青鸟环宇
JADE BIRD UNIVERSAL

Beijing Beida Jade Bird Universal Sci-Tech Company Limited

北 京 北 大 青 鳥 環 宇 科 技 股 份 有 限 公 司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(於中華人民共和國註冊成立之股份有限公司)

Stock Code 股 份 代 號 : 8095

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
2024

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I. About the Report

In compliance with the requirements under Appendix C2 – Environmental, Social and Governance Reporting Guide ("ESG Guide") of the Rules Governing the Listing of Securities on GEM ("GEM Listing Rules") of the Hong Kong Exchanges and Clearing Limited ("HKEX"), Beijing Beida Jade Bird Sci-Tech Universal Company Limited (the "Company", together with its subsidiaries, the "Group") is pleased to present its Environmental, Social and Governance ("ESG") Report (the "Report") for the financial year 2024 ended on 31 December 2024 ("FY2024", or the "year under review"). This Report demonstrates the Group's approach and performance in ESG management and corporate sustainable development. A complete content index is available at the end of the Report for readers' convenience to check its integrity.

The Group is primarily focused on developing travel and leisure business, investment holding, and other operations such as the sales and purchases of metallic products, production and sales of LED devices, and production and sales of wine and related products.

Mainly engaging in tourism development projects in the People's Republic of China (the "PRC"), the Group acknowledges the importance of environmental and social sustainability for the long-term success of both the tourism industry and local communities. In alignment with the Chinese government's strategic initiatives on sustainable development and a low-carbon economy, the Group is dedicated to adhering to the national carbon reduction goal, the "30·60 Dual Carbon Targets", and other climate action guidelines.

Recognising the necessity to integrate ESG management into its business operations, the Group aims to effectively address challenges that affect global environmental sustainability, social stability and economic growth. Therefore, the Group continuously refines its business model and strives to enhance its resilience in facing various challenges.

Boundary Setting

The operational control approach has been adopted when preparing this Report. Hence, the Group defines its reporting boundary to include the environmental and social performance of the major business segments of the Group in the PRC. With reference to the principle of materiality, the Group excludes the production and sales of wine and related products business in the reporting boundary due to the insignificant annual operations and revenue.

The reporting period of this Report is FY2024, from 1 January 2024 to 31 December 2024, unless specifically stated otherwise. The environmental and social data presented in this Report, including the number of employees, only covers the aforementioned scope, therefore there may be a slight difference as compared to the data for the whole Group as disclosed in the latest Annual Report. For the corporate governance section, please refer to the Group's Annual Report 2024.

Reporting Principles

Materiality:

The Group understands that it is crucial for it to evaluate and prioritise its environmental, social and economic impacts, in order to develop an effective sustainability strategy. Therefore, an annual materiality assessment is conducted to collect insights from both internal and external stakeholders regarding the Group's sustainable development initiatives. For more information, please refer to the section Materiality Assessment under Stakeholder Engagement. Moreover, the principle of materiality is incorporated into the boundary setting, ensuring that only the ESG performances of significant business segments are included in this Report.

Quantitative:

This Report includes quantitative data and Key Performance Indicators ("KPIs") that numerically showcase the Group's environmental and social performance. Calculation methods, assumptions and conversion factors used are clearly outlined in the footnotes of the corresponding performance tables.

Balance:

To present a holistic view of the Group's sustainability performance, the Group is fully transparent on its outstanding achievements and room for improvement.

Consistency:

The Group utilises a consistent reporting framework and reporting techniques that are in line with previous ESG Reports, promoting informed decision-making through clear information disclosure and allowing for meaningful comparisons. In case of any significant differences from the previous reporting framework, corresponding explanation will be made.

Information disclosure

The information in this Report was gathered through numerous channels, including official documents and internal policies of different subsidiaries of the Group, the factual evidence of the implementation of ESG practices in the Group, the feedback from staff via online surveys in the format of quantitative and qualitative questions based on the reporting framework, and the analysed statistics of the Group's annual performance in business operations and sustainable development. The Report is prepared in both English and Chinese. Should there be any conflict or inconsistency, the English version shall prevail.

II. Board Inclusiveness

The Group acknowledges the importance of a robust and comprehensive sustainability governance framework in fostering long-term development and generating a positive social impact. The board of directors of the Company (the "Board") is responsible for overseeing the Group's ESG issues by promoting the integration of ESG principles into risk management and business operations across the organisation.

The Board bears ultimate responsibility for ensuring the effective execution of the Group's ESG policies and initiatives, thereby implementing sustainability strategies from top to bottom. Board members, along with the Board Secretary and the Company Secretary, monitor and manage the Group's sustainable development performance in order to embed the ESG concept in the Group's culture and operations. They oversee the implementation of ESG-related internal strategies, which include identifying and managing climate-related risks, as well as developing and revising policies that address material topics in business operations.

The Board regularly reviews and adjusts sustainability policies based on management reports to meet the evolving needs of stakeholders. Details of the Group's management approaches can be found in various sections of this Report.

With forward-looking guidance and well-structured action plans to address ESG issues, the Group is dedicated to optimising its internal sustainability framework. By positioning itself as a proactive leader in the industry, the Group aims to secure a competitive edge and contribute to the overall prosperity of the industry.

Board Statement

DEAR VALUED STAKEHOLDERS,

On behalf of the Board, I am pleased to present this ESG Report, which outlines the Group's approach, performance and commitment to sustainable development for FY2024.

Throughout the year, we have concentrated on building climate resilience and reaffirming our dedication to creating a sustainable future. Acknowledging the critical need for decisive action, we have placed sustainability at the forefront of our decision-making processes and operational practices. Through this approach, we aspire to contribute meaningfully to a more resilient and sustainable future for both our organisation and the communities we serve.

Our approach to a better future

We deeply value the natural environment that supports our operations and livelihoods. To effectively manage climate-related risks, we have aligned our risk management practices with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). This alignment has enabled us to thoroughly evaluate climate-related risks and opportunities, ensuring that we can adapt and respond to the evolving challenges posed by climate change. To identify material ESG issues, we conduct an annual materiality assessment to understand and address stakeholder priorities. This assessment allows us to engage meaningfully with our stakeholders, and the results will be validated by the Board, enabling us to meet the needs and expectations of the stakeholders.

Our efforts are also guided by the United Nations Sustainable Development Goals ("SDGs"), which serve as a global framework for sustainable development. We have identified three specific SDGs, namely SDG 3: Good Health and Well-being, SDG 4: Quality Education, and SDG 16: Peace, Justice and Strong Institutions, as areas where we can make the most significant contributions. By aligning our initiatives with these SDGs, we demonstrate our dedication to advancing sustainability and creating shared value for all.

II. Board Inclusiveness

Our aspirations

Green travel continues to gain prominence as a pathway to balancing economic growth in the tourism sector with environmental conservation. Hence, we recognise the importance of decoupling tourism expansion from carbon emissions is crucial to achieving national carbon neutrality goals. As part of our commitment, we have established specific and actionable environmental targets that align with the nation's ambition of achieving carbon neutrality by 2060. The Board oversees and regularly reviews the progress made towards these targets, thereby approving their disclosures in this Report.

Looking ahead, we remain committed to fulfilling our role as a corporate citizen. Our primary objective is to deliver high-quality products and services to our customers, while advancing sustainability initiatives that contribute to the well-being of society. We will continue to innovate and implement sustainable practices that balance economic, environmental, and social considerations, benefiting both our stakeholders and the broader community. Last but not least, I would like to express my sincere gratitude to our employees for their unwavering dedication and outstanding contributions throughout the year, and to our shareholders and business partners for their continued trust and support as we work together to create a more sustainable and prosperous future.

Zheng Zhong
Chairman and Executive Director
28 March 2025

The Group acknowledges the vital importance of stakeholder engagement in aligning its business directions and sustainability strategies with the priorities and interests of its key stakeholders, while adhering to industry best practices. Therefore, the Group actively engages with both its internal and external stakeholders, through the utilisation of the following communication channels.

Stakeholders	Expectations and Concerns	Communication Channels
Government and regulatory authorities	• Compliance with laws and regulations • Anti-corruption policies • Occupational health and safety	• Supervision on the compliance with local laws and regulations • Fulfilment of statutory reporting requirements • Written correspondence
Shareholders	• Return on investments • Corporate governance • Business compliance	• Regular reports and announcements • General meetings • Official website of the Group • Investor briefings and research reports
Employees	• Employees' remuneration and benefits • Career development • Health and safety in the workplace	• Performance appraisals • Regular meetings and trainings • Emails, notice boards, hotline, team building services with the management
Customers	• Production quality assurance • Protection of customers' privacy and rights	• Customers' satisfaction surveys • Face-to-face meetings and onsite visits • Customer service hotline and emails
Suppliers	• Fair and open procurement • Win-win cooperation • Environmental protection • Protection of intellectual property rights	• Open tender for key suppliers • Contracts and agreements • Suppliers' satisfaction assessment • Telephone discussions • Face-to-face meetings and onsite visits
General public	• Involvement in communities • Business ethics • Environmental protection awareness	• Media conferences and responses to enquiries • Public welfare activities • Official website of the Group

III. Stakeholder Engagement

Materiality Assessment

Recognising that ESG risks and opportunities vary by industry and depend on diverse corporate backgrounds, perspectives and business models, the Group employs a stepwise approach and conducts an annual materiality assessment to identify, assess and prioritise the material ESG issues.

