



Environmental, Social and Governance Report 2025

泰林科建控股有限公司

Tailam Tech Construction Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6193)

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STATEMENT OF THE BOARD

The board of directors (the “**Board**”) of Tailam Tech Construction Holdings Limited (the “**Company**”) together with its subsidiaries (collectively, the “**Group**”) is pleased to present the Environmental, Social and Governance (“**ESG**”) report (the “**Report**”) of the Group, which sets out our commitment to sustainable development and responsible corporate governance.

The Board recognises that ESG considerations have become increasingly integral to long-term corporate value creation. In conducting our business, the Group is committed to balancing the interests of shareholders with those of our employees, customers, business partners, communities and the environment. Sustainability principles are embedded into the Group’s corporate strategy and operations, and underpin our objective of achieving sustainable and resilient growth.

The Group is committed to maintaining high standards of corporate governance, integrity and ethical conduct across all levels of the organisation. The Board oversees the identification, assessment and management of ESG-related matters, including climate-related risks and opportunities, which are incorporated into the Group’s risk management and internal control systems to ensure effective oversight and mitigation of potential impacts.

The Group strives to minimise its environmental footprint through prudent use of resources and continuous improvement of operational efficiency. We have established both short-term and long-term sustainability objectives, including targets to progressively reduce greenhouse gas emissions in accordance with applicable regulatory requirements and relevant market expectations.

The Group has formulated emission reduction objectives and corresponding implementation measures and has integrated climate-related considerations into its strategic planning, business operations and key decision-making processes.

The Group firmly believes that employees are its most valuable asset. We are committed to providing a safe, healthy and inclusive working environment, supported by appropriate occupational health and safety measures. Through ongoing training and development programmes, the Group seeks to enhance employees’ professional skills, competencies and long-term career development.

Looking ahead, the Group will continue to strengthen its ESG performance through clear sustainability objectives and continuous improvement measures, and disclose progress in a transparent and accountable manner. The Board believes that a strong commitment to sustainable development is essential to delivering long-term value to stakeholders and contributing positively to society and the environment.

ABOUT THIS REPORT

The Company is pleased to present this ESG Report which summarises the ESG policies, initiatives and performance for the Group as well as demonstrates its commitment in achieving environmental and social sustainability for the year ended 31 December 2025 (“**FY2025**”). This Report should be read in conjunction with the Corporate Governance Report in the 2025 Annual Report of the Company to help readers gain a more comprehensive understanding of the ESG performance of the Company.

The objective of this Report is to highlight the Group’s ESG performance for the purpose of assisting all stakeholders in understanding the Group’s ESG concepts and practices in achieving sustainable development for the future.

The Group is engaged in the manufacturing and sale of pre-stressed high-strength concrete piles (the “**PHC piles**”), commercial concrete and ceramsite concrete block in the People’s Republic of China (the “**PRC**”). The PHC piles, commercial concrete and ceramsite concrete block produced by the Group are primarily used in buildings and infrastructure projects. During FY2025, the Group’s products were mainly sold to construction companies in Jiangsu Province.

GOVERNANCE STRUCTURE

The board of directors of the Company (the “**Board**”) oversees and sets out ESG strategies for the Group. The Board is also responsible for ensuring the effectiveness of the Group’s risk management and internal control mechanism through an annual assessment.

The Group has assigned personnel to systematically identify and cater to ESG issues. The said personnel are responsible for collecting and analysing relevant ESG data and identifying and assessing the Group’s ESG risks. In addition, the said personnel periodically report to the Board for the evaluation and subsequent implementation or revision of the Group’s ESG strategies.

REPORTING SCOPE AND BOUNDARY

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2025 to 31 December 2025. Except for the initial introduction of climate scenario analysis and Scope 3 screening, there was no material change to the methods or key performance indicators (“**KPIs**”) used by the Group compared with the previous years. The reporting boundary of this Report covers the Group’s principal business of manufacturing and sale of building materials and the scope of reporting covers the Group’s ESG performance with environmental and social data of the Group’s operation sites in Hong Kong and the PRC.

The FY2024 revenue figure has been revised from RMB187.53 million to RMB185.33 million. As revenue is used as the denominator for certain intensity KPIs, the relevant FY2024 comparative figures have been restated accordingly. The revision does not have a material impact on the overall ESG performance trends.

REPORTING STANDARD AND PRINCIPLES

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) of Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), strictly fulfils the disclosure obligations of the mandatory disclosure requirements and the “comply or explain” provisions, and discloses KPIs based on the business nature of the Company.

The Group has prepared this Report in accordance with the following reporting principles:

Reporting Principles	Principle	Response of the Company
Materiality:	The issues covered in the Report should reflect the significant impacts of the Company on the economy, environment and society, or substantially affect the scope of assessment and decision of stakeholders.	Through continuous communication with stakeholders, and based on the development strategy of the Company as well as the industry and business conditions, the Company identifies current material sustainable development issues.
Quantitative:	KPIs disclosed in the Report should be measurable to evaluate and validate the performance of ESG policies and management systems.	This Report discloses environmental and social KPIs quantitatively where practicable and includes relevant notes to facilitate readers’ better understanding of our achievements.
Consistency:	The Company should use consistent disclosure principles for preparation of the Report so that stakeholders can analyze and evaluate the performance of the entity over time. The entity should explain any changes to the methodologies.	The Company will ensure the scope of disclosure and reporting methodologies used in the Report are generally consistent every year.
Balance:	The Report should provide an unbiased picture of the issuer’s performance, and should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	Based on objective facts, this Report elaborates the sustainability issues that have significant impacts on the business and discloses relevant performance.

Revision of FY2024 Comparative Information

The FY2024 revenue figure disclosed in the previous ESG report has been corrected to RMB185.33 million (previously RMB187.53 million), consistent with the FY2024 Annual Report. Accordingly, certain FY2024 comparative intensity KPIs have been restated. The revision does not have a material impact on the Group’s overall ESG performance trends.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG aspects. To understand and address their key concerns, the Group has maintained close communication with key stakeholders including but not limited to, shareholders and investors, employees, customers, suppliers, media and the public, and government and regulatory authorities.

