



TYSAN HOLDINGS LIMITED

泰昇集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code : 687)

**Environmental, Social
and Governance Report
2025**



Environmental, Social and Governance (ESG) Report

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Environmental, Social and Governance (ESG) Report

1. Company Profile

Tysan Holdings Limited (the “**Company**”, together with its subsidiaries the “**Group**”) has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 1991 (Stock Code: 687). The principal businesses of the Group include foundation piling and site investigation, property development and investment, and investment businesses. The Group believes that sustainable development is the foundation to high-quality property development and foundation works.

2. About this Report

2.1. Reporting Standard, Period and Scope

This report was prepared in accordance with the Environmental, Social and Governance (“**ESG**”) Reporting Code set out in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Information regarding corporate governance is included in the section of the corporate governance report in the annual report of the Company prepared according to Appendix C1 of the Listing Rules.

This report covers the Group’s ESG-related activities from 1 January 2025 to 31 December 2025 (the “**Reporting Period**”). The Group strictly adheres to the principles of materiality, quantitative, balance and consistency to report on the relevant measures and performances during the Reporting Period.

REPORTING PRINCIPLES	APPLICATION
Materiality	To identify the material ESG-related issues related to the Group, we conducted stakeholder engagement surveys to collect opinions from management, general staff and stakeholders like suppliers. We incorporated the material ESG issues into the Group’s core business strategy.
Quantitative	The Group discloses its ESG performances in a quantitative manner to allow assessment and comparison of performance over time. Definition and calculation formulae are clearly explained for better understanding by the stakeholders.
Balance	The Group prepares this report based on balanced and fair information and discloses the achievements and challenges of the ESG performance in a transparent manner.
Consistency	This report is prepared in accordance with the Appendix C2 Environmental, Social and Governance Reporting Code issued by the Stock Exchange to provide consistent and comparable disclosures.

The reporting boundary and scope of this report covers the Group’s operations involving foundation piling in Hong Kong only, including the head office and 24 construction sites.

The Group has appointed an independent consultant (the “**Consultant**”) to provide ESG consultancy and reporting services.

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2.2. Access and Response to this Report

The electronic versions of this report (in both English and Chinese versions) are available on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.tysan.com), under the section headed “Investor Relations”. If there is any conflict or inconsistency, the English version shall prevail.

To continue to improve the Group’s sustainability strategies, we welcome any feedback and suggestions from our stakeholders. If you have any comments or enquiries, please contact the Group at:

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2 Heung Yip Road, Wong Chuk Hang
Hong Kong

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3. Board’s Statement

The board of directors of the Company (the “**Board**”) is fully responsible for the oversight and decision-making of the Group’s ESG governance and is committed to integrating ESG considerations into the business operations and improving sustainability performance through resource optimisation.

To address ESG issues, the Group takes a top-down management approach. The Board is responsible for developing strategic plans and action plans for ESG issues, as well as reviewing and discussing target-setting, performance, ESG-related risks and opportunities. Through an internal Integrated Management System (“**IMS**”), the Group has established several environmental and social policies that integrate sustainability principles into its daily operations. These policies and IMS aim to protect the environment, promote the well-being of the staff and the community, and manage risks in relation to quality, environmental, occupational health and safety, and energy aspects. To ensure that appropriate and effective policies and measures are in place, the management, under the leadership of the Board, is responsible for reviewing the Group’s ESG practices, coordinating with different departments to implement the ESG approaches, policies and action plans of the Group, and making recommendations to the Board for decision-making. The audit committee of the Board (the “**Audit Committee**”) reviews the risk exposure of the Group, including ESG risks, assesses the corresponding risk response and mitigation strategies, and reports its recommendations to the Board. The Company has also invited the management, general staff and stakeholders like suppliers to take part in an annual stakeholder survey, which aims to gather their perspectives on various ESG topics. With their valuable insights, the Company is better positioned to make informed decisions on allocating resources on major material ESG matters and ensure that appropriate and effective policies and measures are in place. In addition, to enhance operational efficiency and minimise environmental impacts, the performance and progress against relevant targets are regularly reviewed by the Board and disclosed in the ESG report annually.

As a foundation contractor, the Group recognises that its operations can have inevitable impacts on the environment. However, the Group is dedicated to protecting the environment and contributing to the society. The Hong Kong Council of Social Service has honoured the Group with the renowned “10 Years+ Caring Company” award, recognizing the Group’s continuous efforts in creating a positive impact on the society and environment. Besides, as a demonstration of the Group’s ongoing dedication to promoting long-term sustainability and its proactive efforts in addressing global environmental and social issues, the Group has mapped relevant United Nations Sustainable Development Goals (“**SDGs**”) to its business strategy and operation during the Reporting Period.

With the support and trust of the stakeholders, including customers, suppliers, employees, shareholders, business partners and the local community, the Group will continue to make progress in achieving ESG-related targets and creating sustainable value for its stakeholders.

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4. Ongoing Communication with Stakeholders

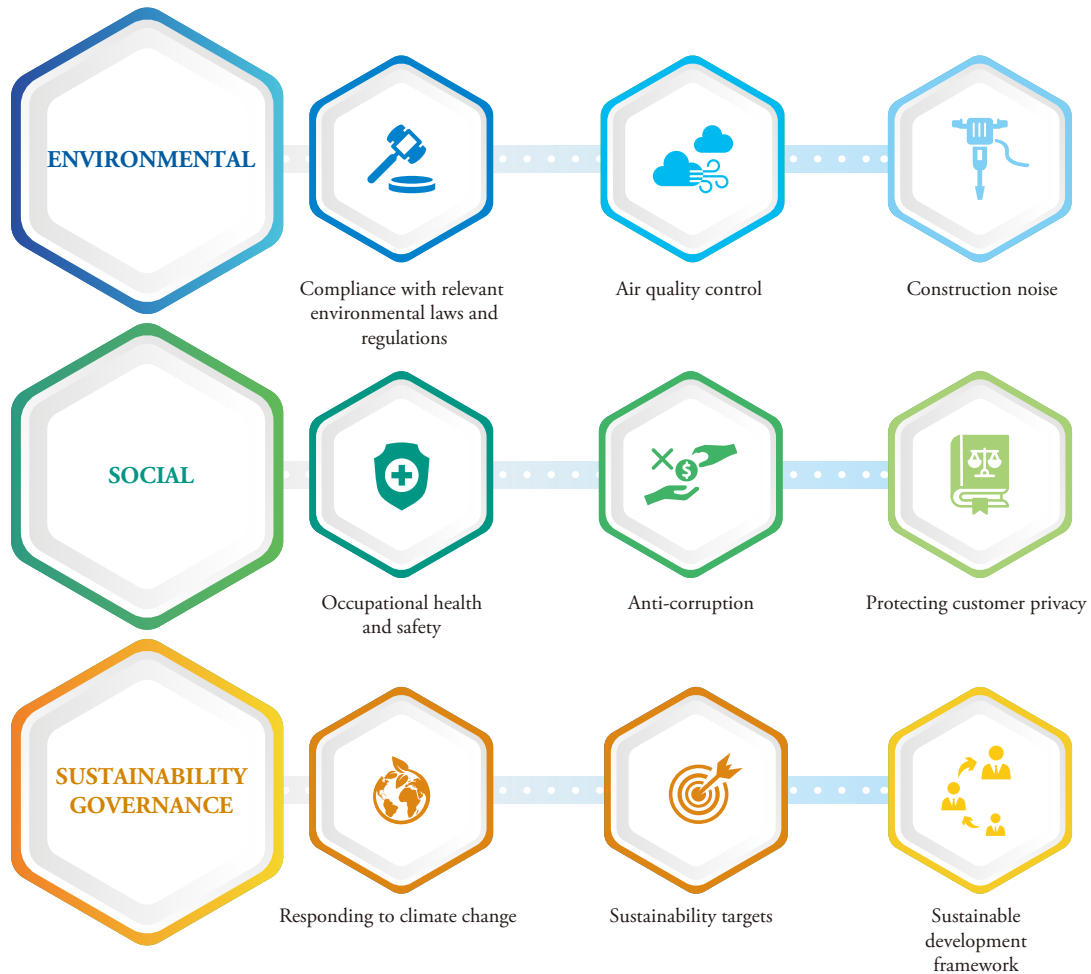
The Group recognises the importance of stakeholders’ participation for the continuous improvement of its sustainability performance. To understand the opinion of its stakeholders on its operations and ESG-related issues, the Group maintains close communication with different stakeholders which benefits the Group’s business development by addressing and prioritising the issues that stakeholders are more concerned about. By incorporating stakeholders’ perspectives, the Group has optimized its resource allocation, enabling it to effectively tackle the identified material issues.

The Group appointed the Consultant to identify and review various ESG issues and the following material issues were identified:



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The Group consolidated views on the importance of ESG-related topics to the Group’s business operations through an online stakeholder survey annually. The ESG-related topics are prioritised based on their significance and the result from the surveys are shown as follows:




The Group has incorporated these ESG-related issues with their prioritisation into its core business strategy, while also addressing them in this report. To strive for improvements in sustainable development, the Group will maintain continuous engagement and communication with the stakeholders.

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5. Supporting the United Nations Sustainable Development Goals

During the Reporting Period, the Group has aligned its sustainability efforts with the SDGs and reinforced its commitment to sustainable practices, contributing to global sustainability targets.

The Group has mapped and identified 10 SDGs and 12 related targets that are most relevant to its business nature and impact areas. The following table summarises these identified targets, objectives, practices and actions of the Group:

Mapped SDGs	Targets of the SDGs	The Group's Objectives	The Group's Practices and Actions
<p>Goal 3: Good Health and Well-being</p> 	<p>3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services to employees.</p>	<p>Provide employees access to effective and high-quality medical care, including all relevant medical expenses (if applicable).</p>	<p>In the case of any work-related accidents causing injuries to employees, the Group arranges timely private medical care (when appropriate) and covers all relevant medical expenses under the Group's rehabilitation scheme to assist recovery. The medical care includes X-ray service, MRI examination and physiotherapy.</p>
	<p>3.9: Reduce the number of deaths and illnesses caused by hazardous chemicals and air, water and soil pollution and contamination.</p>	<p>Reduce and properly handle emissions to mitigate adverse impacts on human health and the environment.</p>	<p>To mitigate the risk of illnesses caused by air pollutants, the Group has taken measures to install sensors to monitor air quality at all construction sites. Additionally, chemical waste has also properly collected and stored to prevent any contamination or environmental pollution caused by leakage. During the Reporting Period, no deaths or illnesses attributed to environmental pollution were reported.</p>





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Mapped SDGs	Targets of the SDGs	The Group's Objectives	The Group's Practices and Actions
<p>Goal 6: Clean Water and Sanitation</p> 	<p>6.4: Increase water-use efficiency and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.</p>	<p>Increase water-use efficiency by reducing unnecessary water consumption.</p>	<p>To increase water-use efficiency, the Group has embedded ISO 14001:2015 Environmental Management Systems into its IMS framework to reduce water consumption. For instance, the Group has installed on-site water storage tanks equipped with water meters to regularly monitor water withdrawal. The Group also conducts regular toolbox talks and training programmes for frontline workers to raise their awareness of water conservation.</p>
<p>Goal 7: Affordable and Clean Energy</p> 	<p>7.2: Increase substantially the share of renewable energy in the energy mix.</p>	<p>Increase the utilisation of renewable energy to reduce dependence on fossil fuels.</p>	<p>The Group is committed to exploring clean energy sources. During the Reporting Period, the Group installed solar panels at 11 site offices to power the lighting systems by solar energy.</p>