In FY2024, the Group engaged an independent consultant and invited its key stakeholders to participate in the materiality assessment survey. Stakeholders were selected based on their influence and degree of dependence of the Group. The selected key stakeholders include employees, customers, suppliers and regulators. They were invited to share their opinions on various corporate ESG management topics through online surveys.

1.   **Identification**

The Group has developed a list of 28 ESG topics with reference to the ESG Guide and internationally recognised reporting frameworks. The identified topics can be classified into seven pillars, including environment, employment, supply chain management, product responsibility, anti-corruption, community relations, and leadership and governance. These topics are considered to be having potential environmental and social impacts resulting from the Group's operations, reflecting the latest sustainability landscape.

1	Greenhouse Gas ("GHG") Emissions	15	Product/Service Quality and Safety
2	Energy Management	16	Customer Privacy and Data Security
3	Water & Wastewater Management	17	Marketing and Promotion
4	Solid Waste Stewardship	18	Intellectual Property Rights
5	Climate Change Mitigation & Adaptation	19	Labelling Relating to Products/Services
6	Renewable and Clean Energy	20	Business Ethics & Anti-corruption
7	Labour Practices	21	Internal Grievance Mechanism
8	Employee Remuneration and Benefits	22	Participation in Philanthropy
9	Occupational Health and Safety	23	Cultivation of Local Employment
10	Employee Development and Training	24	Support of Local Economic Development
11	Green Procurement	25	Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities
12	Engagement with Suppliers	26	Management of the Legal & Regulatory Environment (regulatory compliance management)
13	Environmental and Social Risk Management of Supply Chain	27	Critical Incident Risk Responsiveness
14	Supply Chain Resilience	28	Systemic Risk Management (e.g. Financial Crisis)

III. Stakeholder Engagement

2. **Prioritisation**

The Group uses a systematic approach to collect, analyse and prioritises stakeholders' feedback and ratings on ESG topics. In FY2024, the Group continued to adopt the enhanced methodology previously developed in the previous financial year ended 31 December 2023 ("FY2023"). Weightings were applied to the ratings of the ESG topics identified in terms of the E, S and G pillars. The results of the assessment were formulated into a materiality matrix, which illustrates the relative importance of the ESG topics as rated by the key stakeholders. This facilitates the Group to develop action plans for a more effective management system.

Stakeholder Engagement Materiality Matrix
利益相關者的參與重要性分析矩陣
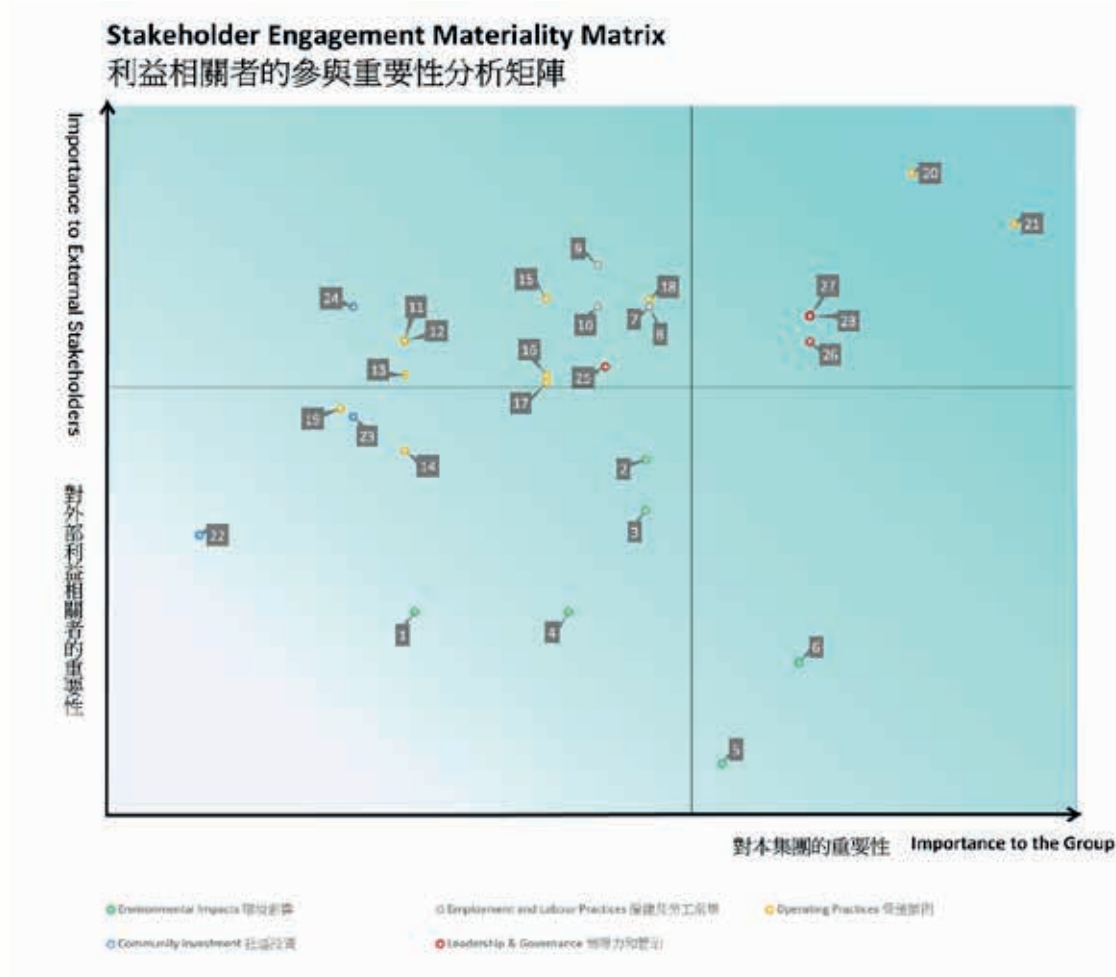
According to the materiality matrix, "Business Ethics & Anti-corruption", "Internal Grievance Mechanism", "Management of the Legal & Regulatory Environment (regulatory compliance management)", "Critical Incident Risk Responsiveness" and "Systemic Risk Management (e.g. Financial Crisis)" were being identified as the material ESG topics to the Group.

3. **Validation**

The results were reviewed and endorsed by the Board. This assessment allows the Group to effectively identify and prioritise material ESG issues, thereby facilitating the development of action plans that address the evolving needs of its stakeholders.

Sustainable Development Goals

The Group actively supports the SDGs and is committed to identifying, integrating and aligning the SDGs that are most significant to its stakeholders and business operations. The selected SDGs are treated as essential drivers for the Group's sustainability strategy. In FY2024, the Group continued its focus on the three material SDGs that were previously selected to be incorporated into its strategy.

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages

The Group highly emphasises the health and well-being of local residents in the communities where it operates. The Group, as an active participant in the tourism industry, has always prioritised the health and safety of staff and tourists at its scenic spots, while simultaneously promoting economic growth and development.

In line with this commitement, the Group ensures the effective implementarion of safety measures at its scenic areas and takes proactive steps to safguard the health of its employees, fostering a safe and secure environment for all.

4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Aligning with global efforts to promote lifelong learning opportunities for all, the Group is dedicated to providing employees with ongoing on-the-job trainings. Through job-specific trainings, the Group aims to enhance their professional skills and empower them to realise their self-value.

As an active supporter of projects that promote inclusive and equitable quality education, the Group has long been committed to providing free shuttle services for students taking the Entrance Examinations annually.

III. Stakeholder Engagement

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

The Group strives to maintain a fair and ethical business and working environment, and has a zero-tolerance policy towards all forms of corruption and bribery. In adherence to relevant laws, the Group implements a series for internal policies and procedures to combat unethical practices. For instance, new hires are required to sign a letter of integrity and understand the Group's Anti-corruption Code of Conduct.

Moreover, the Group is dedicated to safeguarding its interests throught both prevention mechanisms and a whistleblowing policy, which allows employees to report any suspected activities.

Stakeholders Feedback

As the Group strives for excellence, the Group highly welcomes stakeholders' feedback especially on topics listed as the highest importance in the materiality assessment and its ESG approach and performance. Readers are welcome to contact the Group through www.jbu.com.cn.

The Group embraces environmental preservation and community well-being as its core values and highly emphasises long-term sustainability. In FY2024, the Group implemented stringent controls on its emissions and resource consumption, and complied with the relevant environmental laws and regulations in its operating regions, including but not limited to:

- Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法);

- Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法);

- Law of the People's Republic of China on Prevention and Control of Water Pollution (中華人民共和國水污染防治法);

- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法);

- Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise (中華人民共和國環境噪聲污染防治法); and

- Energy Conservation Law of the People's Republic of China (中華人民共和國節約能源法).

This section primarily discloses the Group's policies, practices, and quantitative data on emissions, use of resources, the environment and natural resources, as well as climate change in FY2024.

A.1 Emissions

In FY2024, the Group was not in violation of any laws and regulations in relation to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and noise, that have a significant impact on the Group.

The Group's major emissions during the year under review were air and GHG emissions, non-hazardous wastewater, and hazardous wastewater. Air emissions including sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") and particulate matter ("PM") were mainly generated from vehicles for transportation and combustion of fossil fuels at stationary sources. Meanwhile, Scope 1 (Direct Emissions) from the use of transportation fuels composed a large proportion of the Group's GHG emissions profile. The Group's emissions in FY2024 were summarised in Table E1.

