



青建國際控股有限公司
CNQC International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1240



2025

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

MAIN OPERATING SUBSIDIARIES OF THE GROUP WHICH PROVIDED DATA FOR THIS ESG REPORT:

- Sunley Engineering & Construction Company Limited
- Sunnic Engineering Limited
- Woon Lee Construction Company Limited
- Woon Lee Engineering Limited
- Qingjian International (South Pacific) Group Development Company Pte. Limited
- Qingjian Engineering & Construction Pte. Limited
- Sunley M&E Engineering Pte. Limited
- Bai Chuan Engineering Pte. Limited
- Welltech Construction Pte. Limited
- Grandtech Construction Pte. Limited
- CNQC Engineering & Construction (Malaysia) Sdn. Bhd.



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ABOUT THIS REPORT

CNQC International Holdings Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), is pleased to present this Environmental, Social and Governance Report (the “**Report**”) to provide an overview of our commitment in achieving environmental, social and governance goals through our sustainability pillars. The Group adheres to the principles of materiality, quantification, balance and consistency to report on its Environmental, Social and Governance (“**ESG**”) measures and performances.

PREPARATION BASIS AND SCOPE

This Report is prepared in accordance with Appendix C2 to the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) — “Environmental, Social and Governance Reporting Guide” and has complied with “comply or explain” provision in the Listing Rules.

This Report summarises the performance of the Group in respect of corporate social responsibility in 2025, covering its operating activities which are considered as material by the Group — (i) foundation and construction in Hong Kong (“**HK**”); (ii) construction in Singapore and Southeast Asia (“**SG & SEA**”); (iii) property development in Singapore and Southeast Asia and (iv) property development in Hong Kong. With the aim to optimise and improve the disclosure requirements in the Report, the Group has taken the initiative to formulate policies, record relevant data, and implement and monitor measures. This Report shall be published both in Chinese and English on the website of the Stock Exchange. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

REPORTING PERIOD

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2025 to 31 December 2025.

CONTACT INFORMATION

The Group welcomes your feedback on this Report for our sustainability initiatives. Please contact us by email to info@cnqc.com.hk.

INTRODUCTION

The Group is principally engaged in the property development, foundation and construction business in Singapore and Southeast Asia, Hong Kong and Macau with dedication to providing construction services with the highest quality. The foundation and construction segment mainly represents the provision of foundation and construction work to property developers, loaning of labour and rental of equipment in Hong Kong and Macau. The property development segment represents the sales of completed property units in Singapore, Southeast Asia and Hong Kong. The construction segment mainly represents the provision of construction work to property developers, sales of goods, loaning of labour and rental of equipment in Singapore and Southeast Asia.

During the reporting period, the Company won numerous industry awards. Achieving more value for our shareholders is one of our priorities, we also endeavour to operate in an environmentally and socially responsible manner to achieve sustainable outcomes for the Group, the environment and the community as a whole. The Group is committed to sound corporate governance practices and robust enterprise risk management processes. It actively builds a safety culture to achieve a zero-harm workplace and strives to be an employer of choice to nurture a competent workforce for sustainable growth. The Group has established a comprehensive operation control procedure to manage the ESG issues. Details of the management approaches have been illustrated in this Report.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group understands the success of the Group's business depends on the support from its key stakeholders, who (a) have invested or will invest in the Group; (b) have the ability to influence the outcomes within the Group; and (c) are interested in or affected by or have the potential to be affected by the impact of the Group's activities, products, services and relationships. It allows the Group to understand risks and opportunities. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

Stakeholders are prioritised from time to time in view of the Group's roles and duties, strategic plan and business initiatives. The Group engages with its stakeholders to develop mutually beneficial relationships and to seek their views on its business proposals and initiatives as well as to promote sustainability in the marketplace, workplace, community and environment.

The Group acknowledges the importance of intelligence gained from the key stakeholders' insights, inquiries and continuous interest in the Group's business activities. The Group has identified key stakeholders that are important to our business and established various channels for communication. The following table provides an overview of the Group's key stakeholders, and various platforms and methods of communication are used to reach, listen and respond.

Stakeholders	Expectations	Engagement channels
Government and regulatory authorities	<ul style="list-style-type: none"> • Compliance with applicable laws and regulations • Proper tax payment • Promotion of regional economic development and employment 	<ul style="list-style-type: none"> • On-site inspections and check • Research and discussion through work conferences, work reports preparation and submission for approval • Annual reports, interim report and announcements • Company website
Shareholders and investors	<ul style="list-style-type: none"> • Business performance • Corporate governance • Information disclosure and transparency • Protection of interests and fair treatment of shareholders 	<ul style="list-style-type: none"> • General meeting and other shareholder meetings • Annual reports, interim report and announcements • Meeting with investors and analysts • Company website
Employees	<ul style="list-style-type: none"> • Safeguarding rights and interests of employees • Good working environment • Career development opportunities • Self-actualisation • Health and safety • Staff remuneration, benefits and well-being 	<ul style="list-style-type: none"> • Conferences • Training, seminars, briefing sessions • Cultural and sport activities • Newsletters • Intranet and emails
Customers	<ul style="list-style-type: none"> • Safe and high-quality products • Stable relationship • Information transparency • Integrity • Business ethics 	<ul style="list-style-type: none"> • Website, brochures, video, annual and interim reports • Email and customer service hotline • Feedback forms • Regular meeting • Company website

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholders	Expectations	Engagement channels
Suppliers/Partners	<ul style="list-style-type: none"> • Long-term partnership • Honest cooperation • Fair and openness • Information resources sharing • Risk reduction 	<ul style="list-style-type: none"> • Business meetings, supplier conferences, phone calls, interviews • Regular meeting • Review and assessment • Tendering process
Peer/Industry associations	<ul style="list-style-type: none"> • Experience sharing • Cooperation • Fair competition 	<ul style="list-style-type: none"> • Industry conference • Site visit
Public and communities	<ul style="list-style-type: none"> • Community involvement • Social responsibilities 	<ul style="list-style-type: none"> • Volunteering • Charity and social investments • Annual reports, interim report and announcements • Company website

Through general communication with key stakeholders, the Group understands the expectations and concerns from key stakeholders. The feedbacks obtained allow the Group to make more informed decisions, and to better assess and manage the resulting impact.

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 key performance indicators (KPIs) are reported in the Report according to the recommendations of the ESG Reporting Guide (Appendix C2 of the Listing Rules).

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 areas was determined based on the importance of each ESG area to the Group through internal discussion of the management and the recommendation of ESG Reporting Guide (Appendix C2 of the Listing Rules).

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. Please refer to the above table for details.