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Mapped SDGs	Targets of the SDGs	The Group's Objectives	The Group's Practices and Actions
<p>Goal 8: Decent Work and Economic Growth</p> 	<p>8.5: Achieve full and productive employment and decent work for all women and men, including for young people, and equal pay for work of equal value.</p> <p>8.8: Protect labour rights and promote safe and secure working environments for all workers.</p>	<p>Ensure all employees receive fair remuneration, safe working environment and opportunities for development based on their qualification, experiences and capability, avoiding any discrimination related to factors such as race, gender, age and religion.</p> <p>Pursue zero fatality and work-related injury while eliminating all forms of forced and child labour.</p>	<p>The Group has strictly complied with the Minimum Wage Ordinance, Employees' Compensation Ordinance, Mandatory Provident Fund Schemes Ordinance, anti-discrimination ordinances and other relevant regulations protecting employees in terms of remuneration, compensation and social security. The Group has ensured that all employees receive fair remuneration.</p> <p>The Group considers work safety as its first priority and has obtained ISO 45001:2018 Occupational Health and Safety Management Systems certification to ensure safe working environments. Upholding the principle of safeguarding labour rights, no instances of illegal labour practices were identified during the Reporting Period.</p> <p>The Group takes all necessary measures to prevent the use of forced labour and child labour. The Human Resources and Administration Department (the "HR Department") is responsible for verifying candidates' identification documents prior to official employment to comply with the applicable rules and regulations, and to prevent the engagement of child and forced labour. With regard to any illegal labour practices, the HR Department shall terminate the employment and take appropriate follow-up actions immediately.</p> <p>Ensuring a safe and healthy working environment is a top priority for the Group. The Group achieves this by enforcing stringent safety protocols and providing appropriate personal protective equipment to workers when appropriate. Safety officers are appointed to monitor the safety issues of the construction sites and ensure preventive measures in the safety plan are well implemented. Regular safety activities including site safety meetings, safety inspections and safety trainings also help employees understand the importance of workplace safety and their roles in upholding it.</p>

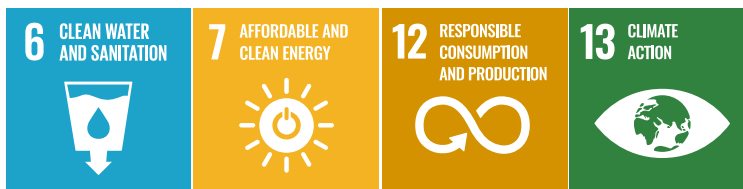
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Mapped SDGs	Targets of the SDGs	The Group's Objectives	The Group's Practices and Actions
<p>Goal 9: Industry, Innovation and Infrastructure</p> 	<p>9.5: Enhance scientific research, upgrade the technological capabilities.</p>	<p>Enhance efficiency in project management and delivery by implementing innovation and technology.</p>	<p>Innovative strategy is a key part of the Group's daily operations. During the Reporting Period, the Group integrated various innovative technologies, such as Building Information Modelling ("BIM") (in over approximately 58% of its projects), 360 Camera and Alerting System on Mobile Plant.</p>
<p>Goal 10: Reduce Inequalities</p> 	<p>10.3: Ensure equal opportunity and reduce inequalities of outcome, including eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p>	<p>Enforce equal opportunities for employees and foster anti-discrimination culture in the workplace.</p>	<p>The Group prioritises fairness in the workplace and strives to provide equal opportunities while preventing discrimination by adhering to relevant rules and regulations. During the recruitment process, the Group assesses the potential candidates by their qualification, experiences and capability, regardless of their race, gender, age, religion or any other irrelevant factors to the job positions. The Group firmly upholds a zero-tolerance policy towards any form of discrimination within the workplace.</p>
<p>Goal 11: Sustainable Cities and Communities</p> 	<p>11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.</p>	<p>Reduce waste generation through waste management strategies.</p>	<p>The Group is committed to promoting resource utilisation and reducing waste generation through sound waste management practices.</p>
<p>Goal 12: Responsible Consumption and Production</p> 	<p>12.5: Reduce waste generation through prevention, reduction, recycling and reuse.</p>	<p>Divert waste away from landfill to minimise the wastage of resources.</p>	<p>The Group's waste management approach is based on the 4R principles: reduce, reuse, recycle and replace. During the Reporting Period, the Group disclosed the quantities of recycled paper, plastic, and metals separately to enhance the efficiency of the waste stream monitoring.</p>

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Mapped SDGs	Targets of the SDGs	The Group's Objectives	The Group's Practices and Actions
<p>Goal 13: Climate Action</p> 	<p>13.2: Integrate climate change measures into policies, strategies and planning.</p>	<p>Minimise carbon emission and strengthen resilience to climate-related risks.</p>	<p>The Group is working on integrating climate change considerations into its long-term strategies. During the Reporting Period, the Group included biofuel consumption in its overall fuel consumption to gain a better understanding of the energy mix to plan for carbon reduction measures more effectively.</p>
<p>Goal 16: Peace, Justice and Strong Institutions</p> 	<p>16.5: Substantially reduce corruption and bribery in all their forms.</p>	<p>Minimise corruption and bribery in the Group's operation.</p>	<p>The Group has adopted a whistleblowing policy to encourage report of any suspicious case to the Group through the corresponding channels. Investigation will be conducted on the reported case and report to the authority when necessary. To ensure the effectiveness of the whistleblowing mechanism and anti-corruption practices, the Audit Committee also reviews these policies and measures.</p>

6. Sustainability in Operations



Driving the Group's sustainable development is a continuous process that requires proactive environmental mitigation measures, regular monitoring and evaluation. The Group is committed to minimising its environmental footprints and mitigating adverse impacts throughout its operations by adopting clean energy, ensuring sustainable consumption, and reducing emissions.

In view of this, the Group reinforces its day-to-day environmental management system by integrating the IMS which has attained the ISO 14001:2015 Environmental Management Systems and ISO 50001:2018 Energy Management Systems certifications into the Group's operations.

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6.1. Responsible Sourcing

The Group places great importance on procurement sustainability and encourages the adoption of the 4R principles (i.e. reduce, reuse, recycle and replace) across all departments in the decision-making process.

During the tendering stage, the Group specified its environmental requirements in the tender documents. After gathering quotations submitted by the subcontractors and suppliers, the Group will, if applicable, select those who are able to provide environmentally friendly materials or services under ISO 14001:2015 Environmental Management Systems or other similar systems.

The Group views environmentally sound supply chain management as an opportunity to mitigate the control risk linked with supplier practices and reduce logistic costs. Likewise, it helps to minimise the potential impact of construction material procurement on the environment and neighbouring communities.

In its commitment to responsible supply chain management, the Group is dedicated to implementing sustainable procurement strategies for sourcing raw materials. With the aim of lessening its carbon footprint, cutting material expenses, and bolstering the regional economy, the Group places emphasis on utilizing building materials sourced within specific proximity limits: within 800 kilometers by road transport, 1,600 kilometers by rail, and 4,000 kilometers by sea from Hong Kong. During the Reporting Period, the Group engaged with a total of around 100 local suppliers in Hong Kong.

In addition to regional procurement, the Group is also prioritising eco-friendly materials in its purchasing for daily operations. The Group supports suppliers and manufacturers that are committed to sustainable forestry management. For example, all on-site wood products purchased during the Reporting Period were certified by the Forest Stewardship Council to ensure that they were sourced responsibly and to minimise deforestation. The weight of materials during the Reporting Period increased compared to 2024 due to changes in the work scope of the projects.

SELECTION OF CONSTRUCTION MATERIALS

	Unit	2025	2024
Total weight of materials	tonnes	754,783	681,498
Total weight of locally manufactured materials	tonnes	625,208	628,449
% of locally manufactured materials	%	83	92

6.2. Energy Efficiency

Electricity and diesel fuel consumption are the major sources of energy utilised in the office and construction sites. Recognising the pivotal role of energy consumption in its day-to-day operations, the Group is committed to reducing energy usage and maximising energy efficiency. To raise operational energy efficiency, the Group's IMS adopts a systematic approach which is in line with the ISO 50001:2018 Energy Management Systems standard. Additionally, the Group actively incorporates the use of biofuel as a sustainable energy source, further promotes its commitment to environmental responsibility. During the Reporting Period, the Group accounted for the use of biofuel to complement its energy consumption data.

Air emissions generated from the Group's operations include direct and indirect greenhouse gases ("GHG"), air pollutants such as sulphur oxides ("SOx"), nitrogen oxides ("NOx") and particulate matter ("PM"). The Group has implemented the following mitigation measures to reduce emissions and energy use:

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ENERGY REDUCTION MAESURES



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ENERGY CONSUMPTION

	Unit	2025	2024
Total electricity consumption	Kilowatt hour (“kWh”)	372,068	258,560
	Gigajoules (“GJ”) ^{Note 1}	1,340	931
Head office	kWh	252,730	251,978
	GJ	910	907
Construction sites ^{Note 2}	kWh	119,338	6,582
	GJ	430	24
Total fuel consumption – Construction sites only ^{Note 3, 4}	Litre (“L”)	7,483,492	16,328,564
	GJ	258,297	587,616
Total energy consumption	GJ	259,637	588,547
Head office	GJ	910	907
Construction sites	GJ	258,727	587,640
Total energy consumption intensity	GJ/million revenue ^{Note 5}	125	245
Head office	GJ/million revenue ^{Note 5}	0.44	0.38
Construction sites	GJ/million revenue ^{Note 5}	125	245

Note 1: 1kWh = 0.0036 GJ.

Note 2: 2025 data included 24 construction sites whereas 2024 data included 22 construction sites.

Note 3: The calculation of fuel consumption in 2024 included diesel, biodiesel, and petrol; and 2025 included diesel and biodiesel for vehicles. Due to the changes in project scope and variations in construction activities across different project cycles, the total fuel consumption gradually decreased compared to the previous year.

Note 4: 1 GJ = 1,000 megajoules (“MJ”); assume diesel energy intensity as 36 MJ/L (Source: IPCC 2006 Guidelines for National Greenhouse Gas Inventories); assume petrol energy intensity as 32.8 MJ/L (Source: IPCC 2006 Guidelines for National Greenhouse Gas Inventories).

Note 5: The Group’s revenue for the year ended 31 December 2025 and year ended 31 December 2024 were HKD2,070.531 million and HKD2,402.834 million, respectively.