IV. Environmental Sustainability

Table E1 – The Group's Total Emissions by Category in FY2024 and FY2023

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2024	Intensity (Unit/employee) in FY2024 [1]	Amount in FY2023 [2]	Intensity (Unit/employee) In FY2023 [2]
Air Emissions [3]	SO_x	Kg	20.9	0.04	23.6	0.04
	NO_x	Kg	780.9	1.4	19,846.3	33.5
	PM	Kg	58.0	0.1	934.8	1.6
GHG Emissions [7]	Scope 1 [4] (Direct Emissions)	Tonnes of CO_2e	3,661.4	6.6	4,125.9	7.0
	Scope 2 [5] (Energy Indirect Emissions)	Tonnes of CO_2e	2,229.6	4.0	2,683.6	4.5
	Scope 3 [6] (Other Indirect Emissions)	Tonnes of CO_2e	95.2	0.2	69.2	0.1
	Total (Scope 1 & 2 & 3) [8]	Tonnes of CO_2e	5,983.3	10.8	6,874.8	11.6
Non-hazardous Waste	Solid Waste	Tonnes	–	–	2.2	0.004
	Wastewater [9]	m^3	118,811.2	214.8	150,928.7	254.9
Hazardous Waste	Solid Waste	Tonnes	–	–	0.5 [10]	0.001
	Wastewater	m^3	2,000	3.6	–	–

1. Intensity for FY2024 was calculated by dividing the amount of air, GHG and other emissions respectively by the total number of employees 553 of the Group in FY2024 within the reporting scope;

2. The amount and intensity for FY2023 were extracted from the data in the ESG Report 2023;

3. The calculation of air emissions included only the consumption of fossil fuels for transportation purpose;

4. The Group's Scope 1 (Direct Emissions) included the emissions arose from the consumption of liquid fuels in motor vehicles and the combustion of fossil fuels at stationary sources;

5. The Group's Scope 2 (Energy Indirect Emissions) included only the emissions arose from electricity consumption;

6. The Group's Scope 3 (Other Indirect Emissions) included the emissions arose from paper wastes disposed of at landfills, electricity used for processing fresh water and sewage by government departments, and business air travel by employees;

7. The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX, GHG Protocol Corporate Accounting and Reporting Standard and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories;

8. The total amount of GHG emissions in FY2024 included offset from 125 trees planted. The figure for FY2023 has been revised to include offset from 170 trees planted;

9. As most wastewater generated was discharged into the municipal sewage system without a clear record, the amount of wastewater generated by the Group was estimated on the assumption that 100% of freshwater used was discharged as wastewater; and

10. The total amount of hazardous solid waste includes 0.2 tonnes of sludge and 0.1 tonnes of container used for collecting hazardous substances.

Compliance

To reduce its environmental footprint, the Group is dedicated to monitoring, measuring and documenting its operational emissions. To strengthen its emissions management efforts, the Group has implemented an Environmental Protection Management Specification (環境保護管理規範). In addition, to ensure adherence to local environmental laws and regulations, the Commercial Management Department is responsible for engaging a third-party testing agency to evaluate the pollution factors related to commercial sewage and emissions. Controlling pollution levels to be remained within the national and local pollutant emission concentration standards is essential to the Group. In any case of violations, investigations are conducted to determine root causes, followed by prompt implementation of corrective measures.

Air & GHG Emissions

The Group's sales and production of LED devices business emits volatile organic compound ("VOC") during the production process. In accordance with the Group's internal policies, VOC emissions are required to be controlled under established standards, and regular inspections on the machinery have to be conducted. The Group utilises collection ducts to capture VOC, which will be purified by an external air purification unit in the ventilation system before being released into the atmosphere. During the year under review, the Group's VOC emission remained at a steady level.

In FY2024, Scope 1 emissions continued to be the major type of GHG emissions the Group emitted, accounting for around 60% of its total GHG emissions profile. In particular, both Scope 1 and Scope 2 (Energy Indirect) emissions show a decrease when compared to FY2023 with the reduction in consumption of transportation fuels and electricity respectively.

The Group's GHG emissions intensity in FY2023 and FY2024

Type of GHG emissions
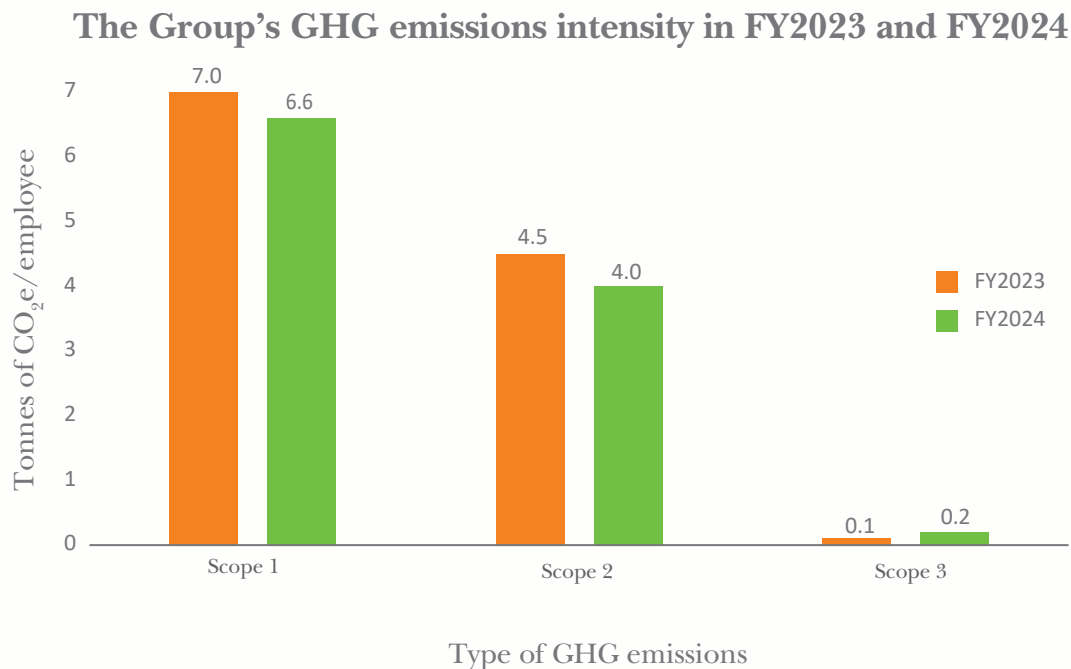
The Group is dedicated to reducing its emissions by managing its fossil fuel consumption and optimising its operations. Details on the Group's actions on initiatives for managing resource consumption will be described in section A.2 Use of Resources.

IV. Environmental Sustainability

Wastewater

In FY2024, the Group's wastewater included non-hazardous commercial and domestic wastewater, and hazardous wastewater. The Group ensures that its wastewater discharge complies with the third-level standard of the Integrated Wastewater Discharge Standard (GB8978-1996) and obtains approval from the local government prior to discharge. The municipal wastewater is directly discharged into the drainage system of the property building, while domestic sewage and construction wastewater will be treated by grease traps and septic tanks before entering the urban sewage pipe network.

Sales and Production of LED devices business

The Group strictly prohibits the discharge of wastewater into rainwater pipes, hence it ensures that the drainage pipes and rainwater pipes are kept separate. The Administrative Department is responsible for monitoring the condition of water pipes to prevent clogging and maintain proper functionality. Meanwhile, the wastewater discharged from production plants complies with the requirements specified in the Guangdong Province Discharge Standard (水污染物排放限值-廣東省地方標準) (DB44/26-2001). In FY2024, pollutants including chemical oxygen demand (CODcr), five-day biochemical oxygen demand (BOD5) and suspended solids (SS) remained at a steady level.

Recognising that wastewater generation is closely linked to freshwater consumption, the Group implements effective water-saving measures to reduce both water consumption and wastewater discharge in daily operations. Details will be discussed in section A.2 Use of Resources.

Solid Waste

The Group remains committed to integrating sustainable waste management principles into its daily operations. It continues to implement its Waste Management Measures (廢棄物處理辦法) to ensure responsible handling and disposal of waste materials as part of its commitment.

In response to nationwide waste sorting regulations, the Group has adopted waste classification practices across its operations. The Group engages qualified third parties for onsite waste classification, collection and further treatment, including reuse and recycling, in order to ensure all waste is handled properly. For solid waste that cannot be recycled, it will be transported to a waste disposal plant.

To minimise solid waste generation, the Group discourages the use of single-use items such as disposable cutlery, paper cups and tissue paper. In addition, it places slogans at prominent places in canteens to encourage employees to value food and minimise food waste.

The Group understands that reclamation and construction projects are unavoidable due to the significance of tourism development in its business. However, it also recognises the importance of aligning these projects with national policies and local requirements to effectively manage potential emissions and discharges. Therefore, the Group enforces the three-simultaneous system and strictly implements measures on ecological protection and pollution prevention and control, in order to control its impact on the surrounding environment.

Sales and Production of LED devices business

This business segment has a well-developed Solid Waste Management Control Program (固體廢棄物管理控制程序) which clearly outlines the procedures for disposing hazardous and non-hazardous waste, while ensuring effective waste handling and disposal. For instance, hazardous and non-hazardous waste must be stored separately, with clear labels indicating their classifications. In addition, employees are required to report the amount of hazardous waste generated on a designated website and leave it to a certified third-party recycling company for further treatment.

