

King's Stone Holdings Group Limited

金石控股集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(formerly known as SILVER TIDE HOLDINGS LIMITED)

Stock code: 1943

2025
ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Report Overview

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

Reporting Period

This Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 March 2025 (the “**Reporting Period**” or “**FY2025**”).

Reporting Scope

This Report focuses primarily on the Group’s ESG performance within the Hong Kong office of the Group, which is a major operating revenue center controlled directly by our management. It includes providing formwork construction services to the public as well as private construction sectors. The Group’s formwork business principally includes (i) traditional formwork using timber and plywood and (ii) system formwork using aluminum and steel.

Reporting Framework

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

Reporting Principles

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

Materiality	The materiality assessment was conducted to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of this Report. The materiality of issues was reviewed and confirmed by the ESG Committee. Please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” for further details.
Quantitative	Supplementary notes have been added along with quantitative data disclosed in the ESG Report to explain any standards, methodologies, and sources of conversion factors used during the calculation of emissions and energy consumption.
Consistency	The preparation approach of this Report was substantially consistent with the previous year ended 31 March (“ FY2024 ”), and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies (if any).
Balance	The information provided in this report was presented in an objective and impartial manner, which provided stakeholders with an unbiased view of how the Group performed in terms of its ESG activities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

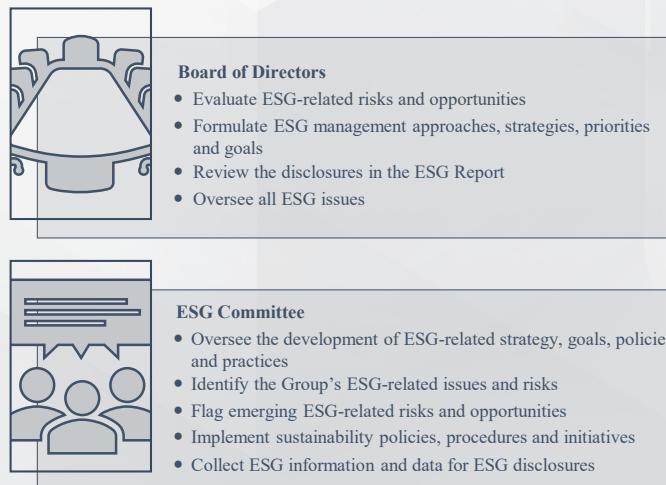
Contact Us

We value the feedback from our stakeholders in developing our sustainability strategy. You are welcome to provide opinion and suggestions on this Report or our sustainability performance at:
Address: Room 2701B, 27/F, Tower 1, Admiralty Center, 18 Harcourt Road, Admiralty, Hong Kong
Email: info@kshgl.com
Website: www.kshgl.com

Forward-looking Statements

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

THE ESG GOVERNANCE STRUCTURE



Board Statement

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

The Committee

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)



STAKEHOLDER ENGAGEMENT

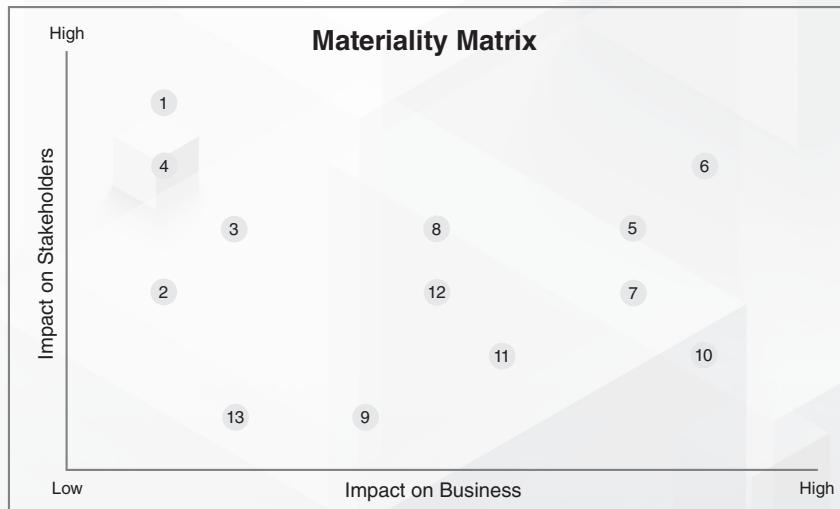
The Group seeks to collaborate with stakeholders to achieve better ESG performance and enhance value creation for the community. Thus, the Group values its stakeholders' feedback on its businesses and ESG practices. For a better understanding of their key concerns, the Group has maintained close communication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