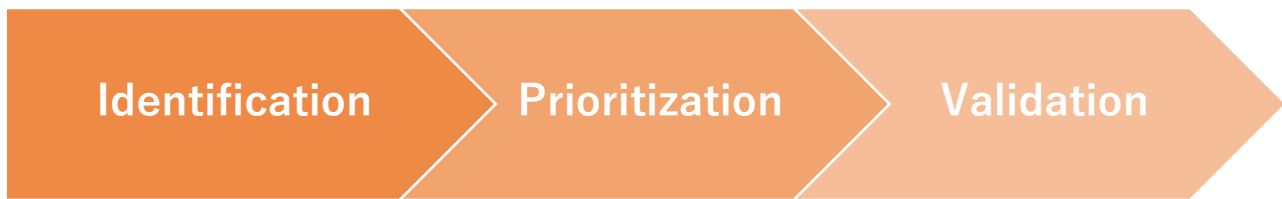
In formulating operational and ESG strategies, the Group will take stakeholders' expectations and concerns into consideration by utilising diversified engagement methods and communication channels, as shown below:

Stakeholders	Communication channels	Expectations and concerns	Engagement frequency
Shareholders and investors	<ul style="list-style-type: none"> Annual general meeting and other shareholder meetings Financial reports Announcements and circulars Company's website 	<ul style="list-style-type: none"> Sustainable profitability Corporate governance Business compliance Maintain shareholder's return 	<ul style="list-style-type: none"> Annually
Employees	<ul style="list-style-type: none"> Training activities, seminars and briefings Email and suggestion boxes Regular meetings 	<ul style="list-style-type: none"> Remuneration and benefits Ensure safe working environment Career development 	<ul style="list-style-type: none"> Annually Periodically
Customers	<ul style="list-style-type: none"> Customer service hotline and emails Business meetings 	<ul style="list-style-type: none"> High-quality products Enhance customer satisfaction On time delivery 	<ul style="list-style-type: none"> Ad-hoc and as needed
Suppliers	<ul style="list-style-type: none"> Business visits Business meetings and discussion 	<ul style="list-style-type: none"> Fair and open procurement Ensure on-time payment Maintain sustainable relationship 	<ul style="list-style-type: none"> Ad-hoc and as needed
Media and the public	<ul style="list-style-type: none"> ESG reports Announcements and circulars Financial reports 	<ul style="list-style-type: none"> Information transparency Legal compliance Corporate governance 	<ul style="list-style-type: none"> Periodically
Government and other regulatory authorities	<ul style="list-style-type: none"> Written or electronic correspondences Visits and site inspections 	<ul style="list-style-type: none"> Compliance with local laws and regulations Stability in business operations 	<ul style="list-style-type: none"> As needed

The Group endeavours to actively listen to and collaborate with its stakeholders to ensure that their opinions can be voiced out through an effective communication channel. In the long run, the stakeholders' contribution will aid the Group in improving potentially overlooked ESG performances and maintaining the success of the Group's business in a challenging market.

The Group has adopted the principle of materiality in the ESG reporting by understanding the key ESG issues that are important to the business of the Group. All the key ESG issues and KPIs are reported in the Report according to the recommendations of the ESG Reporting Code.

The Group has evaluated the materiality and importance in ESG aspects through the following steps:



STEP 1: IDENTIFICATION – INDUSTRY BENCHMARKING

- Relevant ESG areas were identified through the review of relevant ESG reports of the local and international industry peers.
- The materiality of each ESG area was determined based on the importance of each ESG area to the Group through internal discussion of the management and the recommendation of the ESG Reporting Code.

STEP 2: PRIORITIZATION – STAKEHOLDER ENGAGEMENT

- The Group discussed with key stakeholders on key ESG areas identified above to ensure that all the key aspects were covered.

STEP 3: VALIDATION – DETERMINING MATERIAL ISSUES

- Based on the discussion with key stakeholders and internal discussion among the management, the Group's management ensured that all the key and material ESG areas, which were important to the business development, were reported and in compliance with ESG Reporting Code.

As a result of this process carried out in FY2025, those important ESG areas to the Group were discussed in this Report.

STAKEHOLDER FEEDBACK

The Group welcomes stakeholders' feedback on its ESG approach and performance. You can provide valuable advice or comments in respect of the ESG Report or the Group's performances in sustainable development by email (info@tailamgroup.com).

JOURNEY OF SUSTAINABILITY

Our ESG strategy is centred on managing our most significant economic, environmental, and social impacts. We have established clear sustainability objectives and action plans across short-, medium- and long-term horizons to guide continuous improvement and accountability. We monitor progress against our sustainability objectives and action plans and are committed to transparently reporting on our journey.

To ensure clarity and accountability, our ESG targets are defined across short-, medium-, and long-term horizons. Each period has a distinct purpose on our path to creating lasting value.

- Short-Term (1 to 2 years): These are our immediate priorities, focused on operational efficiency, compliance, and establishing the data and governance foundations for our broader strategy.
- Medium-Term (3 to 5 years): These goals represent significant progress and strategic investment. They are designed to embed sustainable practices across our value chain and achieve substantial improvements on our material topics. This timeframe aligns with our corporate strategic planning cycle.
- Long-Term (6 years and above): These are our visionary goals that aim for transformational impact. They guide our contribution to broader societal and environmental objectives, such as climate action and the circular economy, positioning us as a leader in a sustainable future.

Aspects	Time horizon	Goals	Action plan
Climate and Energy	Short term	To enhance monitoring and management of energy consumption and energy intensity associated with the manufacturing of PHC piles and concrete products, and to	To explore the opportunity for investing in high-energy-efficiency machinery and include the planned upgrade in our capital expenditure budget.
	Long term	support the gradual reduction of Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions intensity over time.	To assess the feasibility of expanding on-site renewable energy generation and other low-carbon energy solutions as part of longer-term capital planning.
Water efficiency	Short term	To pursue continuous improvement in water efficiency across our production processes, with a focus on operational resilience and regulatory compliance.	Increase the frequency of pipeline inspection and leakage checks; monitor water usage trends and variances; enhance wastewater treatment and reuse practices where feasible.
Governance and ethical conduct	Short term	To maintain robust governance structures and internal controls to support effective oversight of ESG and climate-related risks and ethical conduct.	Conduct periodic reviews of governance policies; provide relevant training on ethical conduct and anti-corruption to management and employees in higher-risk functions.
Occupational health and safety	Short term	To strengthen occupational health and safety management in response to operational and climate-related physical risks.	Enhance safety training programmes; increase the frequency of site safety inspections; incorporate climate-related physical risk considerations into emergency preparedness and response planning.
Development and training	Medium term	To enhance workforce capability through targeted training programmes that support operational excellence and long-term sustainability objectives.	Expand the range of training topics; increase employee participation in training programmes; monitor training coverage and effectiveness.
Customer satisfaction	Medium to long term	To maintain high standards of product quality and service reliability in response to evolving customer, regulatory and sustainability expectations.	Continue rigorous quality control and testing procedures; strengthen customer feedback mechanisms; support timely delivery and service reliability through operational planning.