A.2 Use of Resources

In FY2024, the Group mainly consumed electricity, diesel, gasoline, water, paper, metal, and paper-made packaging materials. The Group places significant importance on the efficient use of natural resources as a core environmental priority and continuously seeks to improve its resource management performance. By setting and monitoring relevant KPIs related to procurement practices and resource consumption, the Group can identify areas for improvement and implement strategies to optimise resource utilisation.

The table below highlights the Group's resource consumption for the year under review:

Table E2 – The Group's Total Use of Resources by Category in FY2024

Use of Resources	Key Performance Indicator (KPI)	Unit	Amount in FY2024	Intensity (Unit/employee) in FY2024 [1]	Amount in FY2023 [2]	Intensity (Unit/employee) in FY2023 [2]
Energy [3]	Electricity	000' kWh	3,654.4	6.6	4,398.7	7.4
	Diesel	L	477,765.9	864.0	587,581.0	992.5
	Gasoline	L	894,940.5	1,618.3	965,235.0	1,630.5
	Total	000'kWh	17,441.3	31.5	20,042.2	33.9
Water	Water	m³	150,811.2	272.7	150,928.7	254.9
Paper	Paper	Kg	2,814.0	5.1	2,255.0	3.8
Raw materials	Metal	Tonnes	0.3	0.0005	0.2	0.0003
Packaging materials	Paper	Tonnes	0.731	0.0013	0.5	0.0008

1. Intensity for FY2024 was calculated by dividing the amount of resources the Group consumed in FY2024 by the total number of employees 553 of the Group in FY2024 within the reporting scope;

2. The amount and intensity in FY2023 were extracted from the data in the ESG Report 2023 of the Group; and

3. The energy conversion of resources consumed was based on the energy coefficient set out in "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX.

IV. Environmental Sustainability

Electricity

Same as FY2023, the tourism business and manufacturing operations were the major contributors to the Group's electricity consumption in FY2024. When compared to FY2023, the electricity consumption in FY2024 has dropped for around 17% with the adoption of electricity-saving measures.

The Group's electricity consumption in FY2023 and FY2024
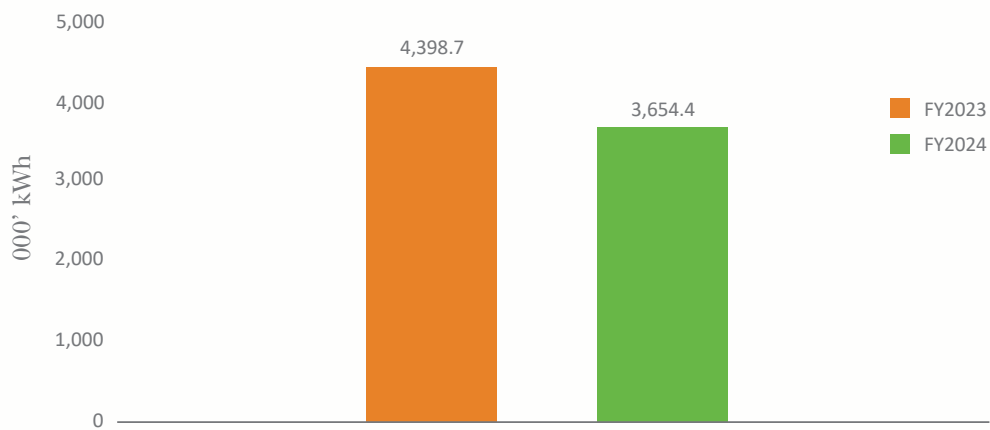
During the year under review, the Group has implemented a series of electricity saving measures, such as:

• Turn off idle lighting, air conditioner and other electrical appliances;

• Perform regular cleaning and maintenance of equipment to maintain efficiency;

• Prioritise energy efficient equipment with energy labels during procurement;

• Place stickers and posters at the workplace to encourage energy-saving practices among employees; and

• Replace high-power lamps with electricity saving lamps such as LED lightbulbs.

Other energy resources

In FY2024, the Group consumed diesel and gasoline for providing transportation services under the tourism business. The effective implementation of measures on controlling fuel consumption has successfully reduced the consumption of both diesel and gasoline. In particular, diesel consumption has dropped for about 20% when compared to FY2023.

The Group's consumption of diesel in FY2023 and FY2024
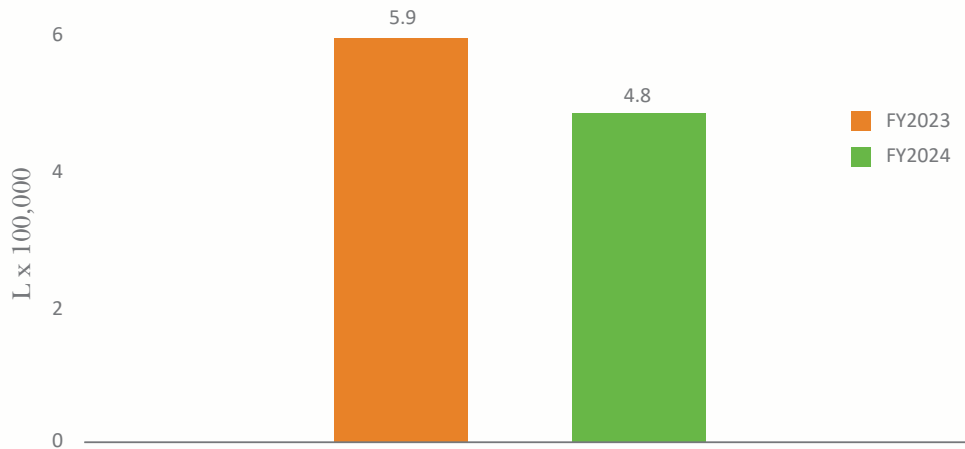
The Group has adopted the following measures on controlling fuel consumption:

• Implement centralised fleet management to minimise unnecessary transportation;

• Enhance transportation efficiency by closely monitoring the fleet and reducing the frequency of empty transport miles;

• Upgrade the fleet with energy-efficient engines;

• Promote the use of public transport among employees for commuting; and

• Utilise digital communication to reduce unnecessary business travel.

IV. Environmental Sustainability

Water

In FY2024, the Group's water consumption remained at a similar level as of FY2023.

The Group's water consumption in FY2023 and FY2024
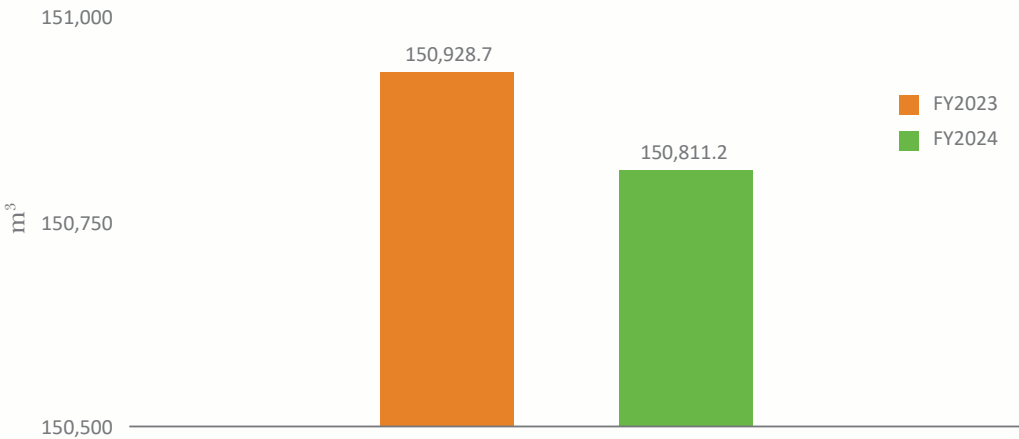
Given water is an important yet limited resource in sustaining people's lives, the Group has implemented a series of internal policies, including the Water and Electricity Safety Management Measures (水電安全管理辦法), and the following actions to improve water use efficiency:

- Promote and educate employees on the importance of water conservation;

- Place "saving water resources" banners at prominent places;

- Establish targets and water usage quotas to encourage employees to save water;

- Fix dripping taps promptly to prevent water wastage;

- Conduct regular leakage tests on water taps and joint rings, as well as performance checks on other parts of the water supply system; and

- Facilitate the reuse of treated wastewater.

Moreover, the Group has begun replacing its original water supply system with a frequency conversion water supply system. This new system provides water based on demand and specific time frames, thereby improving water usage efficiency and reduce waste of water.

During the year under review, the Group did not face any problem in sourcing water that was fit for its purpose.