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 Guide.

As a result of this process carried out in 2025, those important ESG areas to the Group were discussed in this Report. These material topics, which form the basis of our ESG management approach and disclosures, including emissions management, resource efficiency, occupational health and safety, and climate resilience.

ESG GOVERNANCE

Board's oversight of ESG issues

Board's overall vision and strategy in managing ESG issues

The board of directors ("**Board**") has a primary role in overseeing the management of the Group's sustainability issues. During the year, the Board and the ESG Working Group (as defined below) evaluated the impact of ESG-related risks on our operation and formulated relevant policy in dealing with the risks. The oversight of the Board is to ensure the management to have all the right tools and resources to oversee the ESG issues in the context of strategy and long-term value creation.

ESG Working Group

To demonstrate our commitment to transparency and accountability, our Group has established an ESG working group (the "**ESG Working Group**"), which has clear terms of reference that set out the powers delegated to it by the Board. We highly value opinions of each stakeholder and treat them as the cornerstone for the development of the Group. During the reporting period, the ESG Working Group consisted of Directors, Business Unit heads, Project Managers and Finance Heads.

The ESG Working Group is primarily responsible for reviewing and supervising the ESG process, and risk management of the Group. Different ESG issues are reviewed by the ESG Working Group at the meetings, which are held on a need basis. During the reporting period, the ESG Working Group and the management reviewed the ESG governance and different ESG issues.

Board's ESG management approach and strategy for material ESG-related issues

In order to better understand the opinions and expectations of different stakeholders on our ESG issues, materiality assessment is conducted each year. We ensure various platforms and channels of communication are used to reach, listen and respond to our key stakeholders. Through general communication with stakeholders, the Group is to understand the expectations and concerns from stakeholders. The feedbacks obtained allow the Group to make more informed decisions, and to better assess and manage the resulting impact.

The Group has evaluated the materiality and importance in ESG aspects through the following steps: (1) material ESG area identification by industry benchmarking; (2) key ESG area prioritization with stakeholder engagement; and (3) validation and determining material ESG issues based on results of communication among stakeholders and the management. Hence, this can enhance understanding of their degree and change of attention to each significant ESG issue and can enable us to more comprehensively plan our sustainable development work in the future. Those important and material ESG areas identified during our material assessment were discussed in this Report.

Board's review of progress against ESG-related goals and targets

The progress of target implementation and the performance of the goals and targets should be closely reviewed from time to time. Rectification may be needed if the progress falls short of expectations. Effective communication about the goals and target process with key stakeholders such as employees is essential, as this enables them to be engaged in the implementation process, and to feel they are part of the change that the company aspires to achieve.

Setting strategic goals for the coming three to five years enables the company to develop a realistic roadmap and focus on results in achieving the visions.

Setting targets requires the ESG Working Group to carefully examine the attainability of the targets which should be weighed against the company's ambitions and goals. It is essential for target setting for The ESG Working Group to specify whether the target is to be set on an intensity basis.

A. ENVIRONMENTAL ASPECT

As a leading property developer in Singapore, the Group recognizes that it has an obligation to reduce the impact of our operations on the environment and is accountable for the resources and materials that are used in our daily operations through the best construction practices. We strive to meet the customers' demands in environmental protection and the communities' expectation for a healthy living environment to ensure sustainable growth of our business in return.

In order to achieve these objectives, the Group pledges to uphold quality environmental management system in our construction operations that were certified to ISO 14001 international standards. Based on ISO 14001, the Group has implemented a set of internal policies and procedures for conserving resources, managing the wastes and minimising the pollution. The Group also allocates resources to update our environment management system and maintain our ISO 14001 certification in order to reduce our risks related to environmental issues.

Moreover, the Group requires our subcontractors to comply with our environmental protection policies and encourages our employees to contribute towards sustainability by planning their work efficiently to minimise wastes and emissions to the maximum extent possible for reducing any adverse impacts on the environment.

Throughout the year, we fully complied with all relevant environmental laws and regulations in Singapore and Southeast Asia, Hong Kong and Macau such as the Environmental Protection and Management Act in Singapore and the Air Pollution Control Ordinance (Cap. 311) in Hong Kong. Besides, no concluded case (2025: nil; 2024: nil) regarding environmental issues was brought against the Group during the year. As our Group continues to develop, we are committed to continuously improving the environmental sustainability of our business. Besides, we ensure that environmental considerations remain one of the top priorities in our daily business operations and that we fulfil our obligations to both the environment and the community.

A1. Emissions

As a property developer, the Group recognizes that it has duties to reduce emissions. Given that most of our operations is construction based, the Group implements environmental management system and procedures to lower their emission levels. In the meantime, the Group fully complies with all the relevant environmental laws and regulations in the regions where it operates. These include the Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611) and the Road Traffic Ordinance (Cap. 374) in Hong Kong, the Environmental Protection and Management (Air Impurities) Regulations and the Environmental Protection and Management (Off-Road Diesel Engine Emissions) Regulations 2012 in Singapore as well as other relevant regulations. Besides, no concluded case (2025: nil; 2024: nil) regarding emissions was brought against the Group or its employees during the year.

Air Pollutant Emission

Air pollutant emission control is vital to both environmental protection and the health of our employees and the community. The Group's construction activities involve the use of machinery and vehicles that generate emissions, including nitrogen oxides (NO_x), sulphur dioxide (SO₂), and particulate matter (PM). We are committed to minimizing these emissions and improving air quality across all our project sites.

ENVIRONMENTAL ASPECT

Our operations are guided by an “Air Pollution Control” procedure, which establishes measures to control dust, fumes, and other airborne emissions, ensuring compliance with legal limits and minimizing impact on nearby areas. To minimise air pollutant emissions, the Group implements the following control measures across its construction sites:

- Dust-generating materials are covered during storage and transportation to reduce dust emissions.
- Water spraying is used for dust suppression at appropriate locations, including access roads and work areas.
- Vehicle wheel washing facilities are used before vehicles exit construction sites to reduce track-out of mud and debris.
- Connection to mains electricity is prioritised over diesel generators where feasible.
- Machines and equipment are switched off when not in use, with reminder notices placed near switches.
- Cleaner fuels, such as ultra-low sulphur diesel, are used in machinery to reduce emissions.
- All on-site machinery and equipment are maintained in good working order and comply with applicable emission standards.

The Group’s air pollutant emissions are classified into two sources — (i) machinery, equipment and generators in construction sites; and (ii) passenger cars for management and staff transportation and motor vehicles for delivery of construction material. The increase in total air pollutant emissions in 2025 was primarily due to the increased use of machineries and vehicles due to the business operations. The total air pollutant emissions in 2025 reflected the level of construction activity during the reporting period. The Group continues to implement emission control measures across its sites. The Group will strive to meet total air pollutant emission intensity (per HK\$ millions of project turnover) reduction target of 5% within three years.