We are dedicated to monitoring our progress, reporting transparently, and tackling obstacles as part of our ongoing sustainability commitment. Our ESG strategies are periodically revisited to maintain their relevance and impact. By working together with our stakeholders, we can create meaningful progress towards a more sustainable future.

A. ENVIRONMENTAL

As a responsible corporate, the Group is committed to protecting the environment by reducing carbon emissions. The Group carefully monitors and mitigates the environmental impacts by integrating environmental considerations into all aspects of business operations. Environmental management was developed based on respective local requirements and environmental standards. In response to the community's power saving and waste-reduction demand, the Group has also adopted the procedures in relation to waste reduction, water conservation, energy conservation and solid waste recycling.

This section primarily discloses the policies and practices of the Group along with the quantitative data on emissions, use of resources, the environment and natural resources during FY2025.

A1. Emissions

General Disclosure and KPIs

Environmental protection has always been one of the fundamental values of the Group. The Group attaches great importance to sustainable development in its operations. To reduce energy consumption and GHG emissions, the Group has actively implemented environmental policies and procured more energy-efficient machinery to reduce its carbon footprint. The Group has implemented an environmental management system with ISO14001:2015 certification in its business operations. The Group continuously improves existing policies and incorporates new policies to mitigate potential direct and indirect negative environmental impacts arising from its business operations.

During FY2025, the Group was not aware of any material non-compliance with relevant laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group, including the Environmental Protection Law of the PRC, the Prevention and Control of Atmospheric Pollution of the PRC, the Water Pollution Prevention and Control Law of the PRC and the Prevention and Control of Environmental Pollution by Solid Waste of the PRC.

The Group does not establish fixed quantitative targets, and adopts a management-oriented and continuous improvement approach in terms of reducing emissions (including air pollutants, greenhouse gas, hazardous and non-hazardous wastes, and sewage). The Group actively implements the air pollutants control plan, electricity-saving plan, material-saving plan and measures to maintain or reduce the intensity of waste production and relevant gas emissions. It is believed that the established measures help raise employee's environmental awareness on reducing air pollutants and GHG emissions and waste generation.

Environmental aspects	Targets and Steps	Steps taken to achieve the targets
Air Pollutants Emissions	The Group actively implements the air pollutants control plan and measures to maintain or reduce the intensity of air pollutants emissions	<ul style="list-style-type: none"> - Reducing the use of chemical fuels by replacing gas with electrical
Greenhouse Gas Emissions	The Group actively implements the electricity-saving plan and measures to maintain or reduce the intensity of greenhouse gas emissions	<ul style="list-style-type: none"> - Promoting environmental protection such as saving electricity by slogan or poster - Switching off lights and turn off unnecessary energy-consuming devices when they are not in use
Waste Reduction	The Group actively implements the material-saving plan and measures to maintain or reduce the intensity of waste production	<ul style="list-style-type: none"> - Encouraging the use of paper by printing or photocopying on both sides of paper, where applicable - Avoiding the use of disposable items, such as paper cups, stirrers

Air Emissions

The principal source of air emissions arising out of the Group's operations was petrol consumed by vehicles. In response to the abovementioned source, the Group has actively taken measures to control air emissions. Such measures will be described in the following section – "GHG Emissions".

Summary of exhaust gas emissions performances:

Indicators	Unit	FY2025	FY2024
Nitrogen oxides (NO _x)	kg	44.82	33.62
Sulphur oxides (SO _x)	kg	1.59	1.23
Particulate matter (PM)	kg	3.30	2.48

GHG Emissions

The principal GHG emissions of the Group were generated from petrol by vehicles and natural gas for the production of PHC piles (Scope 1) and purchased electricity (Scope 2).

Scope 1 – Direct GHG Emissions

The Group has adopted the following measures to mitigate direct GHG emissions from petrol consumption by company vehicles and natural gas for the production of PHC piles in its operations:

- Regularly maintain boilers to minimise unnecessary natural gas consumption;
- Plan routes ahead of time to avoid route repetition and optimise fuel consumption;
- Regularly maintain vehicles to ensure optimal engine performance and fuel use; and
- Switch off the engine when the vehicle is idling.

Scope 2 – Energy Indirect GHG Emissions

Electricity consumption accounted for a sizeable percentage of GHG emissions within the Group. The Group has implemented measures to reduce energy consumption. Such measures will be described in “Aspect A2 – Use of Resources”.

Through the implementation of such measures, the employees’ awareness of reducing GHG emissions has been increased.

Summary of GHG emissions performances:

Indicators ¹	Unit ²	FY2025	FY2024 (Restated)
Scope 1 - Direct GHG Emissions	tCO ₂ e	1,826.67	1,776.13
• Petrol consumption			
• Natural gas			
Scope 2 – Energy Indirect GHG Emissions	tCO ₂ e	1,433.81	1,159.95
• Purchased electricity			
Total GHG emissions	tCO₂e	3,260.48	2,936.08
Intensity³	tCO₂e/million revenue (RMB)	13.36	15.84

Notes:

1. *GHG emissions data are presented in terms of carbon dioxide equivalent (CO₂e) and are prepared with reference to, including but not limited to, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard issued by the World Resources Institute and the World Business Council for Sustainable Development; the ESG Reporting Code and related guidance (including environmental KPIs) issued by The Stock Exchange of Hong Kong Limited; the latest published emission factors for China's regional power grids; and the Global Warming Potential Values from the IPCC Fifth Assessment Report (AR5).*
2. *tCO₂e is defined as tonnes of carbon dioxide equivalent.*
3. *For FY2025, the Group recorded a revenue of approximately RMB244.06 million (FY2024: approximately RMB185.33 million). This data is used for calculating other intensity data.*

The FY2024 revenue figure disclosed in the Group's previous ESG report has been corrected to align with the FY2024 Annual Report. Accordingly, certain FY2024 intensity KPIs have been restated.

4. *In terms of Scope 3 (other indirect emissions), given that it involves data collection across multiple segments of the value chain and the standardization of methodology, we are evaluating the relevant work arrangements and plan to gradually carry out the disclosure of the quantitative information of Scope 3 emissions and related targets in the coming fiscal year.*

Sewage Discharges into Water and Land

The Group did not consider the amount of sewage discharge into water to be disproportionate. To reduce sewage discharge into water, the Group has invested in a water treatment and recycling system to allow for the recycling and subsequent reuse of waste water. The waste water discharged by the Group is disposed of through the municipal sewage network to the regional water purification plant. Similarly, the sewage discharge into land was insignificant.

