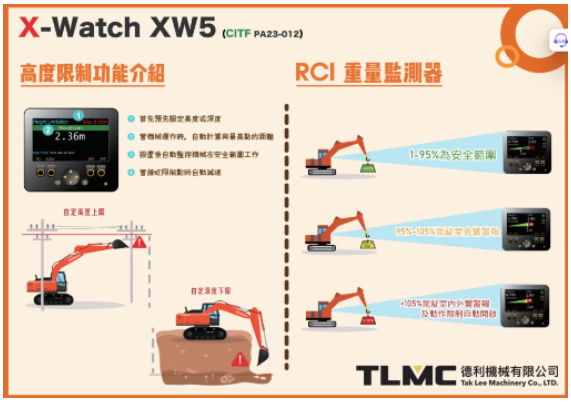
VIA Mobile360 M500 pedestrian detection and operator-monitoring functions

The X-Watch XW5 and VIA Mobile360 M168/M500/M600 perform complementary safety functions. The X-Watch XW5 monitors prescribed operating limits and may intervene to restrict or stop machinery movement as those limits are approached, while the VIA Mobile360 M168/M500/M600 uses camera-based monitoring to detect pedestrians and specified operator conditions or behaviours and provides real-time visual and audible alerts.

Used together, the two systems combine machinery movement control with hazard detection and operator alerts, supporting the protection of machinery operators and other persons working within or near the operating area. The systems may be applied to excavators, lifting cranes, access platforms and other relevant machinery according to their operational requirements.

COMPLEMENTARY SAFETY FUNCTIONS OF X-WATCH XW5 AND VIA MOBILE360 M168/500/600





X-Watch XW5
Machinery movement control
(CITF Pre-approved Code: PA23- 012)



VIA MOBILE360 M168/M500/M600
Hazard detection and alerts
(CITF Pre-approved Code: PA22-043)

In addition to introducing smart machinery and site-safety technologies to the local market, the Group engages with prospective buyers, existing customers, machinery users and other industry stakeholders through product briefings, demonstrations, promotional activities and direct communication. These channels enable the Group to explain the functions and applications of its machinery and safety systems, share relevant technical information and promote wider understanding and adoption of technologies that support safer and more efficient construction operations.

CASE PROMOTING SMART MACHINERY SAFETY

In June 2026, the Group was invited to attend the "Smart Monitoring & Trust Safety AI Safety New Product Roadshow" (「智能監控·相信安全」AI 安全新品路演) held by VIA Technologies Inc. The event aimed to promote AI-powered safety solutions and Smart Site Safety Products to strengthen awareness of machinery safety within the construction industry.

The event showcased selected safety technologies and solutions offered by VIA Technologies, including the VIA Mobile 360 series and VIA FireWatch 365. The Group have introduced the applications and key safety features of these AI products to industry stakeholders and encouraged their adoption to enhance the protection of machinery operators and other personnel working on construction sites.







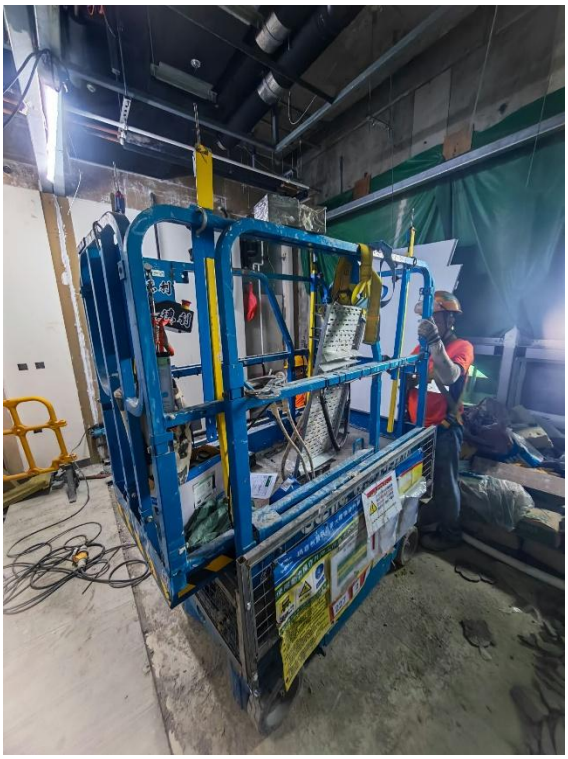
CASE ENHANCING MEWP SAFETY THROUGH IN-HOUSE INNOVATION

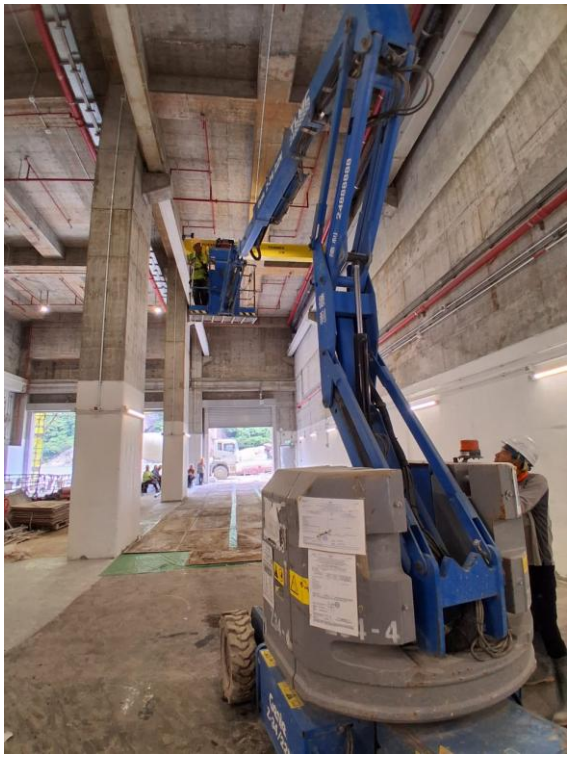
To enhance the safe operation of mobile elevating work platforms ("MEWPs"), the Group has developed an in-house smart safety monitoring system designed to help reduce collision and entrapment risks arising from overhead and adjacent obstacles.

The system incorporates four acoustic sensors to monitor overhead clearance and three multidirectional horizontal sensors with a detection range of up to three metres. When an overhead obstacle is detected at a distance of approximately 500 mm, the system progressively slows and stops the upward movement of the platform while issuing voice alerts to the operator. The sensing zones can also be adjusted to accommodate different platform dimensions and operating requirements.

The system provides an additional layer of protection for work-at-height activities and reflects the Group's continued investment in practical safety innovation. Its development also supports the safety objectives of the Hong Kong Labour Department's revised Guidance Notes on Safe Use of Mobile Elevating Work Platforms, including the enhanced focus on effective secondary guarding against overhead and adjacent entrapment risks.

The system is intended to complement, rather than replace, task-specific risk assessments, operator training, safe working procedures, emergency arrangements, and appropriate equipment inspection and maintenance.





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

Product Quality Assurance

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

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

Quality Management System

The Group's ISO 9001:2015-certified Quality Management System ("QMS") provides the framework for maintaining the quality of its heavy-equipment supply, rental, installation and maintenance services. Through the QMS, the Group seeks to meet applicable customer and regulatory requirements, manage quality-related risks and opportunities, and drive continual improvements in product quality, service delivery and operational effectiveness.


Certificate HK13/00099

The management system of

Tak Lee Machinery Company Limited
德利機械有限公司

DD111, Lot 117, Sheung Che Village, Pat Heung, Yuen Long, New Territories, Hong Kong

has been assessed and certified as meeting the requirements of
ISO 9001:2015

For the following activities
Supply, Rental, Installation and Maintenance Services of Excavators, Breakers and Generators

This certificate is valid from 07 May 2025 until 05 May 2028 and remains valid subject to satisfactory surveillance audits.
Issue 6. Certified since 06 May 2013

L. Moran

Authorised by
Liz Moran
Business Manager

SGS United Kingdom Ltd
Rossmore Business Park, Ellesmere Port, Cheshire, CH65 3EN, UK
t +44 (0)151 350-6666 - www.sgs.com

Oversight of the QMS rests with designated members of senior management, who also review the Group's performance against its quality objectives. Quality-related risks and opportunities are considered throughout the planning and delivery of services, while responsibilities are assigned according to employees' competence and areas of work. Customer feedback and satisfaction are monitored as part of the Group's review of service performance and identification of opportunities for improvement.

During the Reporting Period, the Group continued to operate the QMS in accordance with its established requirements, and no major non-conformities were identified.



Review and Assurance

The Group regularly reviews the performance of its QMS to ensure that it remains suitable, adequate and effective in supporting its quality objectives and operational requirements. The review process considers quality objectives and performance, risks and opportunities, customer feedback, audit findings and opportunities for continual improvement.

During the Reporting Period, the Group reviewed and updated its register of quality-related risks and opportunities in January 2026. An internal audit was subsequently conducted in March 2026, covering the Group's operational and technical procedures and quality objectives under the QMS. The internal audit concluded that the activities examined generally conformed to the QMS requirements, with no non-conformities or observations raised.

The annual management review was also conducted in March 2026 to evaluate the overall performance, effectiveness and continuing suitability of the QMS. The review considered, among other matters, progress against the Group's quality objectives, customer feedback and complaints, supplier performance, employee competence, resource adequacy, audit results and opportunities for improvement. The review confirmed that the quality objectives had been achieved and that the QMS remained suitable for the Group's operations.

In May 2026, an external surveillance audit of the Group's ISO 9001:2015-certified QMS was conducted in respect of the supply, rental, installation and maintenance of excavators, breakers and generators. The audit concluded that the QMS demonstrated overall conformity with the applicable requirements and recommended the continuation of the Group's certification. No non-conformities, observations or opportunities for improvement were raised.

Quality Objectives and Performance

As part of the annual management review, the Group assessed its performance against two customer-related quality objectives. Both objectives were achieved during the Reporting Period. The corresponding targets and results, together with the Group's product quality and audit outcomes, are presented below.

QUALITY OBJECTIVE	TARGET	REPORTING PERIOD RESULT	STATUS
01 **Customer Complaints** Limit the number of formal written customer complaints received for same project	No more than **3** formal written complaints Relating to same project	**0** formal written customer complaints received	ACHIEVED
02 **Customer Satisfaction** Maintain a high level of customer satisfaction.	At least **90%** of customer satisfaction rating at Grade B or above	**≥90%** of customer satisfaction ratings at Grade B or above	ACHIEVED

PRODUCT SAFETY OUTCOME	No products sold or shipped by the Group were recalled for health and safety reasons during the Reporting Period.
INTERNAL AUDIT OUTCOME	No non-conformities or observations were raised in the internal audit conducted during the Reporting Period.

Customer Service and Satisfaction

The Group seeks to build enduring relationships with its customers by treating them fairly and providing professional, responsive and reliable services throughout the equipment lifecycle. From understanding customers' operational requirements and recommending suitable equipment to inspection, delivery, maintenance and after-sales support, the Group applies established policies and procedures to maintain service quality and respond to customer needs.

Understanding Customer Requirements

The Group's Customer Services Code of Conduct Policy establishes the standards expected in its dealings with customers and supports compliance with applicable laws and regulations relating to customer service in the jurisdictions where the Group operates.

Regular communication enables the Group to understand customers' expectations and obtain feedback on its products and services. New customers are invited to complete an assessment form setting out their operational requirements and expectations. The information collected enables the Group to better understand each customer's intended application and recommend suitable equipment and related services.

The Group applies standardised terms and conditions to the ordering and acceptance of equipment quotations in accordance with the Sales Policy. The preparation, review and approval of quotations, together with the subsequent processing of confirmed contracts, are conducted in accordance with the *Technical Procedures: Tender Review and Project Initiation* under the QMS. These policies and procedures provide a consistent basis for reviewing customer requirements, communicating the agreed terms and administering the resulting contracts.

Maintenance and Technical Support

The Group provides inspection, maintenance and technical support throughout the equipment leasing process. Before delivery, the principal components of leased equipment are thoroughly inspected to confirm that the equipment meets the applicable safety requirements and is in good operating condition. Condition reports are prepared when equipment is received into or released from the warehouse, with further checks conducted during on-site assembly and upon its return.

Where appropriate and when leased equipment is assembled on-site, the Group's technicians inspect the equipment and, where necessary, provide on-site guidance and training to help customers operate the leased equipment properly and safely. The Group's also provides after-sales technical support, including inspection, repair, reconditioning and refurbishment services, supporting the reliability and continued operation of the equipment supplied.

Where an equipment issue is attributable to a manufacturing defect, the Group liaises with the relevant manufacturer regarding repair, replacement or other appropriate arrangements in accordance with the applicable dealership or distributorship agreement.

Customer Feedback and Satisfaction

Customer feedback forms an important part of the Group's efforts to review and continually improve its services. Guided by the Complaints Handling Policy and the *Operations Procedures: Customer Satisfaction* under the QMS, the Group conducts customer satisfaction surveys to evaluate its service performance and identify areas where further improvement may be required.

During the Reporting Period, the Group distributed customer satisfaction surveys covering the appropriateness, efficiency and accuracy of its services and communications, employees' willingness to assist and service attitude, and the Group's performance in meeting agreed timelines and customer expectations.

During the Reporting Period, the Group received no material customer complaints or negative customer feedback. At least 90% of the customer responses received were rated Grade B or above, meeting the customer satisfaction target established under the QMS.

Supply Chain Management

The reliability and quality of the products and services provided by the Group's suppliers are important to its ability to meet customer requirements and maintain service quality. The Group therefore seeks to establish stable and constructive relationships with its suppliers, supported by established procedures for supplier selection, appointment and performance assessment.

The selection and appointment of suppliers are governed by the *Technical Procedures: Selection and Appointment of Suppliers* under the QMS and the *New Supplier Assessment Procedures*. Before entering into a contract with a prospective supplier, the Group conducts a pre-qualification assessment to consider whether the supplier is capable of meeting the requirements of the Group and its customers.

The assessment takes into account matters including the value of the products or services to be procured, customer requirements, quotations submitted by the supplier, and compliance with applicable legal and contractual requirements. The scope and depth of the assessment may vary according to the nature and significance of the proposed procurement.

Supplier Performance Assessment and Criteria

The Group conducts an annual Supplier Performance Assessment to monitor the performance of its existing suppliers and determine their suitability for continued engagement. Suppliers are assessed against ten criteria, with an overall maximum score of 100.

Supplier Performance Assessment Criteria

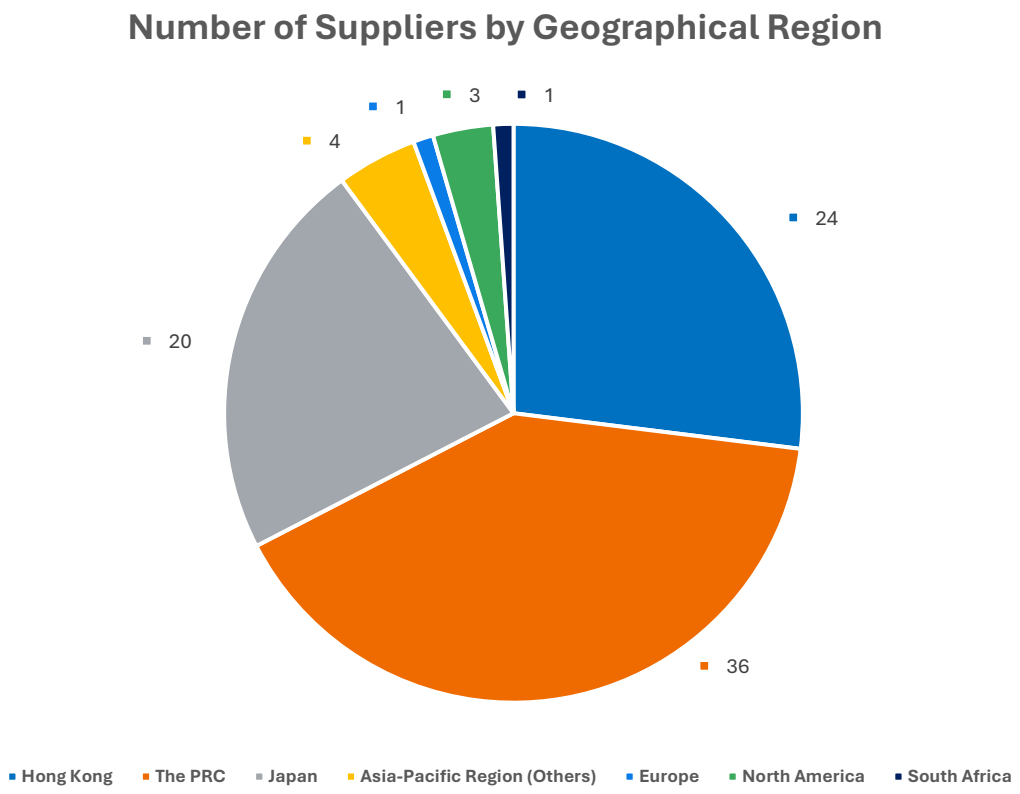


During the Reporting Period, all suppliers assessed met the Group's requirements for continued engagement. The Group worked with 89 (2025: 92) suppliers around the world.

Supplier Profile

The Group's suppliers were located across Hong Kong, the PRC and other overseas markets. Hong Kong and the PRC continued to account for the largest numbers of suppliers, reflecting the geographical concentration of the Group's procurement relationships.

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



Responsible Supply Chain

The Group recognises that the conduct and practices of its suppliers may affect the quality, reliability and sustainability of its supply chain. Environmental and social considerations therefore form part of the Group's approach to supplier management, alongside product and service quality, delivery performance and compliance with legal and contractual requirements.