The air pollutant emissions of the Group during the reporting period were as follows:

Air Pollutants	Unit	HK	SG & Asia	2025 Total	2024 Total
Nitrogen oxides (NO _x)	kg	233,907	149,703	281,473	281,473
Sulphur dioxide (SO ₂)	kg	134	91	148	148
Particulate matter (PM)	kg	14,441	9,616	18,116	18,116

ENVIRONMENTAL ASPECT

Greenhouse Gas (“GHG”) Emission

GHG is considered as one of the major contributors to the climate change and global warming. The Group recognises that climate change is gradual concern by the community as it affects our daily life and poses a risk to its business. Hence the Group is committed to mitigating the effects of climate change and protecting the health of employees. The Group advocates green construction sites by planting green-leaf plants to increase oxygen content.

Regarding the GHG emissions of the Group, direct emissions (scope 1) and indirect emissions (scope 2) mainly resulted from the combustion of fuels in machinery, use of purchased electricity and purchased town gas respectively. Giving the majority of the GHG emissions of the Group come from energy consumption in construction activities, the Group tackles the carbon footprint by lowering the energy consumption in our business operations. Policies and procedures as described in the section “Use of Resources” to encourage energy saving have been incorporated throughout the operations in order to reduce the carbon footprint. The increase in total GHG emissions in 2025 was primarily due to the increased use of machineries and vehicles and purchased electricity due to the business operations during the Reporting Period. Total GHG emissions for the reporting period reflected the level of construction activity and energy consumption across the Group’s operations. The Group continues to monitor its emissions and implement energy-saving measures as described in the ‘Use of Resources’ section. The Group has set a comprehensive reduction target by 5% decrease in GHG emission intensity (per HK\$ million of project turnover) within three years.

The GHG emissions of the Group during the reporting period were as follows:

GHG Emission ¹	Unit	HK	SG & SEA	2025 Total	2024 Total
Scope 1 ²	tonnes of CO ₂ -e	21,518	17,528	39,046	30,211
Scope 2 ³	tonnes of CO ₂ -e	643	2,021	2,664	2,226
Total GHG emission	tonnes of CO ₂ -e	22,161	19,549	41,710	32,437
GHG emission intensity	tonnes of CO ₂ -e/ HK\$ million of project turnover	7.4	2.8	4.2	HK: 4.3 SG & SEA: 2.8

The Group’s GHG emissions disclosure covers Scope 1 and Scope 2. Scope 3 emissions are not reported in this year’s Report as data collection processes are being developed. The Group will continue to enhance its Scope 3 reporting in future periods.

Hazardous and Non-hazardous Wastes

The Group recognizes the importance of waste reduction. In order to lower the impact on the environment, the Group has introduced and implemented waste management measures to manage construction waste for minimization of the amount of waste generated and maximization of the amount of waste recycled.

¹ The calculation of the GHG emission is based on the “Corporate Accounting and Reporting Standard” from GHG protocol.

² Scope 1: Direct emissions from sources that are owned or controlled by the Group.

³ Scope 2: Indirect emissions from purchased electricity and town gas consumed by the Group.

ENVIRONMENTAL ASPECT

During construction work, the Group has implemented the "Construction Waste Management" procedure which manages construction wastes so as to ensure proper waste disposal, maximise material reuse and recycling. The Group also requires its contractors to sort, classify and recycle (if applicable) the construction and demolition waste produced. Construction and demolition waste that cannot be recycled is delivered to landfills by qualified wastes management companies while recyclable waste is processed by recycling companies. The Group has a range of procedures concerning the handling of hazardous wastes, which are generated from designated area in the project sites, with proper labelling, packaging, storage and disposal of the chemical wastes. Responsible staff are appointed to monitor and manage the waste amount. Local licensed hazardous wastes handling companies are engaged to deliver, process and dispose the hazardous wastes. In this year, the Group did not generate (2025: nil; 2024: nil) any hazardous waste.

For non-hazardous waste, the waste is mainly generated from soil disposal from construction sites operation. Our construction projects mainly consist of foundation, excavation and lateral support works, which may involve large amount of soil disposal. Therefore, the Group has implemented the practice of 3Rs, namely "recycle, reuse and reduce" of the wastes in the construction activities and site offices to reduce the impact. For example, inert and non-inert wastes are identified and sorted properly before disposal. Construction materials are recycled for making equipment used in the construction work. Use of recycled paper is encouraged and recycling bins are set up in the site office. Apart from 3Rs practice, the Group also makes use of technologically innovative measures to reduce the use of paper by using biometric attendance system, proposing a mobile app lodge report system and an e-permit to work system. During the year, construction waste was the major source of non-hazardous waste. During the reporting period, the amount of non-hazardous waste in 2025 decreased due to the effective implementation of waste saving policies. The Group targets to reduce the generation of the non-hazardous waste intensity (per HK\$ million of project turnover) by 5% within three years. The wastes generated by the Group during the reporting period were as follows:

Wastes	Unit	HK	SG & SEA	2025 Total	2024 Total
Non-hazardous wastes generated	tonnes	648,708	52,937	701,645	242,490
Non-hazardous wastes intensity	tonnes/HK\$ million of project turnover	216.2	7.6	70.87	HK: 63.2 SG & SEA: 7.6

Wastewater

The Group has established a "Water Pollution Control" procedure to prevent pollution of surface water, public sewers and public drains. Bunding is provided to prevent runoff of wastewater from the sites. Water treatment facilities with regular maintenance are provided in each of our construction sites to ensure that the removal of water from the sites does not have a detrimental effect on the adjacent properties. To ensure the quality of the effluent discharged complies with the local laws and regulations, regular monitoring of water quality is carried out.

Noise

When carrying out construction work, noise and vibration are inevitably generated through the use of machines. We strive to minimise disturbances to nearby residents and establish a communication channel to address their concerns. For example, we control the noise generated from piling by adopting non-percussive piling techniques such as prebore, vibratory hammers or hydraulic hammers for driving piles. We use the coring method to remove reinforced concrete walls due to design change instead of the traditional hacking method. We also take other measures like using low-noise equipment and setting up noise barriers to reduce adverse noise impact. We strictly adhere to the restricted hours of operation stipulated in the construction noise permit. However, we may still receive complaints from nearby residents regarding disturbances caused by our running machines. Under such circumstances, we work with the relevant authorities and the person making the complaint with the aim of taking immediate responsive actions to mitigate the disturbances caused.