MAJOR STAKEHOLDERS	COMMUNICATION CHANNELS	EXPECTATIONS
Shareholders and Investors	<ul style="list-style-type: none">Financial reportsAnnouncements and circularsAnnual general meetingsCompany website	<ul style="list-style-type: none">Corporate governanceBusiness complianceFinancial performanceStrategic development
Government Authorities and Regulatory Bodies	<ul style="list-style-type: none">Tele-conferencesWritten or electronic correspondenceOn-site inspectionsCorporate reports and announcements	<ul style="list-style-type: none">Compliance with laws and regulationsTimely taxationEmployment growthSecurity operations
Customers	<ul style="list-style-type: none">Face-to-face meetingsInterviewsHotline and emails	<ul style="list-style-type: none">Project qualityCustomer servicePrivacy protectionBusiness ethics
Employees	<ul style="list-style-type: none">Professional trainingInternal meetingsAnnual performance appraisalsEmployee opinion surveys	<ul style="list-style-type: none">Compensation and benefitsWorkplace health and safetyCareer developmentLegal rights and interests
Suppliers	<ul style="list-style-type: none">Periodic assessmentsSupplier management meetings and eventsOpen tendering	<ul style="list-style-type: none">Stable supply chainFair and open tenderingInformation resources sharingLong-term cooperation
Community and the Public	<ul style="list-style-type: none">Community investment plansESG reportsMedia	<ul style="list-style-type: none">Community contributionsEthical operationsEnvironmental protection

MATERIALITY ASSESSMENT

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)



NO. MATERIAL ISSUES

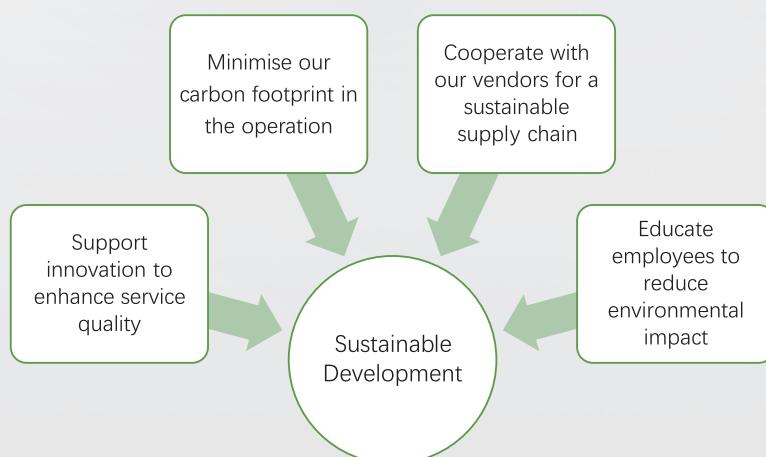
1. Emissions control
2. Energy management
3. Noise control
4. Climate change
5. Employment and labour practices
6. Protecting staff's health and safety
7. Training and development

NO. MATERIAL ISSUES

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

OUR APPROACH TO ESG

The core businesses of the Group are principally engaged in the provision of formwork works services for the construction industry in Hong Kong. We believe that green building in our business, sustainable practices in our daily operation and employees' environmental awareness improve our community's living quality and protect our ecosystem. The Group has established an ESG policy to ensure that its business operations have the least negative impact on the environment and society. Recognising the importance of environmental protection, low carbon footprint, resource conservation, and sustainable development as key trends in society, we have integrated ESG aspects into our risk management system. This integration allows us to incorporate ESG factors into our decision-making process and adopt corresponding development principles in our daily operations. By doing so, we aim to strengthen our ESG management and risk control capabilities, enabling the Board to effectively track, monitor, and manage key ESG issues.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)



A. ENVIRONMENTAL

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

The Group has established environmental policies, such as Integrated Management Procedures, which outlines the process controls related to the environment, including but not limited to the aspects of air pollution control, waste control, noise pollution control, water pollution control and resources preservation. The Group has also integrated the concept of sustainable development into its operation. The environmental management system has been certified by the international standard ISO 14001:2015 and complies with the standard to ensure environmental friendliness in building design and construction.