The Group's Code of Practice for Suppliers, last updated in January 2023, sets out the corporate social responsibility standards expected of its suppliers, contractors and consultants. The Code covers business ethics, workplace practices, responsible marketing, community participation, environmental protection, climate action and cybersecurity. Suppliers are also encouraged to communicate these standards to their respective business partners, where practicable, and to provide information on their sustainability performance.

Code of Practice for Suppliers

Business Ethics	Suppliers are expected to conduct business with integrity and comply with applicable laws and regulations. The Group's expectations also extend to the prevention of collusion and corruption, the protection of confidential information and respect for intellectual property rights.
Working Practices	Suppliers are expected to maintain responsible employment and workplace practices, including those relating to equal opportunities, employee training and development, wages and benefits, working hours and rest days, occupational health and safety, freedom of association, human rights, and the prevention of child and forced labour.
Responsible Marketing	Suppliers are expected to provide accurate information concerning their products and services, handle customer complaints fairly and promptly, and protect customer data. Where practicable, suppliers are also encouraged to consider products and packaging with improved environmental attributes and to promote responsible practices among their business partners.
Community Participation	Suppliers are encouraged to identify opportunities to support the communities in which they operate, including through employee volunteering, assistance for disadvantaged groups and inclusive employment practices, where appropriate.
Environmental Protection and Climate Action	Suppliers are encouraged to manage their environmental impacts and take appropriate action in response to climate change. Relevant practices may include establishing environmental policies and management systems, complying with environmental regulations, conserving natural resources, improving energy efficiency, minimising waste and implementing carbon-reduction and other sustainability initiatives.
Cybersecurity	Suppliers are expected to comply with the Group's applicable cybersecurity requirements and adopt appropriate measures to protect information and systems relevant to their engagement with the Group.

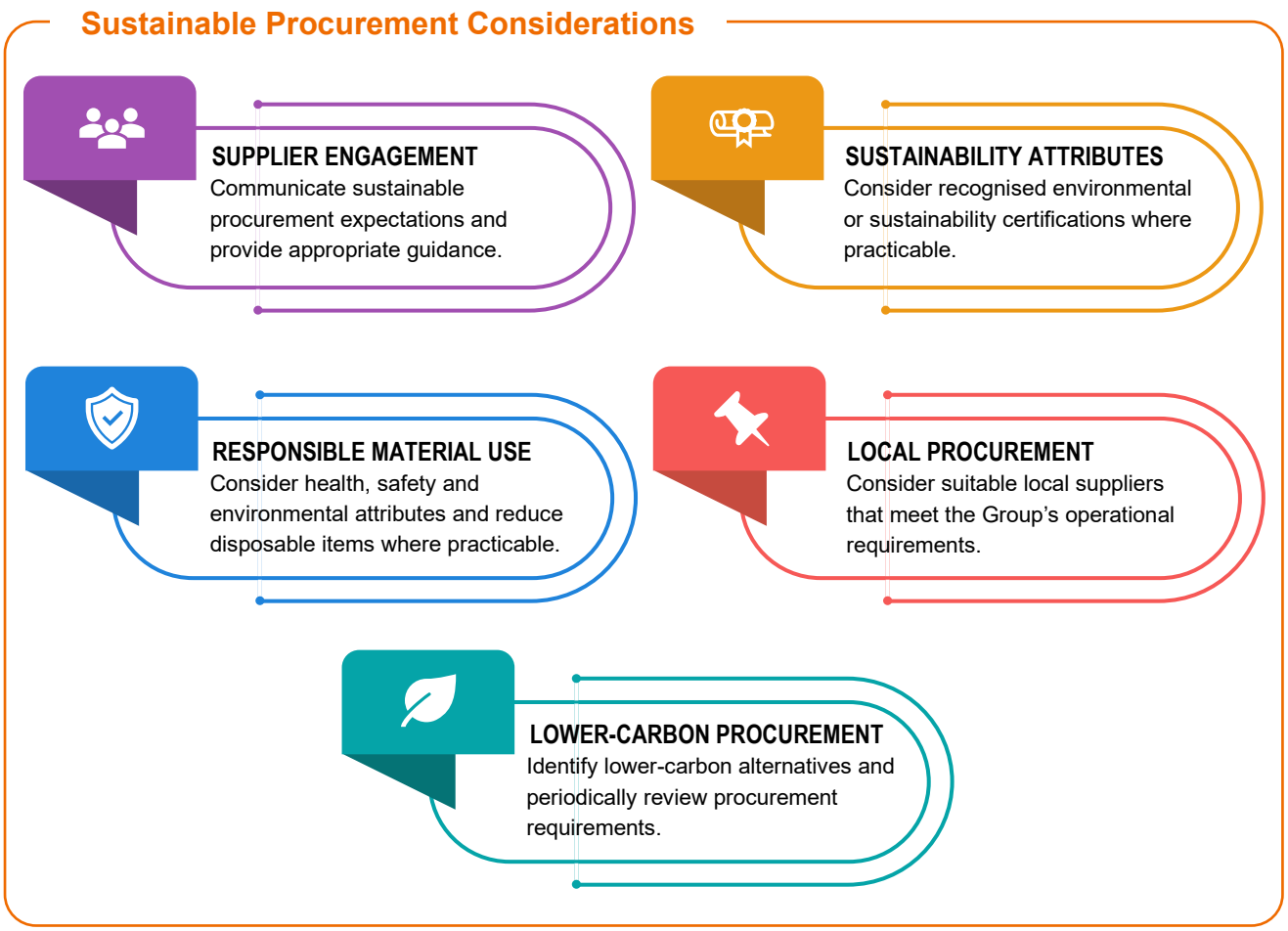
During our supplier selection process, suppliers will be asked whether they have obtained any internationally-recognised certifications (i.e. ISO 9001, ISO 14001, OHSAS 18001) through our supplier questionnaires, and suppliers with these credentials are more likely to be selected or retained. CSR performance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

Sustainable Procurement

The Group's Sustainable Procurement Policy, adopted in July 2025, sets out the environmental and social considerations applicable to its procurement activities and communicates the Group's standards and expectations to relevant employees, contractors, suppliers and subcontractors. The Policy supports the Group's alignment with UN SDG 12: Responsible Consumption and Production and provides a basis for incorporating sustainability considerations into procurement decisions.

In applying the Policy, the Group considers sustainability matters across procurement categories relevant to its operations, including heavy equipment, spare parts and attachments, maintenance materials, safety and monitoring systems, logistics services and office supplies. Procurement decisions take into account product and service quality, suitability, technical and safety requirements, commercial and operational considerations, and relevant environmental and social attributes.

The principal considerations under the Sustainable Procurement Policy include:



The Group will continue to develop its sustainable procurement practices progressively, taking into account the nature and scale of its operations, product availability, technical and safety requirements, commercial considerations and the environmental and social performance of its suppliers.

04

DEDICATED WORKFORCE

TLMC recognises that the experience, capabilities and commitment of its employees are fundamental to the effective operation and long-term development of its business. The Group strives to provide a safe, supportive and inclusive workplace by safeguarding occupational health and wellbeing, developing employees' professional and technical capabilities, providing appropriate welfare and benefits, and fostering communication, engagement and equal opportunity across its workforce.

- Occupational Health and Safety
- Workplace Well-being
- Training and Development
- Employee Welfare
- Benefits and Compensation
- Communication and Engagement
- Diversity and Equal Opportunity

United Nations Sustainable Development Goals (SDGs)



DEDICATED WORKFORCE

The Group recognises that the experience, capabilities and commitment of its employees are fundamental to the effective operation and long-term development of its business. It is committed to maintaining a safe, supportive and inclusive workplace in which employees are treated fairly, provided with opportunities to develop their knowledge and skills, and encouraged to contribute to the Group's continued progress.

In view of the operational and technical nature of its business, the Group places particular emphasis on occupational health and safety, workforce wellbeing and the continued development of professional and technical capabilities. Its employment practices are governed by the Staff Handbook, the Human Resources Manual and other relevant policies, which set out the Group's standards and requirements in relation to employment, employee conduct, remuneration and benefits, training and development, workplace safety, diversity and equal opportunity.

The Group complies with applicable employment and occupational health and safety laws and regulations in the jurisdictions where it operates, including the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong) and the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong). These policies and requirements provide the basis for the Group's management of employment practices, workplace safety, employee development and engagement.

Occupational Health and Safety

The nature of the Group's operations involves the use, handling, storage, transportation and maintenance of heavy equipment. These activities may expose employees and contractors to machinery-related and other occupational hazards. The Group therefore regards occupational health and safety as a fundamental operational priority and is committed to providing a safe and healthy working environment through the identification, assessment and management of risks arising from its activities.

The Group manages occupational health and safety through its Health and Safety Policy, which was updated in July 2024 and sets out its approach to identifying, assessing and managing hazards and risks arising from its operations, particularly those affecting employees and contractors involved in or working around heavy equipment. The Policy is implemented through established practices, including workplace inspections, site-access requirements, safety induction and training, and the provision of relevant information, instruction and supervision.

In addition to strengthening safety awareness and supporting the management of workplace hazards, the Policy promotes shared responsibility for occupational health and safety among employees and management at all levels of the Group. The Group also communicates its health and safety expectations to its business partners with a view to promoting responsible practices across its operations and business relationships.

These principles are reflected in five principal commitments under the Health and Safety Policy. Together, the commitments provide the basis for the Group's approach to promoting employee wellbeing and safety awareness, managing occupational hazards and emergencies, providing appropriate training and supervision, reinforcing shared responsibility and communicating health and safety expectations to its business partners.

Health and Safety Policy Commitments



The Group implements the Policy in accordance with applicable occupational health and safety laws and regulations, including the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong).

Working Environment Inspection

The Group has established a Working Environment Inspection initiative under its Quality Management System to monitor workplace conditions and identify potential health and safety concerns. The inspection covers air circulation, noise, workplace hygiene, lighting, indoor temperature and humidity, unobstructed pedestrian walkways, fire-fighting facilities, escape routes and other safety equipment.

During the Reporting Period, all items covered by the inspection were assessed to be in good condition.

Safety Induction and Training

The Group regularly provides safety-awareness training and relevant briefing materials to strengthen employees' understanding of occupational hazards and the corresponding preventive and protective measures.

All workers are required to complete the Success Sky Induction Training before commencing work on-site. Individuals who do not hold the requisite Safety Card and the Safety Training Form issued by TLMC upon successful completion of the induction training are not permitted to enter construction sites. The induction covers the general duties and safety guidelines applicable to site-based work, enabling workers to understand the Group's safety requirements and the precautions to be observed in carrying out their duties.

Regular safety briefings and relevant guidance materials are also provided to reinforce employees' occupational health and safety knowledge and strengthen their preparedness for unexpected situations that may arise during outdoor work.

Outdoor Work and Extreme Weather

Employees undertaking outdoor work may be exposed to high temperatures, adverse weather and other environmental conditions. The Group communicates relevant safety precautions and work arrangements to support employees in managing the occupational health and safety risks associated with such conditions.

Further information on the measures adopted in relation to outdoor work under extreme weather conditions is provided in the section headed "Climate Change Adaptation".

Safety Performance

During the Reporting Period, the Group recorded 2 (2025: 6) work-related injuries, resulting in 434 (2025: 150) lost days due to work injury. The injury rate was 2.22[1] (2025: 5.17) per 100 employees. No work-related fatalities were recorded during the Reporting Period or in either of the preceding two reporting periods.

Safety indicator	2023/24	2024/25	2025/26
Work-related fatalities	0	0	0
Work-related fatality rate	0.00	0.00	0.00
Reported work-related injuries	6	6	2
Lost days due to work injury	120	150	434
Injury rate per 100 employees	5.61	5.17	2.22

[1] *The injury rate per 100 employees is calculated by dividing the number of work-related injuries by the Group's total workforce as at the end of the Reporting Period and multiplying the result by 100.*

Workplace Well-being

The Group recognises that workplace conditions may affect employees' physical health, wellbeing and ability to perform their duties effectively. In addition to managing operational safety risks, the Group seeks to maintain a healthy and suitable working environment through regular assessment of workplace conditions and the communication of relevant occupational-health guidance.

Workplace Environmental Assessment

As part of its workplace review arrangements, the Group conducts an annual Workplace Environmental Assessment at its facility. During the Reporting Period, the assessment was performed by the QMS auditor commissioned by the Group and covered eight aspects of the working environment, encompassing ventilation and odour, noise and vibration, workplace hygiene, lighting, indoor temperature and humidity, access routes, fire-fighting facilities and other safety equipment.



All eight aspects assessed during the Reporting Period achieved a satisfactory level of conformance.

Healthy Workplace Practices

The Group maintains a Smoke-Free Workplace Policy to protect employees from the adverse health effects of smoking and its potential impact on work performance. In accordance with applicable legal requirements, smoking is prohibited in all indoor areas of the workplace.

The Group also communicates to its employees the Office Occupational Health and Safety Guidelines developed by the Occupational Safety and Health Council. The Guidelines address office workplace management, appropriate lighting, indoor air quality, security, equipment handling, responses to workplace hazards and mental wellbeing, providing practical guidance for maintaining a healthy and safe office environment.

Occupational Health and Safety Guidance

The Group has established specific guidance on the prevention of occupational diseases, including occupational asthma, arthritis and tenosynovitis, as part of its efforts to protect employees' occupational health.

The Group also distributed the Guidelines on Work-Above-Ground Safety published by the Construction Industry Council and the Code of Practice for Safety and Health at Work in Confined Spaces published by the Occupational Safety and Health Council. These materials complement the Group's own occupational health and safety guidance and support its approach to managing the relevant work-related risks.

Training and Development

The Group recognises that the continued development of employees' knowledge and capabilities is important to maintaining service quality, supporting safe operations and responding to the technical requirements of its business. Guided by its Learning and Development Policy, the Group provides training and development opportunities having regard to employees' roles and development needs, as well as the Group's operational and business objectives.

The Administration Department coordinates the implementation of the Group's training and development arrangements for employees at different levels. Training needs are considered with reference to employees' job responsibilities and development interests, together with the professional, technical and operational capabilities required by the Group.

Induction and Technical Training

The Success Sky Induction Training introduces employees to the Group's core values, organisational structure, business objectives, relevant policies and Code of Conduct. The programme provides employees with a common understanding of the Group's operations and the standards of conduct expected in carrying out their duties.

Given the technical nature of the Group's business, product-specific training is arranged for technicians and operators whose roles require specialised knowledge and skills. Certain training programmes are delivered directly by the Group's suppliers, enabling the technical team to keep abreast of the operation and maintenance requirements of the relevant equipment.

The knowledge and skills acquired through such training support the proper operation and maintenance of equipment and strengthen the technical team's ability to respond promptly and effectively to customer enquiries.

Apprenticeship and Youth Development

The Group seeks to support the development of younger talent by providing structured opportunities to acquire professional and technical skills and pursue a career in the construction machinery industry. TLMC is recognised as an approved employer under the Approved Technical Talents Training Programme organised by the Hong Kong Institute of Construction ("HKIC").

Under the programme, the Group offers two- or three-year apprenticeships to suitable recent graduates of the Hong Kong Institute of Construction. Applicants are assessed on their merits and abilities through a review of their applications and an interview conducted as part of the recruitment process. Successful candidates receive practical training and workplace experience intended to support their technical development and career progression.

External and Professional Development

In addition to its internal training arrangements, the Group supports employees in undertaking external training relevant to their roles and responsibilities. Such support extends to job-related courses, relevant public examinations and applications for membership of professional associations, enabling employees to broaden their professional knowledge and pursue qualifications relevant to their work.

The training supported by the Group covers a range of technical, operational and professional subjects, including business ethics, anti-corruption and occupational health and safety. This complements the Group's induction and product-specific training and supports the continued development of employees across different functions and levels.

Training Activities and Performance

During the Reporting Period, the Group's Directors and employees completed a total of 558.75 hours of training (2024/25: 596.80 hours), representing an average of 6.21 hours per employee (2024/25: 5.14 hours per employee). Training was provided across different employee categories, reflecting their respective responsibilities and development needs.

Training activities during the Reporting Period covered occupational safety, machinery operation and technical skills, industry developments, corporate governance and regulatory requirements, integrity management and sustainability. Employees received training on construction safety supervision, confined-space work, safe lifting practices and the safe operation of heavy machinery, together with role-specific induction and technical training for machinery operators and maintenance personnel. Directors participated in programmes covering directors' duties, corporate governance and Listing Rule developments, risk management and internal controls, construction safety, integrity management, climate-related risks and carbon-emissions disclosure. Representative programmes included the Construction Industry Council's Global AI and Smart Construction Conference 2026, the Hong Kong Exchanges and Clearing Limited ESG Academy programme on risk management and internal controls, and the Independent Commission Against Corruption's training on the ethical and governance roles of directors and senior management of listed companies.

Further information on the number and percentage of employees trained and the average training hours completed, with breakdowns by gender and employment category, is set out in the Performance Data Summary.

Employment Welfare

The Group recognises that its employees are integral to its long-term development and the continuity of its operations. It seeks to maintain a supportive workplace by providing appropriate remuneration and benefits, recognising employee performance, facilitating communication across the organisation and arranging activities that strengthen interaction and team cohesion.

Benefits and Compensation

The Group provides employees with remuneration and benefits comprising basic salary, performance-related discretionary bonuses, retirement benefits, overtime allowances and coverage under the Group Medical Insurance Scheme.