A2. Use of Resources

The Group considers environmental protection as an essential component of a sustainable and responsible business. We have an in-depth understanding of the importance of safeguarding sustainable development of the environment and efficient utilization of resources by introducing various measures in our operations. We continuously improve our “Resource Conservation Procedure” to identify opportunities to use energy more efficiently and conserve resources by setting up different programmes in construction sites. With our effort, the Group has obtained ISO 50001:2011 Energy Management System certification.

Energy

With aims of resource saving and implementation of energy saving measures, the Group actively promotes the concept of energy saving and emission reduction into the entire process of its business development and operation. For construction work, energy consumption often increases the project cost.

The Group attaches great importance to the efficient utilisation of energy by introducing various measures as follows:

- Use of energy-saving equipment, lightings and energy-efficient air conditioning system.
- Use of solar panels to power equipment such as noise meter and CCTV system.
- Motion control lighting at staircase.
- Stickers at socket outlets and light switches to remind employees to switch off all the electric appliances when leaving.
- Efficient design of site office/work place, such as adjustable sun-screens installed on windows and positioning site office facing the north-south direction.

The Group’s energy consumption is classified into five types — (i) purchased electricity, (ii) petrol, (iii) diesel, (iv) purchased town gas; and (v) liquified petroleum gas (“LPG”). The increase in total energy consumption in 2025 was primarily due to the increased use of machineries and vehicles and purchased electricity due to the business operations during the reporting period. Total energy consumption during the reporting period reflected the level of construction activity across the Group’s operations. The Group continues to implement energy-saving measures as part of its commitment to improving energy efficiency. The Group has set reduction target of energy consumption intensity (per HK\$ millions of project turnover) by 5% within three years.

ENVIRONMENTAL ASPECT

The energy consumption of the Group during the reporting period was as follows:

Energy consumption	Unit	HK	SG & SEA	2025 Total	2024 Total
Purchased electricity	MWh	1,782.9	4,435.8	6,218.6	4,930.5
Petrol	MWh	401.9	166.1	568.0	421.7
Diesel	MWh	43,194.0	55,275.2	98,424.3	103,620.1
Purchased towngas	MWh	–	–	–	–
LPG	MWh	–	0.72	0.72	0.72
Total energy consumption	MWh	45,333.79	59,877.8	105,211.6	108,973.0
Energy consumption intensity	MWh/HK\$ million of project turnover	15.1	8.6	10.63	HK: 16.4 SG & SEA: 8.6

Water

Water is another important resource used for the daily construction operation. It is mainly supplied by the local government department and there was no issue in sourcing water which was fit for purpose in 2024. Within the construction sites, the Group also implemented internal policies to minimize water consumption. To conserve the use of water, we have implemented the following water-saving initiatives:

- Automatic wheel washers are used to increase productivity and reduce water usage.
- Water treatment facilities are used to recycle the sewage.
- Recycled water from water treatment facilities is used to clean the roads, water plant, wash floors and vehicles.
- Pumps and running hoses should be switched off when not in use.
- Water-saving equipment and devices, such as dual flush water closets and self-closing water taps are installed.

Moreover, there is monthly monitoring of the usage of water. If the consumption is unexpectedly high, the case should be investigated to find out the root cause and preventive measures can be taken. During the reporting period, the amount of water consumption in 2025 decreased due to the effective implementation of water-saving policies./ Water consumption during the reporting period primarily supported construction activities and site operations. The Group continues to implement water-saving measures and monitor usage to promote efficient water management across its projects. In three years, the Group targets to achieve the reduction of the water consumption intensity (per HK\$ million of project turnover) by 3%.

The water consumption of the Group during the reporting period was as follows:

Water Consumption	Unit	HK	SG & SEA	2025 Total	2024 Total
Water consumption	m ³	386,759	311,952	698,712	537,649
Water consumption intensity	m ³ /HK\$ million of project turnover	128.92	44.6	70.58	HK: 75.35 SG & SEA: 44.6

A3. The Environment and Natural Resources

In order to mitigate the impacts on the environment and natural resources, the Group has established the “Site Environmental Control Programme” to outline a procedure for the planning and execution of the environmental control programmes on site. The procedure focuses mainly on six areas — environmental noise, earth movement, prevention of soil erosion, water pollution and siltation, refuse disposal, and personal hygiene. Construction activities cause various pollution to the environment. For example, foundation work may potentially cause air, water and waste pollution.

With technological advancement, the Group can make use of different models and systems to help reduce the environmental impacts. For example, the BIM model is used for automated clash detection to reduce errors at an early stage of design. This helps to reduce rework and wastage of materials.

Prefabricated Prefinished Volumetric Construction (“**PPVC**”) technology is used to improve productivity and quality of construction work. Environmental impacts can be minimised as more activities are carried out off-site. Besides, the Group made achievements in sustainable development in the industry during the reporting period and the details are as below:

Singapore Green Building Council (SGBC)

SGBC is an organization to advocates green building design, practices and technologies and drives environmental sustainability in the building and construction industry. To support the building and construction industry towards environmental sustainability, the Group has been engaged in SGBC as a Corporate Member. It helps the Group foster innovative industry solutions across the entire building and construction value chain.

Green and Gracious Builder Scheme (GGBS)

GGBS has been launched by the Building and Construction Authority (“**BCA**”) which is an agency under the Ministry of National Development, championing the development of an excellent built environment for Singapore. The aim of GGBS is to promote environmental protection and gracious practices during the construction phase of projects. The Group has obtained the following awards that show the Group has a great environmental consciousness and a professionalism of builder, especially for award in the category “Star” which is the highest category. The details of the certified company are as below:

- Star — Qingjian International (South Pacific) Group Development Co., Pte. Ltd.
- Excellent — CNQC Engineering & Construction Pte. Ltd.

This shows that the Group has good performance in adopting the best practices in construction site management to minimise the impacts on the environment and natural resources.

SOCIAL ASPECT

B. SOCIAL ASPECT

Employment and Labour Practices

B1. Employment

The Group believes that people are its important assets, which is the foundation for the success and development of the Group. The Group's employee handbook sets out the standard of staff recruitment, promotion guidelines, remuneration scale, working hours, rest breaks, holidays, termination of employment and compensation matters. The principle of equal opportunities is applied in the recruitment policy. The Group promotes fair competition. The Group has a policy on anti-discrimination which provides that all candidates have equal opportunity for vacancies regardless of gender, age, marital status, religion, race, nationality, disability or any status protected by law. In order to encourage diversity in the company, both external talents and internal employees are welcome to apply for positions in the Group. The recruitment process also take into account the aforementioned factors to ensure diversity in our workforce.