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GHG AND OTHER AIR EMISSIONS WITHIN THE GROUP

	Unit	2025	2024
Total GHG emissions ^{Note 6}	tonnes of CO₂ equivalent (“tCO₂e”)	146,686	42,336
Direct GHG emissions (Scope 1) ^{Note 7}	tCO ₂ e	17,002	38,129
Indirect GHG emissions (Scope 2) ^{Note 8}	tCO ₂ e	202	155
Other Indirect GHG emissions (Scope 3) ^{Note 9}	tCO ₂ e	129,482	4,052
Category 1: Purchased Goods and Services	tCO ₂ e	63,355	N/A
Category 2: Capital Goods	tCO ₂ e	197	N/A
Category 4: Upstream Transport and Distribution	tCO ₂ e	21,204	N/A
Category 5: Waste Generated in Operation	tCO ₂ e	44,726	N/A
Total GHG emissions intensity	tCO₂e/million revenue ^{Note 10}	70.84	17.62
PM emissions ^{Note 11}	tonnes	3.53	25
NO _x emissions ^{Note 11}	tonnes	108	384
SO _x emissions ^{Note 12}	tonnes	0.06	0.26

Note 6: Calculation methodologies and emission factors for GHG emissions:

- The Group has referred to “How to prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange (the “**Appendix**”) for the calculation of Scope 1 and Scope 2 emissions and has followed the Greenhouse Gas Protocol for the calculation of Scope 3 emissions which are commonly used guidelines in Hong Kong.
- The energy conversion and emission factors are referenced from the Appendix; the emission intensity for electricity sold is referenced from publications by CLP Power Hong Kong Limited and The Hong Kong Electric Company Limited; the GHG emissions due to electricity used for freshwater processing are referenced from publication by the Water Supplies Department; sewage processing is referenced from publications by the Drainage Services Department, and the United Kingdom Department for Environment, Food & Rural Affairs.
- Global Warming Potential (GWP) values are referenced from IPCC Sixth Assessment Report (AR6).
- The GHG calculations cover Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF₆) and Nitrogen trifluoride (NF₃) and are included in GHG calculations.
- An operational control approach was adopted to aggregate the data. No changes were made during the Reporting Period.

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Note 7: Scope 1 GHG emissions refer to the direct emissions from sources owned or controlled by the Group, which include construction machines.

Note 8: Scope 2 GHG emissions refer to the indirect emissions resulting from the generation of the electricity which the Group purchased, and the Scope 2 emissions have been disclosed according to a location-based approach.

Note 9: Scope 3 GHG emissions refer to other indirect emissions resulting from assets not owned or controlled by the Group. The year ended 31 December 2025 marks the Group reclassified its emission categories into Category 1: purchased goods and services, Category 2: capital goods, Category 4: upstream transport and distribution and Categories 5: waste generated in operation. Compared to 2024, the Group's Scope 3 emissions gradually increased in 2025, primarily due to the expanded disclosure of categories related to purchased goods and services, capital goods procurement and upstream transport and distribution.

Note 10: The Group's revenue for the year ended 31 December 2025 and the year ended 31 December 2024 were HKD2,070.531 million and HKD2,402.834 million, respectively.

Note 11: Emission factors of non-road mobile machinery are referenced from the EMEP/EEA air pollutant emission inventory guidebook 2019.

Note 12: Emission factors for SO_x emissions are referenced to the Appendix.

The electricity and diesel consumption levels and the choice of fuel vary with project cycles and different sites. During the Reporting Period, the Group's total energy consumption decreased compared to the previous year, with the total fuel consumption decreased while the total electricity consumption increased compared to the previous year, primarily due to the changes in the scope of work and variations in construction activities across different project cycles. Furthermore, the Group's GHG emissions rose mainly because of the reclassification within Scope 3 categories and an expansion in the scope of disclosure. The Group will continue to improve energy efficiency at the construction sites through its energy measures.

The Group attaches great importance to GHG emissions reduction and energy efficiency. As fuel consumption is one of the main contributors to GHG emissions, the Group is focusing on transitioning to clean energy sources and enhancing energy efficiency to meet its carbon reduction targets. For example, several site offices have implemented solar-powered lighting systems to minimise their electricity consumption.



Solar-powered Lighting for Site Office

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6.3. Water Conservation

As the Group's principal business includes construction and foundation piling, there is water consumption from the processes of concrete mixing, equipment washing and dust removal. Therefore, the Group has embedded ISO 14001:2015 Environmental Management Systems into its IMS framework to reduce water consumption. The Group also conducts regular toolbox talks and training programmes for frontline workers to raise their awareness of water conservation.

Apart from the water consumption, the Group is aware of the environmental impacts of wastewater generated from its operations. With strict adherence to regulations, the Group sets up on-site drainage facilities for piling work sites that possess valid water discharge licenses to collect the wastewater generated and conduct relevant treatment. The treated wastewater is then further reused in the construction sites for site cleaning, bored piling works, and dust removal to optimise water efficiency. During the Reporting Period, 419,940 cubic metres ("m³") of wastewater was reused by the Group at the construction sites.

WATER CONSUMPTION

	Unit	2025	2024
Total water consumption (excluding the reused water)	m ³	419,940	352,560
Head office	m ³	182	182
Construction sites (water withdrawal)	m ³	419,758	352,378
Construction sites (reused water)	m ³	193,252	187,040
Total water intensity	m ³ /million revenue ^{Note 13}	203	147

Note 13: The Group's revenue for the year ended 31 December 2025 and year ended 31 December 2024 were HKD2,070.531 million and HKD2,402.834 million, respectively.

The water consumption level may vary with different project cycles. During the Reporting Period, the total water consumption increased due to certain construction activities, such as bored piling, which required a significant amount of water.

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6.4. Waste Management

The Group is committed to promoting resources utilisation and reducing waste generation through sound waste management practices. Daily site operations, including clearance, excavation and concreting, generate inert construction and demolition (“C&D”) waste, non-inert waste such as timber and steel, and hazardous waste such as lubricant, empty paint cans, and machinery maintenance oil.

To foster a waste reduction culture across its business units, the Group implements several initiatives. This includes conducting regular on-site training, providing clear signages, and offering incentives to employees and contractors who demonstrate satisfactory waste management performance to encourage peers to follow. In addition, the Group has assigned project team members to conduct waste audits for the monitoring of data on recycling and waste disposal and the overseeing of the respective measures.

The Group’s waste management approach is based on the 4R principles: reduce, reuse, recycle, and replace. For example, steel used in temporary working platforms at construction sites will be reused to minimise resource consumption. Besides, recycling bins are placed to collect materials such as wastepaper, scrap metal, and plastic to reduce waste at source. The Group also ensures the appropriate sorting and storage of construction wastes, such as non-inert, metal, and hazardous waste. Qualified waste collectors and recyclers are appointed for safe and proper disposal of hazardous waste on a regular basis.

The Group has recently implemented a sludge dewatering system, effectively removes a significant portion of water from sludge which is a by-product of wastewater treatment, transforming it into a concentrated, semi-solid “cake” with much higher solids content. Please refer to the section headed “6.5 Mitigation of Environmental Impacts” for details.

Apart from the construction sites, the Group is dedicated to optimising waste management in the Company’s head office. For instance, the Group participated in the Tree Conservation Scheme organised by the Hong Kong Environmental Protection Association to recycle festive plants such as Christmas trees, peach blossom trees and tangerines. Throughout the scheme, yard waste is diverted from landfills and is turned into organic fertilisers to build a greener city.



Natural Christmas Trees Recycling Programme
Certificate of Appreciation



Peach Blossom Trees Recycling Programme
Certificate of Appreciation

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WASTE GENERATION AND MANAGEMENT

		Unit	2025	2024
Non-hazardous waste	Non-inert C&D and general waste disposed to landfills	tonnes	534	521
	Inert, non-inert C&D and general waste sent to public fill reception facilities/sorting facilities/recycling facilities/reused in other projects	tonnes	1,038,608	733,730
	Recycled paper/cardboard packaging ^{Note 14}	tonnes	0.0479	0.0460
	Recycled plastic (plastic bottles/containers and plastic/foam from packaging material) ^{Note 14}	tonnes	0.013	0.0015
	Recycled metals (aluminium can/steel bar/metal strip) ^{Note 14}	tonnes	33.25	613
Hazardous waste	Hazardous waste	tonnes	9.60	15
Waste intensity	Non-hazardous waste	tonnes/million revenue ^{Note 15}	502	306
	Hazardous waste	tonnes/million revenue ^{Note 15}	0.0046	0.0062

Note 14: The separate amounts of recycled paper, plastic, and metals have been disclosed since the year ended 31 December 2023.

Note 15: The Group's revenue for the year ended 31 December 2025 and year ended 31 December 2024 were HKD2,070.531 million and HKD2,402.834 million, respectively.

The amount of waste generated may vary depending on the scope of construction works. The amount of hazardous waste decreased during the Reporting Period compared to the previous year. The Group has engaged a licensed collector to dispose of the asbestos waste to comply with the Waste Disposal (Chemical Waste) (General) Regulation.

The Group has recognised the importance of waste management and has implemented different waste management measures, such as recycling and reducing disposable materials.

Environmental, Social and Governance (ESG) Report

6.5. Mitigation of Environmental Impacts

As a responsible provider of foundation services and construction works, the Group places significant emphasis on mitigating adverse impacts on environmental sensitive receivers. The Group has implemented the following measures to mitigate the environment impacts.

Sludge Dewatering System

The Group has recently implemented a sludge dewatering system, effectively removes a significant portion of water from sludge which is a by-product of wastewater treatment, transforming it into a concentrated, semi-solid “cake” with much higher solids content. The dewatered material is far easier and more cost-effective to handle, transport, store and dispose of compared to untreated, high-moisture sludge.

This initiative is particularly vital for foundation projects in construction sites, where large volumes of sludge are generated daily. By substantially reducing the sludge volume and weight, often by 70% – 80% or more depending on the technology and sludge characteristics, the system delivers multiple benefits aligned with the Group’s ESG commitments:

- (1) lower sludge volumes minimise the risk of leachate formation during transport and disposal, decrease potential groundwater contamination, reduce greenhouse gas emissions associated with hauling and landfilling and support more sustainable waste management practices. The separated water can often be recycled back into the treatment process, conserving freshwater resources and reducing overall water demand;
- (2) significant savings are achieved through lower transportation and disposal fees; and
- (3) effective dewatering enhances the Group’s ability to meet stringent environmental regulations, avoids potential fines and contributes to resource recovery.



Sludge dewatering system was installed to the construction site



Sludge “cake” after dewatering

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Ecological Footprint

One of the Group’s foundation projects is located near the Hong Kong Wetland Park, a key ecological site in Tin Shui Wai, the New Territories of Hong Kong.

Given the site’s location near the protected wetland ecosystem, the project shall comply with Environmental Monitoring and Audit (EM&A) requirements under Environmental Impact Assessment Ordinance (Cap. 499) and related guidelines from the Environmental Protection Department (EPD). A monthly Ecological Monitoring and Audit report was carried out which included the following sections:

Air Quality Monitoring

This tracks pollutants such as respirable suspended particulates (RSP/PM10), fine suspended particulates (FSP/PM2.5), nitrogen dioxide (NO₂), sulphur dioxide (SO₂) and sometimes total suspended particulates (TSP). Monitoring stations are placed at sensitive receivers near the site (e.g., close to the Wetland Park boundary or access roads). Dust suppression measures (e.g., water spraying) are audited.

Noise Monitoring

Construction noise (from machinery, piling and excavation, etc.) is measured at representative locations, often during daytime (7 a.m. – 7 p.m.), restricted hours, or night time if applicable.

Water Quality Monitoring

Water samples are collected at upstream/control points, site discharge points and downstream sensitive receivers. Effluent from site drainage must meet standards under the Water Pollution Control Ordinance by utilizing silt traps, sedimentation tanks and storm water management to avoid sedimentation or pollution.

Ecological Monitoring

This focuses on protecting the rich biodiversity of the area.

Avifauna monitoring: Special emphasis on avifauna protection, which may include monthly or seasonal walks, camera traps or acoustic monitoring. Data is compared against baseline levels established pre-construction.

General ecology: Surveys for dragonflies (over 50 species recorded in the park), butterflies, amphibians, reptiles, mammals and vegetation. Habitat condition (e.g., water levels in ponds and vegetation health) is assessed to ensure no indirect impacts from dust, noise or hydrology changes.