Paper

The Group's paper consumption in FY2023 and FY2024
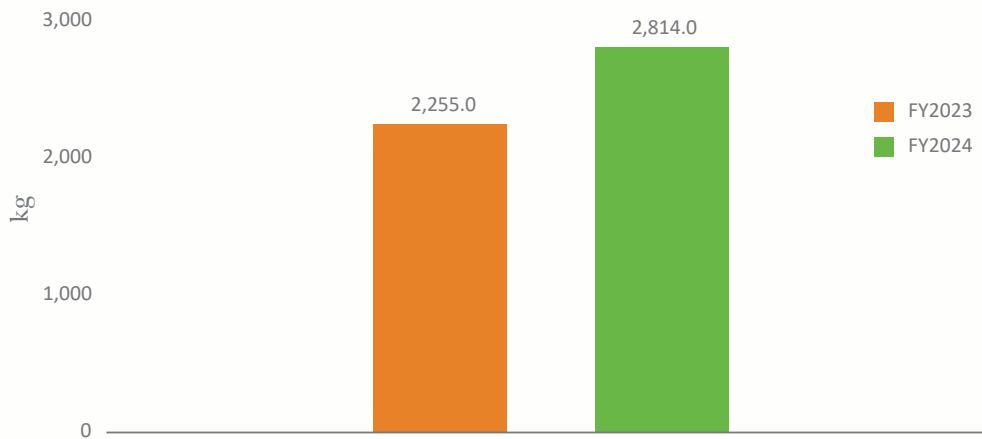
Paper was widely used across the Group's operations. In FY2024, the increase in paper consumption was due to the change in documentation of scrap orders at the production and sales of LED devices business. Still, the Group strives to lower its paper consumption with its best effort and continues to take part in recycling initiatives. The Group recycled more than 160 kg of paper during the year under review and implemented paper-saving measures below:

- Place paper trays near copy machines to collect and recycle used paper;

- Set double-sided printing as the default printing option;

- Use singled-sided paper for printing non-critical documents;

- Share information via email or electronic bulletin boards;

- Remind employees to "think before printing" to avoid unnecessary waste;

- Edit documents directly in soft copy without printing; and

- Encourage customers to opt for electronic invoices.

IV. Environmental Sustainability

The Group acknowledges that its diverse business operations can have varying degrees of impacts on the environment and natural resources. In FY2024, the relatively significant environmental impacts were the GHG emissions arising from electricity and fuel consumption, as well as an increase in paper consumption.

Despite these challenges, the Group remains steadfast in its commitment to maintaining high standards and actively fulfilling its environmental responsibilities, thus aligning with the national goal of achieving carbon neutrality by 2060. By adopting a systematic approach, the Group consistently monitors and evaluates its environmental performance, and has established the following set of environmental targets:

Areas	Targets	Actions
Air and GHG Emissions	Taking FY2024 as the baseline year, the Group aims to reduce the intensities of air pollutants and GHG emissions in financial year ending 31 December 2025 ("FY2025") to be lower than the corresponding intensities in FY2024.	The Group remains firmly committed to ensuring that all its operating vehicles comply with national standards and successfully pass the annual vehicle inspection. This process guarantees that the vehicles meet the required pollutant emission limits and measurement criteria. In addition, the Group actively explores the use of more environmentally friendly fuels as part of its ongoing efforts to reduce its GHG emissions.
Solid Waste	Taking FY2024 as the baseline year, the Group aims to maintain its solid waste intensity at the same level.	The Group is dedicated to complying with its internal policies on solid waste disposal and actively exploring alternatives to minimise waste generation throughout its operations.
Electricity	Taking FY2024 as the baseline year, the Group aims to reduce the electricity consumption intensity in FY2025 to be lower than the corresponding intensity in FY2024.	The Group has established a series of internal policies and guidelines, including the Water and Electricity Safety Management Measures (水電安全管理辦法), to guide and encourage all employees to adopt and implement sustainable practices. All subsidiaries of the Group are mandated to strictly adhere to its energy saving policies, ensuring a consistent commitment to sustainability across the organisation.

Areas	Targets	Actions
Other Energy Resources	Taking FY2024 as the baseline year, the Group aims to maintain the energy consumption intensities in FY2025 to be lower than the corresponding intensities in FY2024.	The Group remains committed to exploring cleaner fuel alternatives as part of its ongoing efforts to reduce environmental impact.
Water and Wastewater	Taking FY2024 as the baseline year, the Group aims to reduce the water consumption and wastewater discharge amount by 10% in FY2025 as compared to the figure in FY2024, assuming the overall business scope will remain unchanged.	The Group encourages water conservation among its employees by recognising their efforts towards sustainability as a part of performance appraisals, fostering a culture of environmental responsibility.
Paper	Taking FY2024 as the baseline year, the Group aims to maintain its paper consumption at the same level.	The Group actively works to minimise the use of printed documents and promotes an automated and paperless office culture to reduce paper consumption and waste.

To strengthen its effort in minimising its environmental impact, in FY2024, the Group's sales and production of LED devices business has implemented an environmental management system that was developed in accordance with the standards in the ISO 14000 family and accredited with relevant certification.

As a multifaceted enterprise, the Group recognises that each of its business segments may have distinct impacts on the environment and natural resources. Beyond setting environmental targets, the Group remains committed to maintaining high standards and focusing its efforts on advancing the principles of "Responsible travel" and "Responsible workplace".

Responsible travel

Dedicated to promoting an environmentally conscious culture and sustainable travel practices, the Group consistently works to enhance the environmental performance of its vehicle usage by adhering to national standards and ensuring vehicles pass regular inspections. Additionally, the Group encourages employees to use public transportation whenever possible and reduce unnecessary business travel by leveraging digital communication tools. These initiatives aim to minimise waste generation, lower harmful emissions, and adopt more sustainable alternatives in transportation and business operations.

IV. Environmental Sustainability

Responsible workplace

The Group is committed to fostering a sustainable workplace by implementing various energy-saving measures, such as avoiding heating or cooling of unused spaces and prioritising improved building design to optimise energy efficiency. Furthermore, a subsidiary of the Group has demonstrated its dedication to responsible environmental stewardship by conducting an Environmental Impact Assessment (EIA) and securing an Environmental Permit for a previous tourism development project. These efforts reflect the Group's ongoing commitment to ensuring environmentally responsible practices in its operations.

A.4   Climate change

Aligning with the "30·60 Dual Carbon Targets", the Group is committed to identifying and managing climate-related challenges for the benefit of its stakeholders and the planet as a supporter of the TCFD recommendations.

Recognising the growing concern from stakeholders and the increasing requirements for climate-related disclosures, the Group is proactively preparing for these demands. It has initiated preliminary steps by referencing the basic elements outlined in the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures, demonstrating its dedication to transparency and accountability in addressing climate-related risks and opportunities.

Governance

The Group takes a proactive approach in managing its climate-related risks by developing handbooks, guidelines and manuals that outline standardised procedures. Senior management is responsible for overseeing the Group's climate-related risks, ensuring that these risks are effectively addressed at all levels of operations.

In assessing and managing climate-related risks, the management holds the responsibility for designing and implementing climate-related policies at the operational level. To ensure the successful implementation of these policies and initiatives, the management facilitates two-way communication and coordination between various departments. In addition, the management is responsible for maintaining the data management systems, including environmental and financial data, to enable progress and performance tracking against the targets regarding climate-related risks.

In case where relevant issues are identified at the operational level, the management is required to report to the Board immediately. Contingency meetings are then held to discuss and determine further handling procedures.

The Board plays a critical role in overseeing the Group's operations. It monitors and reviews and effectiveness of the management approach, including evaluating metrics, targets and action plans. To ensure its capacity to oversee strategies addressing climate-related risks, the Board engages external consultant for updates on relevant standards and regulations. Board members also participate in trainings organised by professional organisations to enhance their skills and competencies in this area. Meanwhile, the Board and its committees receive information update on climate-related issues and engage in discussions on relevant matters through quarterly meetings.

Risk Management

The Group has been conducting climate risk assessment throughout the years and has identified several climate-related risks that could impact its long-term business operations.

To better understand and address these risks, the Group has conducted a materiality analysis to evaluate their significance and potential consequences. Recognising that climate-related risks affect not only the organisation but also other members of the society, the Group has engaged with both internal and external stakeholders to gain insights into their concerns and expectations regarding these risks.

Risk		Potential Impact
Acute Physical Risk	• Increasing frequency of extreme weather events.	Severe weather conditions and frozen roads present a significant threat to the safety of both staff and tourists in the scenic areas. These hazardous conditions increase the likelihood of accidents, which can raise safety concerns among tourists. Consequently, such concerns may result in a decline in visitor numbers, adversely impacting the Group's revenue. In addition to the potential revenue loss, the Group may need to allocate additional financial resources to implement enhanced safety measures for tourists, as well as provide compensation for injuries sustained by either tourists or staff. These factors could lead to an increase in the Group's operating costs.
Chronic Physical Risk	• Change in weather patterns.	Changes in weather patterns may make some of the Group's scenic areas inaccessible to visitors, reducing their attractiveness and limiting tourist activity. Furthermore, these changes could hinder the Group's ability to explore and develop new scenic areas.

IV. Environmental Sustainability

The Group proactively identify and assess climate-related risks specific to its operations and value chains in order to effectively monitor and manage them. This is followed by the development of appropriate strategies to mitigate their impact. In support of these efforts, the Group will establish robust systems to collect and analyse relevant data and metrics. These systems will enable the Group to track progress on its mitigation measures and identify areas for improvement.

The Group is committed to closely monitoring emerging climate-related risks and staying informed about regulatory changes. The Group will regularly review and improve its approach to climate-related risk monitoring and management to further strengthen its resilience towards climate change. Meanwhile, it will ensure the management system is supported by appropriate governance structures and accountability mechanisms. In addition, the Group will provide training programmes to raise employees' awareness and understanding of climate change.