As set out in the Staff Handbook, employees are entitled to rest periods and various forms of leave, including annual leave, sick leave, education leave, maternity leave, paternity leave, marriage leave, compassionate leave and jury leave.

The Human Resources Manual also sets out the compensation arrangements for employees who are required by management to work outside their normal working hours. Depending on the nature and circumstances of the work performed, eligible employees may receive compensation leave, job-related payments or reimbursement.

Employee Activities

The Group arranges employee activities to facilitate interaction among colleagues, strengthen team cohesion and enhance employees' sense of belonging. Employees are encouraged to participate in these activities, which provide opportunities for communication outside the normal working environment.

During the Reporting Period, the Group organised a barbecue gathering and a company opening ceremony following Chinese New Year, providing opportunities for employees to interact and strengthen connections outside their day-to-day work.

Barbecue gathering



Chinese New Year Opening Ceremony



Communication and Engagement

The Group recognises that mutual trust, communication, respect and understanding among employees across different functions and levels contribute to effective collaboration. Employees are encouraged to express their views and offer constructive feedback to their immediate supervisors or senior management through staff communication groups, briefing sessions and other informal communication channels.

The Group is also committed to handling employee grievances with due regard to confidentiality and respect. Matters raised are reviewed and, where necessary, addressed through appropriate investigation and resolution procedures.

Diversity and Equal Opportunity

The Group is committed to maintaining a diverse, inclusive and fair workplace in which employees are treated with dignity and respect. Its approach is guided by the Workforce Diversity Policy, formulated in March 2025, and the Equal Opportunity Policy contained in the Human Resources Manual. Together, these policies prohibit discrimination, harassment, victimisation and vilification and support equal opportunity in recruitment, promotion and employee retention.

Fair and Merit-based Employment Practices

The Staff Handbook requires recruitment to be conducted in an open, fair and impartial manner. Employment decisions are based on candidates' abilities, integrity and suitability for the relevant position. The Group provides equal employment opportunities irrespective of age, sex, marital status, pregnancy, family status, disability, race, nationality or religion.

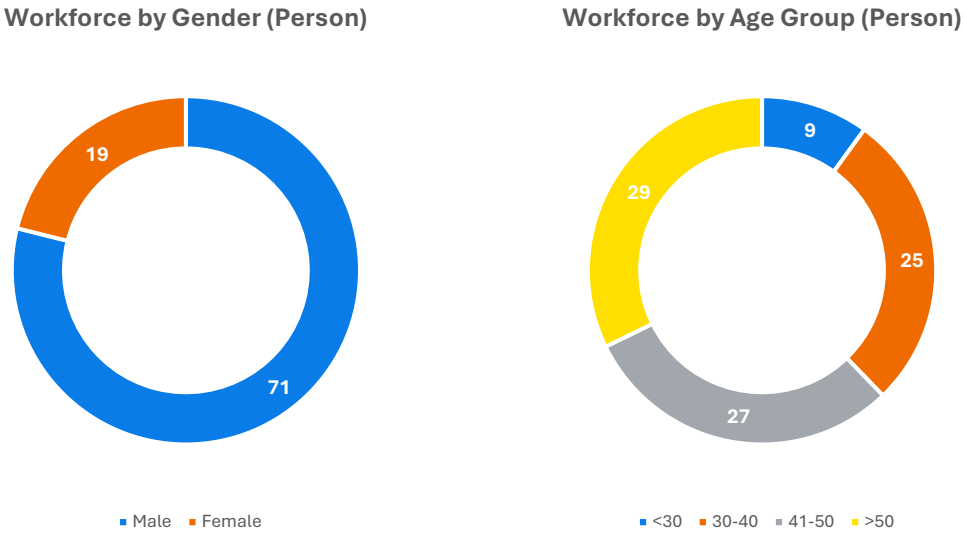
Candidates and employees are assessed on relevant merits and capabilities, including job knowledge and technical expertise, competence and potential, performance and quality of work, qualifications, working attitude, interpersonal skills and other attributes relevant to the position. The Group also provides employees with training on diversity and inclusion-related matters from time to time.

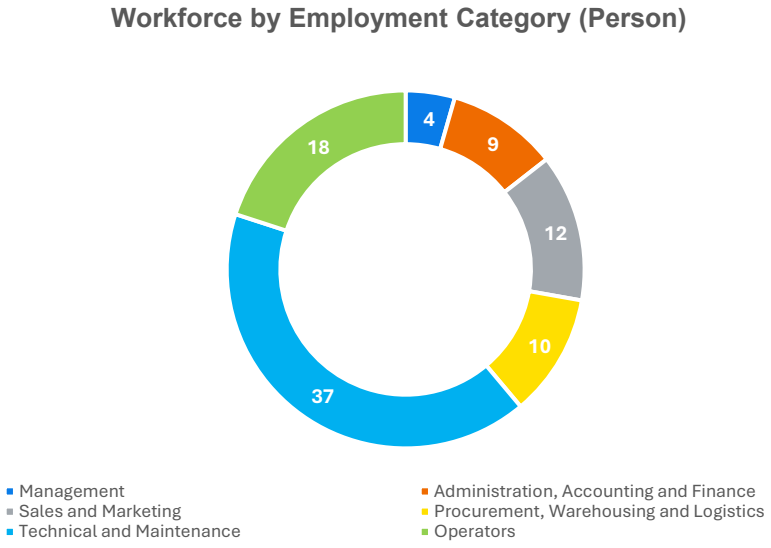
Prevention of Sexual Harassment

The Staff Handbook reflects the requirements of the Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong) and makes clear that sexual harassment is not tolerated within the Group. Employees who experience sexual harassment may lodge a complaint with the Human Resources Department, which is responsible for reviewing and investigating the matter with due care. Appropriate disciplinary action may be taken where a breach of the relevant requirements is established.

Workforce Composition

As at 31 July 2026, the Group employed 90 (31 July 2025: 116) employees. Its workforce comprised employees across management, administration, accounting and finance, sales and marketing, procurement, warehousing and logistics, technical and maintenance, and equipment operation functions. All employees were employed on a full-time basis and based in Hong Kong.





05

CORPORATE CITIZENSHIP

TLMC seeks to contribute to the wellbeing of the communities in which it operates through community investment, financial contributions and employee participation. Guided by its Social Investment Policy, the Group supports initiatives addressing community health and wellbeing, environmental sustainability and youth development, while maintaining engagement with charitable and non-profit organisations serving different community needs.

- Social Investment Policy
- Employee Participation
- Community Contributions
- Supporting Our Communities

United Nations Sustainable Development Goals (SDGs)



CORPORATE CITIZENSHIP

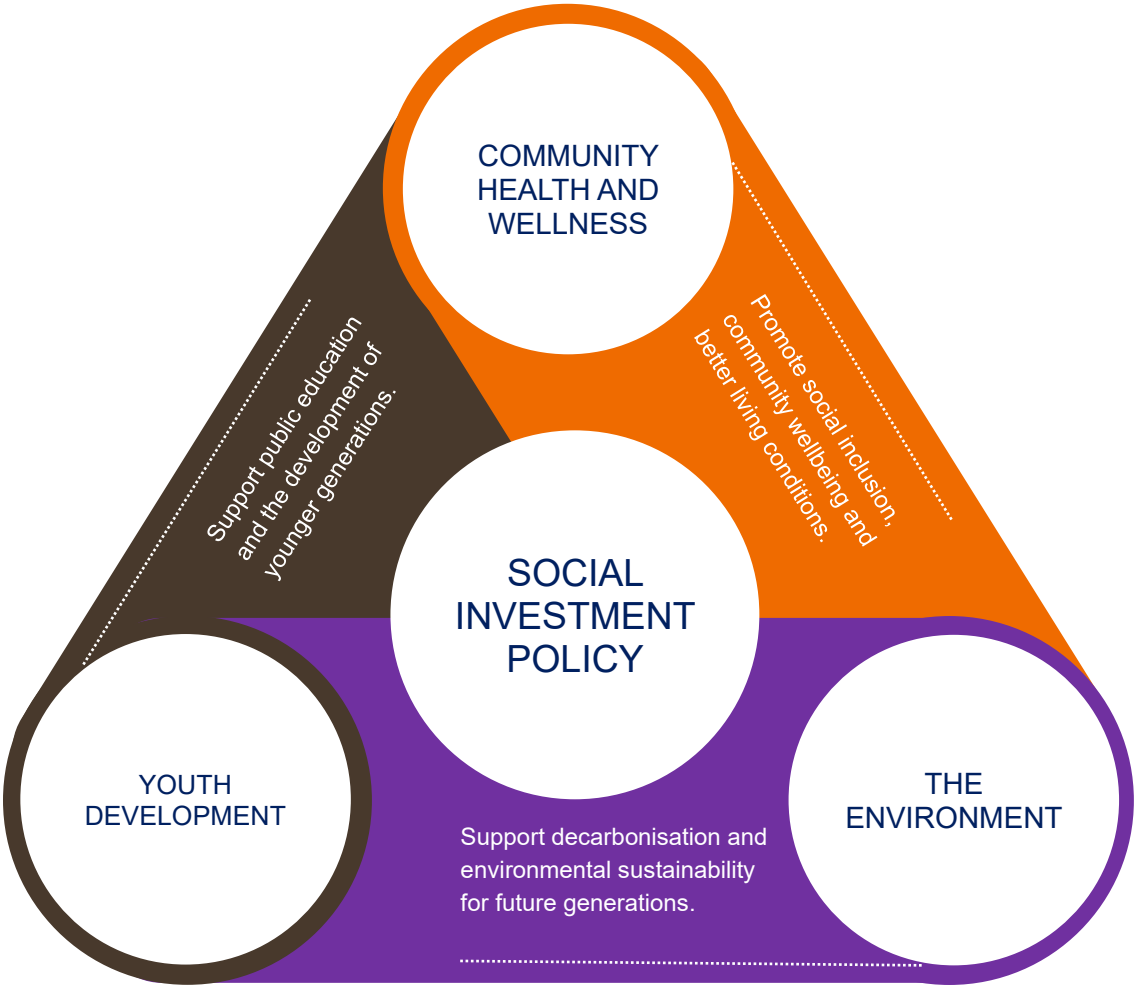
The Group recognises its responsibility to contribute to the communities in which it operates. Through charitable giving, employee participation and engagement with charitable and non-profit organisations, the Group supports initiatives addressing community wellbeing, social inclusion and youth development.

During the Reporting Period, the Group provided support to community organisations including the IMC of Hong Kong Christian Service Pui Oi School, Pro Bono HK Limited, Hong Chi Association, The Community Chest of Hong Kong, the Hong Kong Federation of Trade Unions Hong Ling Society and the HKFTU Disasters Relief Charity Fund, having regard to identified community needs and the priorities established under its Social Investment Policy.

Social Investment Policy

The Group's approach to community investment is guided by its Social Investment Policy, which was formulated and implemented in July 2023. The Policy affirms the Group's commitment to supporting the communities in which it operates, promoting social inclusion and contributing to the long-term wellbeing of its stakeholders.

Under the Policy, the Group focuses its community initiatives on three principal areas: Community Health and Well-being, the Environment and Youth Development.



Through its focus on Community Health and Well-being, the Group seeks to support initiatives that promote social inclusion, enhance community wellbeing and improve the living conditions of employees and disadvantaged members of the community.

Under the Environment, the Group supports initiatives that promote decarbonisation and environmental sustainability for future generations. The Group also seeks to reduce the carbon footprint arising from its own operations, with further information on its environmental and climate-related measures provided in the relevant sections of this Report.

Through Youth Development, the Group supports public education and the development of younger generations, recognising the importance of equipping young people with the knowledge, skills and opportunities required to contribute to the future of their communities.

Where applicable, the Group encourages its project companies, associates, suppliers and business partners to make reference to the principles set out in the Social Investment Policy when planning and undertaking community-related initiatives.

Community Contributions

During the Reporting Period, the Group made eight charitable contributions totalling HK$305,000 to support a range of community needs. These contributions supported education and youth development, social welfare, elderly services, access to justice and disaster relief.

Among these contributions, the Group donated HK$42,000 to the IMC of Hong Kong Christian Service Pui Oi School to support a campus farming and cultivation initiative, and HK$50,000 to Pro Bono HK Limited to support its work in improving access to justice. The Group also contributed HK$45,000 to Hong Chi Association and HK$6,000 to The Community Chest of Hong Kong in support of their community services.

The Group made contributions totalling HK$4,000 to fundraising initiatives supporting elderly services. In response to the incident at Wang Fuk Court in Tai Po, the Group also contributed a total of HK$130,000 through the HKFTU Disasters Relief Charity Fund and an industry fundraising initiative to support affected residents and related relief efforts.

Employee Participation

In September 2025, the Group purchased Mid-Autumn Festival charity mooncake gift boxes from Hong Chi Association. Employees took part in distributing the gift boxes, including within the community, and helped convey the Group's festive greetings to recipients. The initiative combined employee participation with responsible procurement and supported the social enterprise's work in providing vocational training and employment development opportunities for persons with intellectual disabilities.



Supporting Our Communities

The Group continues to incorporate community participation into its broader approach to responsible business. Through charitable giving, employee participation and engagement with community organisations, the Group seeks to support initiatives that respond to identified social needs and are consistent with the priorities of its Social Investment Policy.

The Group will continue to consider appropriate opportunities to support local charitable and community initiatives, having regard to community needs, the relevance of the proposed initiative and the resources available to the Group.

06

GREEN OPERATIONS

The Group is committed to managing the environmental impacts arising from its operations through responsible resource use, emissions management and pollution prevention. We monitor our environmental performance, implement practical efficiency measures and promote environmentally responsible practices across our operations to support compliance, operational efficiency and long-term sustainable development.

- Environmental Management
- Emission and Energy Management
- Energy Use and Efficiency
- Paper Usage
- Biodiversity
- Environmental Compliance
- Air and Noise Emission
- Waste Management
- Water Management
- Climate Change and Resilience

United Nations Sustainable Development Goals (SDGs)



GREEN OPERATIONS

The Group is committed to managing the environmental impacts arising from its operations and pursuing more environmentally responsible operating practices. As the Group is principally engaged in the sale, leasing and maintenance of heavy equipment, its operations are not associated with the resource-intensive manufacturing processes or extensive on-site equipment use typically undertaken elsewhere in the industry value chain. Nevertheless, the Group recognises the environmental impacts arising from fuel and electricity consumption, vehicle and equipment use, repair and maintenance activities, waste generation and water consumption, and remains committed to managing these impacts responsibly.

The Group seeks to minimise its environmental footprint through compliance with applicable laws and regulations, effective emissions control, responsible use of energy and natural resources, proper waste management and measures to strengthen climate resilience. The Group also supports customers' evolving environmental requirements by offering equipment with improved fuel efficiency and lower-emission technologies and providing inspection, maintenance and lifecycle support to maintain equipment performance.

Environmental Management

The Group's Environmental Policy provides the framework for managing the environmental impacts and risks associated with its operations. The Policy was updated in July 2025 to reinforce the Group's commitments to pollution prevention, responsible use of energy and natural resources, waste management, climate resilience and continuous improvement in environmental performance.

The Group implements its environmental approach through operational procedures and controls covering air and noise emissions, greenhouse gas emissions, energy and water consumption, waste handling and compliance with relevant environmental requirements. Environmental performance is monitored through the collection and review of relevant operational data, while targets and initiatives are established to support continued improvement.

Environmental Compliance

The Group is committed to complying with the environmental laws and regulations applicable to its operations, including requirements relating to air and noise emissions, wastewater discharge and the handling of hazardous and non-hazardous waste. Relevant operational controls and procedures are maintained to support compliance, while the applicable regulatory requirements are monitored as part of the Group's environmental management practices.

The machinery procured by the Group is required to meet the applicable regulatory requirements administered by the Environmental Protection Department (the "EPD"). Regulated non-road mobile machinery ("NRMM") held for sale or leasing is approved or exempted in accordance with the Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Cap. 311Z of the Laws of Hong Kong), as applicable. The Group maintains the relevant approval or exemption labels for regulated machinery within its inventory and leasing fleet.

The Group also offers equipment bearing Quality Powered Mechanical Equipment ("QPME") labels issued under the QPME label scheme administered by the EPD. The labels identify powered mechanical equipment that meets the applicable noise-emission criteria and support customers in selecting quieter equipment for use at construction sites. Where applicable, the relevant equipment specifications and certifications are reviewed to confirm conformity with the requirements of the scheme.

As of 31 July 2026, the Group held the following approved, exempted and QPME-labelled machinery:

Equipment category	Exempted NRMM	Approved NRMM	QPME Labels
Inventory (unit)	0	192	59
Leasing Fleet (unit)	2	558	387

Emissions and Energy Management

Air and Noise Emissions

The Group's air emissions arise principally from fuel consumed by vehicles used to support its operations, including the transportation of personnel and the delivery and collection of heavy equipment. The principal air pollutants generated are nitrogen oxides ("NOx"), sulphur oxides ("SOx") and particulate matter ("PM"). The Group monitors fuel consumption and calculates the corresponding air emissions annually to assess its performance and identify opportunities for improvement.

The Group maintains its vehicles and operational equipment regularly to support fuel efficiency and minimise air and noise emissions. It also seeks to improve transportation efficiency through the coordination of delivery and collection schedules and the optimisation of travel routes, where practicable.