Air quality and noise monitoring at Noise Sensitive Receiver (NSR)



Water sampling to monitor quality

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Handling Enquiries from Stakeholders and Public Relations

The Group maintains open and transparent communication with stakeholders, including local residents, district councils, schools, elderly homes and regulatory authorities. For one of its foundation projects at Rose Street, Kowloon Tong, located adjacent to low-rise and mid-rise residential buildings, the Group conducted targeted engagement to address potential impacts such as noise and dust.

The Group conducts direct noise measurements at affected residents' homes. Baseline readings are taken before the pre-construction stage, followed by weekly/bi-weekly monitoring during active phases. Results are compared against regulatory thresholds, with immediate corrective actions (e.g., acoustic barriers, low-vibration equipment or schedule adjustments) implemented if exceedances occurred. The Group also hosts a banner on site, featuring information on the project, hotline and QR code for feedback.



Banner at construction site



Visits to the District Council office for neighbourhood maintenance



Conducting noise measurements at resident's home

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Sustainable Building Materials

In response to the rising demand for energy conservation and carbon neutrality, the construction industry is increasingly turning to sustainable materials. The Group has embraced this shift by replacing Pulverised Fuel Ash (PFA) with Ground Granulated Blast-furnace Slag (“**GGBS**”) in concrete for construction projects. GGBS, a by-product of steel production, enhances concrete’s compressive strength and durability.

In the Western Police Married Quarters project, GGBS concrete improved structural performance and lifespan, exceeding industry standards for strength and resilience. Beyond structural benefits, GGBS plays a crucial role in reducing carbon emissions associated with concrete production, aligning seamlessly with the Group’s sustainability objectives. Additionally, its superior resistance to weathering and chemical erosion helps lower maintenance costs, ensuring long-term efficiency.

This initiative underscores the Group’s commitment to eco-friendly practices while setting a benchmark for future projects. Positive feedback from stakeholders highlights the growing importance of sustainability in construction, further reinforcing the Group’s determination to ESG principles and paving the way for a more sustainable built environment.

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6.6. Implementing Good Environmental Mitigation Measures at Construction Sites

To mitigate the environmental footprints on site, the Group has implemented several eco-friendly measures. These measures are as follows:

IMPLEMENTING GOOD ENVIRONMENTAL MITIGATION MEASURES AT CONSTRUCTION SITES

MATERIAL USE




Construction materials such as metals were collected and recycled.



General recycling boxes were installed at the construction site.

HAZARDOUS WASTE




Chemical waste was collected in proper storage to prevent leakage and pollution to the neighbouring environment.

PUBLIC HEALTH AND HYGIENE




Larvicidal oil and sand was placed to enhance mosquito control.

AIR QUALITY




Sensors were applied to monitor the air quality at the construction site.

POLLUTION CONTROL






Digital display board was placed to display the real time air and noise pollution level on-site.



Daily misting water spray was applied to suppress construction dust.

NOISE

Noise barriers were installed to minimise potential noise impacts.

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6.7. Climate Change and Climate-related Disclosures

The Group recognises that its operations will be affected by the phenomena of climate change such as rising temperatures, typhoons, extreme weather, and transition risks associated with the shift to a low-carbon economy. The climate-related risks are summarised with reference to the Stock Exchange's enhanced climate-related disclosures.

Governance

The Board has ultimate responsibility for overseeing climate-related risks and opportunities in accordance with the recommendations of Task Force on Climate-Related Financial Disclosures and International Financial Reporting Standards S2 Climate-related Disclosures. Climate considerations are embedded into the Group's overall governance structure, business strategy, capital allocation and risk management processes across all business segments, including the foundation department and plant department. To ensure climate matters are systematically addressed, the Board integrates them into the agenda of regular meetings at least once annually.

Senior management of the abovementioned departments are responsible for identifying, assessing and managing climate-related risks and opportunities as well as determining suitable climate-related training within their respective operations, and regularly reporting progress and key findings to the Board. Climate-related performance targets are initiated at management level to assist the Board in evaluating the effectiveness of its climate strategy and measures on an annual basis. Besides, the Board provides oversight and assessment of progress regarding climate targets, reviews proposals concerning climate-related training to ensure the Company possesses the requisite expertise and capabilities. The Audit Committee also supports the Board by conducting an annual review of the enterprise risk assessment report and the assessed environmental risk disclosure, to ensure the adequacy and effectiveness of the Group's risk management and internal control systems.

The Board takes climate-related risks and opportunities into account when overseeing the Group's strategy, major transaction decisions and risk management processes and policies. Strategy oversight includes reviewing climate issues in annual planning and receiving management updates. Major projects/transactions would include climate-related assessments, with climate risks integrated into the enterprise risk management framework. The Board considers trade-offs, such as costs on promoting the usage of sustainable building materials, adopting smart digitalisation systems and enhancing environmental standards in construction sites, balanced against long-term benefits including lower emissions, greater operational efficiency and improved compliance with climate regulations.

During the Reporting Period, climate-related training resources included in corporate governance readings were provided to the Board to ensure they have the necessary expertise to monitor climate-related risks and opportunities.

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Strategy

The Group recognises that climate change presents both risks and opportunities that may affect its business model, operations, supply chain, asset values and long-term financial performance. These impacts are particularly relevant given the Group's exposure to construction activities and heavy machinery usage. The Group has refined its risk assessment procedures to analyse the potential impacts across its businesses and value chain, thereby evaluating and formulating optimal mitigation measures.

To operationalise these goals and address the limitations of traditional risk assessment procedures in capturing long-term climate impacts, the Group conducted its first comprehensive climate scenario analysis in the financial year ended 31 December 2025. This analysis covered both physical risks and transition risks, as well as opportunities, with detailed screening and assessment performed for each risk and opportunity category.

- **Physical Risks:** Risks related to physical impacts of climate change, which can be event-driven (acute risks) or caused by longer-term shifts in climate patterns (chronic risks).
- **Transition Risks:** Risks related to the transition to a lower-carbon economy, which may entail policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

The Group also recognises emerging global trends, including tightening climate-related regulations, carbon pricing mechanisms, investor expectations for low-carbon construction practices, and increasing demand for energy-efficient and climate-resilient construction technologies.

To conduct a comprehensive analysis of climate-related risks and opportunities that may arise throughout its business development, the Group needs to take into account factors such as global temperature rise pathways, changes in climate policies, and time horizons of impact. Therefore, the Group selected scenario assumption models and relevant parameters from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (“IPCC”) and the Phase 5 public release of the Network for Greening the Financial System (“NGFS”). The scenarios selected align with the nature of its industry and strategic goals, and is consistent with Chinese Mainland's “dual carbon” strategy and the Hong Kong government's target of “achieving carbon neutrality by 2050”.

The Group conducted climate scenario analysis covering both low-emission and high-emission scenarios to enhance understanding of the potential impacts of climate change on its operations and long-term performance, thereby improving its business resilience.

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Methodology and Scope

Scope	Same as the reporting boundary, which covers all principal operating activities of head office and construction sites in Hong Kong.
Scenario Used	<p>IPCC for physical risks analysis:</p> <ul style="list-style-type: none"> SSP 1-2.6: Global warming reaches 2.0°C. Governments' social, economic and clean energy transitions align with historical trends. Stringent policies amplify transition risks for enterprises, while physical risks remain notable. SSP 5-8.5: Global warming exceeds 4°C. Delayed government climate action, stalled emission reduction/adaptation and insufficient policies drive extreme climate impacts, increasing enterprises' immediate and long-term physical risks. <p>NGFS for transition risks analysis:</p> <ul style="list-style-type: none"> Net Zero 2050: Early adoption of stringent climate policies. By reducing energy demand and advancing low-carbon technologies, it aims to limit global warming to well below 1.5°C and achieve global net-zero carbon dioxide emissions around 2050. Current Policies: Only currently implemented climate policies remain in place, leading to continued growth in GHG emissions. Global warming is projected to exceed 3°C, resulting in severe physical risks.
Time Horizon	Time horizon covers short-term (up to 2030), medium-term (up to 2050), and long-term (up to 2080).
Assumption	<ul style="list-style-type: none"> The mitigation measures within the anticipated impact range of risks are unchanged, with the 2025 mitigation measures as the benchmark. The reporting scope within the anticipated impact range of risks is unchanged, with the 2025 reporting boundary as the benchmark.

The Group recognises that integrating both quantitative and qualitative analysis would deliver a more comprehensive assessment of climate-related risks and opportunities. However, the Group cannot reliably compile various cross-industry metrics for these climate issues in a reasonable and cost-effective manner, as relevant operational data is fragmented across its business units and industry-accepted measurement methodologies for such metrics remain highly uncertain. Besides, the Group's climate-related actions (such as maintenance of a robust, resilient business operations and monitoring of emerging climate regulations) are fully embedded within day-to-day business operations, with no separately identifiable funds earmarked specifically for addressing climate-related risks and opportunities. This operational integration further prevents the Group from providing quantitative data on the current and anticipated financial impacts of these climate initiatives. During the Reporting Period, although the Group has not designated any specific capital expenditures towards climate-related risks and opportunities, it will take climate considerations into account in its business strategies, capital expenditures and operations.

Nevertheless, the Group has identified the core financial implications of key climate risks and opportunities and provided detailed qualitative disclosures in the tables below. Recognizing the uncertainties in its assessment in climate resilience, particularly regarding the evolving scope and implementation timelines for future climate-related laws, the Group is also actively enhancing its internal data integration systems and scenario-modeling capabilities to gradually improve the granularity of quantitative climate disclosures. The quantitative impacts on the financial position, financial performance, and cash flows of the Group will be disclosed should material adjustments be made to its operational strategy.

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Within the anticipated impact horizon (2030-2080), the Group has identified 7 climate-related risks and opportunities. Adopting a worst-case scenario approach, the following qualitative assessment results examine their potential impacts on the Group’s business model, value chain and financial performance under the high emission and transition scenarios, namely SSP 5-8.5 and Net Zero 2050, respectively. By evaluating the Group’s exposure and response capabilities across both of these challenging environments, the assessment demonstrates the Group’s strategic adaptability and overall resilience.

Qualitative Description of Risks and Opportunities Assessment Result:

Types of Risk (Physical)	Key Affected Area	Materiality Level ¹			Impact on Business	Impact on Financial Performance
		Short term	Medium Term	Long Term		
Increased severity of extreme weather events (e.g. flooding, typhoons, and intense rainfall)	The Group’s Hong Kong operation sites				<p>Business model:</p> <ul style="list-style-type: none"> • Temporary suspension of piling works due to typhoon signals, flooding, or unsafe site conditions. • Disruption to construction schedules and reduced utilisation of labour and machinery. <p>Value Chain:</p> <ul style="list-style-type: none"> • Delays in material delivery and subcontractor mobilisation. • Heightened occupational health and safety risks for site workers during extreme weather conditions. 	<ul style="list-style-type: none"> • Potential delay in project milestones and progress payments. • Higher repair and reinstatement costs for damaged equipment and site facilities. • Lower project margins due to prolonged project duration.
Gradual shifts in weather patterns (e.g. rising temperature and sea levels)	The Group’s Hong Kong operation sites				<p>Business model:</p> <ul style="list-style-type: none"> • Reduced labour productivity due to heat stress and more frequent extreme temperature days. <p>Value Chain:</p> <ul style="list-style-type: none"> • Increased frequency of site monitoring and engineering adjustments to maintain piling quality and safety standards. 	<ul style="list-style-type: none"> • Higher energy consumption and maintenance costs. • Incremental cost pressures.

¹ Materiality Definitions –
 : Handle through standard existing processes;
 : Need to be monitored consistently;
 : Require management strategy planning and implementation tracking.