Strategy

In response to the identified climate-related risks, the Group has implemented emergency plans to ensure the safety of both staff and tourists during severe weather events. Relevant guidelines have also been established to equip staff with the knowledge for promptly handling accidents. Furthermore, the Group has increased the frequency of safety inspections to safeguard the well-being of all.

While no immediate severe impacts on the Group's operations have been identified, the Group remains vigilant and acknowledges the potential climate impact on its financial performance. To address this, the Group is working on strategies to evaluate the financial impacts of climate change and to quantify the associated risks. This includes analysing the costs of implementing adaptation measures and exploring opportunities for investing in sustainable practices.

Although the Group has not yet quantified the impacts of its identified climate-related risks or fully designed specific climate transition plans, it remains committed to making informed decisions and allocating resources effectively. By adopting a forward-looking approach, the Group aims to address climate-related risks while seizing potential opportunities arising from climate trends.

EMPLOYMENT AND LABOUR PRACTICES

The Group regards its employees as one of its most valuable assets, recognising that their quality, performance and dedication are essential to sustaining the Group's long-term growth and success. As such, the Group is committed to promoting human rights, diversity, inclusion and ethical behaviour within the workplace, and embedding them into its employment policies.

B.1 Employment

In FY2024, a total of 553 employees were employed under the Group, in which 372 were male and 181 were female. Details on the Group's employee distribution is illustrated in Table S3 in the APPENDIX – PERFORMANCE TABLE.

Law compliance

In FY2024, the Group abided by the relevant laws and regulations in its operating regions that were material to the Group's business, including but not limited to:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);

- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong);

- Labour Law of the People's Republic of China (中華人民共和國勞動法);

- Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法);

- Minimum Wage Standards (最低工資規定); and

- The Social Insurance Law of the People's Republic of China (中華人民共和國社會保險法).

To ensure the Group's employment policies stay aligned with the latest laws and regulations, the Human Resources Department is responsible for reviewing and updating corporate documents regarding talent management on a regular basis.

Recruitment and promotion

As outlined in the Recruitment Management System (招聘錄用制度), the Group strictly adheres to the principles of democracy, openness, impartiality and excellence during the recruitment process. All applicants undergo a standardised selection procedure, which includes a written test to evaluate their professional skills, comprehensive ability assessments and interview. Only those who have successfully pass all stages will be officially hired.

In addition, the Group conducts regular performance evaluations to assess the contributions and achievements of its employees. Those who consistently deliver outstanding performance, especially in areas of growth and operational excellence, are considered for promotion to management roles. The Group also prioritises the career development of junior staff by providing them with a structured career development path. Meanwhile, as a recognition of dedication and contributions, employees who have served the Group for over three years are offered promotions and salary increments.

V. Social Sustainability

Compensation and dismissal

The Group's Salary Management System (薪資管理制度) ensures a transparent structure for employee compensation, which is composed of a fixed monthly salary, subsidies under specific conditions and bonuses. Regular compensation reviews and salary adjustments are conducted, taking into account market conditions, inflation rates, the Group's profitability, and employee performance. These reviews aim to motivate, reward and recognise individuals who have made significant contributions to the Group.

The Group strictly prohibits any form of unlawful or unreasonable dismissals. The termination of an employment contract is carried out solely on fair and lawful grounds, in compliance with the Dismissal Management System (解聘管理制度) and relevant laws and regulations. In FY2024, the turnover rate of the Group was 9.4%. Details can be found in Table S4 in the APPENDIX – PERFORMANCE TABLE.

Working hours and rest period

The Group ensures reasonable working hours and designated rest periods for its employees in alignment with the Provisions of the State Council on Employees' Working Hours (國務院關於職工工作時間的規定). The Attendance Management System (考勤管理制度) is implemented to monitor employees' working hours. While the Group discourages overtime work, employees who work overtime are entitled to corresponding compensation based on the Assessment Management System or their employment contracts.

Employees are provided with basic paid annual leave and statutory holidays as required by local governments. Additional leave benefits such as marriage leave, paternity leave and compassionate leave are also provided to employees.

Equal-opportunity and anti-discrimination

The Group is committed to fostering a fair, respectful and inclusive workplace as an equal opportunity employer. It actively promotes a team culture that values diversity and leverage the unique strengths of its multicultural workforce. The Group's policies on training and promotion opportunities, dismissals and retirement are determined irrespective of employees' gender, race, age, disability, family status, marital status, sexual orientation, religion beliefs, nationality or any other non-job-related factors.

The Group maintains a zero-tolerance policy towards workplace discrimination, harassment and victimisation. Internal policies that align with relevant laws and regulations have been developed, and the Human Resources Department is responsible for monitoring compliance with applicable laws and regulations. Moreover, the Group reinforces fair treatment and consideration in daily practices to uphold its commitment of eliminating all forms of discrimination and harassment in the workplace. Employees are encouraged to voice concerns and report incidents of discrimination or harassment experienced or witnesses during work.

To further promote gender equality, the Group conducts training programmes focused on fairness to provide female employees with a better understanding of their rights and interests, aiming to increase their self-protection awareness.

Benefits and welfare

The Group is dedicated to the well-being of its employees, striving to create a supportive workplace that fosters a sense of belonging. To this end, the Group offers a range of additional benefits and welfare such as insurances, medical check-ups, subsidies for working under hot weather, as well as activities including Chinese New Year gathering, dinner parties and day trips.

During the year under review, the Group complied with relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

B.2 Health and Safety

The Group places the utmost importance on the safety and well-being of its employees, acknowledging that maintaining the highest standards of safety and employee protection is essential. To fulfil this commitment, the Group has implemented comprehensive internal health and safety policies that strictly comply with the applicable laws and regulations in the regions where it operates.

In FY2024, the Group complied with relevant laws and regulations, including but not limited to:

- Production Safety Law of the People's Republic of China (中華人民共和國安全生產法);

- Road Traffic Safety Law of the People's Republic of China (中華人民共和國道路交通安全法);

- Law of the People's Republic of China on Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法);

- Fire Control Law of the People's Republic of China (中華人民共和國消防法);

- Law of the People's Republic of China on the Protection of Rights and Interests of Women (中華人民共和國婦女權益保障法);

- Regulation on Emergency Responses to Work Safety Accidents (生產安全事故應急條例); and

- Regulation on Work-Related Injury Insurance (工傷保險條例).

Other than the above regulations, the production lines of the sales and production of LED devices business segment strictly adhere to the Regulations on Labor Protection in Workplaces Where Toxic Substances Are Used (使用有毒物品作業場所勞動保護條例), Regulation on the Safety Management of Hazardous Chemicals (危險化學品安全管理條例) and Regulations on Preparedness for and Response to Emergent Public Health Hazards (突發公共衛生事件應急條例).

V. Social Sustainability

In addition to regular emergency drills and safety inspections, the Group organises training programmes on safety management requirements, fire safety regulations and the prevention of infectious diseases. In line with the Provisions on the Prevention of Occupational Hazards and Labour Protection of Female Employees (職業病防治及女職工勞動保護規定) and Regulations on the Distribution and Use of Protection Equipment (勞動防護用品發放使用規定), the Group ensures that employees are equipped with adequate personal protection equipment.

To maintain a safe working environment, all employees are required to strictly follow the Group's internal safety production management policies and regulations, including the Office Safety Management Regulations (辦公場所安全管理規定) and the Quality, Occupational Health and Safety Management Manual (質量職業健康安全管理手冊). The Security Department conducts regular safety inspections, while the Administrative Department organises medical check-ups for employees. The General Manager is responsible for supervising and ensuring the effective implementation of relevant safety measures.

The Group's dedication to workplace safety is demonstrated by its robust internal safety protocols, which have resulted in zero work-related fatalities in the past three financial years. In the event of any injuries or accidents, an Accident Investigation Report (意外事故調查報告) has to be completed and submitted to the Administrative Department within 24 hours. The Group thoroughly reviews all incidents and convenes meetings to analyse the root causes and establish preventive measures to avoid similar occurrences in the future.

In FY2024, there were 2 work-related injuries recorded with 75 lost days due to work-related injury. The Group complied with relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group.

B.3   Development and Training

The Group highly values its employees and believes that nurturing talented individuals is vital for its long-term development. Therefore, the Group strives to provide all employees with the opportunity to train and develop, thereby maintaining and improving its competitiveness. Moreover, the Group is committed to fostering a strong sense of identity among employees and supporting their multifaceted growth and development. As such, the Group offers its employees with pre-job training and on-the-job training, as well as recommending them to take post-graduate studies.

The Group has established a Training Management System (培訓管理制度) to support the development of its employees in alignment with the principle of "Fairness, Competition, Rewards" (公平、競爭、獎優). The Human Resources Department is responsible for formulating the Annual Training Plan, which outlines the objectives, content, time and participants of the planned training programmes.

The Group arranges customised training courses for both newly employed and experienced staff members. For newcomers, the Group provides them with a comprehensive induction training that familiarises them with the corporate culture, business process, work safety requirements, management policies and development philosophy of the Group, in order to facilitate a smooth transition into their respective roles and ensure they have a solid understanding of the organisation's values and expectations. Meanwhile, experienced employees benefit from collaborative training programmes in partnership with domestic technology research institutes and equipment manufacturers. These programmes aim to improve their technical and product knowledge, provide insights into relevant industry standards, as well as strengthening awareness of workplace safety standards.