In relation to its leasing operations, the Group conducts inspections before the delivery of machinery and provides regular maintenance throughout the leasing period to maintain equipment performance. Older machinery is progressively replaced having regard to its operating condition, customer requirements and applicable regulatory standards, while machinery incorporating more fuel-efficient and lower-emission technologies is introduced where commercially and operationally appropriate.

The Group also implements measures to control noise generated by machinery and equipment. These measures include the use of anti-vibration devices, silencers, air-compressor tubing and flexible joints for draught fans, where applicable, as well as the provision of quieter equipment. Regular inspection and maintenance are conducted to support the proper operation of such noise-control measures.

The Group monitors the fuel and electricity consumption of its company vehicles and calculates the associated greenhouse gas and air emissions annually. When replacing company vehicles, the Group considers fuel efficiency and lower-emission alternatives, having regard to operational requirements, technical suitability and commercial viability. During FY2025/26, the Group operated 26 company vehicles, which travelled approximately 341,976.89 km in aggregate.

CASE Supporting Fleet Decarbonisation through Carbon Offsetting

During FY2025/26, the Group continued to participate in Shell's carbon-offset programme for eligible fuel purchases. Through the programme, carbon credits are applied to compensate for the emissions associated with the participating fuel purchases, complementing the Group's ongoing efforts to manage vehicle-related emissions.

The Group received a certificate covering approximately 106 tCO_2e of compensated emissions during the Reporting Period. The programme supplements the Group's fleet-management and operational efficiency measures, while the Group continues to report its greenhouse gas emissions on a gross basis.


Carbon Credits Retirement Certificate

This is to certify that: 106 carbon credits were retired for ECONSMART LTD

by Shell from their global carbon credit portfolio on 10 February 2026

to compensate for 106 tonnes of CO_2e emissions from the Shell products purchased in 2025.

Serial number

Project information

The Group's air emissions for the Reporting Period, together with comparative information for the preceding two reporting periods, are presented below.

Emission type	Unit	2023/24	2024/25	2025/26	% Change[2]
NOx	kg	421.56	442.84	493.12	11.35%
SOx	kg	0.68	0.77	0.89	15.62%
PM	kg	33.14	34.02	38.02	11.75%

Note: Air emissions were calculated based on vehicle mileage, fuel consumption, fuel type and vehicle category using the applicable emission factors set out in the Reporting Guidance on Environmental KPIs published by the Stock Exchange.

During the Reporting Period, the Group's NOx, SOx and PM emissions increased by 11.35%, 15.62% and 11.75%, respectively, compared with the previous reporting period. The changes were mainly attributable to higher mileage travelled by diesel-powered goods vehicles, including an increase in the use of heavy goods vehicles, which have comparatively higher emission factors. The increase in Sox emissions mainly reflected the higher consumption of diesel during the Reporting Period.

Air-emissions Target and Progress

The Group has set a target to reduce its combined NOx, SOx and PM emissions by 15% by FY2027/28, using FY2024/25 as the baseline year. During the Reporting Period, combined air emissions amounted to 532.03 kg (2024/25: 477.63 kg), representing an increase of 11.39% from the baseline.

Target	FY2024/25 baseline	FY2025/26 performance	Progress	Status
By FY2027/28, reduce combined NOx, SOx and PM emissions by 15% from the FY2024/25 baseline	477.63 kg	532.03 kg	Increased by 11.39% from the baseline	Further progress required

[2] *The percentage change compares FY2025/26 with FY2024/25.*

To support the achievement of this target, the Group continues to optimise logistics arrangements, maintain its vehicles regularly and, where practicable, prioritise hybrid or electric models when replacing company vehicles. The Group also monitors vehicle mileage and fuel consumption to track its air emissions performance.

CASE HYBRID AND ELECTRIC EQUIPMENT

Over the years, the Group has expanded its sales and leasing portfolio to include hybrid hydraulic excavators and electric equipment. Compared with equivalent machinery powered solely by internal combustion engines, hybrid equipment generally offers improved fuel efficiency and lower operating emissions.

The Group leased its first electric excavator for use at a construction site in Hong Kong in August 2021. Since 2022, it has also purchased electric aerial work platforms for sale and leasing and expanded its leasing fleet in response to growing demand.

As customers increasingly value the environmental performance of construction machinery, the Group continues to broaden its equipment offerings to meet evolving operational and environmental requirements.



The Group's first electric excavator leased for use at a construction site in Hong Kong


Electric aerial work platform available for sale and leasing




Electric aerial work platform in operation

Energy Use and Efficiency

Fuel and electricity are the principal sources of energy used in the Group's operations. Diesel and petrol are primarily consumed in the operation and transportation of heavy equipment, including the delivery and collection of equipment sold or leased to customers, as well as for employee transportation. Electricity is used to power electrical appliances and equipment supporting the Group's operations and to charge electric vehicles used for business purposes.

Principal Energy Sources and Uses

Energy Type	Function
Diesel, Petrol	❑ Operating and transporting heavy equipment, including the delivery and collection of equipment sold or leased to customers ❑ Employee transportation
Electricity	❑ Powering electrical appliances and equipment supporting the Group's operations ❑ Charging electric vehicles used for business purposes

The Group seeks to improve energy efficiency through a range of operational and workplace measures. Employees are encouraged to use energy responsibly, while the Group continues to monitor its energy consumption and identify practicable opportunities to improve operational efficiency.

The Group's Energy-saving Initiatives



Solar Energy

In 2020, the Group installed solar panels on the rooftop of its warehouse. The solar panels are connected to the power grid under the Feed-in Tariff Scheme of CLP Power Hong Kong Limited and provide a source of renewable energy. During the Reporting Period, the solar panels generated 82,502.45 kWh of electricity (2024/25: 53,442.29 kWh), representing an increase of 54.38%.

The Group monitors the performance of the solar-power system and continues to explore practicable opportunities to increase renewable-energy generation at its facilities.

The Group's energy consumption during the Reporting Period, together with comparative information for the preceding two reporting periods, is presented below.

Energy Consumption

Energy source	Unit	2023/24	2024/25	2025/26	Change[3]
Diesel	litre	34,688.52	42,015.04	51,432.14	22.41%
Petrol[1]	litre	8,029.28	6,184.16	4,230.74	(31.58)%
Electricity[4]	kWh	137,991.25	212,543.80	240,784.73	13.29%
Total energy consumption	MJ	2,105,368.41	2,594,602.19	2,996,796.93	15.50%
Energy intensity by revenue	MJ/HK$ million revenue	7,546.12	7,845.79	10,583.14	34.89%

Note:

1. Petrol consumption includes fuel consumed by the hybrid vehicle.

During the Reporting Period, the Group's total energy consumption increased by 15.50%, mainly reflecting higher diesel consumption associated with the increased use of diesel-powered goods vehicles and higher electricity consumption across its facilities. Petrol consumption decreased following changes in the composition and use of the Group's vehicle fleet, partially offsetting the overall increase.

Energy consumption represents the principal source of the Group's operational GHG emissions. Further information on the Group's GHG emissions and related targets is set out in the subsection headed "Climate Metrics and Targets".

Energy Targets and Progress

During the Reporting Period, the Group continued to implement the energy-saving measures described above. Renewable-electricity generation increased significantly from the FY2024/25 baseline and exceeded the corresponding FY2027/28 target ahead of schedule. The Group will continue to monitor its energy performance and maintain the effective operation of its solar-power system.

[3] *The percentage change compares FY2025/26 with FY2024/25.*

[4] *Electricity consumption includes purchased grid electricity, on-site consumption of self-generated solar electricity and estimated off-site EV charging. Electricity exported to the grid is excluded.*

Target	FY2024/25 baseline	FY2025/26 performance	Progress	Status
By FY2027/28, reduce energy-use intensity by 5% from the FY2024/25 baseline	7,845.79 MJ/HK$ million revenue	10,583.14 MJ/HK$ million revenue	Increased by 34.89% from the baseline	Further progress required
By FY2027/28, increase renewable-electricity generation by 10% from the FY2024/25 baseline	53,442.29 kWh	82,502.45 kWh	Increased by 54.40% from the baseline	Target achieved

The Group will continue to implement the energy-saving measures described above and monitor energy consumption and solar-power generation to support progress towards its FY2027/28 targets.

Waste Management

Waste generated from the Group's operations may pose risks to human health and the environment if not properly handled. The Group is committed to managing waste responsibly and diverting reusable and recyclable materials from landfill where practicable. As set out in its Environmental Policy, the Group adopts the "5R" principles of Replace, Reduce, Reuse, Recover and Recycle within its operations and, where practicable, across its value chain.

The Group generates two principal types of non-hazardous waste from its operations, namely scrap metal and other non-hazardous waste, including packaging materials from spare parts, general waste and office waste.

The Group sorts, organises and stores scrap metal in a designated area at its facilities. Once a sufficient quantity has accumulated, the Group arranges for an appointed metal recycler to collect and recycle the scrap metal in accordance with the Construction Waste Disposal Charging Scheme administered by the Environmental Protection Department. During the Reporting Period, the Group recycled 42,270 kg (2024/25: 116,170 kg) of scrap metal.

The Group encourages the reuse and recycling of other non-hazardous materials. A designated area is maintained for the handling of waste, which is collected by an appointed waste collection company for appropriate treatment. During the Reporting Period, 782 tonnes (2024/25: 506 tonnes) of non-hazardous waste were collected, compared with 506 tonnes in the previous reporting period.

The quantity of scrap metal recycled decreased by 63.61%, while other non-hazardous waste collected increased by 54.55% during the Reporting Period. The increase in other non-hazardous waste primarily reflected the higher quantities of general waste, soil and stone, and slurry collected during the year.

The Group will continue to incorporate sustainable procurement practices into its operations to reduce waste at source and promote waste segregation and the "5R" principles among employees.

The Group generates only a limited quantity of chemical waste from its direct use of heavy equipment. Nevertheless, the Group remains committed to ensuring that such waste is handled with due care. As a registered chemical waste producer, the Group complies with the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) in managing chemical waste generated from its operation and maintenance of heavy equipment.

The Group maintains a designated area for the storage of chemical waste in accordance with the Code of Practice on the Packaging, Labelling and Storage of Chemical Wastes issued under the Waste Disposal Ordinance. The Group also encourages lessees to exercise due care and comply with applicable requirements when handling chemical waste arising from the use of leased machinery at their sites.

Waste Targets and Progress

Metric	FY2027/28 target	FY2025/26 performance	Progress from FY2024/25 baseline	Status
Non-hazardous waste intensity	Reduce by 20% from the FY2024/25 baseline	2.91 tonnes/HK$ million revenue	Increased by 54.89% from the baseline	Further progress required
Waste-awareness training	Conduct at least one training session annually on waste segregation and the 5R principles	one campaign conducted	Annual target met	Achieved

The Group will continue to promote waste segregation, recycling and the 5R principles and incorporate waste-reduction considerations into its procurement and operational practices.

Paper Usage

The Group is committed to reducing paper consumption in its offices through the wider use of electronic communication and documentation. Employees are encouraged to print only when necessary, use double-sided printing, and reuse and share stationery and office furniture where practicable.

During the Reporting Period, the Group used 51,000 sheets of paper (2024/25: 72,900 sheets) and recycled 5,000 sheets (2024/25: 5,000 sheets). Paper usage decreased by 30.04%, while the quantity of paper recycled remained unchanged.

Water Management

The Group recognises that water is a scarce resource and is committed to using water efficiently and managing wastewater responsibly. As set out in its Environmental Policy, the Group has implemented water conservation measures across its operations, including promoting water-saving awareness, upgrading to water-efficient appliances and fixtures, and increasing the reuse of water, where practicable.

The Group has installed a sedimentation tank at its facilities as the first stage of wastewater treatment. The tank allows suspended particles to settle before the water is discharged into the public drainage system. Sludge accumulated at the bottom of the tank is removed periodically by a licensed waste collector.

During the Reporting Period, the Group did not encounter any issues in sourcing water that was fit for purpose. The Group consumed a total of 3,766.67 cubic metres of water (2024/25: 7,821.05 cubic metres) across three operating sites.

Indicator	Unit	2023/24	2024/25	2025/26	% Change[5]
Water consumption	m^3	4,573.67	7,821.05	3,766.67	(51.84%)
Water-use intensity by revenue	m^3/HK$ million revenue	16.39	23.65	13.30	(43.76%)
Water-use intensity by FTE	m^3/person	42.74	67.42	41.39	(38.61)%

[5] *The percentage change compares FY2025/26 with FY2024/25.*

Water Targets and Progress

Metric	FY2027/28 target	FY2025/26 performance	Progress from FY2024/25 baseline	Status
Water-use intensity	Reduce by 20% from the FY2024/25 baseline	13.30 m^3/HK$ million revenue	Decreased by 43.76%	Target achieved
Water-saving awareness	Conduct at least one employee water-saving education campaign annually	one campaign conducted	Annual target met	Achieved

The Group will continue to implement its water conservation measures and promote water-saving awareness among employees to support progress towards its FY2027/28 targets.

Biodiversity

Although biodiversity has not been identified as a material issue for the Group, the Environmental Policy sets out the Group's commitment to working towards no net loss and achieving a net positive impact. The Group seeks to minimise the potential impact of its operations on biodiversity and considers biodiversity-related matters, where applicable, throughout its operational activities.

The Group's approach to biodiversity is guided by the following principles:

The Group's Environment Policy - Biodiversity Principles

Biodiversity Principles

- ❑ Avoid operating in areas of high biodiversity value or in close proximity to World Heritage Sites or areas classified under Categories I to IV protected areas of the International Union for Conservation of Nature
- ❑ Minimise potential adverse impacts on biodiversity and uphold the Group's commitment to avoiding deforestation by conducting environmental and biodiversity impact assessments for projects at environmentally significant sites
- ❑ Apply appropriate technologies and the mitigation hierarchy to avoid, minimise, restore or offset biodiversity disturbance and operational impacts
- ❑ Promote biodiversity awareness among employees and stakeholders through community investment and training programmes
- ❑ Respect indigenous peoples living in the vicinity of the Group's operations and minimise potential ecological and cultural impacts on local communities

Climate Change and Resilience

Climate change may give rise to physical and transition risks that affect the operating environment of the Group. Extreme weather events and longer-term changes in climate conditions may disrupt the supply and delivery of machinery and parts, affect the Group's premises, inventories and equipment, and interrupt maintenance and technical services. At the same time, evolving regulatory requirements, machinery technologies and customer preferences may change demand for conventional and more energy-efficient equipment and related services.

The Group recognises that these developments may present both risks and opportunities across its business activities and value chain. During the Reporting Period, the Group continued to incorporate climate-related considerations into its existing governance, risk management and operational processes. It also reviewed the potential effects of identified climate-related risks and opportunities on its operations, business model and value chain, and conducted a qualitative scenario analysis to assess the resilience of its strategy under contrasting climate conditions.

Climate Governance

The Board has overall responsibility for overseeing the Group's climate-related risks and opportunities. In discharging this responsibility, the Board considers material climate-related matters in its oversight of the Group's business strategy, risk management and operational planning. The Board is supported by the ESG Committee, Management and relevant business functions, which facilitate the flow of climate-related information and the implementation of relevant measures across the Group.

The ESG Committee coordinates the identification and assessment of climate-related risks and opportunities and reviews the Group's climate-related policies, measures, metrics and targets. Material findings and developments are reported to the Board for consideration. Management is responsible for implementing the Group's climate-related policies and measures, coordinating the work of relevant business functions and bringing material operational matters to the attention of the ESG Committee.

Relevant business functions monitor climate-related matters affecting their respective areas of responsibility, implement operational measures and collect the data required for internal monitoring and external reporting. These functions include those responsible for procurement, warehousing and logistics, technical and maintenance services, vehicle operations, human resources, environmental data and financial reporting.

Governance level	Principal climate-related responsibilities
Board	Oversees material climate-related risks and opportunities and considers their implications for the Group's business strategy, risk management, operational planning and major decisions. Reviews material climate-related findings, developments and performance.
ESG Committee	Coordinates the identification and assessment of climate-related risks and opportunities. Reviews climate-related policies, measures, metrics and targets, and reports material findings and developments to the Board.
Management	Implements the Group's climate-related policies and measures, coordinates the activities of relevant business functions and monitors material operational matters for reporting to the ESG Committee.
Relevant business functions	Monitor climate-related developments within their areas of responsibility, implement operational measures, collect and report relevant data, and raise material matters through the Group's established management and ESG reporting arrangements.

The ESG Committee meets at least annually and considers material ESG matters, including climate-related matters, as and when required. Climate-related information is communicated through the Group's established governance and reporting arrangements, enabling the ESG Committee and the Board to consider relevant developments and the Group's responses.

The Group supports the Board in maintaining the knowledge and competencies necessary to oversee climate-related matters. During the Reporting Period, four Directors completed a total of 29 hours of ESG and sustainability-related training, covering topics including climate-related risks and their potential financial implications, greenhouse gas emissions and sustainability reporting.

Climate Strategy

The Group considers climate-related risks and opportunities in the context of its machinery sales and leasing, procurement, warehousing and logistics, and maintenance and technical service activities. Its exposure may arise directly through the effects of extreme weather and longer-term changes in climate conditions on its premises, inventories, equipment, employees and operations, and indirectly through changes affecting suppliers, transportation, machinery technologies, regulatory requirements and customer demand.

The nature, timing and extent of these effects may vary under different climate conditions. The Group therefore assesses relevant climate-related risks and opportunities over short-, medium- and long-term horizons and considers their potential implications for its business model, value chain, operational planning and financial performance. These considerations inform the Group's measures to maintain operational resilience, manage energy use and greenhouse gas emissions, and respond to developments in machinery technologies and customer requirements.