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Types of Risk (Transition)	Key Affected Area	Materiality Level			Impact on Business	Impact on Financial Performance
		Short term	Medium Term	Long Term		
Enhanced and emerging regulatory requirements both locally and internationally	The Group's Hong Kong operation sites				<p>Business model:</p> <ul style="list-style-type: none"> Increased compliance burden related to environmental reporting, emissions disclosure, and site environmental performance. Greater management attention required for regulatory monitoring and compliance planning. <p>Value Chain:</p> <ul style="list-style-type: none"> Requirement to collect emissions and environmental data across construction sites. 	<ul style="list-style-type: none"> Higher administrative and consultancy costs for ESG reporting and regulatory compliance. Potential fines or project disqualification if regulatory requirements are not met.
A shift in market demand reflects a preference for low-carbon practices	The Group's Hong Kong operation sites				<p>Business model:</p> <ul style="list-style-type: none"> Reduced competitiveness in tenders if low-carbon construction capabilities are not demonstrated. Need to integrate sustainability considerations into project planning and execution. <p>Value Chain:</p> <ul style="list-style-type: none"> Increased collaboration with low-carbon material suppliers and environmentally responsible subcontractors. 	<ul style="list-style-type: none"> Potential loss of contracts where clients prioritise low-carbon or green construction credentials. Possible short-term increase in procurement costs for low-carbon materials or services.
Introduction of carbon taxes or cap-and-trade systems	The Group's Hong Kong operation sites				<p>Business model:</p> <ul style="list-style-type: none"> Increased focus on monitoring fuel consumption and emissions from piling machinery and generators. Incentive to improve energy efficiency and reduce carbon intensity. <p>Value Chain:</p> <ul style="list-style-type: none"> Suppliers may transfer carbon-related costs by increasing the contract price. 	<ul style="list-style-type: none"> Higher fuel and electricity expenses due to carbon pricing. Limited ability to transfer increased costs to clients.

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Types of Risk (Transition)	Key Affected Area	Materiality Level			Impact on Business	Impact on Financial Performance
		Short term	Medium Term	Long Term		
Reputation risks for the Group if failed to align with sustainability trends	The Group's Hong Kong operation sites				<p>Business model:</p> <ul style="list-style-type: none"> Weakened relationships with developers, government bodies, and main contractors that prioritise ESG performance. <p>Value Chain:</p> <ul style="list-style-type: none"> Reduced competitiveness as a preferred subcontractor in sustainability-driven projects. 	<ul style="list-style-type: none"> Potentially higher cost of capital due to negative ESG perception. Erosion of corporate brand value.

Types of Opportunity	Key Affected Area	Materiality Level			Impact on Business	Impact on Financial Performance
		Short term	Medium Term	Long Term		
Adoption of low-carbon and energy-efficient construction practices	The Group's Hong Kong operation sites				<p>Business model:</p> <ul style="list-style-type: none"> Improved operational efficiency through use of energy-efficient piling equipment. Stronger positioning in green and infrastructure-related tenders. <p>Value Chain:</p> <ul style="list-style-type: none"> Enhanced collaboration with low-carbon equipment suppliers and service providers. 	<ul style="list-style-type: none"> Medium to long-term reduction in fuel and energy expenses. Increased likelihood of securing public-sector and sustainability-focused projects.

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Mitigation and Response Measures of Risks and Opportunities Assessment Results:

Types of Risk (Physical)	Mitigation Measures
<p>Increased severity of extreme weather events (e.g. flooding, typhoons, and intense rainfall)</p>	<p>Effective Contingency and Business Resumption Plan</p> <ul style="list-style-type: none"> • Develop effective contingency and business resumption plan to accommodate weather-related delays and adopt weather forecasts and alerts for early disruption warnings.
<p>Gradual shifts in weather patterns (e.g. rising temperature and sea levels)</p>	<p>Worker Safety and Comfort</p> <ul style="list-style-type: none"> • Establish safety protocols for workers during extreme weather, including heat stress assessment and management programs that provide shaded rest areas, air ventilation equipment, sufficient drinking water points and work and rest schedules according to heat stress at work warning, and training on heat-related illnesses. • Personal protective equipment such as breathable uniform and air vent safety helmet will be provided to the workers. <p>Climate Vulnerability Assessment</p> <ul style="list-style-type: none"> • Conduct climate vulnerability assessments for projects. <p>Financial Preparedness</p> <ul style="list-style-type: none"> • Prepare for unforeseen costs due to weather disruptions and implement a comprehensive monitoring program to assess the condition of existing foundations for early signs of deterioration.

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Types of Risk (Transition)	Mitigation Measures
Enhanced and emerging regulatory requirements both locally and internationally	<p>Monitoring Mechanisms</p> <ul style="list-style-type: none"> Establish monitoring mechanisms to track progress towards compliance goals and ensure ongoing adherence to standards. <p>Stakeholder Engagement</p> <ul style="list-style-type: none"> Engage with regulatory authorities to stay informed about evolving standards and requirements.
A shift in market demand reflects a preference for low-carbon practices	<p>Technology Investment</p> <ul style="list-style-type: none"> Invest in innovative technologies and construction methods that promote low-carbon practices, such as the use of sludge dewatering system and sustainable building materials that reduce environmental impact and enhance sustainability. <p>Stakeholder Engagement</p> <ul style="list-style-type: none"> Collaborate with suppliers and industry partners that offer sustainable materials and services to ensure a supply chain that supports low-carbon practices.
Introduction of carbon taxes or cap-and-trade systems	<p>Technology Investment</p> <ul style="list-style-type: none"> Implement measures to reduce the Group's carbon footprint by optimising operations, using energy-efficient equipment. Invest in low-carbon technologies and equipment to minimise greenhouse gas emissions.
Reputation risks for the Group if failed to align with sustainability trends	<p>Environmental Commitment</p> <ul style="list-style-type: none"> Demonstrate a clear commitment to sustainability by adopting environmentally friendly practices, reducing carbon footprint, and incorporating green technologies across operations. <p>Stakeholder Engagement</p> <ul style="list-style-type: none"> Engage with stakeholders, including customers, shareholders, employees, local communities and regulatory bodies, to understand their sustainability expectations and incorporate their feedback into sustainability strategies.

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Types of Opportunities	Response Measures
Adoption of low-carbon and energy-efficient construction practices	<p>Stakeholder Engagement</p> <ul style="list-style-type: none"> Engage with suppliers and subcontractors to encourage the use of low-carbon equipment and services and to support the Group's overall emissions reduction objectives. <p>Technology Investment</p> <ul style="list-style-type: none"> The use of energy efficient piling equipment, generators, and site machinery.

While the Group has not yet developed a climate-related transition plan, it has already implemented the abovementioned mitigation and response measures, which are funded and executed through the Group's internal capital and existing human resources, to address potential adverse climate impacts and opportunities. It has also explicitly identified the material Scope 3 categories relevant to the Group, as well as established climate-related targets to fully advance its decarbonisation and climate resilience efforts. Going forward, the Group will regularly monitor climate-related risks and opportunities, evaluate mitigation effectiveness and adjust strategies based on operations.

Despite these proactive actions, the Group faces key uncertainties that may constrain the implementation of its future climate resilience plans. These include the uncertain pace of climate policy updates, tighten green building standards, and the unclear timing of future regulatory requirements. Nevertheless, the Group believes its robust capacity to adapt strategy and business model across the short, medium and long term. This adaptive capacity is embedded in its strategic planning and operational management, enabling timely adjustments to business priorities, processes, and value chain collaboration in response to evolving risks and market dynamics.

Risk Management

Climate-related risks are identified, assessed and managed as part of the Group's existing enterprise risk management framework and no significant changes were made to its management process during the Reporting Period. The process incorporates industry benchmarks, regulatory developments, stakeholders' feedback and operational insights from construction sites and equipment operation team. The Group has considered impacts over a timeframe from short-term (up to 2030), medium-term (up to 2050) and long-term (up to 2080). The Group relies on the extensive experience of the management professionals, who are adept at identifying risks and opportunities through their daily oversight of construction sites and operations. By thoughtfully considering relevant climate parameters, including industry reports and stakeholders' feedback, the Group gains a more comprehensive understanding of the associated risks.

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In addition, the Group engages an independent internal audit consultant to provide an annual enterprise risk assessment report (including the environmental risk) and an internal control report to evaluate the effectiveness of the Group's overall risk management and internal control systems.

Climate Risk and Opportunity Management Process of the Group:

Identification	The Group monitors climate change trends, domestic and international industry developments, technological changes and collects stakeholders' opinions. It also performs climate-related scenario analysis, taking into account its operational conditions and business characteristics. These efforts enable the comprehensive and objective gathering of insights on potential climate risks and opportunities across all the Group's construction sites in Hong Kong, ensuring the resulting list of climate risks and opportunities covers key links throughout the entire business process.
Evaluation	The Group conducts a comprehensive assessment, analysing the potential impacts of climate-related risks and opportunities on its business model, value chain, as well as their likelihood of occurrence and magnitude of effects of the risks.
Prioritisation	Based on the assessment results of climate-related risks and opportunities, the Group prioritises the identified items based on the likelihood of occurrence and significance of impact. This prioritisation process aligns with its overall risk management framework and business objectives.
Monitoring	The Group regularly evaluates and monitors the identified climate-related risks and opportunities, as well as the effectiveness of corresponding mitigation and response measures. Meanwhile, it periodically reports the results of identifying, assessing, and managing climate-related risks and opportunities to the Board. This strengthens the Board's oversight of risk and opportunities management and ensures the effective implementation of measures to mitigate risks and seize opportunities.

Metrics and Targets

The Group views the enhancement of climate resilience and the promotion of sustainable operational practices as a core strategic priority. The Group consistently aligns its sustainability objectives and related initiatives with the SDGs framework. This ensures its efforts are in harmony with global sustainability standards, Chinese Mainland's national "dual carbon" strategy and Hong Kong's regional goal for carbon neutrality.

Guided by global climate commitments, the Group places a high priority on aligning with Chinese Mainland's national "dual carbon" strategy and Hong Kong's regional carbon neutrality objective – key initiatives supporting Chinese Mainland's fulfillment of the Paris Agreement. To comply with these frameworks, the Group has established specific reduction targets, which have not yet been independently verified by a third party and are not developed using a sectoral decarbonisation approach. Furthermore, the Group does not currently include Scope 3 emissions target due to the immature data collection framework. However, the Board will annually review the progress and performance toward these goals and determine if any adjustments are needed. The Board will also continue to improve the processes for setting, evaluating, and verifying these targets to enhance the transparency and credibility of its decarbonisation initiatives.

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To translate these governance-approved targets into concrete emissions reductions, the Group concentrates on practical decarbonisation measures, such as improving energy efficiency and optimizing operational processes. Currently, the Group does not intend to utilize carbon credits for offsetting emissions. However, the Group will keep abreast of developments in the carbon credit market and relevant policies, to potentially employ such instruments as supplementary support for achieving its long-term carbon neutrality objectives when deemed suitable.