In FY2024, the Group provided 442 staff with 3,475 hours of training on topics such as health and safety, operations and service management. More details regarding the number of staff trained and the training hours can be found in Tables S5 and S6 in the APPENDIX – PERFORMANCE TABLE.

B.4 Labour Standards

In FY2024, the Group abided by relevant labour laws and regulations in its operating regions to prohibit any child and forced labour employment, including but not limited to:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);

- Labour Law of the People's Republic of China (中華人民共和國勞動法); and

- Law of the People's Republic of China on the Protection of Minors (中華人民共和國未成年人保護法).

To combat illegal employment of child labour, underage workers and forced labour, the Group strictly abides by the requirements stated in the State Council's Provisions on the Prohibition of Using Child Labour (禁止使用童工規定) and the Ministry of Human Resources and Social Security's Provisions on Special Protection of Underage Workers (未成年工特殊保護規定). The Group formulates internal management measures according to the above regulations, and the measures are clearly outlined in the Staff Handbook and Recruitment Management Specifications (招聘管理規範).

According to the Group's Prohibition of the Use of Child Labour and Underage Labour Management Systems (禁止使用童工和未成年工管理制度), the Human Resources Department is responsible for checking the identity documents of all job applicants. This is to ensure that they are lawfully employable prior to confirmation of any employment. The Human Resources Department also monitors and reviews identity documents of current employees', and updates the records monthly in order to ensure proper implementation of the Group's policies.

In cases of incompliance with relevant labour laws, regulations or standards, the Group holds responsible personnel accountable and communicates across the organisation. The Group then engages in discussions to identify areas for improvement in its recruitment process, labour protection and grievance system, thereby taking preventive actions to avert similar incidents in the future.

V. Social Sustainability

Furthermore, the Group reaffirms its dedication to upholding and promoting human rights throughout its supply chain, extending beyond its internal systems and practices. All suppliers and contractors are required to recognise and adhere to fair labour practices. If any violations are discovered, the suppliers or contractors will be removed from the list of qualified suppliers, and business relationships will be terminated until corrective measures have been taken.

In FY2024, the Group complied with applicable laws and regulations in relation to the prevention of child and forced labour that have a significant impact on the Group.

OPERATING PRACTICES

B.5 Supply Chain Management

Suppliers and business partners are integral to the Group's business sustainability. To align with its responsibilities as a socially responsible enterprise, the Group is committed to fostering long-term and mutually beneficial relationships with its suppliers, while promoting sustainable practices throughout the value chain.

The Group adheres to the Supplier Conduct Code which outlines the ethical, environmental and social criteria for supplier selection, in order to ensure responsible and sustainable procurement. By partnering with suppliers who demonstrate responsible business operations, the Group reinforces its commitment to sustainable procurement and the creation of share value within its supply chain.

The Group's subsidiaries strictly monitor supplier quality and evaluate their practices. An internal supplier evaluation checklist is used to assess suppliers based on criteria such as product quality control, product traceability, complaint handling, non-conformity control and environmental hazardous substance management. Through these evaluations, the Group aims to minimise potential environmental and social risks across the supply chain.

Sales and Production of LED devices business

The Procurement Department conducts monthly or quarterly performance assessments of suppliers in alignment with the Supplier Conduct Code. Suppliers must pass these assessments to retain their status as qualified suppliers of the Group.

Moreover, to mitigate potential environmental impacts, this business emphasises green procurement policies in addition to conducting performance evaluations. These policies require suppliers to provide materials that comply with relevant regulations, such as:

• Restriction of Hazardous Substances ("RoHS");

• Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH);

• Halogen-free (HF); and

• Material Safety Data Sheet (MSDS).

Suppliers must submit reports that meet European Union standards before being officially engaged to ensure compliance.

Tourism development business

The Procurement Department conducts a comprehensive assessment to evaluate potential suppliers. Factors such as product quality, experience, service quality, financial status and operational stability will be considered in the assessment. In the final evaluation, all selection factors and associated risks are carefully considered, allowing the Group to make informed decisions and establish a competitive supply chain system.

The Group's Supplier Database records all its qualified suppliers and undergoes an annual review process. Meanwhile, the Group fosters collaboration with its suppliers through regular communication, including phone calls, online meetings, emails and on-site visits.

Meanwhile, the Group's green procurement policies focus on the environmental impact of supplied materials. Focusing on material quality, the Group requires its suppliers to provide evidence that their materials supplied comply with RoHS regulations. For suppliers providing design materials, they must submit relevant environmental protection information about the manufacturer to ensure credibility.

Suppliers certified as green partners and possessing ISO 14001 certification will be listed as priority procurement partners. In addition, the tourism development business aims to achieve 80% of its business partners being local suppliers within the next five years, further supporting the creation of a green value chain.

Metallic products trading business

This business segment complies with the Group's internal Trader Access Criteria (貿易商准入標準), requiring suppliers to adhere to relevant laws and regulations relating to environmental management and occupational health and safety management systems. To identify and mitigate any potential environmental and social risks, the Procurement Department conducts a preliminary background check on potential partners using external resources, such as TianYanCha, to ensure that they have not been involved in non-compliance or litigation cases.

As part of its commitment to green procurement, the Group prioritises suppliers with strong environmental performance. Suppliers holding national environmental protection system certification and quality system certification are highly valued, as they comply with relevant environmental protection policies and requirements. If any supplier is found to be involved in environmental litigation, the Group will terminate the partnership immediately.

In FY2024, the Group were in stable communication and collaboration with 135 key suppliers which all of them are in the PRC. The supplier engagement policies are applied to 120 of the Group's key suppliers, and 54 key suppliers are included in the Group's green procurement policies.

V. Social Sustainability

B.6 Product Responsibility

Law Compliance

Investment business

During the reporting year, the investment business segment complied with relevant laws and regulations, including the Price Law of the People's Republic of China (中華人民共和國價格法). The Group strictly adheres to its internal control policies, including the Safety Production Management Measures (安全生產管理辦法) and Investment Management System (投資管理制度), to mitigate operational risks and ensure standardised operations. These policies aim to promote institutionalisation, standardisation and systematisation of safety management and supervision, while effectively preventing accidents, eliminating potential hazards and ensuring responsible investment practices.

The Inspection Department is responsible for monitoring the implementation of the aforementioned control measures, and assessing their rationality, completeness and effectiveness. Due to the nature of the Group's business, number of products recall for safety and health reasons, as well as recall procedures, are not applicable thus will not be discussed in this section.

Tourism development business

In FY2024, this business segment of the Group complied with relevant laws and regulations, including but not limited to:

• Production Safety Law of the People's Republic of China (中華人民共和國安全生產法);

• Product Quality Law of the People's Republic of China (中華人民共和國產品質量法);

• Price Law of the People's Republic of China (中華人民共和國價格法); and

• Regulation of the People's Republic of China on Road Transport (中華人民共和國道路運輸條例).

Quality and Safety

Guided by the vision of "Safety is life, Service is soul" (「安全是生命，服務是靈魂」), the Group is committed to employee health and safety while maintaining exceptional service quality. The Group has implemented a series of internal policies, such as the Code of Service Behaviour and Language Usage (服務行為和用語規範) in guiding staff behaviour, and the Non-conforming Control Management Procedures (不合格控制管理程序) which addresses instances of substandard staff performance, in order to ensure that its services meet the standards.

Sales and Production of LED devices

The Testing and Inspection Procedure (產品檢驗管理程序) establishes a clear framework for testing and inspection, which applies to all materials and products. Before processing any orders and proceeding to the production process, all materials must be certified. During production, an On-going Reliability Test is conducted for each batch of products, and shipments proceed only after the products have successfully passed the test.

Tourism development business

The Safety Production Committee has formulated a safety management system to ensure the safety of all tourists in the scenic areas. Regular safety inspections and supervision are conducted in accordance with the requirements of Occupational Health and Safety Management System (GB/T 45001-2020), Quality Management System (GB/T19001-2016) and Basic Requirement for Enterprise Safety Production Standardisation (GB/T 33000-2016).

Customer Satisfaction and Complaint Handling

The Group prioritises customer feedback as a driving force for continuous improvement in service quality. Therefore, it conducts an annual satisfaction survey to evaluate its performance and identify areas of improvement.

Tourism development business

In addition to the satisfaction survey, the Group has implemented the Customer Re-interview Specification (客戶回訪工作規範) to gather insights into customers' opinions about service quality and their experiences in scenic areas. The Customer Service Department is responsible for managing tourist service quality, while a 24-hour service hotline is available to ensure timely handling of all customer opinions.

The Group continuously improves the transparency of its hotline operation and management with internal control measures such as the Hotline Service Specification (熱線服務規範) and Complaint Acceptance and Handling Service Specification (投訴受理及處理服務規範). These measures enable the Group to have standardised internal procedures for managing complaints effectively, thus maintaining public image.

In FY2024, the Group did not receive any complaints. However, the Group remains committed to monitoring the quality of its products and services across all business segments and striving for further improvement.

Intellectual Properties and Innovations

The Group fosters a culture of innovation through its Enterprise Management Innovation Work Procedures (企業管理創新工作程序). It incentivises employees to propose reasonable and feasible suggestions for operational improvements, thereby enhancing the Group's operations.