Time Horizons

The Group assesses climate-related risks and opportunities over short-, medium- and long-term horizons. These horizons reflect the Group's operational planning and existing environmental targets, together with the periods over which changes in climate conditions, regulatory requirements, machinery technologies, supplier offerings and customer demand may reasonably affect its operations and value chain.

SHORT TERM	MEDIUM TERM	LONG TERM
Up to FY2027/28	**FY2028/29 to FY2030/31**	**Beyond FY2030/31**
Near-term operational planning and the target period of the Group's existing environmental targets.	Regulatory, technological, supplier and customer developments that may require operational or commercial adjustment.	Longer-term physical climate effects and the continuing transition towards more energy-efficient and lower-emission machinery.

A climate-related risk or opportunity may arise or continue across more than one time horizon. The classification indicates the period over which its effects are expected to become more significant to the Group, based on the information reasonably available during the Reporting Period.

Climate-related Risks and Opportunities

The Group identifies climate-related risks and opportunities with reference to their potential effects on its operations, business model and value chain. Physical risks may arise from the direct effects of extreme weather and longer-term changes in climate conditions, while transition risks and opportunities may result from changes in regulatory requirements, machinery technologies, supplier offerings and customer demand. The significance and timing of these matters may vary, and certain risks and opportunities may extend across more than one time horizon.

CLIMATE-RELATED MATTER	CLASSIFICATION	HORIZON	AFFECTED ACTIVITIES	POTENTIAL EFFECTS	CURRENT RESPONSE / CONSIDERATION
Typhoons, extreme rainfall and flooding	Physical risk	S / M / L	Suppliers, logistics, premises, storage, workshop and customer sites	Disruption to procurement, delivery and services; restricted access; possible damage to inventories, machinery and equipment; repair, replacement and business interruption costs.	Adjust work, delivery and operating arrangements having regard to prevailing weather conditions; continue considering appropriate facility, storage and operational measures.
Higher temperatures and prolonged hot weather	Physical risk	S / M / L	Premises, workshop, storage areas, employees and customer-site activities	Higher cooling and ventilation demand; employee health and productivity effects; possible changes in working hours and operating costs.	Implement appropriate employee protection and work arrangements; monitor electricity consumption and operational efficiency.
Climate-related supplier and logistics disruption	Physical risk	S / M / L	Machinery and parts suppliers, ports, shipping and local transportation	Longer lead times, reduced availability of machinery and parts, higher procurement and logistics costs, and delays to maintenance and delivery.	Maintain supplier communication and coordinate procurement, delivery and operational requirements.
Changing policies, regulations and market requirements	Transition risk	S / M / L	Procurement, product specifications, customer requirements, reporting and compliance	Additional data, training and compliance requirements; weaker competitiveness of machinery that does not meet changing expectations.	Monitor relevant developments and communicate with suppliers regarding product specifications and availability.
Changes in machinery technologies and supplier offerings	Transition risk	M / L	Product portfolio, procurement, inventory, technical capability and supporting resources	Changes in equipment availability, acquisition costs, maintenance requirements and competitiveness.	Monitor the development and commercial availability of lower-emission and more efficient machinery; assess capability requirements.
Changes in customer preferences and equipment demand	Transition risk	S / M / L	Sales, leasing, inventory and servicing	Changes in product mix and revenue sources; potentially weaker demand for certain conventional models and increased servicing needs.	Monitor customer requirements and adjust product and service offerings having regard to technical suitability and commercial viability.
Demand for more efficient and lower-emission machinery	Climate opportunity	S / M / L	Sales, leasing, maintenance and technical services	Potential revenue opportunities from suitable hybrid, electric and more energy-efficient equipment and related services.	Continue assessing relevant products and technologies based on availability, performance, infrastructure and customer demand.
Maintenance, repair and lifecycle support	Climate opportunity	S / M / L	Inspection, maintenance, repair and after-sales services	Potential demand for technical support that improves equipment efficiency, reliability and useful life.	Maintain and progressively develop technical knowledge and servicing capabilities.
Operational efficiency and renewable electricity	Climate opportunity	S / M	Electricity use, vehicle fuel consumption and operational expenditure	Potential moderation of energy costs and greenhouse gas emissions.	Monitor electricity and fuel consumption, implement energy-saving measures and use on-site solar electricity.

PHYSICAL EXPOSURE

Weather-sensitive operations

Premises, storage, logistics and technical services are most exposed to severe or prolonged weather.

TRANSITION EXPOSURE

Products and capabilities

Machinery technologies, supplier offerings and customer requirements may change the Group's product and service mix.

CLIMATE OPPORTUNITY

Commercial flexibility

Suitable lower-emission machinery and lifecycle services may create new or expanded revenue opportunities.

The assessment indicates that the Group's principal physical exposures relate to disruption affecting its suppliers, logistics, premises, inventories, equipment and maintenance and technical service activities. Its principal transition exposures arise from evolving machinery technologies, regulatory and market requirements, and changes in customer preferences. These developments may also create opportunities for the Group to provide more energy-efficient and lower-emission machinery and related lifecycle services.

The Group's supplier relationships, range of machinery products and established maintenance and technical capabilities provide a degree of flexibility in responding to these developments. Nevertheless, the Group's exposure and ability to respond remain influenced by factors including the availability and cost of suitable machinery and parts, the pace of customer adoption, technical and infrastructure requirements, and the frequency and severity of extreme weather events.

Effects on the Business Model and Value Chain

The Group's business model depends on the availability and timely delivery of machinery and spare parts, the effective management of inventories and equipment, and its ability to provide sales, leasing, maintenance and technical services to customers. Climate-related risks and opportunities may affect both the Group's own operations and the activities of its suppliers, logistics providers and customers.

01	02	03	04	05	06
Suppliers and procurement	Inbound transport	Warehouse and workshop	Sales, leasing and delivery	Maintenance and services	Customers and equipment use

VALUE-CHAIN STAGE	PRINCIPAL CLIMATE CONSIDERATION	POTENTIAL BUSINESS IMPLICATION
Suppliers and procurement	Product availability, specifications, lead times, procurement costs and access to suitable machinery and parts.	The Group's ability to respond to market changes depends partly on supplier product development and commercial availability.
Transportation and inbound logistics	Shipping interruption, road access and local delivery disruption.	Possible delays, higher logistics costs and reduced inventory availability.
Warehousing, workshop and storage	Extreme rainfall, flooding, heat, physical damage and interrupted access.	Potential inventory and equipment exposure, operational interruption and higher cooling, repair or replacement costs.
Sales, leasing and delivery	Changing customer demand, product transition and weather-related delivery interruption.	Changes in product mix, inventory and leasing decisions, timing of delivery and revenue sources.
Maintenance and technical services	New machinery technologies, heat exposure and adverse-weather interruption.	Additional technical capability and possible disruption to workshop and customer-site services.
Customers and equipment use	Fuel or energy efficiency, emissions, reliability, supporting infrastructure and operational requirements.	Opportunities and risks from changing equipment preferences and demand for lifecycle support.
End-of-life equipment and materials	Maintenance, useful-life extension, parts recovery and waste handling expectations.	Potential support for longer equipment life, with disposal outcomes remaining dependent on customers and other parties.

VALUE-CHAIN CONCLUSION

The Group's most direct exposure lies in logistics, premises, inventories, equipment and service delivery. Strategic flexibility arises principally from its supplier relationships, product range and technical service capabilities.

Its ability to realise climate-related opportunities remains dependent on product availability, customer adoption and commercial viability.

The Group's most direct exposures arise from the possible effects of extreme weather on logistics, premises, inventories, equipment and service delivery. Its upstream exposure is influenced by the availability, specifications and delivery of machinery and parts, while its downstream exposure principally relates to changes in customer requirements and the use of machinery.

The Group's machinery offering and its maintenance and technical service capabilities provide a degree of flexibility in responding to changes in product technologies and customer demand. Its ability to realise climate-related opportunities will nevertheless depend on the availability and commercial viability of suitable equipment, the pace of customer adoption and the technical and infrastructure requirements associated with newer machinery technologies.

Strategy and Decision-making

The Group manages climate-related risks and opportunities through its existing business planning, operational management and environmental management processes. Its approach focuses on maintaining the continuity of its operations, monitoring changes in machinery technologies and customer requirements, improving operational efficiency, and developing the data and capabilities required to support climate-related assessment and reporting.

STRATEGIC RESPONSE	EXISTING FOCUS	DEVELOPMENT CONSIDERATION
Operational resilience	Consider weather effects on premises, inventories, equipment, deliveries and technical services; adjust arrangements where necessary.	Continue assessing exposure to severe, prolonged or concurrent events and the adequacy of operational measures.
Suppliers and procurement	Maintain communication regarding product availability, specifications and technological developments.	Monitor supplier transition, product availability, lead-time risks and technical support.
Products and services	Offer selected hybrid and electric equipment and monitor developments in more efficient and lower-emission machinery.	Consider expansion where products are technically suitable, commercially viable and supported by customer demand.
Maintenance and technical capability	Use existing maintenance, repair and technical functions to support the reliability and useful life of machinery.	Assess further knowledge, training, tools and servicing capabilities as technologies evolve.
Energy and greenhouse gas management	Monitor electricity and vehicle fuel consumption, use on-site solar electricity and maintain Scope 1 and Scope 2 calculations.	Improve efficiency, data quality and monitoring of performance against the emissions-intensity target.
Climate-related assessment and reporting	Review climate-related risks and opportunities and enhance greenhouse gas calculations.	Develop more decision-useful information on operational exposure and financial effects.
Capital and resource allocation	Consider climate-related requirements through relevant operational and business decisions	Assess expenditure having regard to risk, operational need, expected benefit, commercial viability and available resources.

STRATEGIC PRINCIPLE

Preserve operational continuity and commercial flexibility while responding proportionately to changes in physical climate conditions, machinery technologies, supplier offerings and customer requirements.

The Group has established an emissions intensity target for FY2027/28 and monitors its environmental performance against the FY2024/25 baseline. Further adjustments to its operations, products, services and resource allocation will be considered in light of the development of climate-related risks and opportunities, the results of its qualitative scenario analysis, and the availability of reasonable and supportable information.

Transition Plan

CURRENT POSITION

The Group has not adopted a standalone climate transition plan.

Climate-related considerations are addressed through existing business planning, risk management, environmental management and operational processes, having regard to the nature and scale of the Group's activities.

The Group's current priorities include managing electricity and vehicle fuel consumption, monitoring greenhouse gas emissions, improving operational efficiency and responding to developments in machinery technologies, supplier offerings and customer requirements. The Group has also established a target to reduce its Scope 1 and Scope 2 greenhouse gas emissions intensity by 10% by FY2027/28, using FY2024/25 as the baseline year.

The Group will review the need for further adjustments to its operations, products, services and resource allocation having regard to the development of climate-related risks and opportunities, the results of its qualitative climate scenario analysis, and the commercial availability and technical suitability of more energy-efficient and lower-emission machinery. Any future transition measures will be considered in the context of the Group's operational requirements, financial resources and business strategy.

Current and Anticipated Financial Effects

CURRENT POSITION

Climate-related financial effects were not separately quantified during FY2025/26.

The effects identified qualitatively were reflected principally in ordinary operational considerations, including electricity and fuel consumption, weather-related work and delivery arrangements, equipment and facility maintenance, and developments in products and services. These effects could not be isolated reliably from wider commercial and operating factors.

During the Reporting Period, the Group did not separately quantify the effects of climate-related risks and opportunities on its financial position, financial performance and cash flows. Based on the qualitative assessment conducted, such effects were principally reflected in ordinary operational considerations, including electricity and fuel consumption, weather-related work and delivery arrangements, equipment and facility maintenance, and developments in the Group's products and services. The Group was not able to isolate these effects from the corresponding costs and revenue arising in the ordinary course of business.

The nature and extent of future financial effects will depend on factors including the frequency and severity of extreme weather events, the pace of regulatory and technological change, the availability and cost of machinery and parts, and the rate at which customers adopt more energy-efficient and lower-emission equipment.

FINANCIAL AREA	PHYSICAL-RISK CHANNEL	TRANSITION / OPPORTUNITY CHANNEL	HORIZON
Revenue and product mix	Delivery and service interruption; reduced activity during severe weather.	Changing demand for conventional and lower-emission machinery; maintenance and technical service opportunities.	S / M / L
Procurement and logistics costs	Supplier, port, shipping and local transport disruption.	Changes in product specifications, availability and acquisition costs.	S / M / L
Energy and fuel costs	Higher cooling and ventilation demand; continued exposure to fuel and electricity prices.	Efficiency measures, emissions-management requirements and on-site solar electricity.	S / M / L
Inventories, machinery and equipment	Physical damage, interruption, repair and additional maintenance.	Changing demand or commercial relevance of particular equipment types.	S / M / L
Employee-related and operating costs	Heat protection, weather-related scheduling and possible productivity effects.	Technical training, tools and capability development.	S / M
Maintenance, repairs and insurance	Repairs, recovery, insurance and physical adaptation following severe events.	Possible changes in maintenance requirements for newer technologies.	M / L, with possible short-term effects
Capital expenditure	Facility protection, resilience and energy-efficiency measures.	Data systems, technical tools and support for newer machinery technologies.	S / M / L
Cash flows	Timing effects from disrupted deliveries, receipts, payments and recovery costs.	Investment in products, capability and operational efficiency.	S / M / L

The Group has not identified climate-related effects that required separate recognition or adjustment to the carrying amounts of its assets and liabilities during the Reporting Period. The identified risks and opportunities may nevertheless affect future revenue, operating expenditure, capital expenditure and cash flows through the channels described above. Their magnitude and timing remain subject to significant uncertainty and cannot presently be estimated separately with reasonable accuracy.

QUANTIFICATION LIMITATION

Quantitative anticipated financial effects have not been provided.

The Group currently does not have sufficient historical information or established measurement processes to distinguish climate-related financial effects from wider commercial and operational factors without disproportionate cost or effort. The Group will continue to monitor material climate-related developments and consider whether the corresponding financial effects can be assessed more specifically as its data and internal capabilities develop.

Climate Scenario Analysis and Resilience

During the Reporting Period, the Group conducted a qualitative climate scenario analysis to assess how differing climate pathways could affect its operations, value chain and business strategy over the short, medium and long term. The assessment focused on the climate-related variables most relevant to the Group's machinery sales and leasing, procurement, warehousing and logistics, maintenance and technical service activities.

The analysis considered an orderly low-carbon transition and a delayed-transition, higher-warming future. These scenarios were selected to test the Group's exposure to contrasting transition and physical climate conditions and do not represent predictions of future outcomes.

The assessment was qualitative and was based on the Group's operating profile, value-chain relationships and reasonable and supportable information available during the Reporting Period. The scenarios represent plausible analytical conditions rather than forecasts, and no probability was assigned to either scenario.

Scenario Parameters

ASSESSMENT PARAMETER	ORDERLY LOW-CARBON TRANSITION	DELAYED TRANSITION AND HIGHER WARMING
Indicative temperature pathway	Approximately 1.5°C to below 2°C	Warming approaching 4°C over the longer term
Transition pathway	Earlier and progressively more coordinated policy, technological and market changes	Slower and less coordinated transition, with continued reliance on conventional technologies
Policy and regulatory environment	Increasingly stringent emissions, energy-efficiency and climate-related reporting requirements	More limited near-term policy change, with the possibility of later or less orderly regulatory adjustment
Machinery technologies	Faster development and adoption of hybrid, electric and more energy-efficient machinery	Conventional machinery remains commercially relevant for longer and lower-emission technologies develop or gain acceptance more gradually
Customer expectations	Greater consideration of fuel efficiency, energy use, operating emissions and environmental performance	Product selection remains more heavily influenced by cost, reliability and operational performance, although resilience under severe weather becomes increasingly important
Physical climate conditions	Physical climate risks continue, but their longer-term severity is comparatively moderated	More frequent or severe extreme rainfall, flooding, typhoons, prolonged hot weather and related operational disruption
Principal area of exposure	Transition risks and climate-related opportunities	Acute and chronic physical risks
Period of greatest sensitivity	Short to medium term, continuing over the long term	Physical effects increasing over the medium to long term

The orderly-transition scenario was informed by low-emissions pathways used by the Intergovernmental Panel on Climate Change and reflects conditions broadly consistent with the temperature objectives of the Paris Agreement. The higher-warming scenario reflects continued high emissions and progressively more severe physical climate conditions. The use of contrasting low- and high-emissions scenarios is consistent with the bookend approach illustrated by HKEX for assessing transition and physical risks.

Climate Sensitivity Heat Map

The Group's climate sensitivity is concentrated in a limited number of operating and commercial areas. The relative sensitivity ratings below reflect the potential significance of the exposure, the period over which it may arise and the extent to which the underlying factors are within the Group's control.