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

A1. Emissions Control

Air Emissions

The Group's air emissions were mainly generated from mobile sources and construction sites. Mobile sources include the Group's company vehicles and mobile machinery used at construction sites. The exhaust gas generated by the Group includes nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and particulate matter ("PM"). Since the company vehicles were sold and no company-owned forklifts were used at the site during the Year, the Group was unable to collect air pollutant emissions data for the Reporting Period. The Group's air emissions performance is as follows:

Types of Air Emissions	Unit	FY2025	FY2024
NO _x	kg	NA	292.82
SO _x	kg	NA	0.29
PM	kg	NA	21.82

For the emissions generated from the construction, the Group adopts appropriate dust reduction measures to mitigate air pollutants generated from construction works. Dust suppression is carried out by the installation of screens and other barriers. The areas where demolition work is carried out and areas with a stockpile of dusty materials are sprayed with water immediately before, during and after construction activities.

The Group has implemented emission reduction measures with the aim of reducing exhaust gas from mobile sources. Vehicle inspections and maintenance are conducted on company vehicles regularly to enhance their efficiency. Substandard vehicles have been phased out, and the Group is considering electric vehicles for future purchases. The workers are encouraged to plan routes ahead of time to reduce route repetition and take public transport during business trips under normal circumstances. The Group reduces physical meetings by leveraging the use of online meetings. We prefer local suppliers and contractors, thus reducing air emissions and GHG emissions resulting from transportation. Besides, environmentally friendly unleaded petrol is adopted to comply with the latest emissions standards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

GHG Emissions

The consumption of electricity at the office, petrol consumption by the vehicles and mobile machinery used at construction sites are the major sources of GHG emissions generated by the Group.

During the Reporting Period, since the company vehicles were sold and no company-owned forklifts were used at the site during the Year, the Group was unable to collect scope 1 GHG emissions data for the Reporting Period. The Group's GHG emissions performance is as follows:

Indicators¹	Unit	FY2025	FY2024
Direct GHG Emissions (Scope 1) • Petrol and Diesel Consumption	tCO ₂ e	NA	48.92
Energy Indirect GHG Emissions (Scope 2) • Electricity Consumption	tCO ₂ e	0.28	0.38
Total GHG Emissions (Scope 1 and Scope 2)	tCO ₂ e	0.28	49.30
Total GHG Emissions Intensity ²	tCO ₂ e/employee	0.01	1.33

Remarks:

1. GHG emissions data is presented in carbon dioxide equivalent and with reference to, including but not limited to, the reporting requirements of the "GHG Protocol Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX and the "2024 Sustainability Report" published by the CLP Power Hong Kong.
2. As of 31 March 2025, the Group had a total of 31 employees (As of 31 March 2024: 37 employees). The data is also used for calculating other intensity data.

The Group has formulated internal policies and control systems to reduce GHG emissions generated from its business activities. The measures taken for reducing GHG emissions from vehicles (Scope 1) were described under the above section headed "Air Emissions".

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

Sewage Discharge

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Waste Management

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

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

Non-hazardous Waste

In view of the business nature, we consumed paper for drawing, designing, and commercial purposes during operations. The non-hazardous wastes generated by the Group's operations mainly consist of office paper. The decrease in paper waste produced was mainly due to the Group's decreased administrative work during the Year.

Type of Waste	Unit	FY2025	FY2024
Non-hazardous Waste Produced • Office Paper	tonnes	0.09	0.27
Non-hazardous Waste Produced Intensity	tonnes/employee	0.003	0.07

For construction wastes, no data is available as most of the construction projects were shared with the main contractors and subcontractors. Nevertheless, the Group integrates the concept of sustainability into operations and introduces eco-friendly materials to the projects. Apart from paper, employees are also encouraged to bring their own lunch and avoid takeaway to reduce foam lunch box disposal.