Carbon Reduction Targets for the Group's Hong Kong Operation Sites:

Category of Target	Description	Current Progress
GHG emissions and energy consumption (<i>a gross GHG emissions target</i>)	Reducing the total Scope 1 & 2 GHG emissions intensity by 10% by 2030 as compared with 2023, while lowering the energy consumption level compared to the preceding year.	Compared to 2023, the Scope 1 and 2 GHG emissions intensity decreased by 44% and energy consumption declined, primarily due to enhanced emission and energy management measures.
Water consumption	Reducing total water consumption by 3% by 2030 as compared with 2023, while lowering the water consumption level compared to the preceding year.	Compared to 2023, the water consumption in 2025 increased due to the increased number of construction sites and variations in different project cycles. However, the Group will investigate on potential mitigation strategies to meet the target.
Waste management	By 2030, the Group aims to reduce the percentage of non-hazardous waste sent to landfills by 3% compared to 2023.	Compared to 2023, the Group has successfully reduced non-hazardous waste sent to landfills by about 84% in 2025, driven by the efficient implementation of on-site waste sorting facilities.

For the detailed implementation measures to achieve the Group's water and energy efficiencies, as well as waste management targets, please refer to sections headed 6.2. Energy Efficiency, Section 6.3. Water Conservation, and Section 6.4. Waste Management, respectively.

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During the Reporting Period, the Group performed GHG identification, assessment, and inventory activities to effectively manage its GHG emissions. These activities encompassed the Group's operations in Hong Kong, with its Scope 1 and Scope 2 emissions accounting completed in compliance with the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)." Additionally, the Group carried out a preliminary mapping of its Scope 3 emissions sources, referencing the "Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)." After considering its core business activities, estimated emissions scale, data availability and industry benchmarking, the following categories have been incorporated into its Scope 3 emissions calculation:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 4: Upstream transport and distribution
- Category 5: Waste generated in operation

The Group's GHG emissions summary for the Reporting Period can be found in section headed "6.2. Energy Efficiency".

Aligned with the Group's strategic emphasis on enhancing core business performance and generating long-term value, and consistent with its established risk management approach, the Group has not yet adopted internal carbon pricing ("ICP") or incorporated climate-related factors into remuneration policies or governance frameworks. This is primarily because these elements have not yet shown a direct and material impact on its industry, current operational focus, or financial decision-making processes. The Group will continue to monitor developments in climate-related indicators, industry best practices and ICP applications, and will actively evaluate the feasibility of integrating such elements into its governance and remuneration structures as circumstances evolve.

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Future Planning

To support global decarbonisation efforts and enhance climate resilience, the Group will continue to implement and progressively enhance the following measures:

- Adoption of smart digitalisation system in construction sites by the establishment of an electronic project management system
- Enhancement of environmental standards in the construction works
- Promotion of usage of battery energy storage system in construction sites
- Promotion of usage of sustainable building materials (Ground Granulated Blast-furnace Slag (GGBS) etc.) in construction sites
- Implementation of energy-efficient technologies
- Rainwater collection and reuse systems at suitable construction sites
- Progressive waste reduction and zero waste initiatives



In 2025, Tysan Foundation Limited received the 2024 Environmental Merit Award at the HKCA Hong Kong Construction Environmental Awards Presentation Ceremony

7. Value Creation for People



The Group regards employees as its valuable assets and is committed to maintaining a safe and inclusive workplace to ensure healthy lives and reduce inequality with a strong commitment to business integrity. Therefore, the Group places emphasis on talent recruitment and retention through staff training and development.

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7.1. Developing a Workplace Safety Culture

The Group emphasises employees' health and safety, with providing a safe working environment being one of its top priorities. The Group's internal occupational health and safety management system complies and is certified with ISO 45001:2018 Occupational Health and Safety Management Systems. It is reviewed annually to ensure all health and safety measures are up to date. These health and safety measures include:



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To promote a safe working culture, the Group continues to implement its safety culture scheme. The scheme aims to stop any critical unsafe conditions or behaviours timely in situ by conducting a self-initiative localised work suspension and implementing corresponding occupational hazard mitigation measures. During the Reporting Period, there were 54 self-initiative localised work suspension cases and 16 work-related injury cases amongst all construction sites.

In the case of any work-related accidents causing injuries to employees, the Group arranges timely private medical care (when appropriate) and covers all relevant medical expenses under the Group's rehabilitation scheme to assist in recovery. The medical care includes X-ray service, physiotherapy and MRI examination.

7.2. Recruiting and Retaining Talents

Recognising the value of human capital to the business, the Group strives to attract and retain talented staff to facilitate and sustain the business development. By cultivating a respectful and inclusive work environment, the Group is committed to providing equal opportunities and eliminating all forms of discrimination.

During the recruitment process, the Group assesses the potential candidates based on their qualifications, experiences and capabilities, regardless of their race, gender, age, religion or any other irrelevant factors to the job positions. The HR Department is responsible for verifying candidates' identification documents prior to official employment to ensure compliance with the applicable rules and regulations, and to prevent the involvement of child and forced labour. For any illegal labour practices, the HR Department shall terminate the employment and take appropriate follow-up actions immediately.

Regarding employee retention, the Group strives to offer a range of benefits and welfare provisions to its staff. These include medical insurance, maternity and paternity leaves on full pay for monthly-paid staff and other allowances. There was a total of 631 employees as of 31 December 2025, with the following breakdowns:

Employees		2025	2024
Total number of employees		631	733
By gender	Male	499	595
	Female	132	138
By category	Senior management	6	6
	Management	57	53
	Frontline & general staff	568	674
By age group	Under 30	82	99
	31-50	298	343
	51 or above	251	291
By geographical region	Chinese Mainland	0	0
	Hong Kong	631	733

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Employees turnover		2025	2024
Total turnover rate		24.7%	25.5%
By gender	Male	27.5%	24.1%
	Female	14.4%	31.4%
By category	Senior management	Nil	Nil
	Management	1.8%	17.9%
	Frontline & general staff	27.3%	26.3%
By age group	Under 30	29.3%	43.1%
	31-50	21.1%	20.3%
	51 or above	27.5%	25.7%
By geographical region	Chinese Mainland	Nil	Nil
	Hong Kong	24.7%	25.5%

To maintain the quality of the services, the Group aims to enhance employees' knowledge and skills through professional training and development. For every new employee, the Group provides orientation training to ensure that they are well acquainted with the Group's policies and job responsibilities. For frontline and general staff, the Safety Department organises regular training sessions and courses on health and safety and quality management.

In addition to the training programs, the Group encourages employees to pursue continuous learning and education and reimburses a portion or the entire tuition fee for training courses attended by the employees.

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During the Reporting Period, employees received training on various topics including but not limited to health and safety, quality management, corporate governance standards and other professional development. The overall training percentage of the Group in 2025 is 47.4% and the average training hour is 3.1 hours.

Training		2025	2024
Training percentage		47.4%	24.0%
By gender	Male	71.2%	76.7%
	Female	28.8%	23.3%
By category	Senior management	0.3%	3.4%
	Management	9.0%	13.6%
	Frontline & general staff	90.6%	83.0%
Average training hours		3.1	1.5
By gender	Male	2.8	1.3
	Female	4.1	2.2
By category	Senior management	2.5	2.5
	Management	4.2	7.5
	Frontline & general staff	3.0	1.0

7.3. Adhering to Business Ethics

The Group is dedicated to maintaining high ethical standards and does not tolerate any corruption practices including bribery, extortion, fraud and money laundering in its operations or across the supply chain. Employees are prohibited from accepting benefits from or giving benefits to any parties such as suppliers and contractors. The relevant policies have been set out in the employees' handbook.

In order to prevent and combat corruption, the Group has adopted a whistleblowing policy to encourage informants to report any suspicious case through the designated channels to the Group, which will conduct investigation on the reported case and report to the authority when necessary. To ensure the effectiveness of the whistleblowing mechanism and anti-corruption practices, the Audit Committee also reviews these policies and measures.

During the Reporting Period, the Group provided 2 hours of anti-corruption and anti-bribery training to each Director and 1 hour of anti-corruption and anti-bribery training to certain project management staff. The Group did not have any concluded legal cases regarding corruption practices.

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7.4. Building a Harmonious Workplace

The Group strives to develop an inclusive and friendly culture among its employees and advocate work-life balance. During the Reporting Period, the Group has implemented a number of measures such as annual appraisal and exit interviews to understand employees' experience and feedback relating to their work with a view for further improvement.



Staff Activity: Christmas Party



Staff Activity: Plantation Enrichment Programme (2025)

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8. Striving for Operational Excellence



As one of the leading foundation service providers, the Group has established a strong reputation within the industry and is honoured to be commissioned as a contractor of the Hong Kong SAR Government in broad categories. Provision of quality foundation services is part of the Group’s business commitments to satisfy the needs and expectations of the customers. Moreover, the Group plays a proactive role in advancing the digital transformation of the construction sector in Hong Kong by embracing and integrating a range of innovative technologies. Emphasizing sustainable industrial practices and cultivating a culture of innovation are central pillars of the Group’s business strategy.

LIST OF QUALIFICATIONS

<p>DEVELOPMENT BUREAU</p>	<p>Ground Investigation Field Works (Group II) Land Piling (Group II)</p> <ul style="list-style-type: none"> • Hand Dug Caisson • Large Diameter Bored Pile (with bell-out) • Mini Pile • Precast/Prestressed Tubular Pile • Steel H Pile • Steel Tubular Pile • Rock Socketed Steel H-Pile <p>Site Formation (Group B) Landslip Preventive/Remedial Works to Slopes/ Retaining Walls</p>
<p>HOUSING AUTHORITY</p>	<p>Large Diameter Bored Piling Percussive Piling Ground Investigation Works Demolition Works</p>
<p>BUILDINGS DEPARTMENT</p>	<p>Registered General Building Contractor Registered Specialist Contractor (Foundation) Registered Specialist Contractor (Demolition) Registered Specialist Contractor (Site Formation) Registered Specialist Contractor (Ground Investigation Field Works)</p>

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8.1. Quality Assurance

The Group upholds rigorous quality control measures in its daily operations to ensure optimal efficiency at every phase of its construction projects. The Group's IMS documents include IMS Manual, IMS Procedures, IMS Supplementary Procedures, IMS Objectives and Targets, IMS Major Legislation and Code of Practices Register, IMS Standard Forms and communications with external parties, all abide by the ISO Standards (i.e. ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems, ISO 45001:2018 Occupational Health and Safety Management Systems and ISO 50001:2018 Energy Management Systems). Equipped with a comprehensive framework, the Group effectively fulfils both statutory and corporate governance obligations, while improving operational efficiency.

When selecting suppliers and subcontractors, the Group adopts the ISO 9001:2015 Quality Management Systems and conducts quality assessments. To ensure compliance with relevant laws and regulations, potential suppliers and subcontractors are evaluated based on their health and safety, environmental performance, and the quality of their product and services. The Group closely monitors and reviews the ESG-related performance of contracted suppliers and subcontractors upon the completion of each tender or contract by the assigned project manager, procurement contracts manager, senior safety manager and IMS manager. In addition, the Group has developed an ESG risk assessment form for supplier to determine whether the supplier has integrated any aspect of ESG practices into its business. Based on the assessment results, the Group regularly updates the Approved List of Suppliers for future reference.

8.2. Sustainable Site Management

In addition to implementing the aforementioned sustainability measures, the Group also promotes a considerate attitude and good work safety, health and environmental practices for its construction sites. The Group has particularly showcased its efforts in striving for excellence such as in its projects located at (i) Tung Chung Area 42; (ii) junction of Sai Yee Street and Argyle Street, Mongkok; (iii) Shap Pat Heung Road, Yuen Long; (iv) Mei Tin Estate Phase 4, Shatin; and (v) Kwok Shui Road.