LOW	LOW TO MODERATE	MODERATE	MODERATE TO HIGH	HIGH

OPERATING OR COMMERCIAL AREA	PRINCIPAL VARIABLES TESTED	TRANSITION SENSITIVITY	PHYSICAL SENSITIVITY	OVERALL ASSESSMENT
Suppliers and machinery availability	Product specifications, technology availability, supplier readiness, lead times and procurement costs	**High**	**Moderate**	The Group depends on third-party suppliers for access to machinery, parts and technical support. It can adjust procurement and product selection, but cannot directly control product development, availability or pricing.
Customer demand and product mix	Adoption of hybrid, electric and more energy-efficient machinery; demand for conventional models; customer procurement requirements	**High**	**Low to moderate**	A faster transition could alter the Group's product mix and servicing requirements. The timing and scale of change would depend on customer acceptance, cost, performance and supporting infrastructure.
Warehousing and storage	Extreme rainfall, flooding, heat, interrupted access and physical damage	**Low**	**High**	Machinery, parts and other inventories may be exposed to interruption or damage, particularly where severe weather affects access, storage conditions and operations concurrently.
Transportation and equipment delivery	Shipping interruption, road access, fuel and transportation costs, customer-site accessibility	**Moderate**	**High**	Severe weather may delay machinery and parts deliveries and interrupt customer-site services. Transition-related transportation requirements may also affect operating costs.
Maintenance and technical services	New equipment technologies, training, tools, heat exposure and adverse-weather interruption	**High**	**High**	Technical requirements may change under an orderly transition, while extreme heat and severe weather may disrupt workshop and customer-site work under higher warming.
Employees	Technical competencies, heat exposure, weather disruption, work scheduling and productivity	**Moderate**	**Moderate to high**	Further technical capability may be required as machinery technologies develop, while more severe heat and weather conditions may affect employee protection and working arrangements.
Electricity and vehicle fuel consumption	Cooling demand, energy prices, vehicle use, emissions-management expectations and operational efficiency	**Moderate**	**Moderate**	More stringent emissions expectations may increase efficiency and reporting requirements, while higher temperatures may increase electricity consumption for cooling and ventilation.
Premises and operational equipment	Physical damage, interrupted access, repairs, maintenance and adaptation requirements	**Low to moderate**	**High**	Physical exposure may increase repair, maintenance, insurance and adaptation expenditure, particularly under severe or prolonged events.
Climate-related products and services	Availability of suitable machinery, customer adoption, technical capability and commercial viability	**High opportunity sensitivity**	**Moderate opportunity sensitivity**	Faster technology transition may expand demand for lower-emission machinery and related services. Higher physical risks may increase demand for reliable equipment and lifecycle support.

KEY SENSITIVITY FINDING

The Group is most sensitive to physical disruption affecting warehousing, storage, transportation and service delivery, and to transition pressures affecting machinery availability, customer demand and technical capability.

Sensitivity scale

LOW	MODERATE	HIGH
❑ limited direct effect based on the Group's existing activities and operating structure	❑ relevant to business planning and performance but generally manageable through proportionate operational adjustment	❑ capable of materially changing operating requirements, product or service demand, cost exposure or service continuity

The ratings indicate relative sensitivity rather than the probability of a particular outcome and do not represent quantified financial materiality thresholds.

The sensitivity profile informed the assessment of how the Group's principal exposures, adaptive capacity and residual vulnerabilities may develop under each scenario.

Orderly Low-carbon Transition

Under an orderly low-carbon transition, policy, technological and market changes would occur earlier and more progressively. The Group's principal sensitivity would arise from changes in machinery technologies, supplier offerings and customer demand rather than from an immediate increase in physical disruption.

STRATEGIC FACTOR	POTENTIAL EFFECT ON THE GROUP	ADAPTIVE CAPACITY	RESIDUAL EXPOSURE
Changes in machinery technologies	Faster development of hybrid, electric and more energy-efficient machinery could change equipment specifications, acquisition costs, spare-parts requirements and maintenance practices.	The Group's relationships with established machinery suppliers and existing maintenance capabilities provide a platform for responding to changes in its machinery portfolio.	The Group does not control the development, availability, pricing or technical support of products supplied by third parties.
Changes in customer demand	Customers may place greater emphasis on fuel efficiency, energy consumption, operating emissions and environmental performance. Demand for some conventional machinery may weaken over time.	The Group's machinery sales, leasing and technical service activities provide different channels through which it may respond to changing customer needs.	The timing and extent of customer adoption remain uncertain and may vary according to price, technical performance, operational requirements and infrastructure availability.
Technical capability	Newer machinery technologies may require additional employee knowledge, diagnostic tools, maintenance procedures and after-sales support.	The Group's established technical and maintenance functions provide a basis for developing the required capabilities.	Additional training, tools and operational resources may be required before newer technologies can be supported effectively.
Procurement and inventory	Changes in product specifications and supplier product ranges may affect procurement lead times, purchasing costs and inventory decisions.	The Group can monitor supplier offerings and adjust product selection having regard to customer requirements and commercial viability.	Rapid or uneven product transition may create inventory and availability risks, particularly where customer adoption differs from supplier development.
Compliance and information	More stringent reporting and customer requirements may increase the need for reliable emissions, energy and product information.	The Group has enhanced its Scope 1 and Scope 2 calculations and established processes for environmental data collection.	Additional systems, supplier information and internal capabilities may be required as disclosure and customer expectations develop.
Business opportunities	Demand for suitable hybrid, electric and more energy-efficient machinery may support sales, leasing, maintenance and technical service opportunities.	Existing supplier relationships and technical capabilities provide potential routes for developing these opportunities.	Revenue opportunities depend on product availability, customer demand, infrastructure, commercial terms and the Group's ability to maintain appropriate technical support.

Strategic implication

The orderly-transition scenario would not necessarily require a fundamental change to the Group's distribution and service-based business model. It would, however, require the Group to adjust its product and service offering, technical capabilities and supporting resources as machinery technologies and customer requirements evolve.

The Group's principal strength under this scenario is its ability to source and service machinery from third-party suppliers rather than its dependence on a single manufacturing technology. Its principal vulnerability is the corresponding reliance on those suppliers for timely access to commercially viable products, spare parts and technical support.

The Group is therefore considered moderately resilient under an orderly transition, subject to its ability to respond to changes in supplier offerings, customer adoption and technical requirements.

Delayed Transition and Higher Warming

Under a delayed-transition and higher-warming scenario, conventional machinery may remain commercially relevant for longer and immediate technology-transition pressure may be less pronounced. However, the Group's exposure to extreme rainfall, flooding, typhoons, prolonged hot weather and related operational disruption would increase over time.

Climate projections for Hong Kong indicate that the annual number of extreme rainfall days is expected to increase under intermediate and very high greenhouse gas emissions scenarios. The number of hot nights, very hot days and extremely hot days is also expected to rise significantly where global emissions remain high.

OPERATIONAL EXPOSURE	POTENTIAL EFFECT ON THE GROUP	ADAPTIVE CAPACITY	RESIDUAL EXPOSURE
Premises and access	Severe rainfall, flooding or typhoons may restrict access to premises and interrupt office, workshop, warehousing and storage activities.	Individual work and operating arrangements can be adjusted in response to prevailing weather conditions.	Prolonged or territory-wide disruption may affect several operating activities at the same time and may not be fully mitigated through short-term adjustments.
Inventories and equipment	Machinery, spare parts, leasing equipment and other operational assets may be exposed to damage, deterioration or interrupted use.	Operational precautions may reduce exposure to ordinary weather events.	Severe flooding, wind damage or repeated disruption could result in repair, replacement, inventory loss or additional protection expenditure.
Transportation and deliveries	Disruption to shipping, ports, roads and customer access may delay machinery and parts deliveries and interrupt maintenance and technical services.	Delivery and work schedules can be adjusted where conditions and customer requirements permit.	Regional supply-chain or transportation disruption may extend beyond the Group's immediate operations and remain outside its direct control.
Maintenance and customer-site services	Extreme rainfall and heat may interrupt outdoor or customer-site work, reduce available working hours and delay service completion.	Work arrangements may be adjusted according to weather conditions and the nature of the services required.	Frequent or prolonged disruption may reduce productivity, delay service income and increase operating costs.
Employees	More very hot days and extreme-weather events may increase employee health and safety risks and require additional protective and scheduling measures.	Existing operational management allows work activities to be adjusted according to prevailing circumstances.	Exposure remains where physical or outdoor work cannot be fully rescheduled or relocated.
Electricity use	Higher temperatures may increase cooling and ventilation requirements at the Group's premises.	Energy monitoring, efficiency measures and on-site solar electricity consumption may partly moderate grid electricity demand.	Electricity consumption and costs remain sensitive to temperature, operating requirements and energy prices.
Repairs, insurance and recovery	More severe weather may increase expenditure on repairs, maintenance, insurance, recovery and physical adaptation.	Expenditure can be considered progressively according to operational requirements and identified risks.	Repeated or material events may create cost and cash-flow pressures beyond ordinary operating expectations.
Customers and market demand	Customers may place greater importance on equipment reliability, availability and maintenance support under more demanding operating conditions.	The Group's maintenance and technical service capabilities may support customer continuity and equipment reliability.	Opportunities may be constrained if customer operations, construction activities or capital expenditure are themselves disrupted by severe weather.

Strategic implication

The Group's geographical concentration in Hong Kong facilitates operational coordination but also creates concentration risk. A severe territory-wide event could affect suppliers, transportation networks, employees, premises and customers concurrently.

The Group's operational experience and technical service capabilities support its response to ordinary, short-duration weather disruption. These capabilities may be less effective where extreme events are severe, prolonged or repeated, or where they affect upstream supply and local transportation simultaneously.

The Group is therefore considered moderately resilient to ordinary physical disruption but increasingly sensitive to severe, prolonged or concurrent climate events under the higher-warming scenario.

Comparative Resilience Profile

The two scenarios place different pressures on the Group's business model. The orderly-transition scenario is principally associated with changes in products, suppliers, customers and technical capability, while the higher-warming scenario gives rise to more significant operational and physical exposure over time.

RESILIENCE DIMENSION	ORDERLY LOW-CARBON TRANSITION	DELAYED TRANSITION AND HIGHER WARMING
Continuity of the existing business model	Resilient, subject to adaptation	Resilient under ordinary disruption, with increasing exposure over time
Product and service flexibility	Moderate to strong	Moderate
Dependence on suppliers and external infrastructure	High	High
Technical capability requirements	Increasing	Moderate, with increasing operational demands
Physical protection of premises, inventories and equipment	Moderate requirement	Increasing requirement
Exposure to operating-cost increases	Moderate	Moderate to high over time
Potential for climate-related revenue opportunities	Higher	More limited and indirect
Need for immediate fundamental business-model change	Not identified	Not identified
Need for continuing operational or strategic adjustment	Yes	Yes

This profile summarises relative resilience and does not represent a numerical score or quantified financial materiality assessment.

Overall Resilience Assessment

BUSINESS MODEL	ORDERLY TRANSITION	HIGHER WARMING
No immediate fundamental change identified	**Moderately resilient**	**Conditional resilience**
The distribution, leasing and service-based model remains adaptable.	Adjustment to products, supplier coordination and technical capability will be required.	Ordinary disruption is manageable, but severe or concurrent events increase exposure.

The analysis did not indicate an immediate need for a fundamental change to the Group's business model under either scenario. The Group's machinery distribution, leasing and service-based model provides flexibility to respond to changes in equipment technologies, supplier offerings and customer requirements without reliance on a single manufacturing process or technology.

The sources of resilience differ between the two scenarios. Under an orderly transition, resilience is supported by the Group's ability to adjust its product and service offering and develop its maintenance and technical capabilities. Under higher warming, resilience is supported by its operational experience and its ability to adjust individual delivery, maintenance and work arrangements in response to adverse weather.

The assessment also identified material dependencies. The Group's transition resilience depends on access to suitable machinery and parts, supplier readiness, customer adoption, technical capability and supporting infrastructure. Its physical resilience depends on the continued accessibility and protection of its premises and storage areas, the reliability of transportation networks and the ability of employees and service teams to operate safely during adverse weather.

Comparative resilience profile

RESILIENCE DIMENSION	ORDERLY TRANSITION	HIGHER WARMING
Business model continuity		
Product and service flexibility		
Technical capability		
Supplier and infrastructure dependency		
Physical operational resilience		
Climate-related opportunity		

Longer filled bars indicate stronger relative resilience. The comparative resilience profile is qualitative and is not a numerical score.

The Group will therefore continue to focus on:

PRIORITY	ORDERLY LOW-CARBON TRANSITION
Monitoring physical exposure	Understanding the exposure of premises, storage areas, inventories and equipment to extreme rainfall, flooding, heat and interrupted access
Maintaining operational flexibility	Supporting the continuity of equipment delivery, maintenance and customer-site services during adverse weather
Monitoring machinery transition	Assessing the availability, technical suitability and commercial viability of more energy-efficient and lower-emission equipment
Maintaining technical capability	Developing the knowledge and servicing capabilities required as machinery technologies and customer requirements evolve
Managing energy and emissions	Monitoring electricity and vehicle fuel consumption and progress against the Group's Scope 1 and Scope 2 emissions-intensity target
Improving climate information	Strengthening the information used to assess operational exposure, financial effects and climate-related performance

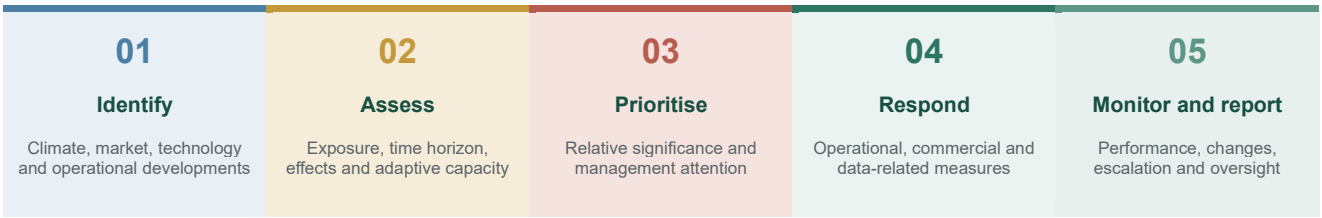
The assessment is subject to uncertainty concerning future climate conditions, policy and regulatory developments, machinery technologies, supplier offerings and customer demand. The Group will review the analysis as relevant information and its internal capabilities develop.

Climate Risk Management

The Group manages climate-related risks and opportunities through its established ESG governance, risk management and operational processes. The assessment considers both the direct effects of changing climate conditions on the Group's activities and the indirect effects arising through suppliers, logistics providers, machinery technologies, regulatory developments and customer requirements.

During the Reporting Period, the Group enhanced its climate-related assessment by considering the areas of its operations and value chain that may be affected, the periods over which the effects may arise, their potential operational and financial implications, and the Group's existing adaptive capacity. The findings of the qualitative climate scenario analysis were also considered in evaluating how the significance of physical and transition risks may differ under contrasting climate conditions.

Climate Risk Management Process



STAGE	PRINCIPAL ACTIVITIES	APPLICATION TO THE GROUP
Identify	Consider developments and events that may create climate-related risks or opportunities across operations and the value chain.	Extreme weather, longer-term climate trends, regulation, machinery technologies, supplier offerings, customer requirements, energy and emissions performance, and operational experience.
Assess	Evaluate the nature, period of effect and potential significance of each identified matter.	Affected activities, time horizon, operational and financial-effect channels, existing measures, adaptive capacity and residual exposure.
Prioritise	Determine relative significance and the level of management attention required.	Greater attention to matters capable of affecting continuity, employees, premises, inventories, product availability, customer demand, costs or revenue-generating activities.
Respond	Determine proportionate measures for managing risks or pursuing opportunities.	Operational adjustments, supplier communication, employee protection, energy management, technical capability, product and service considerations, and information improvements.
Monitor and report	Monitor developments, performance and changes in exposure and communicate material matters.	Relevant functions report through Management and the ESG Committee; the Board considers material matters through established governance arrangements.

The process is applied proportionately, taking into account the nature and scale of the Group's operations and the availability of reasonable and supportable information. Climate-related matters may be reconsidered when material changes occur in operations, external climate conditions, regulatory requirements, supplier offerings, machinery technologies or customer demand.

Risk Identification

Climate-related risks and opportunities are identified with reference to the Group's own operations and the activities of relevant parties across its value chain.

INFORMATION SOURCE	MATTERS CONSIDERED
Operational experience	Weather-related disruption to premises, warehousing, storage, deliveries, maintenance and customer-site activities
Climate and weather information	Typhoons, extreme rainfall, flooding, higher temperatures and prolonged hot weather affecting Hong Kong and relevant supply and transportation routes
Regulatory and reporting developments	Changes in climate-related disclosure, emissions, energy-efficiency and environmental requirements
Suppliers and machinery principals	Product availability, specifications, technological developments, spare parts, technical support and delivery lead times
Customers and market developments	Changing requirements concerning machinery efficiency, reliability, operating emissions and technical services
Environmental performance data	Electricity consumption, vehicle fuel consumption, greenhouse gas emissions, renewable electricity generation and progress against environmental targets
Qualitative scenario analysis	Changes in transition and physical exposure under an orderly low-carbon transition and a delayed-transition, higher-warming scenario
Relevant business functions	Operational knowledge concerning procurement, warehousing, logistics, technical services, employees, vehicles, facilities and financial reporting

SCOPE OF IDENTIFICATION

The assessment covers both climate-related risks and opportunities.

Climate-related opportunities are considered in relation to demand for more energy-efficient and lower-emission machinery, related maintenance and technical services, equipment lifecycle support, operational efficiency and renewable electricity use.

Risk Assessment and Prioritisation

The Group assesses each identified climate-related matter qualitatively. The assessment does not rely solely on the probability of an event occurring. It also considers the nature and possible extent of its effects, when those effects may arise, the activities and value-chain stages exposed, and the Group's ability to respond.