Paper Waste	<ul style="list-style-type: none">Monitor the consumption of paper to avoid abnormal situations.Adopt double-sided printing and electronic means for the circulation of documents to create a paperless workplace.Place recycling bins beside the printer to encourage paper recycling.
Construction Waste	<ul style="list-style-type: none">Precast reusable formworks, which are made up of aluminum alloy, were employed for construction works since traditional timber formwork has lower reusability, while the use of aluminum alloy formworks appears to be more environmentally friendly in the way of saving trees.Scrap and recycle the aluminum alloy formworks that are worn out.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Hazardous Waste

As the Group is principally engaged in the provision of formwork works services, it does not produce hazardous wastes during the operation. Nevertheless, the Group has established guidelines which detail the steps in governing the management and disposal of hazardous wastes. In case there are any hazardous wastes produced, the Group will engage qualified waste collectors to handle the waste in order to comply with the relevant environmental regulations and rules.

A2. Use of Resources

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

Energy Management

Energy consumption of the Group includes petrol and diesel consumed by mobile machinery at the construction sites and the Group's vehicles, and electricity used at the office. During the Reporting Period, since the company vehicles were sold and no company-owned forklifts were used at the site during the Year, the Group was unable to collect direct energy consumption data for the Reporting Period. The Group's energy consumption performance is as follows:

Indicators	Unit	FY2025	FY2024
Total Direct Energy Consumption ³	MWh	NA	191.93
• Petrol	MWh	NA	40.75
• Diesel	MWh	NA	151.18
Total Indirect Energy Consumption	MWh	0.75	0.97
• Purchased Electricity	MWh	0.75	0.97
Total Energy Consumption	MWh	0.75	192.90
Total Energy Consumption Intensity	MWh/employee	0.02	5.21

Remarks:

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



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

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

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

Water Management

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

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

Use of Packaging Materials

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

A3. The Environment and Natural Resources

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)



Noise Control

Controlling noise during formwork construction is important to minimise disturbances to nearby residents, ensure compliance with regulations, and maintain a safe working environment. The Group and the employed subcontractors strictly adhere to the laws stipulated by the Environmental Protection Department and carry out all construction works only during the permitted days and hours. Temporary acoustic barriers are erected around the construction site. Noise-damping materials such as rubber or foam pads are applied between contact points to absorb vibration and reduce noise transmission. Our on-site staff and safety officers implement immediate corrective actions to rectify the situation whenever any environmental non-compliance is noted on-site.

Construction Waste Control

Controlling construction waste during formwork construction is crucial for environmental sustainability and efficient project management. During the initial project planning phase, the Group considers waste reduction strategies and optimises formwork design to minimise material usage and waste generation. Modular systems made from materials like steel, aluminum, or plastic can be dismantled and reused multiple times, reducing waste generation. Our workers carefully plan the dimensions of formwork elements to minimise the need for trimming or cutting excess material. When possible, the formwork elements will be carefully dismantled and stored for future use. By implementing these strategies, the Group can effectively control and reduce construction waste during formwork construction. Not only does this benefit the environment, but it can also improve project efficiency and cost-effectiveness.

A4. Climate Change

Most construction firms have become accustomed to the weather and climate in the areas where they operate. With experience and data gathering, they have developed strategies to ensure that inclement weather does not threaten the success of a project. Due to climate change, the weather has become less predictable. Consequently, construction firms' entire business is at risk when they are unable to predict weather patterns or develop emergency plans for weather variables.

To combat climate change, our goal is to mitigate the related risks, adapt to them, and manage the risks associated with climate change in our operations. The Board oversees the implementation of ESG strategies and goals, including climate risk management and carbon neutrality. To achieve carbon neutrality, we strive to remove carbon and then reduce carbon directly. This goal aligns with the Paris Agreement goal of limiting climate change to 1.5°C.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Physical Risks and Transition Risks

According to the reporting framework developed by the Task Force on Climate-Related Financial Disclosures, climate-related risks are divided into physical and transition risks. The Group has identified relevant potential climate change-related risks and incorporated them into enterprise risk management.

Physical Risks	Description
Drought	Drought can prevent our construction sites from getting enough water to complete vital tasks.
Flooding	Flooding can cause a shortage of the raw ingredients used to make construction in materials. It also poses a threat on the safety of our employees and customers.
Persistent Heatwave	Our workers on the construction site are susceptible to sunstroke due to high temperatures in the summer. If the heat waves persist, we may experience delays in our construction projects.
Strong Wind	Strong wind can pose risks to worker safety, including falls and injuries caused by being struck by construction debris.