Waste Management

Hazardous Waste Management

The Group has no direct involvement in the generation of hazardous waste. The Group has engaged a subcontractor for the production of commercial concrete, and as such, any hazardous waste produced as a result of the said production is not under the Group's direct operational control. The Group is nevertheless conscious of the need for proper hazardous waste disposal management should hazardous wastes be generated directly by the Group and that the disposal process should comply with applicable statutory requirements.

Non-hazardous Waste Management

Non-hazardous waste generated was mainly office paper. The Group did not note a disproportional amount of non-hazardous waste produced. The Group endeavours to extend the scope of disclosure of other non-hazardous waste produced when the data collection process matures.

The Group places great effort in raising the awareness of its employees on the importance of reducing waste production and has adopted the following environmentally friendly initiatives to enhance its performance in this regard. Green measures include but are not limited to the following:

- Reduce the use of single-use disposable items;
- Reuse single-sided waste paper where possible;
- Print electronic correspondences only when necessary; and
- Recycle office and electronic equipments after their life cycle.

Employees' awareness of waste management has increased as a result of these implementations.

Summary of non-hazardous waste disposal performance:

Indicators	Unit	FY2025	FY2024
Office paper	tons	1.47	1.30
Total non-hazardous waste disposed	tons	1.47	1.30
Intensity	tons/million revenue (RMB)	0.006	0.007

A2. Use of Resources

General Disclosure and KPIs

The Group advocates energy and resource conservation and is committed to achieving sustainable operations and compliance with applicable environmental and emission requirements imposed by local authorities. The Group does not establish fixed quantitative targets for energy or water consumption, taking into account the variability in production volume and operating conditions across its manufacturing activities.

Instead, the Group adopts a management-oriented and continuous improvement approach, focusing on enhancing energy use efficiency and water efficiency through the implementation of electricity-saving and water-saving measures. These include ongoing monitoring of consumption, maintenance of relevant facilities and equipment, and optimisation of operational practices to maintain or reduce the intensity of electricity and water consumption where feasible.

The Group believes that these measures help strengthen employees' environmental awareness in relation to energy and resource conservation. The Group will continue to review performance trends and explore opportunities to further improve environmental management practices and support longer-term sustainability objectives.

Environmental aspects	Targets and Steps	Steps taken to achieve the targets
Energy Conservation	The Group actively implements the electricity-saving plan and measures to maintain or reduce the intensity of electricity consumption	<ul style="list-style-type: none"> - Promoting environmental protection such as saving electricity by slogan or poster - Switching off lights and turn off unnecessary energy-consuming devices when they are not in use
Water Conservation	The Group actively implements the water-saving plan and measures to maintain or reduce the intensity of water consumption	<ul style="list-style-type: none"> - Promoting environmental protection such as saving water by slogan or poster - Monitoring usage of water and checking for variance with past records

Meanwhile, the Group strives to improve the efficient use of natural resources, such as minimising waste and emissions. Practical measures are implemented as follows.

Energy Consumption

The Group recognises the scarcity of finite natural resources and has therefore implemented policies to better govern the use of resources. The Group strives to further reduce energy consumption by adopting the following energy-saving measures:

- Post eye-catching reminders near light switches and electrical appliances as a reminder to employees;
- Anomaly in electricity consumption will be investigated and preventive measures will be taken;
- Switch off all idle machines, appliances and unnecessary lightings upon leaving the Group's premises; and
- Purchase equipment with higher energy efficiency on the replacement of old equipment.

Through the implementation of the aforementioned energy-saving measures, the employees' awareness of energy conservation has been increased. Besides, in order to contribute to climate change mitigation, the Group actively explore opportunities to support renewable energy generation. Solar panels are installed at our manufacturing plant located in Qidong City, Nantong, Jiangsu Province to generate renewable energy.

Summary of energy consumption performance:

Indicators	Unit	FY2025	FY2024 (Restated)
Direct energy consumption			
Petrol	KWh	726,852	542,716
Natural gas	KWh	9,613,675	6,732,282
Indirect energy consumption			
Purchased electricity	KWh	2,350,127	1,901,248
Total energy consumption	KWh	12,690,654	9,176,246
Intensity	KWh/ million revenue (RMB)	51,998	49,513

Water Consumption

The Group actively promotes the importance of water conservation to its employees. Apart from posting eye-catching reminders around the Group's premises, the Group also regularly inspects water taps to prevent leakage and installs dual flush water cistern in toilets and water-saving thimble in sinks where possible. Through the implementation of said water-saving measures, employees' awareness of water conservation has been increased.

Due to the geographical location of the Group's premises, the Group did not encounter any problem in sourcing water that was fit for purpose.

Summary of water consumption performance:

Indicators	Unit	FY2025	FY2024 (Restated)
Total water consumption	m³	27,917.00	22,442.00
Intensity	m³/ million revenue (RMB)	124.60	121.09

During FY2025, the Group consumed a total of 27,917 m³ of fresh water for industrial production, and offices and dormitories daily usage purposes. For the coming year, we will continue to mobilise our staff and workers to save fresh water consumption, nevertheless continue to expand our operations, and aims to pursue continuous improvement in water use efficiency through enhanced monitoring, leakage prevention and optimisation of water-intensive processes.

Use of Packaging Material

Due to the Group's business nature, the use of packaging material was not considered to be a material ESG aspect to the Group.

A3. The Environment and Natural Resources

General Disclosure and KPIs

As a PHC piles, commercial concrete and ceramsite concrete block manufacturer, dust, wastewater and noise are generated during the Group's production processes. The Group recognizes its responsibility in minimising significant negative impacts on the environment and natural resources in its business operations and has therefore established a pollution control system and installed various equipment to process and dispose of its industrial wastes. The Group remains conscious of its existing and potential impacts, and regularly assesses the environmental risks of its business model, adopts preventive measures and ensures compliance with relevant laws and regulations.

Generation of Airborne Pollutants

The Group has adopted various measures to reduce dust generated. For vehicles, incoming and outgoing transport vehicles are cleaned. For road surfaces, water is sprayed on the road regularly to reduce the generation of fugitive dust during vehicle travelling. For raw materials that are imported, such raw materials are transported via a fully enclosed conveyor belt from the point of discharge to the raw material warehouse. For raw materials that are temporarily stored at the Group's premises, they are fully covered by a dust cloth. In addition, the Group's fully enclosed green environmental protection station has been put into operation, which enables raw materials to be properly stored and protected against the external environment.

To further its effort in reducing the generation of pollutants arising from its production process, the Group has transitioned from using coal to natural gas, a cleaner fuel, as a fuel for the boilers.