ASSESSMENT CRITERION	CONSIDERATION
Nature of the matter	Whether the matter represents an acute physical risk, chronic physical risk, transition risk or climate-related opportunity
Time horizon	Whether the effects may arise or become more significant over the short, medium or long term
Operational exposure	Potential effects on suppliers, transportation, premises, inventories, equipment, employees, deliveries, maintenance and customer-site services
Business-model and value-chain exposure	Potential changes affecting procurement, product availability, customer demand, product mix and after-sales services
Financial-effect channels	Possible effects on revenue, procurement and logistics costs, electricity and fuel costs, inventories, repairs, insurance, capital expenditure and cash flows
Existing measures and adaptive capacity	The Group's ability to adjust operations, communicate with suppliers, maintain technical services, manage energy use and respond to customer requirements
Residual exposure	The extent to which significant effects may remain after considering existing measures and the Group's ability to respond
Interdependencies	Whether disruption may affect several parts of operations or the value chain concurrently
Uncertainty	Limitations in climate, operational and financial information and uncertainty concerning future policy, technology, market and physical climate developments

PRIORITISATION PRINCIPLE

Climate-related matters are prioritised according to their potential significance to the Group rather than solely by reference to a numerical score.

Matters capable of interrupting several activities concurrently, causing significant damage or cost, materially changing customer demand or product availability, or requiring substantial operational adjustment receive greater management attention.

PRINCIPAL PHYSICAL SENSITIVITIES

Operational continuity

Warehousing and storage, transportation, equipment delivery, premises, inventories and technical services.

PRINCIPAL TRANSITION SENSITIVITIES

Commercial and technical adjustment

Supplier readiness, machinery availability, customer demand, product mix and technical capability.

Risk Response

The nature of the Group's response depends on the relevant exposure, its expected period of effect and the practical measures available to the Group.

AREA OF RESPONSE	PRINCIPAL MEASURES AND CONSIDERATIONS
Operational continuity	Adjusting work, delivery and service arrangements having regard to prevailing weather conditions and operational requirements
Premises, inventories and equipment	Considering appropriate measures to manage weather-related exposure and maintain access to and use of operational assets
Employees	Implementing work and employee-protection arrangements appropriate to heat and adverse-weather conditions
Suppliers and procurement	Maintaining communication concerning machinery specifications, product availability, lead times, spare parts and technical support
Products and services	Monitoring changing customer demand and the commercial availability of hybrid, electric and more energy-efficient machinery
Technical capability	Assessing the knowledge, training, tools and servicing capabilities required as machinery technologies develop
Energy and emissions	Monitoring electricity and vehicle fuel consumption, using on-site solar electricity and measuring Scope 1 and Scope 2 emissions
Data and reporting	Improving the completeness, consistency and usefulness of information supporting climate-related assessment and disclosure
Resource allocation	Considering expenditure and capital requirements according to significance, operational need, expected benefit and available resources

CURRENT MANAGEMENT APPROACH

The Group has not adopted a climate transition plan or separate climate-risk management system.

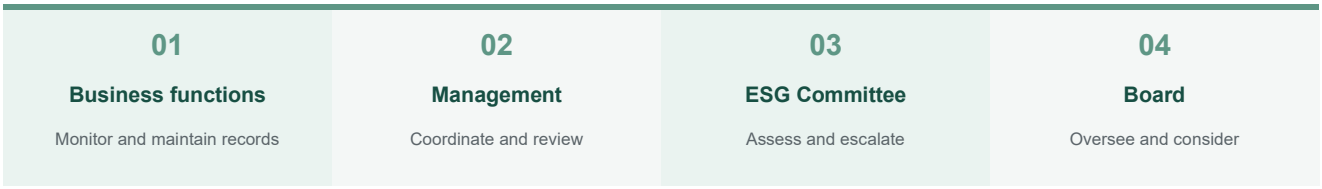
Climate-related responses are incorporated into existing business, operational, environmental and risk-management arrangements.

Monitoring and Reporting

Relevant business functions monitor climate-related developments and performance within their areas of responsibility. This includes information concerning weather-related operational effects, suppliers and machinery availability, customer requirements, electricity and fuel consumption, greenhouse gas emissions and progress against environmental targets.

Management coordinates the review of material operational matters and the implementation of relevant measures. Material climate-related findings and developments are communicated to the ESG Committee through the Group's established ESG reporting arrangements. The ESG Committee reviews the Group's climate-related risks and opportunities, policies, measures, metrics and targets and reports material matters to the Board for consideration.

REPORTING LEVEL	CLIMATE-RELATED MONITORING AND REPORTING RESPONSIBILITIES
Relevant business functions	Monitor developments, implement relevant measures, maintain supporting records and report material matters to Management
Management	Coordinate operational responses, review relevant information and escalate material matters to the ESG Committee
ESG Committee	Review climate-related risks, opportunities, measures, performance and disclosure and report material findings to the Board
Board	Oversee material climate-related risks and opportunities and consider their implications for strategy, risk management, operational planning and major decisions



The Group reviews its climate-related assessment having regard to material changes in its activities, external developments and available information. Where appropriate, changes in exposure, methodology, assumptions or responses will be reflected in subsequent assessments and disclosures.

Climate-related risks and opportunities are considered through the Group's established ESG governance, operational management and risk management arrangements rather than through a separate climate-specific risk management system. Relevant climate-related matters are assessed together with other business and operational considerations, and material findings are reported through Management and the ESG Committee to the Board. The findings of the qualitative climate scenario analysis also inform the Group's assessment of its operational exposure, adaptive capacity and areas requiring continued monitoring.

Climate Metrics and Targets

The Group monitors greenhouse gas emissions, electricity and vehicle fuel consumption, renewable electricity generation and progress against its emissions-reduction target to assess its climate-related performance. During the Reporting Period, the Group refined its greenhouse gas calculation methodology and recalculated the comparative Scope 1 emissions using consistent vehicle-level activity data and emission factors.

Greenhouse Gas Emissions

The following table provides an overview of the Group's greenhouse gas emissions:

Scope	Principal emission sources	Emission-factor sources	FY2024/25[1]	FY2025/26[2]
Scope 1	Company vehicle fuel consumption	Hong Kong mobile-combustion factors and IPCC AR6 global warming potentials	129.82	149.59
Scope 2	Grid electricity and estimated off-site EV Charging	Electricity-provider and territory-wide electricity factors	67.85	56.12
Combined Scope 1 and Scope 2			**197.67**	**205.71**
Estimated Scope 3, Category 5	Waste generated in operations	Waste-type and treatment-route factors	Not reported	310.29

Unit: tonnes of carbon dioxide equivalent (tCO_2e).

1. FY2024/25 Scope 1 emissions were recalculated using the refined vehicle-level methodology adopted for FY2025/26.
2. Scope 1 and Scope 2 figures for FY2025/26 are calculated from unrounded underlying amounts and presented to two decimal places.
3. The Group used the operational control approach to determine its greenhouse gas reporting boundary.
4. The Category 5 estimate does not represent the Group's complete Scope 3 inventory.

PERFORMANCE OVERVIEW

Combined Scope 1 and Scope 2 emissions increased by approximately 4.1% to 205.71 tCO_2e. Higher vehicle fuel consumption increased Scope 1 emissions, while lower grid electricity consumption and the lower applicable grid emission factor reduced Scope 2 emissions.

Scope 1 Emissions

Scope 1 emissions arose from petrol and diesel consumed by company vehicles. The calculation included carbon dioxide, methane and nitrous oxide from mobile combustion. No other material source of direct greenhouse gas emissions was identified within the reporting boundary during the Reporting Period.

Greenhouse gas	FY2024/25 (restated)	FY2025/26
Carbon dioxide, CO_2	124.42	144.43
Methane, CH_4	0.17	0.18
Nitrous oxide, N_2O	5.23	4.98
Total Scope 1 emissions	**129.82**	**149.59**

Unit: tCO_2e. Reported totals are rounded to 129.82 tCO_2e and 149.59 tCO_2e, respectively.

Scope 2 Emissions

Scope 2 emissions arose from grid electricity purchased for the Group's premises and estimated electricity purchased for off-site charging of company electric vehicles. Electricity used for vehicles charged at the Group's premises was captured by the relevant facility meters and was not counted separately.

Emission source	FY2024/25	FY2025/26
Grid electricity	67.48	55.47
Estimated off-site EV charging	0.37	0.65
Total Scope 2 emissions	**67.85**	**56.12**

Unit: tCO_2e. Reported totals are rounded to 67.85 tCO_2e and 56.12 tCO_2e, respectively.

The Group did not hold renewable energy certificates, subscribe to a qualifying green electricity tariff, enter into a power purchase agreement or use any other qualifying contractual instrument during either reporting period. Accordingly, market-based Scope 2 emissions were the same as location-based Scope 2 emissions.

Supporting Climate Indicators

Indicator	Unit	FY2024/25	FY2025/26
Vehicle fuel consumption	litres	48,199.20	55,662.88
Grid electricity purchased	kWh	177,570.79	163,159.15
Solar electricity generated	kWh	53,442.29	82,957.76
Solar electricity consumed on-site	kWh	34,440.67	41,536.24

During FY2025/26, Scope 1 emissions increased mainly because vehicle fuel consumption increased. Scope 2 emissions decreased, reflecting lower grid electricity consumption and the lower applicable grid emission factor. The Group also increased its generation and on-site consumption of solar electricity.

Measurement Methods

Item	Measurement Basis
Standards and guidance	GHG Protocol Corporate Accounting and Reporting Standard, applicable Hong Kong greenhouse gas calculation guidance and IPCC AR6 global warming potentials
Organisational boundary	Entities and operations under the Group's operational control
Scope 1	CO_2, CH_4 and N_2O emissions from petrol and diesel consumed by company vehicles
Scope 2	Grid electricity purchased for the Group's premises and estimated electricity purchased for off-site EV charging
Market-based Scope 2	Same as location-based Scope 2 because no qualifying contractual instrument applied
Scope 3	Initial estimate covering Category 5, waste generated in operations
Intensity denominator	Consolidated revenue in HK$ million
Principal estimates	Electricity purchased for off-site EV charging and certain waste treatment routes

Scope 3 Reporting Boundary

Scope 3 category	Emission sources	FY2025/26	Coverage
Category 5: Waste generated in operations	Mixed commercial and industrial waste, inert materials and scrap metal	310.29	Initial estimate based on available waste records and assumed treatment routes

Unit: tCO_2e.

The Category 5 estimate is subject to greater measurement uncertainty than the Group's Scope 1 and Scope 2 emissions. Other Scope 3 categories were not comprehensively measured during the Reporting Period; accordingly, the estimate does not represent the Group's complete Scope 3 inventory.

Other Climate-related Metrics

The Group assessed the exposure of its operations and activities to physical and transition risks and their alignment with climate-related opportunities as part of its qualitative climate scenario analysis. Relevant exposure is concentrated principally in premises, warehousing, inventories, machinery and equipment, transportation, technical services, supplier offerings and changes in customer demand.

The Group did not separately quantify the corresponding amount or percentage of assets or business activities during the Reporting Period because its existing financial and operational records do not classify assets, revenue or expenditure according to these climate-related characteristics.

Metric	FY2025/26 position
Internal carbon pricing	The Group did not apply an internal carbon price in its investment, procurement or other business decisions during the Reporting Period.
Climate-related remuneration	The remuneration of the Directors and Management was not specifically linked to climate-related performance metrics during the Reporting Period.

Climate Target and Progress

The Group's previous target was to reduce its combined Scope 1 and Scope 2 greenhouse gas emissions intensity by 4% by FY2024/25, using FY2017/18 as the baseline year. The target was not achieved, with emissions intensity increasing from approximately 0.27 tCO_2e per HK$ million of revenue in FY2017/18 to approximately 0.598 tCO_2e per HK$ million of revenue in FY2024/25.

Following the conclusion of the previous target period, the Group set a new target to reduce its combined Scope 1 and Scope 2 greenhouse gas emissions intensity by 10% by FY2027/28, using FY2024/25 as the baseline year. Progress is measured using combined Scope 1 and location-based Scope 2 emissions per HK$ million of consolidated revenue.

BASELINE YEAR	TARGET	TARGET INTENSITY
FY2024/25	**10% reduction**	**0.54**
Restated emissions basis	By FY2027/28	tCO_2e per HK$ million revenue

Progress Against Target

Target performance	FY2024/25 baseline	FY2025/26	FY2027/28 target
Combined Scope 1 and Scope 2 emissions	197.65 tCO_2e	205.72 tCO_2e	Not applicable
Consolidated revenue	HK$330.65 million	HK$283.17 million	Not applicable
Emissions intensity	0.60	0.73	0.54
Change from baseline	Baseline	increased by 21.54% from the baseline	10% reduction

Emissions intensity is measured in tCO_2e per HK$ million of consolidated revenue.

During FY2025/26, the Group's combined Scope 1 and Scope 2 emissions increased by approximately 4.1% from the restated baseline year. The increase was mainly attributable to higher vehicle fuel consumption, partly offset by lower Scope 2 emissions arising from purchased electricity.

TARGET MANAGEMENT

The Group monitors vehicle fuel consumption, purchased electricity and solar electricity performance and implements appropriate operational efficiency measures. When replacing company vehicles, the Group considers fuel efficiency and lower-emission alternatives having regard to operational requirements, technical suitability and commercial viability. Progress against the target is reviewed annually through the Group's established ESG governance arrangements.

COMPANY POLICIES

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

Established Company Policies
Ethical Governance
• Anti-Fraud and Anti-Bribery Policy • Code of Conduct (within Human Resources Manual) • Compliance Policies and Procedures • Corporate Governance Policy • Corporate Security Policy • Human Rights Policy • Information Security Policy • Personal Data Privacy Policy • Risk Management Policy • Whistleblowing Procedure
Quality Product and Service
• Code of Practice for Suppliers • Complaints Handling Policy • Customer Services Code of Conduct Policy • Insurance Management Policy and Procedures • New Supplier Assessment Procedures • Operations Procedures – Customer Satisfaction • Operations Procedures – Internal Audit • Quality Manual ISO 9001:2015 • Sales Policy • Sustainable Procurement Policy • Technical Procedures – Inspections • Technical Procedures – Selection and Appointment of Suppliers • Technical Procedures – Tender Review and Project Initiation

COMPANY POLICIES (continued)

Established Company Policies

Dedicated Workforce

- Equal Opportunity Policy (within Human Resources Manual)
- Health and Safety Policy
- Learning and Development Policy
- Office and Warehouse Contingency Procedures
- Office Occupational Health and Safety Guidelines (created by the Occupational Safety and Health Council)
- Operations Procedures – Infrastructure & Working Environment
- Smoke-Free Workplace Policy
- Staff Handbook
- Workforce Diversity Policy

Corporate Citizen

- Social Investment Policy

Green Operations

- Climate Change Policy
- Environmental Policy
- Sustainable Purchasing Policy

LAWS, RULES AND REGULATIONS

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

Applicable Laws, Rules and Regulations	Compliance
Ethical Governance	
• Listing Rules • Companies Ordinance (Cap. 622 of the Laws of Hong Kong) • Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) • Competition Ordinance (Cap. 619 of the Laws of Hong Kong) • Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong) • Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) • Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) • Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong) • Employment of Young Persons (Industry) Regulations (Cap. 57C of the Laws of Hong Kong)	During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to bribery, extortion, fraud, and child and forced labour that had a significant impact on the Group.
Quality Product and Service	
• Motor Vehicles (First Registration Tax) Ordinance (Cap. 330 of the Laws of Hong Kong) • Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374E of the Laws of Hong Kong) • Factories and Industrial Undertakings Ordinance (Cap. 59 of the Laws of Hong Kong) • Factories and Industrial Undertakings (Loadshifting Machinery) Regulation (Cap. 59AG of the Laws of Hong Kong) • Factories and Industrial Undertakings (Lifting Appliances and Lifting Gear) Regulations (Cap. 59J of the Laws of Hong Kong) • Code of Practice on Safe Use of Excavators	During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that had a significant impact on the Group.

LAWS, RULES AND REGULATIONS (continued)

Applicable Laws, Rules and Regulations	Compliance
Dedicated Workforce	
• Employment Ordinance (Cap. 57 of the Laws of Hong Kong) • Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong) • Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) • Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong) • Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) • Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)	During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, occupational health and safety and other safety treatments that had a significant impact on the Group.
Green Operations	
• Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Cap. 311Z of the Laws of Hong Kong) • Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong) • Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) • Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong) • Hazardous Chemicals Control Ordinance (Cap. 595 of the Laws of Hong Kong)	During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to air and GHG emissions, noise emissions, discharges into water and land and generation of hazardous and non-hazardous waste that had a significant impact on the Group.