To minimise the potential hazards, the Group has established mitigation plans such as the Emergency Response Plan regarding preventive measures and operational procedures, including flexible working arrangements during extreme weather conditions, such as typhoons and black rainstorms. Precautionary measures are taken during typhoon season to make advance notice to all employees and workers. Construction workers are provided with rest areas, ventilation facilities, rest periods, potable water, relevant training and extra formwork protection. Aside from this, the Group had also invested in insurance coverage for its employees and properties to protect the interests of all parties involved and reduce the risk of financial loss.

Transition Risks	Description
Policy and Legal Risk	To meet the carbon neutrality targets set by the Hong Kong government, tighter regulations, policies, and initiatives will be implemented to reduce GHG emissions. For example, the HKEX has required listed companies to enhance climate-related disclosures in their ESG reports, which may result in increased compliance costs due to the future updates of the Listing Rules and potentially affect the Group's financial performance.
Technology Risk	Upgrading to old equipment and lighting systems would increase the investment cost and potentially decrease revenue due to temporary production shutdowns.
Market Risk	Market risk also arises from consumer preferences and behaviour changes, as customers might be sensitive to greener products and production processes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

The Group constantly monitors any changes in laws or regulations and global trends on climate change to avoid cost increments, non-compliance fines or reputational risks due to delayed response. The Group will regularly review environmental study reports and news so that it can stay informed about latest developments. Besides, the Group will explore emergency plans to further reduce the vulnerability of our installations to extreme weather events to enhance business stability.

B. SOCIAL

B1. Employment

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

Recruitment, Promotion and Dismissal

The Group hires employees through open recruitment. The Group adheres to the principles of transparency and fairness to adopt a robust recruitment process. The Group promises to provide all candidates fair access to information and resources. Factors such as capabilities, academic qualification, practical working requirements, functional knowledge and language proficiency are considered recruitment standards.

Employees are promoted based on performance appraisals, which are conducted by the Group's management on a regular basis. The process of appraisals and promotion are stated in relevant human resources policies. The Group's Employee Handbook is regularly reviewed and updated to ensure compliance with applicable laws and regulations.

The Group has no tolerance for unfair and illegitimate dismissals and makes sure the dismissal procedure is fair and open. The Group has formulated the procedures and conditions of dismissal in the Employee Handbook. The management conducts face-to-face interviews with the resigned staff in order to understand employees' opinions.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Remuneration and Benefits

Compensation and human resources budgets are regularly reviewed by the Group's management. This is to ensure that staff remuneration packages attract and retain talent and remain competitive in the industry. Statutory benefits, including the Mandatory Provident Fund and different types of leaves, are provided. Employees' remuneration is paid timely and accurately according to the requirement of relevant labour standards and as stated in the Employee Handbook for the staff's notification.

The Group actively recruits and attracts talents and provides fair and competitive compensation. Employees' salaries and year-end bonuses are determined based on qualifications, work performance, performance appraisal results and market trends.

Working Hours and Rest Periods

The Group stipulates the working days and rest time for employees in the Employment Contract to eliminate the possibility of forced labour. When overtime is required, the Group negotiates with employees and provides compensatory time off or overtime money as required by law.

Employees of the Group are entitled to a variety of paid leaves, including but not limited to annual leave, maternity leave, paternity leave, marriage leave, compassionate leave, examination leave, and so on, in addition to statutory or public holidays and rest days.

Equal Opportunity, Diversity and Anti-discrimination

The Group provides equal opportunities in all aspects of employment and maintains a workplace that is free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, color, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation. We have established and implemented policies that promote a fair and respectful workplace. With the aim of ensuring fair and equal protection for all employees, the Group has zero tolerance for sexual harassment or abuse in the workplace in any form. Any employee who is intimidated, humiliated, bullied or harassed (including sexual harassment) may report to the employee's representative or file complaints directly to the management representative or the general manager. The Group will take serious approaches to resolve these issues upon receiving the said complaints.