Noise Control

The Group has installed soundproof wall in the production plant to reduce noise generated during operations.

A4. Climate Change

The world's climate has changed significantly in the past decades – global temperatures have increased and extreme weather events are becoming more frequent and severe, which may cause disruptions to business operations globally, and in turn poses adverse effects to the macro economy.

The Group prioritizes green manufacturing and environmental stewardship, actively translating sustainability commitments into measurable actions to reduce GHG emissions and mitigate climate change. Through targeted initiatives - including optimizing production processes, enhancing energy efficiency, increasing the use of renewable energy, and investing in low-carbon technologies - the Group reduces dependence on fossil fuels and strengthens the environmental sustainability of operations.

Governance

The Group recognises that climate change may pose both physical and transition risks to its core business of manufacturing PHC piles and concrete products. The Board of Directors oversees the Group's approach to climate-related risks and opportunities as part of its overall risk governance framework. Senior management is responsible for identifying, assessing and managing climate-related risks, and for integrating relevant considerations into business planning and operational decision-making.

Climate-related matters are reviewed by management on a regular basis and are escalated to the Board where relevant, particularly when such matters may have a potential impact on the Group's operations, capital expenditure planning or long-term business resilience.

Strategy

Categories of risks and opportunities and time frame

The Group has classified the identified climate-related risks into two main categories: climate related physical risks and climate-related transition risks and have identified the corresponding opportunities. At the same time, the time frame is defined according to management needs as follows, and is aligned with the Company's operational planning and capital expenditure/ technological transformation pace.

When assessing climate-related risks and opportunities, we classify their impacts into short term, medium-term, and long-term time horizons according to management needs, in order to align with decision-making and resource allocation at different levels. The short-term focuses on impacts on daily operations and safety production management; the medium-term emphasizes the advancement of plans such as technological transformation, equipment renewal, and management improvement; while the long-term primarily relates to strategic issues such as capacity layout, energy structure optimization, and emission reduction pathways.

Relationship with business model and value chain

With respect to the business characteristics of the Company, climate-related impacts are mainly concentrated on our production and operational facilities, as well as supply chain and logistics arrangements. Physical risks may affect production continuity, asset safety, and employee health and safety. Transition risks, on the other hand, influence compliance costs, technology transformation investments, and product competitiveness through changes in policies and regulations, technological requirements, and market preferences.

Risk management

Under our existing ESG risk management framework, we will gradually advance the management of climate-related risks and opportunities, forming a closed-loop process of “identification-assessment prioritization-monitoring-response”:

- Identification: Compile a list of climate risks and opportunities by integrating information on regulatory trends, past extreme weather experiences, facility and operational characteristics, as well as supply and market changes;
- Assessment and prioritization: Conduct qualitative assessments based on impact (on safety, production, costs, compliance, and reputation) and likelihood, and determine management priorities according to time frame (short/medium/long term);
- Monitoring and updating: Management and relevant functional departments continuously track extreme weather warnings, policy changes, and progress in energy-saving and emission reduction measures, and adjust response arrangements when necessary;
- Integration into overall risk management: Connect climate-related matters with existing processes such as safety production, environmental compliance, asset management, and supply chain management to avoid fragmented management and redundant disclosures.

Scenario analysis (resilience assessment): We are evaluating the gradual implementation of climate-related scenario analysis in a manner aligned with our own skills and resources, to support the assessment of climate resilience and strategy adjustments, and plan to progressively establish a data foundation and refine its climate resilience assessment in the subsequent phase.

Climate-Related Risk

Risk Type	Climate-Related Risks	Potential Impact on Business Model and Value Chain	Potential Impact on Financials	Time Horizon ¹	Key Mitigation Measures
Physical Risks					
Actual Risks	Extreme weather events (typhoons, heatwaves, floods, etc.) severity increasing	<ul style="list-style-type: none"> • May cause damage to factory facilities and equipment; • Extreme weather events such as typhoons and heatwaves may endanger staff health and safety. 	<ul style="list-style-type: none"> • Increase in operational costs 	Short to medium term	<ul style="list-style-type: none"> • Regular inspection and upgrading of facilities to enhance the capacity to respond to and protect against natural disasters; • Develop disaster emergency plans, conduct drills to improve emergency response capabilities of employees.
Chronic Risks	Rising average temperatures, sea level rise	<ul style="list-style-type: none"> • Heatwaves may affect health and safety of employees; • Increased demand for cooling equipment; • Sea level rise may damage pier assets 	<ul style="list-style-type: none"> • Increase in operational costs; • Increase in equipment replacement costs; 	Long term	<ul style="list-style-type: none"> • Enhance climate resilience of factory facilities; • Gradually replace air conditioning and other cooling equipment with high-efficiency models;
Transition Risks					
Policy and Legal Risks	National energy saving and emission reduction policy requirements are increasingly stringent, and the Group face higher energy saving and carbon emission regulatory requirements	<ul style="list-style-type: none"> • May require increased efforts and capital investment in emission reduction 	<ul style="list-style-type: none"> • Increase in operational costs; • Increase in compliance costs 	Short term	<ul style="list-style-type: none"> • Monitor national energy saving and emission reduction policies, timely implementation of policy requirements, and strengthen green factory development

Risk Type	Climate-Related Risks	Potential Impact on Business Model and Value Chain	Potential Impact on Financials	Time Horizon ¹	Key Mitigation Measures
Transition Risks					
Technology Risks	Facing increasingly stringent energy saving and emission regulations, requiring the use of higher energy efficiency and environmental protection technologies		<ul style="list-style-type: none"> Increase in equipment replacement expenditure 	Short term	<ul style="list-style-type: none"> Focus on latest energy saving and environmental protection technologies and actively respond to energy saving and environmental protection requirements; Strengthen environmental performance management of suppliers

Climate-Related Opportunities

Opportunity Type	Climate-Related Opportunity	Potential Business Impact	Potential Financial Impact	Time Horizon	Key Response Measures
Resource Efficiency	Improvement in energy and water conservation levels, which can also bring cost reductions	<ul style="list-style-type: none"> Enhanced management of energy, carbon emissions, waste recycling and utilization levels can promote energy conservation and carbon reduction, while also achieving cost savings and efficiency improvements 	<ul style="list-style-type: none"> Reduction in operational costs 	Short term	<ul style="list-style-type: none"> Adoption of more efficient energy-saving equipment and measures
Energy Source	Effective utilization of renewable energy can reduce future dependence on fossil fuels	<ul style="list-style-type: none"> Reduction of future risks associated with fossil fuel price increases; Reduction of GHG-related policy risks 	<ul style="list-style-type: none"> Reduction in operational costs; Increase in revenue (e.g., through green electricity) 	Medium to long term	<ul style="list-style-type: none"> Expansion of renewable energy utilization (e.g., photovoltaic power generation), and optimization of energy structure

Indicators and targets

The Group considers greenhouse gas emissions and energy management as key management priorities. At this stage, Scope 1 and Scope 2 emissions are disclosed and emission reduction measures are implemented. The Group recognises market attention to Scope 3 emissions and will explore the feasibility of expanding its disclosures to include Scope 3 in due course, when the data collection system becomes more mature.