Moreover, the Group actively applies for intellectual property rights, including trademarks, labels, product designs and self-developed technical know-how. Legal counsel is engaged to provide advice and promptly address any intellectual property rights violations, in order to ensure protection of its intellectual properties.

Advertising and Promotions

The Advertising Planning Department and Marketing Department are responsible for developing marketing strategies and designing advertising materials. All materials undergo internal verification to ensure compliance with the Advertising Law of the People's Republic of China (中華人民共和國廣告法). Meanwhile, to prevent exaggerated or misleading content, the Group employs an experienced legal counsel to review and monitor the advertisements and marketing materials prior to release.

V. Social Sustainability

Data Security and Privacy Matters

Maintaining credibility is essential for the Group's investment business, and safeguarding information security and data protection are critical to maintaining its competitiveness. All business-relevant information is securely stored within the Group's internal system.

The IT Department is responsible for establishing and monitoring firewalls and restrictions to prevent unauthorised data exports or leaks. Personal data collected is used solely for defined purposes, and employees are strictly prohibited from disclosing confidential information to external parties without authorisation.

To further enhance security, the Group's intranet is encrypted to prevent any unauthorised access or data exportation. In the manufacturing business, customer codes are used throughout the ordering and sales procedures to protect customers' information.

During the year under review, the Group did not receive any substantial complaints from its customers regarding its products and services quality, and no privacy information or sensitive data leakage incident has been reported.

In FY2024, the Group complied with the relevant laws and regulations regarding health and safety, advertising, intellectual property, labelling and privacy matters of its products and services that are material to the Group. Due to its business nature, labelling-related issues are deemed not material, thus will not be discussed in this Report.

B.7 Anti-corruption

The Group recognises the importance of fostering stable and trustworthy relationships with its customers, business partners, and other key stakeholders. Committed to maintaining a fair, ethical and efficient business and working environment, the Group strives to promote a culture of ethical behaviour and operate with integrity.

In FY2024, the Group adhered to relevant laws and regulations relating to bribery, extortion, fraud and money laundering, including but not limited to:

- Anti-Corruption Law of the People's Republic of China (中華人民共和國反腐敗法);

- Law of the People's Republic of China on Anti-money Laundering (中華人民共和國反洗錢法);

- Interim Provisions on Banning Commercial Bribery (關於禁止商業賄賂行為的暫行規定);

- Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國不正當競爭法);

- Article 274th of the Criminal Law of the People's Republic of China on extortion and fraud (中華人民共和國刑法第二百七十四條關於敲詐勒索); and

- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

To uphold an atmosphere of integrity, all new hired employees are required to sign a letter of integrity and familiarise themselves with the Group's Anti-corruption Code of Conduct (反貪污行為守則). To further strengthen its commitment to business ethics and mitigate business risks, the Group has implemented a comprehensive Internal Control Process (內部控制指引), which defines specific responsibilities and schedules for various control audits.

To promote integrity, legality, and operational efficiency, the Group has implemented a Prevention System of Conflict of Interest (利益衝突防範制度). This system demonstrates the Group's dedication to meaningful reforms and the continuous improvement of prevention mechanisms. Meanwhile, when negotiating significant contracts with external partners, the Group follows a strict and transparent process to safeguard its interests. At least two individuals are required to make inquiries simultaneously, ensuring that no hidden or secret deals take place. Before signing any contract, the business, financial and compliance departments thoroughly review the terms and conditions to eliminate any potential loopholes.

Meanwhile, the Group emphasises the cultivation of a social spiritual civilisation and the development of an ideological and moral mindset among its staff. In FY2024, although the Group did not organise anti-corruption trainings, the Group will continue to uphold its commitment to combating commercial bribery and reinforcing anti-corruption awareness.

Furthermore, the Group has implemented a whistleblowing policy to enable employees to report any suspected activities. The Human Resources and Administrative Department handles and investigates reports of suspicious or illegal behaviour to ensure the Group's interests are safeguarded. When a reported crime is substantiated, the President's Office is responsible for monitoring, reviewing and taking appropriate actions.

In FY2024, no concluded legal cases regarding corrupt practices brought against the Group or its employees was recorded. The Group complied with the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that is material to the Group.

V. Social Sustainability

COMMUNITY

B.8 Community Investment

The Group recognises the importance of generating long-term shared value for the local communities and enhancing the well-being of the residents. By fostering strong relationships with the communities in which it operates, the Group is committed to supporting community activities and creating local job opportunities. In FY2024, the Group focused its community investment efforts on the following two areas:

Education Support

Same as last year, the Group continued to show its support to students who are attending the Entrance Examinations (中考、學考及高考) by providing caring shuttle bus services for them to ensure that they arrive at the exam venues safely.

Safety of the Communities

The Group's volunteer teams in Hengyang City, Hunan Province, actively participated in various community activities. In particular, the volunteers organised 48 safety patrols, four times in a month, which two volunteers are responsible for each patrol in the community.

Table S3. Number of Employees by Gender, Age Group, Position, Employment Type and Geographical Locations of the Group in FY2024 [1]

Unit: Number of employees	Age group				
Gender	Aged 30 or below	Aged between 31 and 40	Aged between 41 and 50	Aged 51 or above	Total
Male	28	103	137	104	372
Female	40	69	51	21	181
Total	68	172	188	125	553

Unit: Number of employees	Position			
Gender	General staff	Middle management	Director and Senior management	Total
Male	328	32	12	372
Female	156	17	8	181
Total	484	49	20	553

Employment type		
Full time	Part time	Total
553	0	553

Geographical location	
Locations	Number of employees
PRC	546
Hong Kong	7
Total:	**553**

1. The employment data in headcount was obtained from the Group's Human Resources Department based on the full-time employment contracts entered into between the Group and its full-time employees. The data only covered full-time employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group within the reporting scope. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

VI. Appendix – Performance Table

Table S4. Employee Turnover Rate by Gender, Age Group and Geographical Locations of the Group in FY2024 [1]

Unit: Number of employees	Age group				
Gender	Aged 30 or below	Aged between 31 to 40	Aged between 41 to 50	Aged 51 or above	Total
Male	11	9	9	6	35
Employee turnover rate	39.3%	8.7%	6.6%	5.8%	9.4%
Female	5	5	4	3	17
Employee turnover rate	12.5%	7.2%	7.8%	14.3%	9.4%
Total	16	14	13	9	52
Total employee turnover rate	23.5%	8.1%	6.9%	7.2%	9.4%

Geographical locations		
Locations	Employee turnover	Employee turnover rate
PRC	51	9.3%
Hong Kong	1	14.3%

1. The turnover data in headcount was obtained from the Group's Human Resources Department based on the full-time employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of full-time employees who resigned in FY2024 by the number of full-time employees as of the end of FY2024. The above data only covers the workplace within the reporting scope. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

Table S5. Number and Percentage of Employees Trained in the Group by Gender and Position Type in FY2024 [1]

Unit: Number of employees	Position			
Gender	General staff	Middle management	Director and Senior management	Total
Male	295	18	5	318
Employees trained	66.7%	4.1%	1.1%	71.9%
Female	114	8	2	124
Employees trained	25.8%	1.8%	0.5%	28.1%
Total	409	26	7	
Employees trained	92.5%	5.9%	1.6%	

Total number of employees trained	442
Total number of employees	553
Total percentage of employees trained	79.9%

1. The training information was obtained from the Group's Human Resources Department. Training refers to the vocational training that the Group's employees attended in FY2024. The above data only covers the workplace within the reporting scope. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

Table S6. Training Hours Received by the Employees of the Group by Gender and Position Type in FY2024 [1]

Unit: Training Hours	Position			
Gender	General staff	Middle management	Director and Senior management	Total
Male	2,183	143	59	2,385
Average training hours	6.7	4.5	4.9	6.4
Female	1,010	64	16	1,090
Average training hours	6.5	3.8	2.0	6.0
Total	3,193	207	75	3,475
Average training hours	6.6	4.2	3.8	6.3

1. The training information was obtained from the Group's Human Resources Department. The above data only covers the workplace within the reporting scope. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

VII. Report Disclosure Index

HKEX ESG Guide content index

Aspects	ESG Indicators	Description	Page/Remark
A. Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations	13
	KPI A1.1	The types of emissions and respective emissions data.	14
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	14
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	14
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	14
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	22
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	16-17
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	18-21
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	17
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	17
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	22
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	20, 23
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	17
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	22
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	22-23
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	24-26
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	24-26

Aspects	ESG Indicators	Description	Page/Remark
B. Social			
Employment and Labour Practices			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	27
	KPI B1.1	Total workforce by gender, employment type (for example, full– or parttime), age group and geographical region.	39
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	40
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	29
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	30
	KPI B2.2	Lost days due to work injury.	30
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	30
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer	30-31
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	41
	KPI B3.2	The average training hours completed per employee by gender and employee category.	41
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	31
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	31-32
	KPI B4.2	Description of steps taken to eliminate such practices when discovered	31-32

VII. Report Disclosure Index

Aspects	ESG Indicators	Description	Page/Remark
Operating Practices			
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	32
	KPI B5.1	Number of suppliers by geographical region.	33
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	32-33
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	32-33
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	32-33
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	34
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	34
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	35
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	35
	KPI B6.4	Description of quality assurance process and recall procedures	34
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	36
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	36
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	37
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	37
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	37
Community			
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	38
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	38
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	38

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