PERFORMANCE DATA SUMMARY

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

Key Performance Indicators	Unit	2023/24	2024/25	2025/26
Environmental				
GHG				
NOx Emissions	kg	421.56	442.84	493.12
SOx Emissions	kg	0.68	0.77	0.89
PM Emissions	kg	33.14	34.02	38.02
GHG Emissions - Scope 1[6]	tCO_2-e	115.33	129.82	149.59
GHG Emissions - Scope 2[6]	tCO_2-e	44.37	67.85	56.12
GHG Emissions (Scope 1 & 2)[6]	tCO_2-e	159.70	197.67	205.71
GHG Emissions Intensity by Revenue[7]	tCO_2-e / HKD Million	0.57	0.60	0.73
GHG Emissions Intensity by FTE	tCO_2-e / Person	1.49	1.70	2.29
Energy Consumption				
Purchased Electricity Usage[8]	kWh	111,853.57	178,103.13	199,635.28
Renewable Electricity Usage	kWh	26,137.67	34,440.67	41,149.45
Total Electricity Usage	kWh	137,991.25	212,543.80	240,784.73
Petroleum Usage	Litre	8,029.28	6,184.16	4,230.74
Diesel Usage	Litre	34,688.52	42,015.04	51,432.14
Total Energy Usage	MJ	2,105,368.41	2,594,602.19	2,996,796.93
Energy Usage Intensity by Revenue	MJ / HKD Million	7,546.12	7,845.79	10,583.14
Energy Usage Intensity by FTE	MJ / Person	19,676.34	22,367.26	33,297.74
Water Consumption				
Water Usage	m^3	4,573.67	7,821.05	3,766.67
Water Usage Intensity by Revenue	m^3 / HKD Million	16.39	23.65	13.30
Water Usage Intensity by FTE	m^3 / Person	42.74	67.42	41.85

[6] *The FY2024/25 Scope 1 and Scope 2 emissions have been restated using the GHG Protocol-aligned calculation method adopted for FY2025/26, including CO_2, CH_4 and N_2O emissions from mobile combustion. The FY2023/24 figures are presented as previously reported.*

[7] *The total revenue for the Group in 2025/26 is HK$283.17 million.*

[8] *Purchased electricity usage includes electricity consumed across the Group's operating sites and estimated electricity purchased for off-site charging of company electric vehicles. Of the five electric vehicle models operated during the Reporting Period, two were charged exclusively on-site. For the remaining three models, 80% of charging was estimated to have occurred on-site and 20% off-site. Electricity used for on-site charging was captured by the relevant facility meters, while estimated off-site charging was calculated using the Hong Kong territory-wide grid emission factor of 0.7 kg CO_2e/kWh and included in Scope 2 emissions.*

PERFORMANCE DATA SUMMARY (continued)

Key Performance Indicators	Unit	2023/24	2024/25	2025/26
Environmental				
Non-hazardous Waste				
Non-hazardous Waste Generated[9]	Tonne	155.17	622.51	824.55
Non-hazardous Waste Generated Intensity by Revenue	Tonne / HKD Million	0.56	1.88	2.91
Non-hazardous Waste Generated Intensity by FTE	Tonne / Person	1.45	5.37	9.16
Scrap Metals Recycled	kg	110,710.00	116,170.00	42,270.00
Paper Recycled	Tonne (Piece)	0.02(5,000)	0.02(5,000)	0.02(5,000)
Paper Disposed	Tonne (Piece)	0.44(99,000)	0.32(72,900)	0.26(51,000)

[9] *The calculation of non-hazardous waste generated in FY2025/26 includes mixed commercial and industrial waste, inert materials, scrap metal recycled and paper waste. The FY2024/25 figure was prepared on the same basis, and the FY2023/24 figure reflects the recalculation undertaken in the previous reporting period to maintain consistency and comparability.*

PERFORMANCE DATA SUMMARY (continued)

Key Performance Indicators	Unit	2023/24	2024/25	2025/26
Social				
Total Workforce (Turnover Rate)	Person (%)	107(92.50%)	116(98.13%)	90(129.31%)
Workforce by Gender (Turnover Rate)				
Male	Person (%)	83(108.33%)	93(114.46%)	71(151.61%)
Female	Person (%)	24(29.17%)	23(41.67%)	19(39.13%)
Workforce by Age Group (Turnover Rate)				
< 30 Years Old	Person (%)	20(57.78%)	16(50.00%)	9(81.25%)
30-40 Years Old	Person (%)	22(78.26%)	26(81.82%)	25(80.77%)
41-50 Years Old	Person (%)	28(70.77%)	31(125.00%)	27(125.81%)
>50 Years Old	Person (%)	37(135.71%)	43(113.51%)	29(179.07%)
Workforce by Employment Category (Turnover Rate)				
Directors and Management	Person (%)	4(0.00%)	4(0.00%)	4(0.00%)
Administration and Accounting	Person (%)	10(30.00%)	10(10.00%)	9(20.00%)
Sales and Marketing	Person (%)	15(38.71%)	11(53.33%)	12(45.45%)
Procurement and Warehousing	Person (%)	7(61.54%)	10(85.71%)	10(50.00%)
Technical and Maintenance	Person (%)	39(57.14%)	41(30.77%)	37(19.51%)
Operators	Person (%)	32(167.03%)	40(243.75%)	18(325.00%)
Trained Employees				
Total Trained Employees (% of Employees Trained)	Person (%)	79(73.83%)	87(75.00%)	53(58.89%)
Total Training Hours (Average per Employee)	Hour (Hour/Person)	519.00(4.85)	596.80(5.14)	558.75(6.21)
Trained Employees by Gender (% of Employees Trained)				
Male	Person (%)	62(74.70%)	64(68.82%)	46(64.79%)
Female	Person (%)	17(70.83%)	23(100.00%)	7(36.84%)

PERFORMANCE DATA SUMMARY (continued)

Key Performance Indicators	Unit	2023/24	2024/25	2025/26
Social				
Trained Employees by Employment Category (% of Employees Trained)				
Directors and Management	Person (%)	4(100.00%)	4(100.00%)	4(100.00%)
Administration and Accounting	Person (%)	8(80.00%)	10(100.00%)	3(33.33%)
Sales and Marketing	Person (%)	12(80.00%)	11(100.00%)	6(50.00%)
Procurement and Warehousing	Person (%)	5(71.43%)	10(100.00%)	3(30.00%)
Technical and Maintenance	Person (%)	50(70.42%)[10]	41(100.00%)	18(48.65%)
Operators	Person (%)		11(27.50%)	19(105.60%)
Training Hours by Gender (Average per Employee)				
Male	Hour (Hour/Person)	370.75(4.47)	479.00(5.15)	393.50(5.54)
Female	Hour (Hour/Person)	148.25(6.18)	11(27.50%)	165.25(8.70)
Training Hours by Employment Category (Average per Employee)				
Directors and Management	Hour (Hour/Person)	86.00(21.50)	96.30(24.08)	181.75(45.44)
Administration and Accounting	Hour (Hour/Person)	67.00(6.70)	27.00(2.70)	21.50(2.39)
Sales and Marketing	Hour (Hour/Person)	42.00(2.80)	64.00(5.82)	54.00(4.50)
Procurement and Warehousing	Hour (Hour/Person)	9.00(1.29)	20.00(2.00)	3.00(0.30)
Technical and Maintenance	Hour (Hour/Person)	315.00(4.44)[10]	378.50(9.23)	238.50(6.45)
Operators	Hour (Hour/Person)		11.00(0.28)	60.00(3.33)
Work-related Injuries				
Work-related Injuries	Case	6	6	2
Lost Days due to Work Injuries	Days	120	150	434
Work-related Fatalities	Fatalities	0	0	0
Injury Rate	Per 100 Employees	5.61	5.17	2.20

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

STOCK EXCHANGE ESG GUIDE CONTENT INDEX

Mandatory Disclosure Requirements		
	Description	**Relevant Chapter or Explanation**
Governance Structure		
	A statement from the board containing the following elements: i) a disclosure of the board's oversight of ESG issues; ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Sustainability at TLMC – ESG Governance; ESG Strategies; Stakeholder Engagement; Materiality Assessment
Reporting Principles		
	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; and (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be discussed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report – Reporting Principles Sustainability at TLMC - Stakeholder Engagement and Materiality Assessment Green Operations – Emissions and Energy Management; Climate Metrics and Targets Performance Data Summary
Reporting Boundary		
	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report – Reporting Scope and Boundary

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

"Comply or Explain" Provisions		
Subject Areas, Aspects, General Disclosures and KPIs **A. Environmental**	**Description**	**Relevant Chapter or Explanation**
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operations – Environmental Management; Environmental Compliance, Air and Noise Emissions; Waste Management; Energy Use and Efficiency and Climate Change and Resilience Company Policies Laws, Rules and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Green Operations - Environmental Impact and Resource Efficiency Performance Data Summary
KPI A1.2	Repealed 1 January 2025	Not applicable
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations – Waste Management Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations – Waste Management Performance Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Operations – Air and Noise Emissions; Climate Metrics and Targets
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operations – Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operations – Environmental Management; Energy Use and Efficiency; Water Management Company Policies
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Green Operations – Energy Use and Efficiency Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Operations – Water Management Performance Data Summary

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

"Comply or Explain" Provisions		
Subject Areas, Aspects, General Disclosures and KPIs	**Description**	**Relevant Chapter or Explanation**
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operations – Energy Use and Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Operations – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group did not use packaging material to support its operations during the Reporting Period.
Aspect A3: The Environment and Natural Resource		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Operations – Environmental Management; Environmental Compliance, Energy Use and Efficiency; Biodiversity Company Policies
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operations – Green Operations; Environmental Management; Environmental Compliance, Energy Use and Efficiency; Biodiversity and Climate Change and Resilience
Aspect A4: Climate Change		
General Disclosure	Repealed 1 January 2025	Not applicable
KPI A4.1	Repealed 1 January 2025	Not applicable
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Dedicated Workforce - Employment Welfare; Benefits and Compensation; Diversity and Equal Opportunity Company Policies Laws, Rules and Regulations
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Dedicated Workforce – Diversity and Equal Opportunity Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

"Comply or Explain" Provisions		
Subject Areas, Aspects, General Disclosures and KPIs	**Description**	**Relevant Chapter or Explanation**
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Dedicated Workforce - Occupational Health and Safety Company Policies Laws, Rules and Regulations
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Dedicated Workforce - Occupational Health and Safety Performance Data Summary
KPI B2.2	Lost days due to work injury.	Dedicated Workforce - Occupational Health and Safety Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Dedicated Workforce - Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Dedicated Workforce – Training and Development Company Policies
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Ethical Governance - Human Rights Company Policies Laws, Rules and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Ethical Governance - Human Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Ethical Governance - Human Rights

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

"Comply or Explain" Provisions		
Subject Areas, Aspects, General Disclosures and KPIs	**Description**	**Relevant Chapter or Explanation**
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Quality Product and Service - Supply Chain Management, Responsible Supply Chain Company Policies
KPI B5.1	Number of suppliers by geographical region.	Quality Product and Service - Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Quality Product and Service - Supply Chain Management; Responsible Supply 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.	Quality Product and Service – Responsible Supply 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.	Quality Product and Service – Sustainable Procurement
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Product and Service - Leveraging Technology, Product Quality Assurance, Customer Service and Satisfaction Ethical Governance - Information Confidentiality; Marketing and Labelling Company Policies Laws, Rules and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Nil
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Quality Product and Service – Customer Service and Satisfaction Nil
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Ethical Governance – Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Product and Service - Product Quality Assurance; Customer Service and Satisfaction
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ethical Governance - Information Confidentiality

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

"Comply or Explain" Provisions		
Subject Areas, Aspects, General Disclosures and KPIs	**Description**	**Relevant Chapter or Explanation**
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ethical Governance - Anti-corruption; Whistleblowing Company Policies Laws, Rules and Regulations
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Nil
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Ethical Governance - Anti-corruption; Whistleblowing
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ethical Governance - Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Corporate Citizenship – Social Investment Policy; Community Contributions; Employee Participation; Supporting Our Communities Company Policies
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture and sport).	Corporate Citizenship – Social Investment Policy; Community Contributions; Supporting Our Communities
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Corporate Citizenship – Community Contributions; Employee Participation Performance Data Summary

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

Climate-related Disclosures		
Governance	**Description**	**Relevant Chapter or Explanation**
Paragraph 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: (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 (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (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; (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 (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: (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 (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.	Green Operations – Climate Change and Resilience: Climate Governance Sustainability at TLMC – ESG Governance; ESG Governance in Practice
Strategy	**Description**	**Relevant Chapter or Explanation**
Paragraph 20	**Climate-related risks and opportunities** 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:	Green Operations – Climate Change and Resilience: Climate Strategy – Time Horizons; Climate-related Risks and Opportunities

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

Climate-related Disclosures		
Strategy	**Description**	**Relevant Chapter or Explanation**
Paragraph 20	(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; (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; (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 (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.	Green Operations – Climate Change and Resilience: Climate Strategy – Time Horizons; Climate-related Risks and Opportunities
Paragraph 21	**Business model and value chain** 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 (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).	Green Operations – Climate Change and Resilience: Climate Strategy – Effects on the Business Model and Value Chain
Paragraph 22	**Strategy and decision-making** 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: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (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	Green Operations – Climate Change and Resilience: Climate Strategy – Strategy and Decision-making; Transition Plan; Climate Metrics and Targets – Climate Target and Progress

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

Climate-related Disclosures		
Strategy	**Description**	**Relevant Chapter or Explanation**
Paragraph 22	(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 (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
Paragraph 23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Green Operations – Climate Change and Resilience: Climate Strategy – Strategy and Decision-making; Climate Metrics and Targets – Climate Target and Progress. This is the first reporting period in which the Group has reported under Part D; no prior Part D plan was disclosed for progress reporting.
Paragraph 24	**Financial position, financial performance and cash flows** **Current financial effect** 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 (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.	Green Operations – Climate Change and Resilience: Climate Strategy – Current and Anticipated Financial Effects. Current financial effects were assessed qualitatively and were not separately quantified; no climate-related effect requiring separate recognition or adjustment to carrying amounts was identified.
Paragraph 25	**Anticipated financial effect** 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: (i) its investment and disposal plans; and (ii) (ii) its planned sources of funding to implement its strategy; and (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.	Green Operations – Climate Change and Resilience: Climate Strategy – Current and Anticipated Financial Effects. Anticipated effects and relevant financial channels are disclosed qualitatively; quantitative anticipated financial effects were not provided because they could not be distinguished reliably from wider commercial and operational factors without disproportionate cost or effort.

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

Climate-related Disclosures		
Strategy	**Description**	**Relevant Chapter or Explanation**
Paragraph 26	**Climate Resilience** 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 shall enable an understanding of: (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; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; (b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	Green Operations – Climate Change and Resilience: Climate Strategy – Climate Scenario Analysis and Resilience

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Climate-related Disclosures		
Risk Management	**Description**	**Relevant Chapter or Explanation**
Paragraph 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: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (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); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (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 (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.	Green Operations – Climate Change and Resilience: Climate Risk Management

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Climate-related Disclosures		
Metrics and Targets	**Description**	**Relevant Chapter or Explanation**
Paragraph 28	**Greenhouse gas emissions** An issuer shall disclose its absolute gross greenhouse gas emissions generated during the Reporting Period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Greenhouse Gas Emissions; Scope 1 Emissions; Scope 2 Emissions; Scope 3 Reporting Boundary Performance Data Summary. Scope 3 disclosure is limited to Category 5 and does not represent a complete Scope 3 inventory.
Paragraph 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; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the Reporting Period and the reasons for those changes; (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 (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).	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Measurement Methods; Scope 1 Emissions; Scope 2 Emissions; Scope 3 Reporting Boundary
Paragraph 30	**Climate-related transition risks** An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Other Climate-related Metrics. The amount and percentage were not separately quantified because the Group's records do not classify assets or activities by climate-related transition-risk characteristics.

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

Climate-related Disclosures		
Metrics and Targets	**Description**	**Relevant Chapter or Explanation**
Paragraph 31	**Climate-related physical risks** An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Other Climate-related Metrics. The amount and percentage were not separately quantified because the Group's records do not classify assets or activities by climate-related physical-risk characteristics.
Paragraph 32	**Climate-related opportunities** An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Other Climate-related Metrics. The amount and percentage were not separately quantified because the Group's records do not classify assets or activities by alignment with climate-related opportunities.
Paragraph 33	**Capital deployment** An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Green Operations – Climate Change and Resilience: Climate Strategy – Strategy and Decision-making; Current and Anticipated Financial Effects. Climate-related capital expenditure, financing and investment were not separately tracked or quantified during the Reporting Period.
Paragraph 34	**Internal carbon prices** 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 (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.	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Other Climate-related Metrics. The Group did not apply an internal carbon price in decision-making during the Reporting Period.
Paragraph 35	**Remuneration** 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).	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Other Climate-related Metrics. Directors' and Management remuneration was not specifically linked to climate-related performance metrics during the Reporting Period.

STOCK EXCHANGE ESG GUIDE CONTENT INDEX (continued)

Climate-related Disclosures		
Metrics and Targets	**Description**	**Relevant Chapter or Explanation**
Paragraph 36	**Industry-based metrics** 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.	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Supporting Climate Indicators; Climate Strategy – Climate-related Risks and Opportunities. Industry-based metrics were considered having regard to the Group's business model and available operational information.
Paragraph 37	**Climate-related targets** 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: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (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); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Climate Target and Progress. The target is an operational greenhouse gas intensity target covering the Group's entities and operations under operational control, applying from the FY2024/25 baseline to FY2027/28.
Paragraph 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; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Climate Target and Progress; Target Management. The target was set internally and has not been externally validated. Progress is monitored annually and reviewed through the Group's ESG governance arrangements. No revision was made during the Reporting Period.

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Climate-related Disclosures		
Metrics and Targets	**Description**	**Relevant Chapter or Explanation**
Paragraph 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.	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Progress Against Target; Performance Overview
Paragraph 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; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (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; (d) whether the target was derived using a sectoral decarbonization approach; and (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: (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).	Green Operations – Climate Change and Resilience: Climate Metrics and Targets – Scope 1 Emissions; Scope 2 Emissions; Climate Target and Progress. The gross intensity target covers CO_2, CH_4 and N_2O within Scope 1 and location-based Scope 2. It was not derived using a sectoral decarbonisation approach and does not rely on carbon credits.
Paragraph 41	**Applicability of cross-industry metrics and industry-based metrics** 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 cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Green Operations – Climate Change and Resilience: Climate Strategy; Climate Risk Management; Climate Metrics and Targets