The Group emphasizes employee benefits and welfare and advocates a harmonious and work-life balance culture through a diversified choice of activities, including annual dinners, employee gatherings, basketball tournaments and sports days. Those activities can enable employees to relax and enhance communication among employees. To recognise the contributions of employees, the Group presents outstanding staff awards and safety awards to employees annually.

The adoption of these human resources policies and procedures ensures the Group's compliance with the relevant local labour laws and regulations, including the Employment Ordinance in Hong Kong and the Employment Act in Singapore. During the reporting period, there was no non-compliance or breach of legislation (2025: nil; 2024: nil) related to applicable employment laws and regulations.

As of 31 December 2025, the employee compositions (in the percentage of employees) by gender, age group, geographical region and employment type, were as follows:

Employee composition (%)	2025	2024
By gender		
• Male	87%	87%
• Female	13%	13%
By age group		
• Age 30 or below	37%	33%
• Age 31–40	34%	33%
• Age 41–50	16%	18%
• Age 51 or above	13%	16%
By geographical region		
• Hong Kong	39%	38%
• Singapore	29%	58%
• Other Southeast Asia countries	32%	4%
By employment type		
• Senior management	2%	2%
• Middle management	10%	9%
• General and contract/short term	88%	89%

The employee turnover rate during the reporting period by gender, age group and geographical region are as follows:

Employee turnover rate (%)	2025	2024
By gender		
• Male	26%	22%
• Female	22%	25%
By age group		
• Age 30 or below	25%	20%
• Age 31–40	23%	24%
• Age 41–50	38%	26%
• Age 51 or above	18%	21%
By geographical region		
• Hong Kong	19%	20%
• Singapore	32%	24%
• Other Southeast Asia countries	22%	24%
Overall	26%	23%

B2. Health and Safety

The Group upholds a belief that if safety is not managed properly, it can be extremely costly not only in human terms but also in monetary terms as well. Therefore, safety is treated as the highest priority during the delivery of our services. We therefore strictly comply with relevant laws and regulations in Hong Kong, Macau, Singapore and Southeast Asia such as the Occupational Safety and Health Ordinance in Hong Kong and the Workplace Safety and Health Act in Singapore.

Besides, we are committed to providing a safe and healthy working environment for the benefit of our staff, subcontractors and the general public. Our corporate image as a quality foundation contractor could be enhanced through continuous improvement in safety performance. We have established a safety and health management and audit system in accordance with the requirements of OHSAS 18001. The Group’s “QEHS Manual” is established to control the related matters. In addition, the Group has been certified to OHSAS 18001:2007 certification. In addition, Sunley has been registered as a Green Cross Group Member of the Occupational Safety and Health Council in Hong Kong.

Our safety system is documented in written procedures and supplemented with oral instructions, training and demonstration. For example, “Occupational Health Programme Procedure” is established to provide guidelines for implementing occupational health programmes for hearing conservation, medical surveillance and respiratory protection. We require strict implementation of our safety system with supervision by our Group’s or the subcontractors’ management staff. In addition, we have employed qualified safety officers approved by the Labour Department in Hong Kong to monitor and implement our safety system.

The Group hires a consulting company to conduct safety risk assessments, perform safety inspections, provide safety training, preparing safety plans for the Group and underground utility detection reports for construction sites. We will continue to put adequate resources and effort into upholding and improving our safety management system in order to reduce our risks related to safety issues. The Group continues to enhance its health and safety performance.

SOCIAL ASPECT

This shows that the projects have achieved a very high level of performance, demonstrated well-developed occupational health and safety management systems and culture, appropriate control of risk and low level of harm to human health and safety.

Furthermore, the Group provides voluntary health services to the staff who pursue to have better health. For the staff who wish to quit smoking, they are encouraged to approach any QEHS staff stationed onsite. QEHS staff will proceed to refer the relevant staff to the Health Promotion Board for smoking cessation clinic commencement. Besides, the Group attaches high importance to the mental health of staff by maintaining their work-life balance. Sports activities or tournaments are held on an inter-site basis, and the sites hold weekly recreation days to promote the good physical and mental well-being of staff and workers. For the workers who need to work on certain holidays, the Group would distribute gift bags to them

During the year, there were 16 work injury cases (2024: 15 cases, 2023: 40 cases) and 5,141 lost days due to work injury (2024: 5,172 days, 2023: 3,281 days) in our business operation. There was no work-related fatality case (2025: nil; 2024: nil) during the reporting period. Safety remains the Group's highest priority, and we continue to implement and enhance measures to reduce workplace incidents across all sites.

B3. Development and Training

The Group believes that fostering employees with knowledge and skills is a core part of ensuring sustainable development and strengthening its competitiveness. The Group regards staff as a strategic partner and provides support for their career development and personal value enhancement with systematic training programmes. As stipulated in “Resource Management Procedure”, different trainings are provided based on the employee categories. The Group has also launched an online study system to enrich employees’ professional and personal knowledge.

New employees have to participate in an orientation organized by various department heads to ensure that they are familiar with the QEHS management system of the Group. The topics of orientation include Workplace Safety and Health (“**WSH**”) consequences of their work activities, the importance of conforming to the QEHS manual and potential consequences due to deviation from specific procedures. The new employees are provided with on-the-job training under the guidance of senior staff for a period decided by the respective department heads.

Furthermore, in order to cater for the actual needs of different departments and individuals, we provide different forms of training, not only internal training but also external special courses to equip staff with professional skills and abilities. Internal training includes a safety induction course, risk assessment and safe work procedure briefing. External courses include occupational first aid, safety and health management equipment operation courses, etc. Course contents include ISO 14001, ISO 9001 training, construction laws good industry practices, etc. Training is delivered by external organisations, such as the Building Construction Authority, Society of Construction Law (Singapore) and Eduquest International Institute.

During the reporting period, the percentage of employees received training by gender and employment category was as follows:

Percentage of employees received training	2025	2024
By gender		
• Male	44%	31%
• Female	27%	45%
By employment category		
• Senior management	47%	11%
• Middle management	33%	100%
• General	62%	7%
Overall	59%	16%

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Besides, the average training hours completed per employee by gender and employment category is as follows:

Average training hours (hours/employee)	2025	2024
By gender		
• Male	5	2
• Female	2	3
By employment category		
• Senior management	4	2
• Middle management	4	17
• General	8	1
Overall	7	2

B4. Labour Standards

The Group is fully aware that child labour and forced labour violate fundamental human rights and also pose a threat to sustainable social and economic development. The Group strictly complies with the relevant laws and regulations, such as the Employment Ordinance in Hong Kong and the Employment Act in Singapore. The Group prohibits the use of child labour and forced labour as stipulated in the “No Child Labour Policy” in the Group’s Employee Handbook. As per requirement from the Ministry of Manpower Singapore, an application can only be made between the ages 18–55 years old for a working permit.