Employment Engagement

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

As of 31 March 2025, the Group's employee size breakdown is as follows:

Breakdown of Employees	FY2025 ⁴	FY2024
Total	31	37
By Gender		
Male	23	25
Female	8	12
By Age Group		
Below 30	3	4
30–50	20	21
Above 50	8	12
By Geographical Region		
Hong Kong	31	37
By Employment Type		
Full-time	30	37
Part-time	1	–

The Group's overall employee turnover rate during the Reporting Period was approximately 15%. The employee turnover rate of the Group by category is as follows:

Employee Turnover Rate (%) ⁵	FY2025 ⁴	FY2024
Total	15%	26%
By Gender		
Male	17%	33%
Female	10%	8%
By Age Group		
Below 30	–	53%
30–50	20%	26%
Above 50	10%	–
By Geographical Region		
Hong Kong	15%	26%

Remarks:

4. As Yellow River Securities Ltd was disposed out of the Group in December 2024, relevant employee number and turnover data of Yellow River Securities Ltd was not included in the Group's employee data.
5. Employee turnover rate = the number of departures during the reporting year ÷ [(number of employees at the beginning of the reporting year + number of employees at the end of the reporting year) ÷ 2] × 100%.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

B2. Health and Safety

Safety is considered to be of the utmost importance during delivery of the Group's services, since high-risk activities are performed and employees are exposed to heights during certain work activities, such as construction at heights. A safe and healthy working environment is a top priority for the Group and it strives to achieve zero tolerance for hazards, incidents, non-compliances, and accidents.

The Group has established relevant work instructions and manuals, outlining the guidelines, requirements and matters requiring attention in relation to health and safety at work. Emergency response plans and policies have also been established for the prevention and remediation of health and safety accidents. During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant adverse impact on the Group.

Health and Safety Systems

A well-established health and safety management system has been established to ensure a safe working environment in projects. Our occupational health and safety management system has been implemented and certified in compliance with the requirements of OHSAS 18001 international standards. The Group sets up its own safety department and employs a safety officer registered under the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) Regulations (Chapter 59Z of the Laws of Hong Kong).

Additionally, the Group has engaged a safety consultant whose engagement team includes a chartered member of the Institution of Occupational Safety and Health to advise the Group on its general safety policy. The consultant conducted random safety inspections for construction projects and provided safety consultancy services, which included offering trainings to the Group's directors and senior management and carrying out risk assessments for specific high-risk activities or operations. If subcontractors fail to follow the Group's in-house safety guidelines, a warning letter will be issued.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Safety Training

Employees should attend the training courses organised by the Group on occupational safety and environmental control. Emergency and evacuation procedures have been established for the employees to respond to major safety accidents timely and orderly. The safety officer conducts regular training for employees and workers arranged by subcontractors. This ensures their competency to perform specifically assigned tasks and a proper training record is kept. Employees are also free to provide feedback on improving workplace safety.

The Group has achieved zero work-related fatalities (rate of work-related fatalities: 0%) for three consecutive years (including the Reporting Period). During the Reporting Period, the Group has not lost any working days due to work injury.

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

B3. Development and Training

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

During the Reporting Period, the Group achieved an overall training rate⁶ of approximately 71% and a total training hour of approximately 420.2 hours. The tables below show the employee training data by category:

Percentage of Employees Trained (%)	FY2025	FY2024
By Gender⁶		
Male	74%	84%
Female	63%	75%
By Employment Category⁷		
Board & Senior Management	43%	78%
Project Management & Execution	100%	100%
Average Training Hours (Hours)	FY2025	FY2024
By Gender⁸		
Male	17.18	7.01
Female	3.13	2.48
By Employment Category⁸		
Board & Senior Management	7.75	2.34
Project Management & Execution	30.57	19.36

Remarks:

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)



B4. Labour Standards

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

Prevention of child labour

During the recruitment process, the Human Resources Department will verify the applicant's identity documents and ensure that they have reached the minimum age for employment.

Prohibition of forced labour

The Group specifies overtime compensation provisions in the Employee Handbook. The Group carefully monitors the employee working time and schedule to ensure they work voluntarily and freely.

Prevention of hiring of illegal immigrants

A Stringent recruitment screening procedure is adopted to ensure that all recruited employees bear the necessary documents to work for the Group, such as HKID, proof of eligible working visa, the Construction Industry Safety Training Certificate, etc. The Group has also established relevant policy, aiming to prohibit any employment of illegal workers and to comply with the relevant immigration laws and regulations.