B. SOCIAL

B1. Employment and Labour Practices

Valuing its people and regarding them as the key to attaining the Group's long-term success, the Group is committed to creating a workplace where everyone can thrive, feel respected and engaged. Living its values of equity and inclusion, the Group strives to maintain a supportive environment that safeguards every employee's unique background and voice, while enabling them career development opportunities with rewards. Employment policies are formally documented in the Employee Handbook, covering recruitment, compensation, remuneration, diversity and equal opportunities, etc. The Group periodically reviews existing policies and employment practices to ensure continuous improvement of its employment standards and competitiveness against service providers of the same industry.

Our Workforce

As at 31 December 2025, the Group employed 51 full-time employees and 201 outsourced workers (FY2024: 49 full-time employees and 127 outsourced workers). The total workforce categorised by gender, employment type, age groups and geographical region are depicted below:

Total workforce by gender, employment type, age group and geographical region					
		FY2025		FY2024	
		Number of employees (person)	Percentage (%)	Number of employees (person)	Percentage (%)
By gender	Female	54	21.43	48	27.27
	Male	198	78.57	128	72.73
By employment type	Full-time	51	20.24	49	27.84
	Outsourced worker	201	79.76	127	72.16
By age	Below aged 30	26	10.32	22	12.50
	Aged 31 – 40	49	19.44	35	19.89
	Aged 41 – 50	78	30.95	61	34.66
	Above aged 50	99	39.29	58	32.95
By location	PRC	241	95.63	166	94.32
	Hong Kong, China	11	4.37	10	5.68
Total		252	100.00	176	100.00

The employee turnover rate was 17.92% for FY2025 (FY2024: 29.60%). The employee turnover rates categorised by gender, employment type, age groups and location are depicted below:

Employee turnover rate by gender, employment type, age group and geographical region					
		FY2025		FY2024	
		Number of employee turnover (person)	Turnover rate (%)	Number of employee turnover (person)	Turnover rate (%) (restated) ⁷
By gender⁵	Female	6	10.00	10	17.24
	Male	49	19.84	64	33.33
By employment type⁶	Full-time	3	5.56	6	10.91
	Outsourced worker	52	20.55	68	34.87
By age⁷	Below aged 30	13	33.33	19	46.34
	Aged 31 – 40	7	12.50	14	28.57
	Aged 41 – 50	22	22.00	20	24.69
	Above aged 50	13	11.61	21	26.58
By location	PRC	55	18.58	74	30.83
	Hong Kong, China	-	-	-	-
Total		55	17.92	74	29.60

Notes:

5. Turnover rate refers to total number of employee turnover of the gender group divided by the sum of the number of departures of the corresponding gender group during the reporting period and total number of employees of the corresponding gender group at the end of the reporting period.
6. Turnover rate refers to total number of employee turnover of the employment group divided by the sum of the number of departures of the corresponding employment type group during the reporting period and total number of employees of the corresponding employment type group at the end of the reporting period.
7. Turnover rate refers to total number of employee turnover of the age group divided by the sum of the number of departures of the corresponding age group during the reporting period and total number of employees of the corresponding age group at the end of the reporting period.

Law compliance

The human resources policies of the Group strictly adhere to the applicable employment laws and regulations in Hong Kong and the PRC, including the Employment Ordinance (Chapter 57 of the laws of Hong Kong), the Labour Law of the PRC and the Labour Contract Law of the PRC. During FY2025, the Group was not aware of any material non-compliance with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that would have a significant impact on the Group. The Human resources department of the Group reviews and updates the relevant company policies regularly in accordance with the latest laws and regulations.

Remuneration, Benefits and Welfare

The Group understands that good benefits and welfare encourage retention and foster a sense of belonging. Therefore, the Group has established a fair, reasonable, and competitive remuneration system for salary payments to employees based on their job scope, responsibilities and performance. Share options may also be granted to eligible employees of the Group.

In accordance with the laws, the Group legally pays “five social insurance and one housing fund” for its employees in the PRC, namely endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and mandatory housing fund, to ensure that employees are covered by social insurance.

Recruitment, Diversity and Equal Opportunities

As an equal opportunity employer, the Group is committed to creating a fair, respectful and diverse working environment by promoting anti-discrimination and equal opportunity in all human resources and employment decisions, respecting all employees and has established “Equal Employment Policy”.

Sustainable growth of the Group relies on the diversity of talents and a non-discriminatory recruitment process. The Group’s employees are recruited via a robust, transparent and fair recruitment process based solely on their experience and expertise and without regard to their age, ethnicity, origin, gender identity, marital status, sexual orientation and religion.

The Group is of firm belief that employees should have the right to work in an environment free of discrimination, harassment and vilification. Therefore, the Group is committed to creating and maintaining an inclusive and harmonious workplace culture. In addition, the Group emphatically states its zero-tolerance stance on any aforementioned behaviours in the workplace of any form.

Promotion and Performance Appraisal

The Group assesses the performance of the employees on a regular basis, the results of which are used for their annual salary review and performance appraisal. The Group gives preference to internal promotion to provide an incentive for consistent and continuous effort. Performance bonus may also be awarded to employees with outstanding performance.

Working Hours and Vacations

Official working hours and vacations are clearly stated in the Employee Handbook and are in accordance with local employment laws.

Compensation and Dismissal

The Group compensates employees according to the statutory requirements. Unreasonable dismissal under any circumstances is strictly prohibited. Dismissal will be based on reasonable and lawful grounds supported by internal policies of the Group.

B2. Health and Safety

During FY2025, the Group was not aware of any material non-compliance with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that would have a significant impact on the Group, including the Labour Law of the PRC, the Production Safety Law of the PRC, the Law of the PRC on the Prevention and Treatment of Occupational Diseases and the Fire Protection Law of the PRC.

Occupational Health and Safety Management

Anchored by its top priority, occupational health and safety are foundational to the Group's operations. As part of its corporate commitment, the Group has spared no effort in maintaining a high standard of safety at all of the Group's facilities, and in particular, committed to addressing any exposure of its employees to occupational health and safety risks. As such, the Group strives to create a safe and healthy working environment for its employees by eliminating potential health and safety hazards at the workplace. The Group has formulated and adopted measures and obtained the certification of OHSAS18001:2007 (occupational health and safety management). In addition, the Group's safety personnel conducts regular safety supervision in each business area, including the production lines, testing laboratories and office, and provides its workforce with safety information and training on the operations of office equipment, production facilities, tools and testing equipment. Safety guidelines are detailed in the Employee Handbook for employees' easy reference.

Fire extinguishers are stored at visible areas and fire escape routes are clearly shown throughout the Group's premises. To further avoid fire hazards, no smoking is allowed within the production facilities, and fire exits and major passageways are kept clear from obstruction. Additionally, the Group provides its employees with clean dormitory rooms with proper sanitary facilities and proper workwear or personal protective equipment.

Furthermore, the Group has established the Occupational Disease Prevention and Responsibility Policy (《職業病防範責任制》) in accordance with the Law of the PRC on the Prevention and Treatment of Occupational Diseases. The policy states the roles and responsibilities of different departments and members of the Group on protecting its employees from occupational hazards.

The Group places great importance on ensuring that its employees receive adequate and appropriate training to safeguard workplace safety procedures. As such, the Group holds induction safety training for its employees and encourages them to undergo continuous safety training. To further ensure that workplace accidents and common emergencies can be tended to as soon as possible, the Group provided fire hazard training sessions and an external first aid training session to its employees during FY2025.

For employees and outsourced worker who are engaged in relatively dangerous activities, the Group has formulated unified safety and civilisation management and standard practises, large-scale machinery safety operation standards and other system specifications, and organised training for all employees within the Group to enhance the awareness of safe operation management.

The Group has formulated different initiatives and organised various activities to achieve the goal of improving employees' physical and mental health, as well as achieving work-life balance. By organising the "National Fitness Program", the Group encourages employees to set and achieve a target every month and participate in sport events such as basketball, badminton, cycling, running, swimming etc., thereby improving the physical and mental health of employees. The Group advocates employees to devote themselves into work with stronger physiques and with full enthusiasm.

Key performance indicators related to work-related injuries and fatalities:

Primary indicators	Secondary indicators	Unit	
Number and rate of work-related fatalities in the past three years (including the reporting year)	Number of work-related fatalities in 2023	Person	-
	Number of work-related fatalities in 2024	Person	-
	Number of work-related fatalities in 2025	Person	-
Lost days due to work-related injuries	Number of work-related injuries in 2025	Case	12
	Lost days due to work-related injuries in 2025	Day	453

The Group will continue to invest sufficient resources and devote efforts to maintain and enhance safety management so as to reduce the risks involved in health and safety. In order to further improve the health and safety performance at work and reduce work-related injuries, the Group also takes the health and safety performance of the year into consideration during the annual team and individual assessment. The Group also implements a balanced scorecard system to evaluate project performance. In the event of serious/extra serious quality or safety liability accidents, the project scores will be deducted, which may affect its performance rating.

B3. Development and Training

Provision of Training Opportunities

The Group sees its employees as the driving force to its sustainable development, thereby attaching particular attention to talent cultivation and the development of its employees' skillsets and taking an active approach in providing employees with opportunities to advance their careers.

The Group has established relevant training policies to effectively manage the provision of training opportunities to employees. The management regularly reviews the training plans to ensure that the training courses given continue to benefit its employees. The Group provides induction training to new comers and on-the-job training to all its employees regularly. The content of other training activities varies from safety education, understanding financial workflow, coordinating and dealing with inter-departmental issues, to customer service skills, etc. In addition, the Group encourages its employees to take part in external training activities to broaden their horizon and keep them abreast of the ever-changing trend of the manufacturing industry and related industrial requirements.

Percentage of employees trained and average training hours completed per employee gender and rank					
		FY2025		FY2024	
		Percentage of employee trained	Average training hours completed by employee	Percentage of employee trained	Average training hours completed by employee
By gender	Female	35%	28	92%	42
	Male	66%	28	95%	42
By rank	Senior management	38%	28	100%	56
	Middle management	23%	28	100%	56
	Common employees	39%	28	90%	38

B4. Labour Standards

Prevention of Child and Forced Labour

The Group guarantees that no employee will be made to work against his/her will or be coerced to work. The recruitment of child labour is strictly prohibited. All employees recruited by the Group are above the minimum age requirement stipulated by the law. Personal data is collected during the process to assist in the selection of suitable candidates and to verify candidates' personal data. The human resources department ensures that their valid identity documents are carefully checked.

Being a socially responsible enterprise, the Group respect human rights for all. The Group has delegated the human resources and administration department to conduct monitoring so as to ensure that there is no child labour and forced labour. As a result, during FY2025, there was no non-compliance case with relevant laws and regulations relating to child and forced labour in respect of the Labour Law of the PRC and the Employment Ordinance of Hong Kong. If the Group find any relevant acts, the Group will immediately notify the human resources department, and at the same time report them to the labour department or public security department, and make appropriate arrangements according to the opinions of the relevant departments.

B5. Supply Chain Management

The Group places great emphasis on maintaining quality control, safety standard and environmental protection as these factors directly affect the Group's reputation, service quality and competitiveness against other PHC piles, commercial concrete and ceramsite concrete block suppliers. Furthermore, the Group understands the importance of intergrating environmental and social practices of its suppliers and therefore endeavours to engage suppliers who act responsibly with regard to green supply chain management.

In selecting suppliers of raw materials, the Group requires all suppliers to provide relevant quality control certificates such as quality management systems and copies of their valid business licenses where applicable to prevent establishing business with suppliers that are operating illegally or at a substandard level. The Group's procurement department has devised a rigorous supply chain management system to govern the procurement process and has developed a comprehensive supplier's questionnaire to ensure that potential suppliers are evaluated carefully. In addition, trial samples of the raw materials will be requested before placing orders with potential suppliers. Upon ordering and the subsequent delivery of the raw materials, tests on the raw materials will be conducted again. If the quality of the raw materials falls below the agreed standard, they will be returned to the suppliers for replacement. Visits to the Group's main suppliers' business premises are also conducted annually to evaluate their social and environmental responsibility performance.

The Group not only reviews suppliers' basic information during the supplier selection process, but also considers the sustainability of the materials and their impact on the environment, the price offered, production and quality management systems, possession of certifications, and compliance with relevant laws, regulations and standards. Upon qualifying as the Group's suppliers, regular reviews, due diligence, supplier environmental and social risk assessment, and site visits are conducted to monitor their performance in areas including environment, health, safety, and labour practices. Suppliers who fail to demonstrate a good standard or fail to meet the Group's supplier selection criteria will be excluded from the list of suppliers for future engagements.