For the forced Labour, we have used the approved labour agency in Singapore which cooperates with the agency in Bangladesh. They have a proper agreement on hand for each worker.

Employment contracts and other records, documenting all relevant details of the employees, are properly maintained and open for verification by any authorised personnel or relevant statutory bodies. All units need to provide an annual report to the functional head on any incidents of child or forced labour. Periodic assessment is conducted and random checks of records are undertaken by the human resources department annually. We peruse the approved labour agency, if there is any child or forced labour, we will report to the relevant departments of the local Government, such as the Labour Department in Hong Kong and the Ministry of Manpower in Singapore. During the reporting period, the Group did not have any non-compliance cases (2025: nil; 2024: nil) related to child labour or forced labour.

Operating Practices

B5. Supply Chain Management

The Group relies on subcontractors and suppliers for subcontract services, supply of materials and rental machines used in construction activities. The Group works closely with its subcontractors and suppliers who are committed to high quality, environmental, health and safety standards as stipulated in the “Purchasing and Supplier Management Procedure”. It is established to ensure that the suppliers and subcontractors conform to the quality, environmental, occupational health and safety requirements of the Company. In controlling the purchasing system, quantity surveyors or procurement officers of the Group identify potential suppliers and subcontractors who can meet the qualification requirement to supply goods and services.

During the reporting period, the number of suppliers by geographical region is as follows:

Number of suppliers by region	2025	2024
Hong Kong	534	215
The PRC	10	14
Singapore	1,485	1,849
Germany	1	1
Other Southeast Asia Countries	76	61
Total	2,106	2,140

Throughout the reporting period, all of the suppliers of the Group complied with the above supplier-related practices.

In the supply chain, environmental risks and social risks may arise. Environmental risks are transmitted through air, water, soil or biological food chains to humans, while social risk arises from negative perceptions of an organisation’s impact on the community.

In order to deal with the risks, the Group identifies and assesses significant actual and potential negative environmental and social impacts in the supply chain by reviewing the benefits and limitations of each machine used. The suppliers or subcontractors should at least have a certified quality or Environmental, Health and Safety (“EHS”) system (e.g., bizSAFE Level 3, ISO 9001, ISO 14001, or OHSAS 18001). Qualified suppliers are maintained in an approved supplier list.

The performance of contractors and suppliers is assessed annually by the Group. For the suppliers or contractors that may generate negative environmental or social impacts, the Group will follow up with them on possibly more advanced and environmentally friendly machines.

B6. Product Responsibility

The Group is committed to achieving and maintaining the highest quality standard for construction projects. The Group has established a “QEHS Management System”, which documents and controls all the applicable procedures in construction activities for effective operation in accordance with the requirements of local authorities and customers. This system is reviewed by top management at least once a year to assess its continuing suitability, adequacy and effectiveness, and also to look into ways for further improvement. The Group is in strict compliance with all the applicable laws and regulations relating to product responsibility, including Building Control (Environmental Sustainability) Regulations 2008 of Building Control Act Part IIIB in Singapore.

Quality Management

To pursue quality construction work, The Group has established a “Quality Management System”, including a “Process Control Procedure” in accordance with the requirements of ISO 9001, OHSAS 18001 and ISO 14001. The Group strives to develop a sustainable performance-oriented culture with an emphasis on pursuing continuous improvement rather than adopting a short-term and project-based approach.

We place a strong emphasis on quality control as we believe completing works that meet or exceed our customers’ requirements is crucial not only for building safety but also for job reference and future business opportunities. To ensure our works meet the required standards, we assign a foreman on a full-time basis at each of the construction sites as the first line of monitoring of the quality of work done by our employees and subcontractors.

The project manager carries out daily visits to construction sites to monitor the quality and progress of works so as to ensure the works are completed according to schedule. Furthermore, our project team holds weekly meetings with our management so that our management can monitor the progress of each of the projects and discuss identified issues. This can ensure our construction works meet the customers’ requirements, are completed according to schedule and budget, and fully comply with all relevant laws and regulations.

The performance and quality of the construction work are monitored under the “Performance Monitoring and Measurement Procedure”. Key characteristics are identified, monitored, measured and evaluated. For example, for construction activities such as piling, remedies for defective piling works are often impossible once construction works for the superstructure have commenced. To reduce defects and ensure the quality of work, we conduct thorough testing of the piles before certification of foundation works completion and commencement of construction works of the superstructure.

With regards to raw materials, they are procured from our approved suppliers who have satisfactory past business relationships with us. To ensure a consistent quality in the raw materials used which meets the required standards, we may from time to time engage third-party laboratories to conduct sample tests on raw materials, including steel and concrete.

Customer Satisfaction Management and Complaint Handling

Understanding the customers' opinions on our construction services is crucial for the continuous improvement of construction quality. The Group has established a comprehensive "Customer Satisfaction Monitoring Mechanism" for handling complaints and monitoring customers' satisfaction. The customer satisfaction survey is carried out once every year or upon project completion. During the year, no cases of complaints (2025: nil; 2024: nil) were received related to the provision of foundation and construction services and sales of properties, and no property unit sold (2025: nil; 2024: nil) was subjected to recalls for safety and health reasons by the Group.

Building Service Centre ("**BSC**") is responsible for providing customer service to new residents and handling complaints. The BSC is managed by an experienced customer relations officer. All residents' feedback or complaints on property defects have to be followed up and rectified within 14 days.

Intellectual Property Rights

The Group is in strict compliance with the relevant laws and regulations, including the Personal Data (Privacy) Ordinance (Cap. 486), the Copyright Ordinance (Cap. 528) in Hong Kong and the Singapore Intellectual Property Law. The Group prohibits staff from downloading and using illegal software to ensure cyber safety and computer security of company networks. The Group has policies on advertising which have its own standards and procedures for advertising on different media. During the reporting period, the Group was not aware of any non-compliance (2025: nil; 2024: nil) with relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters.

Customer Data and Information Protection

The Group takes privacy issues very seriously. The Group fully complies with all relevant laws and regulations such as the Personal Data (Privacy) Ordinance to safeguard customers' information and data and ensures appropriate technical measures are in place to protect personal data against unauthorised use or access.

In addition, the Group's "Control of Document Procedure" outlines the process for the control of documented information to address distribution, access, retrieval, use and changes. Customers' personal data is securely kept and processed only for the purpose for which it has been collected. Staff are provided with adequate training on the applicable laws on data privacy protection to help them understand their responsibilities when handling data.

B7. Anti-Corruption

Corruption refers to the abuse of entrusted power for private gain and can be instigated by individuals or organisations such as bribery, extortion, fraud, and money laundering. We believe that the integrity of business is a foundation of corporate social responsibility, as well as a fundamental element of a business's competitive advantage and sustainability. For these reasons, we have systematically incorporated anti-corruption and anti-money laundering policies and management principles into our operations, promoted a fair and just commercial competition to achieve a win-win situation with external partners, and adhered to transparent and open mechanisms for internal management as stipulated in the Group's "Code of Conduct". The Group has been in strict compliance with relevant laws and regulations, such as the Prevention of Bribery Ordinance in Hong Kong and the Prevention of Corruption Act in Singapore. The Group engages internal and external stakeholders to strengthen our anti-corruption procedures. In order to specify the whistle-blowing procedures and ensure the legal rights and interests of individuals reporting problems, we have formulated the "Whistle-blowing Policy" which provides the employees with reporting channels and guidance. Any employee of the Group who has concern about any of the matters aforesaid can inform the Company Secretary. The Company Secretary will summarize the complaints received and report any matter of significance, to the Audit Committee semi-annually or at any appropriate time, where considered necessary. All these practical actions not only win the trust of customers but also enhance the sense of belonging and fair play among our employees. During the reporting period, no concluded legal case (2025: nil; 2024: nil) regarding corrupt practices was brought against us or our employees.

We encourage our employees to understand explicitly several areas, which include the provisions of anti-bribery and corruption. We invited our solicitor to provide structured training to our directors and senior management on the topic of anti-corruption during the year. In addition, the Group has set up a policy for employees to raise their concerns about anti-corruption, possible improprieties in financial reporting, internal control or other matters within the Group to come forward and voice their issues in order to commit to the highest possible standards of openness, probity and accountability. The Group definitely has zero tolerance for bribery and corruption behaviour.

The Group provides training sessions in relation to anti-corruption, anti-bribery, anti-fraud, anti-blackmail and anti-money laundering to the directors and staff regularly

Community

B8. Community Investment

As a socially responsible company, the Group is committed to understanding the needs of the communities in which we operate. We communicate with the communities around the sites where we operate by various means to take care of their needs. For example, we visit the neighbouring residents and send letters to them, establish a communication hotline, record and handle feedback from the public, etc.

According to the Group's "Community Investment Policy", the Group aims to develop long-term relationships with our stakeholders based on mutual trust, respect and integrity. Moreover, we seek to make contributions to programmes that have a positive impact on community development. The Group focuses on contributing to youth development to nurture future leaders and environmental protection.

The Group also cares about the influence of the construction sites on the community. The Group has implemented adequate measures to mitigate the nuisance to the residents and schools near the construction sites. For example, stringent mosquito control and preventative measures are in place in the construction sites. All the sites are surrounded by safety fences to safeguard the safety of the public. Heavy-duty safety nettings are installed at nearby schools to prevent dust from entering the schools.

In light of the tragic fire incident at Wang Fuk Court in Tai Po in November 2025, the Group made financial contributions to the relief fund and, leveraging our construction expertise, provided assistance with the safe removal of burnt scaffolding to support the affected community.

The Group will continue its contributions to the sustainable development of the community in future by building a healthy and dynamic community.

CLIMATE RESILIENCE

C. CLIMATE RESILIENCE

Governance

The Board of Directors (the “**Board**”) has overall responsibility for overseeing the Group’s approach to climate-related issues. Climate-related matters are discussed during Board meetings as part of the Group’s broader risk management and strategic planning processes. The Board is informed of significant climate-related risks and opportunities that may affect the Group’s operations and financial performance.

To support the Board, the Group has established an ESG Working Group comprising representatives from relevant departments. The ESG Working Group is responsible for identifying climate-related issues, coordinating data collection, and reporting to the Board on the Group’s climate-related performance. The ESG Working Group meets periodically to review progress and discuss emerging issues.

The Board and management continue to build their understanding of climate-related matters through ongoing involvement in the Group’s ESG processes. External advice is sought when considered necessary to support informed decision-making.

Strategy

Climate change risk forms part of our overall risk profile through its role in increasing the frequency and intensity of certain diseases, and the health and mortality impacts resulting from natural disasters. We assess the overall level of risk by taking into consideration a range of diverse risk factors across the many categories in our product or services range. This diversity of risk together with our business strategy and broad geographic footprint helps us distribute risk and provides protection against the impacts of short-term climate change effects. The climate-related risks and opportunities are a factor that determines whether a company can adapt to the market. If the change strategy seizes the opportunity, it will go further; if the risk is resisted, business will be more successful.

In the short term, the Company needs to invest higher costs in the initial stage to achieve environmentally friendly projects. For example, the Company has to source and make use of green materials and sustainably sourced finishes and provide higher energy saving appliances and water saving sanitary wares. We have to face many uncertain factors, such as investor preferences and consumer preferences.

During the reporting period, the Group conducted an initial climate scenario analysis to better understand potential climate-related risks and opportunities that may affect its business operations. The analysis considered the following scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS):

- Low emissions scenario (IPCC AR6 SSP1-2.6/NGFS Net Zero 2050): This scenario assumes that countries implement strict emission reduction policies to limit global average temperature rise to well below 2°C by 2100, with net zero emissions achieved by 2050.
- High emissions scenario (IPCC AR6 SSP5-8.5/NGFS Current Policies): This scenario assumes that countries maintain their current climate policies without further measures, resulting in a global average temperature increase of at least 3°C by 2100.

The analysis covered the following time horizons:

- Short-term: 2030
- Medium-term: 2050
- Long-term: 2100

The scope of analysis included the Group's foundation, construction and property development businesses in Hong Kong, Singapore and Southeast Asia.

The findings from this initial assessment are intended to inform the Group's ongoing planning and risk management processes. Key climate-related risks identified through this assessment are set out in the Risk Management section below. In addition, the Group recognises that the transition to a lower-carbon economy may present certain opportunities, which are summarised in the following table:

Opportunity Area	Description
Resource efficiency	Reduced energy and water consumption through ongoing efficiency initiatives may lower operational costs over time.
Energy source	Increased use of energy-efficient equipment and appliances may reduce electricity consumption and associated emissions.
Products and services	Growing market demand for green buildings may present opportunities for property developments with environmental certifications.
Markets	Access to new customer segments or markets that prioritise sustainable construction practices.
Resilience	Improved resilience of operations and supply chains through consideration of climate risks in project planning.

The Group will continue to monitor these potential opportunities as market expectations and regulatory requirements evolve.

Risk Management

The Group's approach to identifying and managing climate-related risks is integrated into its broader operational and project-level risk management processes. For construction projects and property developments, risk identification is undertaken at the project level, taking into account location-specific factors such as weather patterns, regulatory requirements, and site conditions.

The ESG Working Group coordinates the identification of climate-related risks that may affect the Group across multiple projects or operating regions. This includes monitoring regulatory developments, reviewing industry practices, and considering feedback from stakeholders. Where significant risks are identified, they are reported to management for consideration and, where appropriate, further action.

CLIMATE RESILIENCE

The process for assessing climate-related risks involves the following steps:

- **Context establishment:** Defining the scope, time frame, and climate scenarios for assessment
- **Risk identification:** Reviewing historical data and future projections to identify potential climate-related hazards
- **Risk evaluation:** Assessing the potential likelihood and impact of identified risks on the Group’s operations
- **Management response:** Identifying appropriate measures to avoid, reduce, or manage significant risks

Integration of climate-related risks into the Group’s overall enterprise risk management framework remains a work in progress. The Group will continue to develop its approach as experience and understanding of climate-related issues evolve.

The following tables summarise the significant climate-related physical and transition risks identified during the reporting period, together with the steps being taken to manage them.

Physical Risk Description	Time Horizon	Financial Impact	Steps Taken to Manage the Risks
<p>Acute physical risks</p> <ul style="list-style-type: none"> • Increased severity and frequency of extreme weather events such as typhoons, heavy rainfall, and flooding. Such events may cause damage to construction sites, equipment, and materials, delay project timelines, and create safety risks for workers. 	<ul style="list-style-type: none"> • Short- to Long-term 	<ul style="list-style-type: none"> • Increased repair and replacement costs • Project delay penalties and extended site overheads • Higher material costs due to supply disruption 	<ul style="list-style-type: none"> • Site-specific contingency plans are in place for extreme weather events • Proper drainage systems are maintained at all sites • Earth Control Measures equipment is kept operational and regularly maintained • Materials are stored in designated areas with appropriate protection
<p>Chronic physical risks</p> <ul style="list-style-type: none"> • Changing precipitation patterns and rising temperatures. Unpredictable rainfall may cause site waterlogging and delays. Prolonged high temperatures may affect labour productivity and the curing of materials such as concrete. 	<ul style="list-style-type: none"> • Medium- to Long-term 	<ul style="list-style-type: none"> • Reduced productivity and project delays • Increased costs for workforce management and site adjustments 	<ul style="list-style-type: none"> • Water conservation practices are encouraged across operations • Treated water from water treatment plants is reused where practicable • Site planning takes into account seasonal weather patterns

CLIMATE RESILIENCE

Transition Risk Description	Time Horizon	Financial Impact	Steps Taken to Manage the Risks
<p>Policy and legal risks</p> <ul style="list-style-type: none"> Stricter government regulations on building energy efficiency, emissions, waste management, and construction practices may increase compliance costs and require changes to construction methodologies. 	<ul style="list-style-type: none"> Medium- to Long-term 	<ul style="list-style-type: none"> Increased compliance and inspection costs Higher costs for materials and fuel as standards tighten 	<ul style="list-style-type: none"> Regulatory updates are monitored by management and site teams Environmental Control Officers are engaged to advise on compliance The Group's QEHS management system is reviewed annually to align with evolving requirements
<p>Technology risks</p> <ul style="list-style-type: none"> Advancements in low-carbon construction technologies and green building practices may require the Group to adopt new methods or materials to remain competitive. 	<ul style="list-style-type: none"> Short- to Long-term 	<ul style="list-style-type: none"> Potential capital investment in new equipment or training 	<ul style="list-style-type: none"> The feasibility and benefits of new technologies are examined on a project-by-project basis Staff are provided with training on updated practices and equipment
<p>Market risks</p> <ul style="list-style-type: none"> Shifts in customer preferences toward greener buildings and more sustainable construction practices may affect demand for properties developed using traditional methods. 	<ul style="list-style-type: none"> Medium- to Long-term 	<ul style="list-style-type: none"> Potential changes in revenue mix or property valuation 	<ul style="list-style-type: none"> Customer preferences are monitored through market research The Group considers environmental factors in project planning where commercially viable
<p>Reputational risks</p> <ul style="list-style-type: none"> Failure to meet stakeholder expectations on environmental performance may affect the Group's reputation and ability to secure new projects or maintain investor confidence. 	<ul style="list-style-type: none"> Medium- to Long-term 	<ul style="list-style-type: none"> Potential decrease in demand for properties or construction services 	<ul style="list-style-type: none"> The Group complies with applicable environmental laws and regulations Environmental performance is monitored and reported annually in this Report

CLIMATE RESILIENCE

Metrics and Targets

The Group uses established environmental metrics to monitor its performance in areas relevant to climate change. These metrics are set out in the Environmental Aspects section of this Report and include:

- Greenhouse gas emissions (Scope 1 and Scope 2)
- Energy consumption by type
- Water consumption
- Waste generation (hazardous and non-hazardous)

These metrics are tracked regularly and reported annually to monitor trends and assess the effectiveness of the Group's environmental initiatives. The Group's targets in relation to these metrics are described in the relevant sections of this Report.

The Group will continue to measure and report on these metrics in accordance with the HKEX ESG Reporting Guide. As data collection processes evolve, the Group will assess the feasibility of expanding its climate-related disclosures, including Scope 3 emissions reporting, in future reporting periods.

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Governance	<ul style="list-style-type: none"> a. Describe the board’s oversight of climate-related risks and opportunities. b. Describe the management’s responsibilities in overseeing climate related risks and opportunities. 	“Governance”	24
Strategy	<ul style="list-style-type: none"> a. Describe the climate-related risks and opportunities over different time horizons. b. Describe the impacts of the climate related risks and opportunities on the organization’s financial performance and business model, and their mitigation measures. c. Describe the resilience of the organisation’s strategy, considering various climate-related scenarios, including a global average temperatures 3°C or lower scenario. 	“Strategy”	24–25
Risk Management	<ul style="list-style-type: none"> a. Describe the organisation’s processes for identifying, assessing and managing climate related risks. b. Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management. 	“Risk Management”	25–27
Metric and Targets	<ul style="list-style-type: none"> a. Describe the metrics used by the organisation to assess climate-related risks and opportunities. b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions. c. Describe the climate-related targets to manage the risks and opportunities and performance against targets. 	“Metric and Targets”	28