Safety Management

The Group places utmost importance on safety in site management. Before commencing daily work, site agents and safety officers lead morning exercises, briefings, pre-work checks, and hazard identification activities to proactively prevent any potential safety hazards. To foster a culture of safety consciousness, regular safety workshops are conducted, and native speakers are invited to provide safety training for minority workers. During the execution of works, the Group has implemented a comprehensive on-site traffic control system that includes separate walkways and haul road for workers and mobile plant/vehicles respectively. Signboards and signals are used to remind individuals about traffic safety and to limit vehicle speeds. To ensure security management and deter crime, all individuals entering the site are required to register at the site entrance, and multiple CCTV cameras are installed to monitor the entire site, including the site office and entrance. The Group also adheres to high standards for lifting operations, working at heights and electricity works.

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Care of Workers and Others

The Group recognises the significance of caring for workers to retain talent and has implemented various initiatives to prevent heat stroke and promote health. For example, the Group ensures an adequate supply of drinking water and Pocari Sweat Powder, places sun umbrellas and shelters and encourages workers to wear sunglasses, helmet shades and cool towels. To prevent heat stroke, regular heat stroke drills and safety training sessions are conducted to enhance workers' preparedness and practical skills to respond to heat stroke related emergencies. The Group also provides breathable uniforms to improve comfort, which can reduce body heat stress when compared to traditional uniforms.

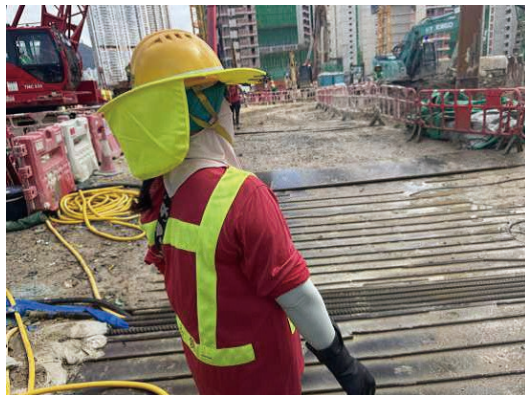
The Group acknowledges that air pollution and noise issues at construction sites impact not only the surrounding community but also the workers themselves. Tradition diesel generators have contributed to these problems. In response, the Group has opted to replace traditional diesel generators with the Enertrainer which is powered by hydrogen. This initiative underscores the Group's commitment to sustainability and prioritising employee health and well-being while reducing its environmental footprint.



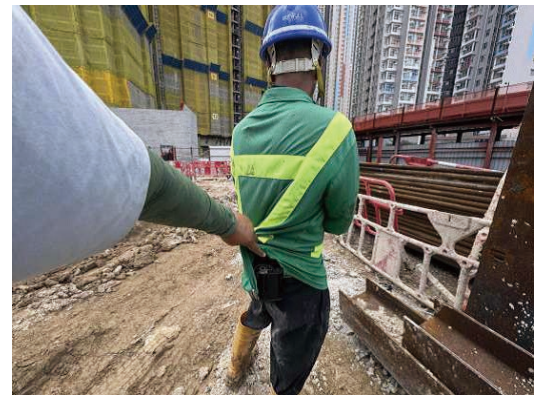
Sports drink powder was provided to workers to replenish the fluids and ions lost while sweating.



Bottle herbal tea was provided to workers to replenish the fluids and ions lost while sweating.



Safety helmet with sun shade and cooling arm sleeve were provided for workers.

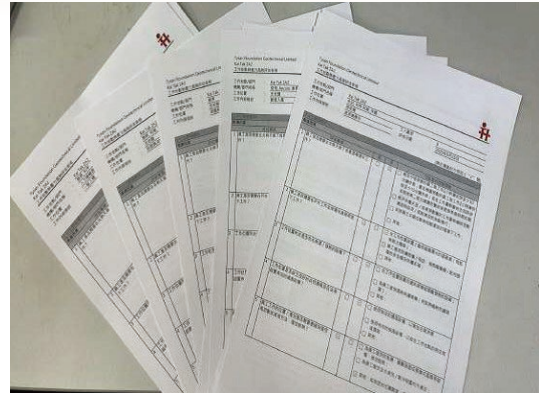


Outdoor workers were equipped with portable fan.

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Heat index signal information was displayed at gate.



Heat stroke assessment was conducted by workers.

Environmental Consciousness

To mitigate the adverse environmental impacts, the Group has implemented ISO 14001:2015 Environmental Management Systems and ISO 50001:2018 Energy Management Systems. To address the concerns about noise and dust, the Group conducts noise performance test during percussive piling works. All applicable construction equipment utilised has obtained quality powered mechanical equipment label that demonstrates quieter, more environmentally friendly and high-performance features. A multi-sensor display board is installed on-site to display real-time information on on-site noise and dust levels, humidity and temperature.

Furthermore, an artificial green roof is implemented on the site office roof. Performance tests have shown that the green roof significantly reduces the temperature of the building, demonstrating its ability to insulate heat. This in turn, subsequently reduces the reliance on air conditioning and promotes energy conservation.



Multi-sensor Display Board



Artificial Green Roof

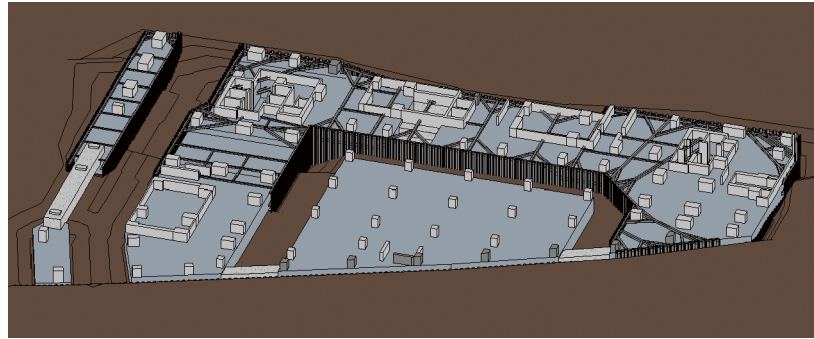
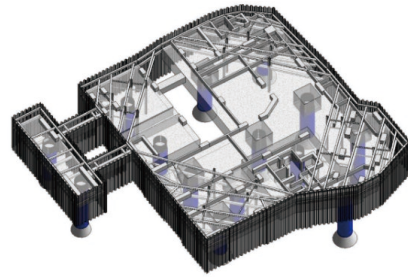
Being Considerate to Neighbourhood

The Group acknowledges that the construction works may have negative impacts on the neighbourhood and passers-by. Therefore, the Group is committed to minimising the nuisance caused by the construction through informing residents, visiting local schools and estate offices in advance about the timing of percussive piling work and restricting noisy operations if applicable. Please also refer to the section headed “8.3. Innovative Technology” for details on the use of inflatable sound barriers.

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8.3. Innovative Technology

The Group has applied various construction-related innovative technologies into its operations, these technologies include BIM, 360 Camera and Alerting System on Mobile Plant. By leveraging these innovative tools, the Group is continuously improving its occupational health and safety standards, as well as enhancing overall operational efficiency.



BIM

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Inflatable Sound Barriers

The integration of inflatable sound barriers aligns with the Group's goal of reducing noise pollution and improving overall community well-being. Inflatable sound barriers are an innovative solution in construction, particularly valuable in urban areas where construction noise can significantly disrupt the daily lives of residents. These barriers are designed to effectively absorb and reflect sound, thereby reducing the noise generated by machinery and construction activities. This not only enhances on-site working conditions for construction crews but also plays a crucial role in fostering positive community relations.

A prime example of their application is seen in the Group's projects, such as Shap Pat Heung Road in Yuen Long, where the use of inflatable sound barriers has proven beneficial. Their quick deployment and ability to be adjusted according to site-specific needs make them a versatile tool for construction companies.



Inflatable Sound Barriers

8.4. Complaint Handling Mechanism

The Group places great emphasis on feedback from its customers for continual improvement. The Group's complaint policy provides guidance on standardised complaint handling procedure to ensure customer feedback is processed in a consistent and efficient manner. Depending on the nature of comments and complaints, the Group shall take remedial, correction, and/or prevention actions, and keep systematic records for closed cases. During the Reporting Period, no major complaints were received.

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9. Caring for Community

The Group is dedicated to empowering the community and creating positive societal impacts through its sustainable operations and growth. With the goal of contributing to the community, fostering shared values and enhancing the quality of life for all, the Group actively engages in charitable donations and community involvement initiatives.

During the Reporting Period, the Group donated HK\$107,700 to various community care engagement activities which focused on fostering the growth and development of the youth. The Group actively supported, among others, activities organised by Youth Outreach to support their services to youth. To foster a culture of inclusiveness and supporting the construction industry, the Group also supported activities organised by Rainbow Foundation, Construction Industry Council and Shui On Seagull club.



“2025 Aerospace Adventure” organised by Rainbow Foundation – the Group was one of the sponsors of the event



Victoria Harbour Race 2025 – the Group was one of the sponsors of the event

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10. Way Forward

As a responsible corporation, the Group is unwavering in its dedication to honouring its obligations and striving to make meaningful contributions to the sustainable advancement of society and the environment. The Group remains steadfast in seeking avenues to enhance its environmental and social impacts continuously, while introducing innovative solutions to provide exceptional foundation piling services.

Going forward, the Group is committed to actively involving its stakeholders and embedding sustainability into its core operations as part of its efforts to address climate change challenges and enhance societal well-being. Through collaborative teamwork and persistent initiatives, the Group is resolute in its mission to cultivate a more sustainable and resilient future for all, emphasizing a harmonious balance between economic progress, environmental stewardship, and social responsibility.

11. ESG Content Index

Aspect	KPI	Description	Statement/Section
SUBJECT AREA (A) ENVIRONMENT			
A1: EMISSIONS			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 6. Sustainability in Operations (b) With regard to environmental laws and regulations including Public Health and Municipal Services Ordinance, Water Pollution Control Ordinance, Air Pollution Control Ordinance and Noise Control Ordinance, save as disclosed, there was no material non-compliance noticed during the Reporting Period.
	<i>A1.1</i>	The types of emissions and respective emissions data.	6.2. Energy Efficiency
	<i>A1.2</i>	[Repealed 1 January 2025]	
A1	<i>A1.3</i>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.4. Waste Management
	<i>A1.4</i>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.4. Waste Management
	<i>A1.5</i>	Description of emission target(s) set and steps taken to achieve them.	6.2. Energy Efficiency 6.7. Climate Change and Climate-related Disclosure
	<i>A1.6</i>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6.4. Waste Management 6.7. Climate Change and Climate-related Disclosure

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Aspect	KPI	Description	Statement/Section
A2: USE OF RESOURCES			
	<i>General disclosure</i>	Policies	6.2. Energy Efficiency 6.3. Water Conservation
	<i>A2.1</i>	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).	6.2. Energy Efficiency
	<i>A2.2</i>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.3. Water Conservation
A2	<i>A2.3</i>	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.2. Energy Efficiency 6.7. Climate Change and Climate-related Disclosure
	<i>A2.4</i>	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.	6.3. Water Conservation The Group did not encounter any issues in sourcing water through its daily operation.
	<i>A2.5</i>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable due to the business nature
A3: THE ENVIRONMENT AND NATURAL RESOURCES			
	<i>General disclosure</i>	Policies	6. Sustainability in Operation
A3	<i>A3.1</i>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.6. Implementing Good Environmental Mitigation Measures at Construction Sites
A4: CLIMATE CHANGE			
	<i>A4.1</i>	[Repealed 1 January 2025]	

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Aspect	KPI	Description	Statement/Section
SUBJECT AREA (B) SOCIAL			
B1: EMPLOYMENT			
B1	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a). 7.2. Recruiting and Retaining Talents (b). With regard to Minimum Wage Ordinance, Employees' Compensation Ordinance, Mandatory Provident Fund Scheme Ordinance, anti-discrimination ordinances and other relevant regulations protecting employees in terms of remuneration, compensation and social security, save as disclosed, there was no material non-compliance noticed during the Reporting Period.
	<i>B1.1</i>	Total workforce by gender, employment type, age group and geographical region.	7.2. Recruiting and Retaining Talents
	<i>B1.2</i>	Employee turnover rate by gender, age group and geographical region.	7.2. Recruiting and Retaining Talents

Environmental, Social and Governance (ESG) Report

Aspect	KPI	Description	Statement/Section
B2: HEALTH AND SAFETY			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 7.1. Developing a Workplace Safety Culture (b) With regard to the laws and regulations relating to health and safety including Occupational Safety and Health Ordinance and Factories and Industrial Undertakings Ordinance, save as disclosed, there was no material non-compliance noticed during the Reporting Period.
B2	<i>B2.1</i>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	7.1. Developing a Workplace Safety Culture The work-related fatality incidents in 2025, 2024, 2023 are 0, 0, and 0 respectively.
	<i>B2.2</i>	Lost days due to work injury.	Lost days due to work injury in 2025 were 1,255, whereas those in 2024 were 747.
	<i>B2.3</i>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	7.1. Developing a Workplace Safety Culture
B3: DEVELOPMENT AND TRAINING			
	<i>General disclosure</i>	Policies	7.2. Recruiting and Retaining Talents
B3	<i>B3.1</i>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	7.2. Recruiting and Retaining Talents
	<i>B3.2</i>	The average training hours completed per employee by gender and employee category.	7.2. Recruiting and Retaining Talents

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Aspect	KPI	Description	Statement/Section
B4: LABOUR STANDARDS			
B4	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 7.2. Recruiting and Retaining Talents (b) With regard to relevant laws and regulations relating to child and forced labour such as Employment Ordinance, there was no material non-compliance noticed during the Reporting Period.
	<i>B4.1</i>	Description of measures to review employment practices to avoid child and forced labour.	7.2. Recruiting and Retaining Talents
	<i>B4.2</i>	Description of steps taken to eliminate such practices when discovered.	7.2. Recruiting and Retaining Talents
B5: SUPPLY CHAIN MANAGEMENT			
B5	<i>General disclosure</i>	Policies	6.1. Responsible Sourcing 8. Striving for Operational Excellence
	<i>B5.1</i>	Number of suppliers by geographical region.	6.1. Responsible Sourcing
	<i>B5.2</i>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.1. Responsible Sourcing 8.1. Quality Assurance
	<i>B5.3</i>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.1. Responsible Sourcing 8.1. Quality Assurance
	<i>B5.4</i>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.1. Responsible Sourcing 8.1. Quality Assurance 8.2. Sustainable Site Management

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Aspect	KPI	Description	Statement/Section
B6: PRODUCT RESPONSIBILITY			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 8. Striving for Operational Excellence (b) With regard to relevant laws and regulations relating to product responsibility including Trade Marks Ordinance and Competition Ordinance, there was no material non-compliance noticed during the Reporting Period.
B6	<i>B6.1</i>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not disclosed since this is not a material issue to the Group's business.
	<i>B6.2</i>	Number of products and service-related complaints received and how they are dealt with.	8.4. Complaint Handling Mechanism
	<i>B6.3</i>	Description of practices relating to observing and protecting intellectual property rights.	Not disclosed since this is not a material issue to the Group's business. However, the Group affords full respect to proprietary intellectual property and shall refrain from using any ideas, products and goods without proper authorisation.
	<i>B6.4</i>	Description of quality assurance process and recall procedures.	8.1. Quality Assurance
	<i>B6.5</i>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Not disclosed since this is not a material issue to the Group's business.

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Aspect	KPI	Description	Statement/Section
B7: ANTI-CORRUPTION			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 7.3. Adhering to Business Ethics (b) With regard to relevant laws and regulations relating to anti-corruption, there was no material non-compliance noticed during the Reporting Period.
B7	<i>B7.1</i>	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.	7.3. Adhering to Business Ethics
	<i>B7.2</i>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	7.3. Adhering to Business Ethics
	<i>B7.3</i>	Description of anti-corruption training provided to directors and staff.	7.3. Adhering to Business Ethics
B8: COMMUNITY INVESTMENT			
	<i>General disclosure</i>	Policies	9. Caring for Community
B8	<i>B8.1</i>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	9. Caring for Community
	<i>B8.2</i>	Resources contributed (e.g. money or time) to the focus area.	9. Caring for Community

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PART D: CLIMATE-RELATED DISCLOSURES

Description	Section
(I) Governance	
19. An issuer shall disclose information about:	
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
(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;	6.7. Climate Change and Climate-related Disclosures
(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	6.7. Climate Change and Climate-related Disclosures
(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.	

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Description	Section
(II) Strategy	
<i>Climate-related Risks and Opportunities</i>	
20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	6.7. Climate Change and Climate-related Disclosures
(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;	6.7. Climate Change and Climate-related Disclosures
(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	6.7. Climate Change and Climate-related Disclosures
(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.	6.7. Climate Change and Climate-related Disclosures
<i>Business Model and Value Chain</i>	
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	6.7. Climate Change and Climate-related Disclosures
(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).	6.7. Climate Change and Climate-related Disclosures
<i>Strategy and Decision-making</i>	
22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	6.7. Climate Change and Climate-related Disclosures

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Description	Section
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	6.7. Climate Change and Climate-related Disclosures
(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	The Group does not currently have a formal climate-related transition plan in place. However, we are committed to addressing climate-related risks and opportunities through ongoing mitigation strategies, including efforts to reduce its carbon footprint.
(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	6.7. Climate Change and Climate-related Disclosures
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	6.7. Climate Change and Climate-related Disclosures
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	6.7. Climate Change and Climate-related Disclosures
<p><i>Financial Position, Financial Performance and Cash Flows</i> Current Financial Effect</p> <p>24. An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</p> <p>(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.</p>	<p>(a) 6.7. Climate Change and Climate-related Disclosures</p> <p>(b) The Group currently provides qualitative disclosures regarding climate-related metrics and targets. The Group is actively working to enhance its data collection systems and processes to enable more robust quantitative reporting in the future.</p>
<p>Anticipated Financial Effect</p> <p>25. The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(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:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p>	<p>(a) 6.7. Climate Change and Climate-related Disclosures</p> <p>(b) The Group currently provides qualitative disclosures regarding climate-related metrics and targets. The Group is actively working to enhance its data collection systems and processes to enable more robust quantitative reporting in the future.</p>
(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.	The Group does not currently disclose its financial performance and cash flows due to the absence of industry-standardized methods.

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Description	Section
<i>Climate Resilience</i>	
<p>26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p>	
<p>(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p>	
<p>(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;</p>	6.7. Climate Change and Climate-related Disclosures
<p>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and</p>	
<p>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;</p>	
<p>(b) how and when the climate-related scenario analysis was carried out, including:</p>	
<p>(i) information about the inputs used, including:</p> <ol style="list-style-type: none"> (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); 	6.7. Climate Change and Climate-related Disclosures
<p>(ii) the key assumptions the issuer made in the analysis; and</p>	
<p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>	

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Description	Section
(III) Risk Management	
27. An issuer shall disclose information about:	
(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	6.7. Climate Change and Climate-related Disclosures
(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	6.7. Climate Change and Climate-related Disclosures
(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.	6.7. Climate Change and Climate-related Disclosures
(IV) Metrics and Targets	
Greenhouse Gas Emissions	
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions;	(a) 6.2. Energy Efficiency
(b) Scope 2 greenhouse gas emissions; and	(b) 6.7. Climate Change and Climate-related Disclosures
(c) Scope 3 greenhouse gas emissions.	

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Description	Section
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;	(a) 6.2. Energy Efficiency (b) 6.7. Climate Change and Climate-related Disclosures
(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;	(a) 6.2. Energy Efficiency (b) 6.7. Climate Change and Climate-related Disclosures
(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	(a) 6.2. Energy Efficiency
(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).	(a) 6.2. Energy Efficiency (b) 6.7. Climate Change and Climate-related Disclosures
<i>Climate-related Transition Risks</i> 30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks	The Group's does not currently disclose quantitative amount and percentage of assets or business activities of climate-related actions because they are fully embedded within day-to-day business operations, with no separately identifiable funds earmarked specifically for addressing climate-related risks and opportunities.
<i>Climate-related Physical Risks</i> 31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
<i>Climate-related Opportunities</i> 32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	

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Description	Section
<p><i>Capital Deployment</i></p> <p>33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	<p>The Group does not perform quantitative disclosure of capital expenditure, financing, or investment deployed, as it has not designated any specific expenditures toward climate-related risks and opportunities.</p>
<p><i>Internal Carbon Prices</i></p> <p>34. An issuer shall disclose:</p> <p>(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</p> <p>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;</p> <p>or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>	<p>The Group does not apply an internal carbon price in its decision-making processes because carbon pricing do not materially affect the Group's operations. However, the Group will regularly review whether the adoption of an internal carbon price becomes material or beneficial for enhancing its climate risk management.</p>
<p><i>Remuneration</i></p> <p>35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p>	<p>6.7. Climate Change and Climate-related Disclosures</p>
<p><i>Industry-based Metrics</i></p> <p>36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	<p>The Group does not apply industry-based metrics because relevant operational data is fragmented across its business units and industry-accepted measurement methodologies for such metrics remain highly uncertain.</p>
<p><i>Climate-related Targets</i></p> <p>37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <p>(a) the metric used to set the target;</p> <p>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</p>	<p>6.7. Climate Change and Climate-related Disclosures</p> <p>6.7. Climate Change and Climate-related Disclosures</p>

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(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);	6.7. Climate Change and Climate-related Disclosures
(d) the period over which the target applies;	6.7. Climate Change and Climate-related Disclosures
(e) the base period from which progress is measured;	6.7. Climate Change and Climate-related Disclosures
(f) milestones or interim targets (if any);	No interim target is set at this stage.
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	6.7. Climate Change and Climate-related Disclosures
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
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;	6.7. Climate Change and Climate-related Disclosures
(b) the issuer's processes for reviewing the target;	6.7. Climate Change and Climate-related Disclosures
(c) the metrics used to monitor progress towards reaching the target; and	6.7. Climate Change and Climate-related Disclosures
(d) any revisions to the target and an explanation for those revisions.	6.7. Climate Change and Climate-related Disclosures
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.	6.7. Climate Change and Climate-related Disclosures
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;	6.7. Climate Change and Climate-related Disclosures
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	6.7. Climate Change and Climate-related Disclosures
	The Group does not currently include Scope 3 emissions target due to immature data collection framework. However, the Group will regularly review its performance and make adjustment if needed.

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(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;	6.7. Climate Change and Climate-related Disclosures
(d) whether the target was derived using a sectoral decarbonisation approach; and	6.7. Climate Change and Climate-related Disclosures
(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;	The Group does not apply carbon credits. However, the Group will regularly review whether the adoption of carbon credits becomes material or beneficial for the Group’s operation.
(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).	
<p><i>Applicability of Cross-industry Metrics and Industry-based Metrics</i></p> <p>41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	The Group does not apply cross-industry metric because relevant operational data is fragmented across its business units and the industry-accepted measurement methodologies for such metrics remain immature.