The Group has also formulated rules to ensure that suppliers could be selected in an open, fair and transparent manner. The Group will not differentiate or discriminate against any suppliers and any forms of corruption and bribery are also strictly prohibited. During FY2025, the Group had a total of 369 suppliers, all of which were located in the PRC.

B6. Product Responsibility

As a PHC piles, commercial concrete and ceramsite concrete block manufacturer, ensuring product quality and safety is of paramount importance and critical to the success of the Group's business.

During FY2025, no product sold or shipped subject to recalls for safety and health reasons and the Group was not aware of any material non-compliance with relevant laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that would have a significant impact on the Group, including the Protection of Consumer Rights and Interests of the PRC, Advertising Law of the PRC, the Patent Law of the PRC, the Trademark Law of the PRC and the Product Quality Law of the PRC.

Product Quality Assurance

The Group's production facilities are accredited with ISO 9001:2015 quality management certification. Products produced by the Group are subject to an extensive quality assurance process to ensure that the products are in compliance with relevant laws and regulations. The Group believes that its effective quality management system would improve the overall service quality and customer satisfaction.

Policies relating to product safety have been established and are drafted based on the guidelines of ISO 9001:2015. Such policies detail the procedures of the quality control inspections of raw materials, production process and finished products. Employees are duly notified of the quality control process and are required to strictly abide by such procedures. The Group has established testing laboratories equipped with various testing equipment at the production facilities to conduct quality testing. Multiple inspection points at different production stages have been set up to test the products. PHC piles are inspected and tested

every six months by a qualified inspection institution to ensure compliance with national standards.

The Group has established the management standards for quality incidents. In accordance with the management standards, the Group makes judgement about the quality incidents, and formulates the solutions for treatment of unqualified products, the recall mechanisms and treatment procedures, etc. When the delivery of unqualified products is discovered and verified, or serious quality problems occur during the use of products, we will immediately inform relevant customers to stop using or separate the batch of products according to the management standards, organize the recall of the unused products, conduct the investigation and analysis of the quality incidents, formulate rectification measures and determine responsibility, to ensure the rectification effect. During FY2025, no products were subject to recall for safety and health reasons.

Complaints Handling


Committed to enhancing its service quality and providing its customers with satisfactory experience, the Group values its customers' opinions and formulates its customer service management systems by maintaining active communication with its clients. Once the Group receives any complaint, an acknowledgement will be sent to the customer in a timely manner. Specific responsible departments are required to communicate the investigation processes and results to the customers through formal replies.

During FY2025, the Group did not receive any substantial complaints about the product and service quality and the customer satisfaction was high according to the Group's customer surveys.

Data Privacy Protection

The Group endeavours to safeguard all sensitive information pertaining to its customers and has established guidelines relating to data protection. Employees are required to respect the confidentiality of customers' information. The Group has also implemented firewall, anti-virus, and anti-spam solutions for its information technology systems to safeguard confidential information. Such data protection solutions are routinely upgraded. Employees are required to respect the confidentiality of customers' personal data and the Group's confidential information upon signing the legally binding labour contract. Where necessary, applicable employees of the Group may be required to sign a non-disclosure agreement. A periodic assessment is conducted by the Group to ensure that its consumer data protection and privacy policies and practices remain in compliance with the applicable laws and regulations.

Protection of Intellectual Property Rights

The Group's PHC piles are mainly sold to customers under the Group's own trademark . The logo of the Group had been registered as a trademark in the PRC and a number of patents had also been successfully registered. The Group has established relevant policies to govern the protection of its intellectual property rights. In addition, upon joining the Group, employees are required to protect the intellectual property rights of the Group under the legally binding labour contract.

Any unauthorised use of the Group's brand names, trademarks, and other intellectual property rights by third parties could adversely affect our business, reputation and market position. For any infringement of its intellectual property, the Group will urge infringers to cease such action.

Advertising and Labelling Matters

As mentioned in the preceding "Protection of Intellectual Property Rights" section, the Group's PHC piles are sold under the Group's own trademark. The Group has relevant measures in place that state the general requirements for the presentation of the registered trademark on the Group's products.

Due to the Group's business nature, the Group considers that advertising matters are not material to the Group.

B7. Anti-corruption

The Group believes that solid corporate governance is the key to its continuous growth and development. The Group does not tolerate any forms of corruption, fraud and all other behaviours that severely damage the business integrity and reputation of the Group.

Bribery, fraud and corruption in any forms or in relation to any parties are all strictly prohibited in the Group. The Group has incorporated a section in the employee handbook regarding the procedures for employees to report any suspected fraudulent activities. Employees, customers and suppliers may report in writing to audit committee of the Company regarding the suspected misconduct. Reports and complaints received will be handled in a prompt and fair manner. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation or discrimination. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

The Group provides induction training to all new directors and employees. The training covers a variety of areas, including but not limited to, anti-corruption laws and regulations and the Company's requirements in relation thereto, as well as the code of ethics that all directors and employees must comply with.

During FY2025, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering that would have a significant impact on the Group, including the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Anti-Money Laundering of the PRC. During FY2025, there was no legal case regarding corrupt practices brought against the Group or its employees.

B8. Community Investment

The Group recognises the importance of making positive contributions to the communities in which it operates and regards community investment as an integral part of its social responsibility. The Group believes that enterprises and communities are closely interconnected. While business development contributes to local economic and social progress through employment opportunities and tax contributions, sustainable growth is also supported by the trust and engagement of the community.

During FY2025, the Group continued to support community initiatives with a focus on social care, environmental awareness and public well-being. In early 2025, the Group organised a community outreach activity in Nantong during the Lunar New Year period, under which daily necessities were distributed to local community residents to express care and support for underprivileged groups and neighbouring households.

In addition, in July 2025, the Group organised a summer community event in the Qidong City to promote neighbourhood interaction and social cohesion. The event provided recreational activities for local residents during the hot season and reinforced the Group's people-oriented values at the community level.

The Group also extended its support beyond its immediate operating locations. During FY2025, the Group made a donation to support the Support Fund for Wang Fuk Court in Tai Po following the fire incident at Hung Fuk Court (宏福苑) in Hong Kong, demonstrating its commitment to social solidarity and support for communities affected by unforeseen events.

Through these initiatives, the Group seeks to contribute positively to community well-being, foster long-term relationships with stakeholders and fulfil its role as a responsible corporate citizen.

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