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

B5. Supply Chain Management

Subcontractor Management

To ensure that our suppliers and subcontractors meet customers' and our requirements, we have set up a supply chain management system with reference to ISO 9001 and ISO 14001 in selecting suppliers and subcontractors.

Our procurement process ensures that all suppliers and subcontractors receive fair and equal treatment while, at the same time, we obtain the best possible price on the goods, services, and equipment that we procure. The selection of suppliers and subcontractors is made based on a number of factors, including the quality, services, background, and reputation of the suppliers and subcontractors, as well as their attention to environmental protection measures.

The supply chain management system specifies that for new suppliers or vendors, background and quality checking works would be conducted. The approved suppliers will be reviewed on a periodic basis. To ensure the quality of construction works delivered to customers, the Group's construction teams would regularly carry out inspections at project sites. The Group will also have regular meeting with subcontractors to review their performance. During the Reporting Period, the Group has implemented the above practices relating to the engagement of all suppliers.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Green Sourcing

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

When ordering timber or plywood for construction materials of formwork, the Group would request suppliers to supplement a place of origin certificate with each timber or plywood delivery. This ensures that only wood products from sustainable sources would be used in construction projects. The certificate would need to be endorsed by internationally recognised institutions such as the Forest Stewardship Council and the American Forest and Paper Association.

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

Number of Suppliers Distributed by Geographic Region

Location	FY2025	FY2024
Hong Kong	141	123
China	2	1

B6. Product Responsibility

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

Quality Assurance

Product and service quality is the cornerstone of corporate development. To ensure its goal of delivering excellent quality service, the Group has established a quality management system in accordance with ISO 9001, OHSAS 18001 and ISO 14001 to develop a sustainable performance-oriented culture to pursue continuous improvement in quality. Before delivery, all contracting projects are subjected to strict quality inspection.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)



Customer Service

As a subcontractor, the Group's direct customers primarily consist of main contractors in the construction industry, property developers or owners in Hong Kong.

To understand customers' needs and thus provide services to meet their expectations, the Group maintains active communication with them regularly. The client's expectations and customer service standards are incorporated into the Group's quality manual, procedure manual and quality plan.

Protection of Customers' Privacy

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

Protection of Intellectual Property (“IP”) Rights

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

Advertising and Labelling

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



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

B7. Anti-corruption

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

Anti-corruption-related training is conducted annually. During the Reporting Period, the employees of the Group have completed a total of 22 hours of anti-corruption training. Such training familiarises them at various levels with their corresponding roles and responsibilities in anti-corruption and business ethics, and helps cultivate employees' awareness towards anti-corruption and a high standard of professional conduct to comply with relevant laws and regulations.

Whistle-blowing Mechanism

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

B8. Community Investment

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)



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

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

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

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



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Subject Areas, Aspects, General Disclosure and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Control; Appendix I
KPI A1.1	The types of emissions and respective emissions data.	Emissions Control – Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Control – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Control – Waste Management – Hazardous Waste (Not applicable – explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Control – Waste Management – Non-hazardous Waste
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental; Emissions Control
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental; Emissions – Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Management (Not applicable – explained)
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental; Use of Resources – Energy Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)



Subject Areas, Aspects, General Disclosure and KPIs	Description	Section/Declaration
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental; Use of Resources – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Materials (Not applicable – explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Noise Control, Construction Waste Control
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change – Physical Risks and Transition Risks
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change – Physical Risks and Transition Risks
Aspect B1: Employment		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employment; Appendix I
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Subject Areas, Aspects, General Disclosure and KPIs	Description	Section/Declaration
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety; Appendix I
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety – Safety Training
KPI B2.2	Lost days due to work injuries.	Health and Safety – Safety Training
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety – Health and Safety Systems, Safety Training
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards; Appendix I
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)



Subject Areas, Aspects, General Disclosure and KPIs	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management – Green Sourcing
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management – Subcontractor Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management – Green Sourcing
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management – Green Sourcing
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility; Appendix I
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility – Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Quality Assurance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Protection of Customers' Privacy



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Subject Areas, Aspects, General Disclosure and KPIs	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption; Appendix I
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment