中国科技产业集团有限公司
CHINA TECHNOLOGY INDUSTRY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8111)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021

CONTENTS

DEFINITIONS

"Company"   China Technology Industry Group Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the GEM Board of the Stock Exchange of Hong Kong Limited (Stock Code: 8111);

"Subsidiaries"   has the meaning ascribed to it in the Listing Rules;

"Group" or "We"   the Company and its subsidiaries;

"Report"   the Environmental, Social and Governance Report 2021 presented by the Group;

"Reporting Period"   from 1 April, 2020 to 31 March, 2021;

"Year"   within the financial year;

"Board"   the board of directors of the Company;

"Director(s)"   the director(s) of the Company;

"Hong Kong Stock Exchange"   The Stock Exchange of Hong Kong Limited;

"Guide"   Environmental, Social and Governance Reporting Guide under Appendix 20 to the Rules Governing the Listing of Securities on Hong Kong Stock Exchange;

"ESG"   Environmental, Social & Governance

"Hong Kong"   the Hong Kong Special Administrative Region of the People's Republic of China;

"PRC" or "China"   the People's Republic of China, and for the purpose of this Report only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;

"%"   per cent.

ABOUT THIS REPORT

This Report is the "Environmental, Social and Governance Report" issued by China Technology Industry Group Limited. In order to facilitate the continuous improvement of the performance in sustainable development, we hope to disclose the visions, strategies and practices of the company comprehensively and objectively, thereby enhancing the confidence of various stakeholders and understanding to our group.

Reporting Period

This Report covers the period from 1 April 2020 to 31 March 2021.

Reporting Scope

This Report covers China Technology Industry Group Limited and its subsidiaries. The environmental and social key performance indicators disclosed in the Report cover the company's sales of renewable energy products, new energy power system integration services, the Mainland and Hong Kong office.

Basis of Preparation

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 20 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

This Report is prepared in accordance with the steps of identifying and ranking important stakeholders and ESG-related important issues, determining the boundaries of ESG report, collecting relevant materials and data, preparing this Report based on the data, and reviewing the data in this Report to ensure the completeness, authenticity, and balance of the content of the Report.

Report Preparation Process

This Report is prepared by working group, stakeholder questionnaire, data collection, framework determination, report preparation, report design, information review, and review by departments and senior management.

Source of Data

The information and data disclosed in this Report are derived from the Group's statistical reports and internal documents and have been reviewed by relevant departments. The last chapter of this Report has a complete content index for readers to quickly search. The Group undertakes that there is no false record and no misleading statement in this Report, and assumes liabilities to the authenticity, accuracy, and completeness of the information in this Report.

Review and Approval

This Report has been reviewed and approved by the Group's Board of Directors.

Report Version and Access

This Report is available in both Chinese and English, which are issued in electronic versions. The electronic versions of the Report can be downloaded from the official website of the Group (http://www.chinatechindgroup.com) as well as the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

MESSAGE

Looking back at 2020, a challenging and constantly changing year, the COVID-19 pandemic ("COVID-19"), international political turmoil and natural disasters significantly influenced the global economy and society. With the concerted efforts of management and employees, and also the support from various stakeholders such as customers, business partners and suppliers, we seized the opportunities from crisis and overcame the obstacles in achieving the business and sustainability goals.

The Company commits to the technological development of renewable energy and actively explore new opportunities to expand the supply of renewable energy products to pursue a diversified revenue base and explore new growth drivers to support long-term development. As an enterprise that provides and sells renewable energy products and new energy power system integration services, we pursue business opportunities and actively fulfill our corporate social responsibility. Meanwhile, we support the accelerated development towards a "carbon-neutral" future and insist on providing stable, clean, and long-term electricity to the community.

After experiencing an uncertain market and social environment, the Group adopted more flexible business strategies to strengthen corporate management controls and enrich the product mix. In addition, the Company maintains the development with a focus on mitigating and adapting to climate change. In the ongoing battle against the pandemic, the health and livelihood of employees and stakeholders are prioritized. To support the sustainable development, we ensure a healthy and safe working environment and offer different trainings to our employees.

Under an environment with uncertainty, the consideration of sustainable development becomes crucial. The Group commits to focusing on business development in the coming years while continuously achieving sustainable development goals. We maintain communication with stakeholders to identify the potential risks and opportunities at an early stage, following by establishing related measures. Finally, we would like to take this opportunity to express our sincere gratitude to our employees and various stakeholders for their trust and support.
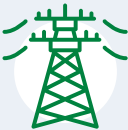
SUSTAINABLE DEVELOPMENT STRATEGIES

The United Nations puts forward the "2030 Agenda for Sustainable Development" and the Sustainable Development Goals and expects to achieve the goals and visions of protecting the environment, eliminating poverty, and ensuring energy sustainability by 2030. The Central People's Government recently promotes and improves climate change-related works, aiming to achieve "Carbon Peak" by 2030 and "Carbon Neutrality" by 2060.

Corporate social responsibility, including environmental, social and governance issues, have become an essential issue in the commercial society. The Group integrates the concept of sustainable development into our business on the sales of renewable energy products and new energy power system integration services. As the Group's business activities are closely related to the environment and society, we actively integrate ESG elements to all aspects of our business operations to further reduce the environmental impacts and promote sustainable development. Through communication with stakeholders, the significant issues that are valuable to the Group are identified, and we commit to aligning our priorities of sustainable development with the world's standards. We also optimize environmental quality management, environmental protection, and humanistic and social responsibility and other related aspects in our working projects. To fulfil our sustainable development goals, the Group has established an ESG working mechanism.

Stakeholder Engagement

The Group attaches great importance to the communication with stakeholders. By identifying the groups of communities with influences, decision-making powers, and close relationships, we built a two-way, transparent, and long-term communication mechanism to understand and respond to different stakeholders' concerns in a timely manner. Effective communication assists the stakeholders to enhance the confidence and understanding of the Group and establish mutually beneficial and persistent cooperation. At the same time, early identification of potential risks and opportunities related to the Group's future business operations and long-term development can help the Group formulate long-term strategies.

Stakeholders		Key Issues of Concern	Major Communication Channels
Customers		• Product and service quality and safety • Customer rights and interests protection	• After-sales services • Business conference • Company website
Employee		• Employee remuneration and benefits • Occupational health and safety • Training and career development	• Training program and employee activities • Performance appraisal • Internal announcements and journals
Suppliers		• Fair procurement procedure • Provide the supplied goods/services on time	• Site visits • Business conferences • Supplier evaluation
Shareholders		• Corporate governance • Business compliance • Return on investments	• Annual general meetings • Annual and interim reports • Announcements, circulars • Company website
Government and Regulatory Authorities		• Compliance with laws and regulations • Sustainable development	• Regular reports • Meetings • Inspections
Community		• Community involvement • Environmental protection awareness	• Community activities • Charitable donations • Company website

Material ESG Issues

During the Reporting Period, we invited stakeholders to assess the relevance and importance of a series of ESG issues to the sustainability and development of the Group's business and society.

Materiality Assessment Process

Questionnaire Distribution	Questionnaire related to material ESG issues is distributed to stakeholders
Data Collection	Opinions from stakeholders are collected to obtain the order of priority of the material topics
Data Analysis	A third-party professional consultant analyzed the results of the questionnaire survey, and assisted the Company to prepare a materiality matrix and identify the priority of important issues
Validation and Integration	The materiality assessment outcomes are reviewed and validated, and relevant and efficient short-term and long-term ESG development goals are formulated by the Group

Materiality Matrix

The matrix below reflects the findings from our materiality assessment in this year. The materiality matrix maps 23 material topics, which lists the material issues and key topics concerned by major stakeholders.

Materiality matrix

Importance to stakeholders — High / Importance to the Group — Medium ... High

Data points: 13, 5, 8, 1, 16, 11, 17, 7, 3, 2, 15, 20, 12, 9, 10, 4, 6, 18, 14, 21, 19, 23, 22
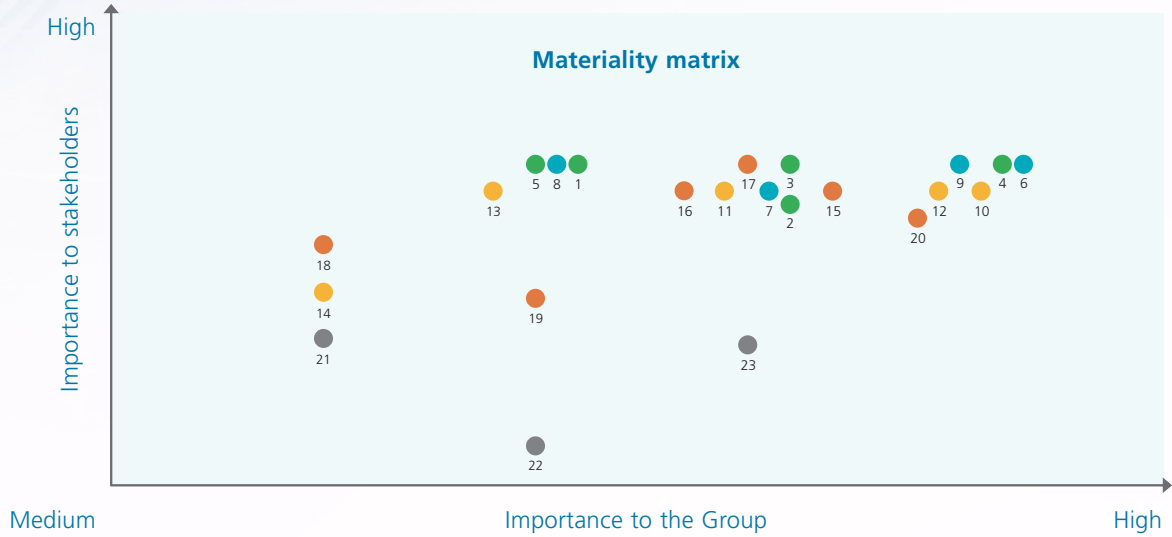
List of issues:

Environmental Protection and Green Operation	Operation Practice	Product and Service Responsibility	Human Rights and Employees	Community Contribution
1. Air and Greenhouse Gas Emissions 2. Waste Management 3. Effective Use of Resources 4. Impacts of Business Activities on the Environment 5. Addressing Climate Change	6. Supply Chain Management 7. Supplier's Management of Environmental and Social Risk 8. Green Procurement 9. Crisis or Emergency Handling	10. Product and Service Quality and Safety 11. Handling Complaints 12. Protection of Intellectual Property Rights 13. Protection of Customer Privacy 14. Advertising and Promotion	15. Equal Opportunity, Diversity and Anti-discrimination 16. Employment Relationship, Employee Welfare and Benefits 17. Occupational Health and Safety 18. Training and Development 19. Prohibition of Child Labour and Forced Labour 20. Anti-corruption, Anti-fraud and Whistle-blowing Mechanism	21. Engaging in or Organizing Volunteer Events 22. Charitable Donations 23. Community Engagement Activities

Supply Chain Management

In achieving sustainable development and business goals, suppliers play a significant role. In terms of the two primary business segments of the Group, we rely heavily on suppliers, which significantly impact our business performance. This year, the Group cooperated with 6 suppliers, all of which are from Mainland China.

We require suppliers, contractors, subcontractors and other business partners to comply with the principles outlined by the Group and in contracts and be responsible for ethics, society and the environment so as to maintain the core values of the Group. We are actively looking for supply chain partners with a good reputation and whose operating practices exceed our minimum requirements in order to promote an environmental-friendly and responsible production and operational model. When a supplier does not comply with our policy or contractual requirements, we will terminate our cooperation with the supplier until the situation has been improved.

Regular evaluation and survey to suppliers

Conduct site visits and qualification reviews on new suppliers

Besides supply capacity, product benefits and economic efficiency, business integrity, environmental, health and safety performance, and human rights are essential aspects of assessment

For shortlisted materials, supplier must provide environmental and occupational safety monitoring ISO certification or documents

Before construction, organize all participating units to conduct safety training in accordance with the specialized construction plan

The basis for the next screening is according to the previous safety performance appraisal

Suppliers who fulfil environmental and occupational safety responsibilities are prioritized

Product Responsibility

Customers' Complaints

The Group adheres to the business philosophy of "customer first, forge ahead" and upholds the "customer first" principle to provide quality products and services. In order to understand the requirements of customers and implement them accurately, we organized regular meetings with customers and project managers to coordinate and enhance communication so as to maintain and provide high-quality products and services that meet the requirements of customers. To reduce the complaints from customers and the number of products to be recalled, we are in close communications with customers to rectify any existing or foreseeable problems during the project period.

We welcome suggestions from customers regarding our services and other issues related to the Group. We believe that good, healthy, and effective communication is a crucial step towards success. A dedicated customer service team is responsible for handling consumer complaint(s). Complaint(s) are first investigated by various management personnel independently according to internal guidelines and procedures within the prescribed time, and the cases are carefully evaluated, followed by reporting to senior management for review and approval. After completing the entire process, the contents and documents related to complaint(s) are recorded and preserved for future reference.

Intellectual Property Right and Data Privacy

With regard to data privacy, the Company attaches the most significant importance to the collection, processing, storage and use of the personal information and data of customers, business partners and employees, while implementing the appropriate data protection measures in order to comply with the Personal Data (Privacy) Ordinance (Cap 486 of the Laws of Hong Kong). We appointed specific staff responsible for related matters to ensure that people without authorization have no access rights to relevant data. The Group also stipulated the terms of the privileged system in the management regime and labour contracts to remind and emphasize that all employees are responsible for protecting the confidential data and information of the Company, customers, business partners, and other stakeholders. In addition, all computers in the Company's office installed appropriate and legitimate anti-virus software to protect and reduce the risks of data being stolen, lost, or damaged. Due to the nature of the business, the Group does not involve in any issues related to third-party intellectual property rights or patented technology.

Products and Services Quality

Through rigorous management on the supply chain, we apply consistent practices to hire suppliers in the early stages of projects to ensure high quality and safety for all the products and services. From the procurement of raw materials to the completion of the entire process, we adhere to strict quality controls in every session and design plans for the photovoltaic power stations according to the technical requirements demanded by the customers. Regarding the aforesaid plans, we select equipment that fits the "Construction Law of People's Republic of China" and other national laws and regulations, as well as industry standards. Subsequent to completion of construction and prior to operation of the power stations, our project coordinators conduct a comprehensive inspection on the quality, safety and completion process to ensure the project operates safely and smoothly.

During the Reporting Period, the Group did not recall any products and receive any complaints regarding products and services due to safety and health reasons. The Group also does not carry out any large-scale advertising and promotional activities. Therefore, we did not have any significant non-compliance with any applicable laws and regulations about health and safety, advertising, labelling, and privacy matters relating to products and services provided or methods of redress.

Anti-pandemic

In 2020, the epidemic spread raging around the world. In order to protect the health and safety of employees in various offices and operating departments, we complied with the epidemic prevention and control guidelines in Mainland China and Hong Kong since the outbreak of coronavirus, including but not limited to the "Guidelines on Prevention of COVID-19 for the General Public" and "COVID-19 Prevention Plan"（新型冠狀病毒肺炎防控方案）. Following the opinions of the local health department and government, we enhance the hygiene guidelines and promptly adopt all feasible measures to minimize the infected risks. Measures include:

- Employees must first register, scan the health code and check the body temperature before entering the office areas;

- Conduct video meetings as much as possible to lower the gathering risks;

- Establish an Epidemic Prevention Team to standardize the management work and provide employees with information such as the arrangement of work resumption, infected case handling, Group's new measure arrangements;

- Increase the frequency of health checks to employees and their close contacts;

- Stop business travel to regions with high infected cases;

- Use remote, flexible and adaptable work arrangements such as work from home for employees in epidemic areas or high-risk regions, and make re-arrangement after the epidemic stabilized;

- Take appropriate measures to fasten the information flow so as to identify the infected cases quickly;

- Prepare masks, disinfection supplies and other prevention materials for employees to reduce the stress on searching related supplies.

Since we operate under the epidemic, we have closely monitored the pandemic development to adjust and implement corresponding measures when necessary. The Company established guidelines for carrying out projects at field sites to assist the employees who work in distant regions to take appropriate actions in response to various situations bought by the epidemic. The Company's administration department also released and updated information and measures related to COVID-19 through WeChat groups to control and prevent the epidemic outbreak in the Company.

MERITOCRACY
Employer-employee Relationship

We consistently implement the core value of "people-oriented", and commit to creating a healthy, inclusive, and comfortable working environment for our employees while putting our employees' safety, health, and welfare at the first place. Upholding the attitude of being responsible to every employee, we value the pace of employees and the Group by caring and grow together and be a trustworthy employer. The Group attaches great importance to the ethics of employees that the principles are clearly defined in the Group's system, and employees are required to adhere to the attitude of "observing discipline and commitment" so as to build and maintain a harmonious atmosphere in the working environment.

In the recruitment and employment process, we require employees to strictly comply with the labour laws and regulations of the country and region in which they locate. Regarding China's relevant employment laws and regulations, including "Labour Law of the People"s Republic of China", "Labour Contract Law of the People's Republic of China", "Employment Ordinance (Cap 57 of the Laws of Hong Kong)", "Employment Promotion Law", the Group set guidelines related to human resources management system, staff principles and company management system and stipulated the terms of employment contracts in accordance with the relevant laws and regulations to protect the legitimate rights of both the Group and employees and ensure the Group's operations comply with business ethics. The contents are as follow:

- Basic salary and discretionary bonus

- Probation

- Arrangements for termination of the contract

- Legal working hours required by the governments of the business locations

- Statutory holidays

- Paid leaves such as marriage leave, maternity leave, sick leave and paid annual leave etc.
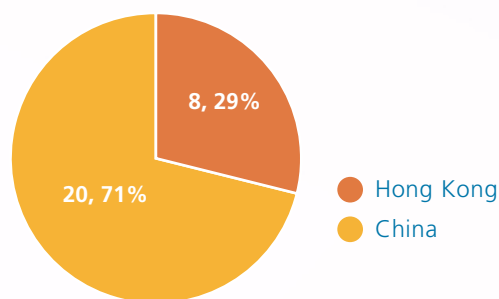
At the same time, we adopted a zero-tolerance attitude towards child labour and forced labour and employ according to the requirements on major human rights declarations and related laws and regulations. To prevent these, we required candidates to provide identity documents and proofs for verification to ensure they are of legal working age during the recruitment process. The Company did not have any issues related to child or forced labour during the Reporting Period.
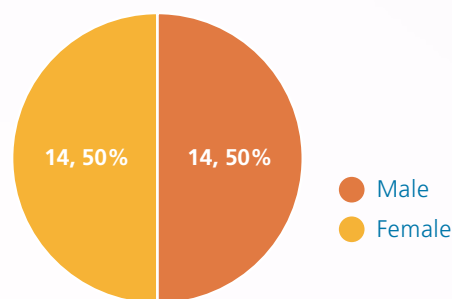
Employment Data

In the Reporting Period, the Group employed a total of 28 employees, 25 are full-time employees and 3 are contract employees. The demographics of the Group's employment data are summarized below:
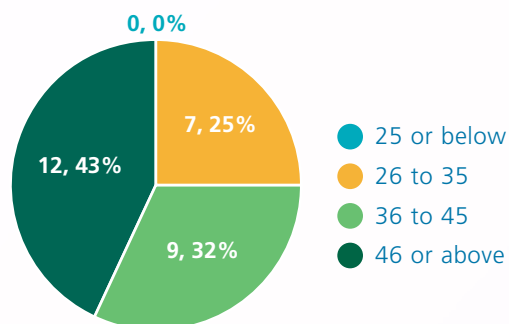
Year ended 31 March 2021
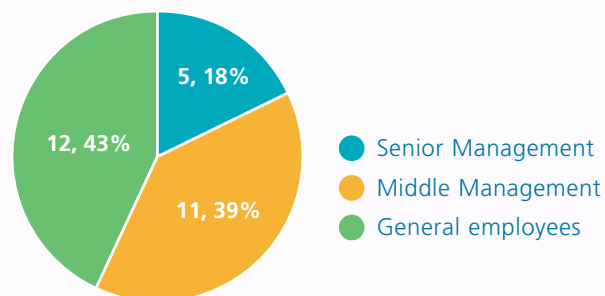
By Geographical Region[1]

- 8, 29% Hong Kong
- 20, 71% China

By Gender

- 14, 50% Male
- 14, 50% Female

By Age

- 0, 0%
- 7, 25%
- 12, 43%
- 9, 32%
- 25 or below
- 26 to 35
- 36 to 45
- 46 or above

By Employment Category[1]

- 5, 18% Senior Management
- 11, 39% Middle Management
- 12, 43% General employees

Note:
[1]   The data is starting to be disclosed in this Reporting Period.

Year ended 31 March 2020

By Age

1, 4%
6, 23%
13, 50%
6, 23%

- 25 or below
- 26 to 35
- 36 to 45
- 46 or above

By Gender

13, 50%   13, 50%
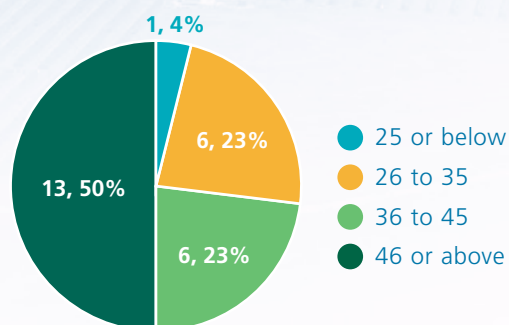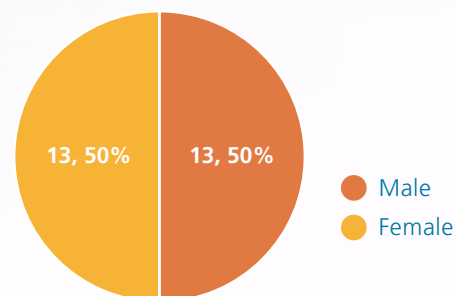
- Male
- Female

Employee Turnover Data:

Category	Year ended 31 March 2021 (%)	2020 (%)
Employee turnover rate	3.6 [1]	31.3
By gender		
Male	7.1	– [3]
Female	– [2]	– [3]
By age		
25 or below	– [2]	– [3]
26 to 35	14.3	– [3]
36 to 45	– [2]	– [3]
46 or above	– [2]	– [3]
By geographical region		
Hong Kong	– [2]	– [3]
Mainland China	5.0	– [3]

Note:

[1]   Employee Turnover Rate = Employees in the specified category leaving employment/Number of employees in the specified category

[2]   There was no employee turnover in this category this year, so there is no relevant data.

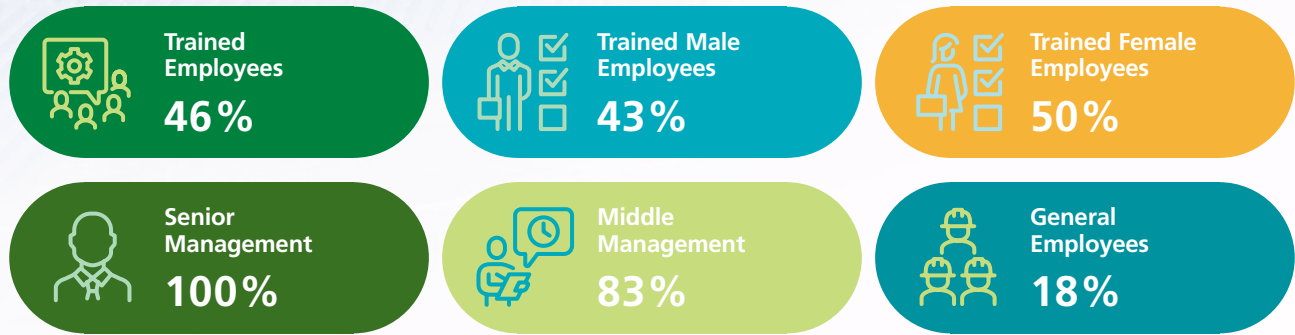[3]   The data is starting to be disclosed in this Reporting Period.
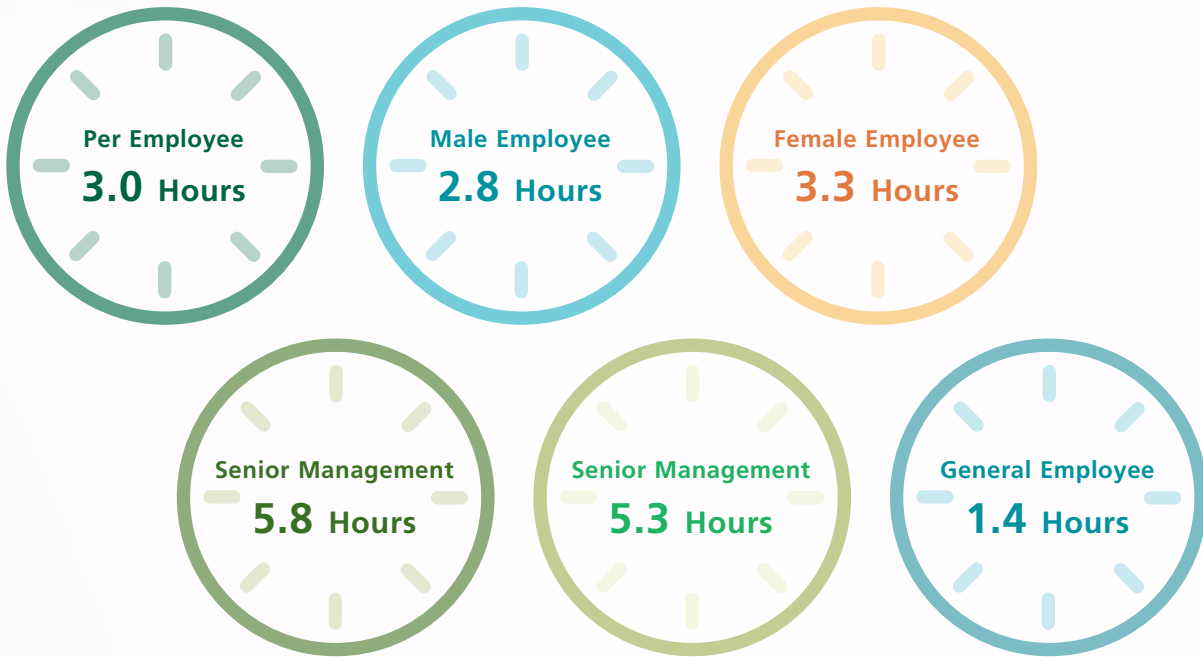
Talent Management and Training

Our employees are the cornerstone of our business's sustainable development, and the Company believes that talent is one of its most valuable assets. The Company believes in the concept of "selecting talents based on merits" and respects the rights granted by the law to employees to protect their welfares and retain outstanding employees. The Group commits to improving the management system of human resources and handling management tasks related to employment. At the same time, the Company creates an equal and comfortable working environment for employees to continuously strengthen their integrated ability and discover and unleash their potentials. We value and appreciate the efforts and contributions of every employee and ensure their salary and welfare comply with legal requirements, industry norms and the Group's internal rules and regulations by setting the standards. Based on positions' responsibilities, we accurately and reasonably formulated quantifiable performance appraisals to determine performance wages and rewards and penalties based on employee performance and contributions to the Group to increase their motivation.

The Group is aware of the importance of having professional skills and professional training for employees and the Group's sustainable development. In view of this, we actively cultivate a learning culture in the Group and encourage employees to exchange their knowledge and insights with peer companies for strengthening their skills. We also encourage and subsidize employees to participate in training courses related to the job nature or obtain different qualifications to improve their abilities. Furthermore, we continue to review, explore, and enhance the training resources to ensure suitability and effectiveness. To maintain the consistency of the Group, we also keep a complete record of training and development activities for all employees for regular review by relevant departments.

Employee Training Data

Trained Employees **46%**	Trained Male Employees **43%**	Trained Female Employees **50%**
Senior Management **100%**	Middle Management **83%**	General Employees **18%**

Average training hours of trained employees [1]:

Per Employee **3.0** Hours	Male Employee **2.8** Hours	Female Employee **3.3** Hours
Senior Management **5.8** Hours	Senior Management **5.3** Hours	General Employee **1.4** Hours

Note:

[1]   Average training hours per employee = Total number of training hours/Total number of employees

Anti-corruption

The Group emphasizes corporate ethics and related regular governance and understands that it is essential to integrate good corporate governance elements into the management structure and internal procedures to achieve effective accountability. Accordingly, the Group would never allow corruption and bribery. To maintain a high standard of corporate governance, safeguard the interests of shareholders and increase the Company's value, we have adopted the Corporate Governance Code in Appendix 20 of the GEM Listing Rules and complied with Prevention of Bribery Ordinance (Cap. 201 of the Law of Hong Kong), Company Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Criminal Law of the People's Republic of China' and other relevant laws and regulations since the day of listing. The Board also regularly reviews and improves corporate governance practices. For more information on the corporate governance of the Group, please refer to the Corporate Governance Report on pages 28 to 41 of the Company's 2021 annual report.

We established and strictly implemented the relevant principles for staff, and the management system of gifts and hospitality include a set of business hospitality standards, receivers' standard hospitality fees and confidentiality systems to provide guidelines about giving and receiving gifts, giving accommodation, dining and entertainment, and negotiations with government officials, stipulating that all employees must abide by the regulations outlined in the Company's system. The labour contract also clearly states that it is forbidden to benefit directly or indirectly through family, relatives or friends. Related clauses are stated to prevent conflicts of interest. The Group has clearly explained to employees at all levels and departments that once suspicious or confirmed misconduct is discovered, employees can report to colleagues in the human resources department, department managers or senior management in confidence. Once a misconduct case is found and confirmed, the Group will take disciplinary action against relevant employees and report to the appropriate regulatory authorities when necessary.

During the year ended 31 March 2021, no significant risks relating to corruption were identified. Accordingly, there were no confirmed incidents in relation to corruption or public legal cases brought against the Group or its employees concerning corruption and criminal or misconduct cases. In addition, there were no confirmed incidents where contracts with business partners were terminated or not renewed due to violations relating to corruption during the Reporting Period.

Multi-culture

Despite the pursuit of business growth, we strive to provide a fair, open, and respectful working environment, abiding by the principle of fairness and justice in any process and resolutely eliminate discrimination due to any reasons:
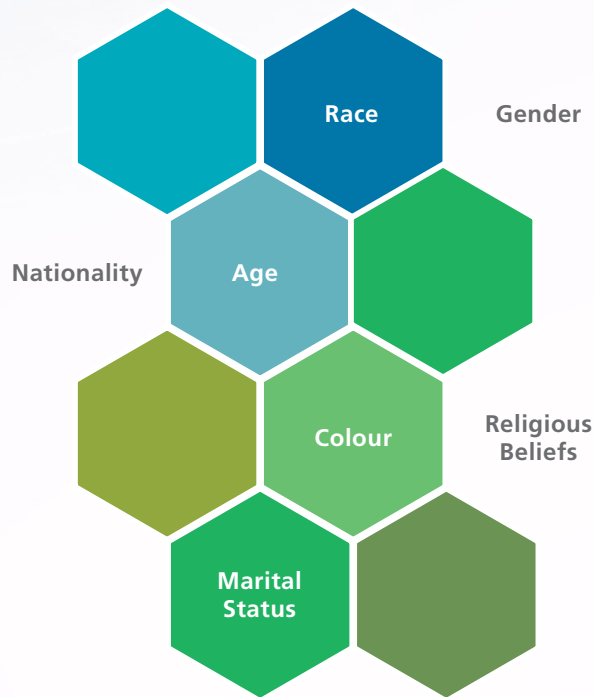
At the same time, we commit to consolidating the cohesion and sense of belonging of employees and encouraging two-way communication. The Company maintains an effective and close relationship with employees through different channels and methods in order to be work-life balance. By conducting employee satisfaction surveys regularly, we can understand the needs and opinions of employees to achieve their expectations to the Company, and the Company values employees. To cope with a rapidly changing society, employees and the Company should work together to effectively fulfil the goals.

In addition, we organize various internal company activities to celebrate traditional festivals and activities organized by the United Nations, such as International Women's Day, Earth Hour, International Day of Family, and Sport For All Day. We encourage employees' participation and improve their physical and psychological health, maintain the balance between work and life, and achieve the sustainable development of employees. We strive to help the affected colleagues through different channels in this challenging period.

Occupational Safety

The occupational health and safety of our staff have always been the key focus of the Company. The Company strictly abides by the relevant laws and regulations such as the "Labour Law", the "Occupational Health and Safety Management System", the "Measures for Ascertainment of Work-related Injuries" and the "Regulation on Work-related Injury Insurances" of the PRC and other relevant laws and regulations. We promise and ensure the safety of the working environment to protect employees, third-party contractors and subcontractors from occupational injuries while maintaining the safety of the surrounding public, standardizing productional behaviour, and improving the level of safety management comprehensively.

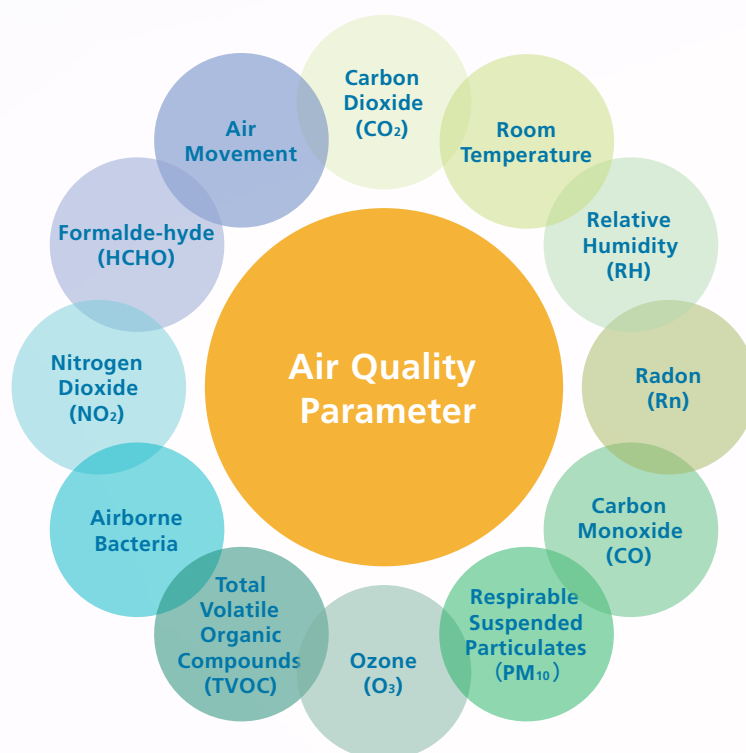| Require employees to participate in training courses on occupational diseases prevention and basic health knowledge | Hire a third party for safety and quality supervision and inspection | Promote and implement the culture of safety construction via safety training, activities on safety production month, promotion on daily safety concepts, etc. | Suppliers must provide certification on environmental, occupational monitoring and safety-related systems for shortlisted materials | Organize all participating unites to conduct safety technical training for operators according to particular construction plans before construction |

The Group will continuously focus on the safety of construction projects to ensure the safety of the construction process. Through the progress of safety and environmental inspections and assessments of construction projects, the management and evaluation of constructors and suppliers are strengthened, following by the management of construction sites is standardized. During the Reporting Period, we did not receive any reports of work-related fatalities and injuries.

Air Quality in Working Environment

Living in modern cities, indoor air quality has a significant impact on our health and livelihood as we spend most of our time in indoor environments such as homes and offices. Poor indoor air quality can lead to discomfort and extend to problems such as high absenteeism and low productivity in workplace. Due to COVID-19 infection in Hong Kong, to protect our employees and maintain a safe and healthy working environment, we engaged a third-party service company – Riskory Consultancy Limited, to conduct indoor air quality tests on 22 December 2020. The test was conducted at two locations in our Hong Kong office. The testing process and standards used are based on the Guidance Notes for the Management of Indoor Air Quality in Offices and Public Places (IAQ Guidance Notes) issued by the Hong Kong Special Administrative Region Government. A total of 12 air quality parameters are used:

Air Quality Parameter

Air Quality Parameter: Carbon Dioxide (CO_2), Room Temperature, Relative Humidity (RH), Radon (Rn), Carbon Monoxide (CO), Respirable Suspended Particulates (PM_{10}), Ozone (O_3), Total Volatile Organic Compounds (TVOC), Airborne Bacteria, Nitrogen Dioxide (NO_2), Formalde-hyde (HCHO), Air Movement

According to the test report, the test results are pass. Among the 12 testing parameters, the first testing location has seven that achieve "excellent" results, while the second has ten that achieve "excellent" results, guaranteeing a safe working environment, and employees can work comfortably.
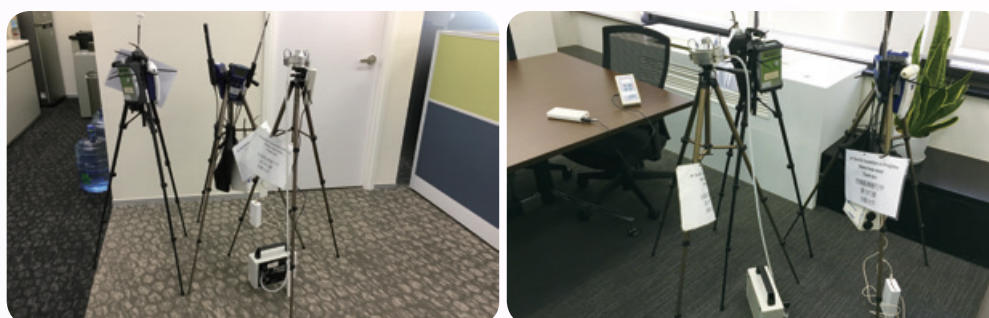
Charity Activity

The Group has been supporting the communities where its business is located since our establishment in 2000, focusing on and maintaining the healthy and comprehensive development of the communities. At the same time, 2020 is the final year of China's "Poverty Alleviation". The Group commits to creating employment opportunities through our projects, driving the local economy, and improving residents' quality of life to respond to targeted poverty alleviation policies and narrow the gap between urban and rural areas. We adhere to the spirit of "giving back to society" to actively encourage our employees to participate in community volunteer services and call on our employees to serve and repay the society. Moreover, we support employees to take the initiative to propose community-based programs to the Group and implement the programs to fulfil the needs of the local community.

We continue to invest in community projects as corporate social responsibility is always an important component of the corporate culture of the Group. We cultivate employees' sense of community, encourage them to care for and help the needy in the society, nurture and promote the correct values to the next generation.

Climate Action

Poverty Alleviation

Quality Education

Care for Elderly

Inclusive Society

ENVIRONMENTAL PROTECTION
Environmental Management

In recent years, the shortage of natural resources and climate change have become more serious that concerned by international society and other sectors and alarmingly raised the awareness worldwide. They are one of the most significant challenges in achieving sustainable development goals. We committed to strategically incorporating green elements into our business model and operations and complied with the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes" and related laws and regulations to set up the environmental protection and management rules with a clear aim of conducting our business in the most environmental-friendly manner. We aim to work our business in the most environmentally friendly way by improving environmental performance, ecological efficiency, and climate risk resilience, promoting new energy-related businesses and policies, achieving environmental civilization and green and low-carbon, and contributing to environmental protection.

Based on the Group's business nature, we primarily provide renewable energy products and services required by customers, and suggest specific designs, requirements, and standards for relevant construction projects. After appointing a manufacturer, we integrate individual equipment, functions, and data into the connected system. Therefore, we rarely need to use resources such as packaging, factory, and construction waste that pollute the environment in our daily operations. At the same time, our projects help to promote sustainable development and protect natural resources. Since sustainable resources are closely related to our business, we commit to surpassing the legal requirements, adopting the international and national standards, and looking forward to improving the management of water, energy, and resource usage.

Gas Emission and Management

The principal business of the Group, namely sales of solar and wind power-related products and new energy power system integration business, falls within the scope of renewable energy, which brings a positive effect on the environment inherently and reduces the emission of greenhouse gas and wastes. Power generation generates nearly zero emissions related to air pollution, and the environmental impacts are relatively small. Avoiding traditional energy sources that have adverse effects on human health also helps to push carbon neutrality to a certain extent. Besides, the Group participates in the "Carbon Footprint Repository for Hong Kong Listed Companies" programme established by the Hong Kong Environmental Protection Department. We share carbon footprint data on the platform and take successful examples of low-carbon management and measures for reference in response to climate change.

ENERGY SAVING AND EMISSION REDUCTION MEASURES

1. **Utilize daylight instead of lamplight when possible**
2. **Encourage employees to travel by public transport**
3. **Turn off all idle electrical equipment when off to reduce power consumption**
4. **Maintain the air conditioners at the temperature between 24°C and 26°C during summertime**
5. **Display posters in main office areas to raise the environmental awareness among employees**
6. **Choose office supplies which are more environmental-friendly**

Emission Data

Category	Unit	Year ended 31 March 2021	2020
Air emissions			
Nitrogen oxides (NOx)	Kg	–[1]	–[1]
Sulphur oxides (SOx)	Kg	–[1]	–[1]
Particulate matter (PM)	Kg	–[1]	–[1]
Greenhouse gases emissions			
Total greenhouse gas emission	Tonnes of CO_2e	7.6	13.2
• Scope 1-Direct emissions	Tonnes of CO_2e	–[1]	–[1]
• Scope 2-Indirect emissions	Tonnes of CO_2e	7.6	12.6
Total greenhouse gas emission intensity	Tonnes of CO_2e / sq. meter of floor area	30.9	–[2]

Note:

[1] The Group did not use vehicles and other equipment or machinery in the daily operation process, so it did not use related energy during the Reporting Period.

[2] The date is starting to be disclosed in this Reporting Period.

Energy Consumption

In the Group's daily operations, electricity is the primary energy consumed. Therefore, we monitor energy consumption from time to time, discovering opportunities to improve energy efficiency within our business scope.

Energy Consumption Data

Category	Unit	Year ended 31 March 2021	2020
Total energy consumption	kWh	10,017.0	44,656.8
• Direct consumption – gasoline	kWh	– [1]	– [1]
• Indirect consumption – electricity	kWh	10,017.0	44,656.8
Intensity of total energy consumption	kWh/sq. meter of floor area	40.6	– [2]

Note:

[1]   The Group did not use vehicles and other equipment or machinery in the daily operation process, so it did not use related energy during the Reporting Period.

[2]   The data is starting to be disclosed in this Reporting Period.

Resource and Waste Management

The Group does not generate an enormous amount of waste due to the nature of its business. Despite the little waste generation, the Group is constantly discovering ways to reduce waste generated in our daily operations gradually. We encourage employees to participate in waste treatment to reduce waste produced by the Company, such as prohibiting disposable tableware and introducing environmental protection elements into their daily lives to foster their awareness.

In terms of paper use, the Company preset the printer for double-sided printing and reuse the used single-sided office paper to minimize paper waste and consumption. Besides, we regularly evaluate the data collected from office printers to monitor the effectiveness of operating a paperless office. The Company also integrated software such as DingTalk into daily office communication such as check-in and leave, recruitment, promotion review, and relevant human resources work. As a result, employees can communicate widely, comprehensively, and effectively, and promote and work in a paperless and green office. Besides limiting environmental damage, it has various commercial benefits, such as sharing information in technology networks, saving office space, and reducing complicated paperwork procedures.

Waste Data

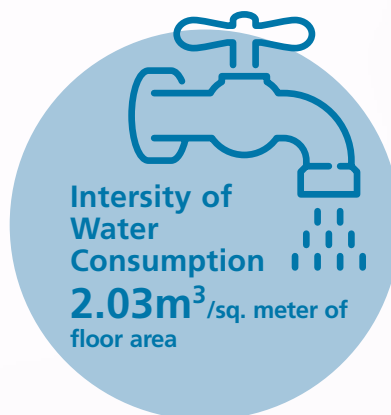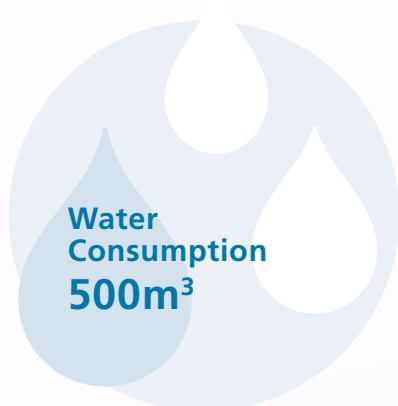| Waste	Unit	Year ended 31 March 2021	2020
Total non-hazardous waste	Tonnes	1.3	– [1]
Intensity of non-hazardous waste	Kg/sq. meter of floor area	5.1	– [1]
Total hazardous waste	Tonnes	– [2]	– [2]
Intensity of hazardous waste	Kg/sq. meter of floor area	– [2]	– [2]

Note:

[1]   The data is starting to be disclosed in this Reporting Period.

[2]   The Group did not produce hazardous waste during its daily operations, so there is no relevant date during the Reporting Period.

Water Resource Management

The Company's business does not involve significant use of water resources. The source of water is from municipal water supply, so that we have not encountered any issue in sourcing water that is fit for the purpose. Our primary source of water consumption comes from the daily water used by our employees. In recent years, the voice and awareness of protecting water sources have continued to increase. As a responsible company, the Group advances water usage efficiency and understanding of saving water by optimizing water management systems and measures. For example, we prohibited employees from drinking water for non-drinking water purposes, such as cleaning and watering plants. In addition, we have maintenance and repair of pipelines, valves, joints, and fixtures to reduce the waste of drinking water due to equipment damage. In the Reporting Period, the water consumption of the Group is as follows:

Water Consumption Data

Water Consumption
500m³

Intersity of Water Consumption
2.03m³/sq. meter of floor area

HKEX ESG REPORTING GUIDE INDEX

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