UNITAS HOLDINGS LIMITED

宏海控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8020)

2024/2025
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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I. PREAMBLE

Following the successful restoration and diversification of its logistics service business, Unitas Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**", "**we**", "**us**" or "**our**") have maintained strong momentum in expanding our business segments and developing new customer relationships. Through strategic negotiations with various customers, charterers, shipping agencies and freight forwarders, the Group has further strengthened and diversified its logistics service portfolio throughout the year.

Our IP automation and entertainment business continues to demonstrate robust performance, with IP-related brand management and marketing consulting services for entertainment venues representing a significant portion of the Group's revenue. The surge in demand for entertainment and leisure activities has created valuable growth opportunities that the Group has actively capitalised on. The "Ganawawa" shop has successfully reversed its previous performance challenges, while our "Sooper Yoo" integrated edutainment and sports experience playground continues to gain market traction. The Group has expanded its strategic partnerships with mall operators and property management companies, securing additional venues for entertainment operations across the People's Republic of China ("**Mainland China**") and Hong Kong.

Adapting to the evolving regulatory landscape in the shipping industry, the Group recognises the critical importance of a robust sustainability management framework for long-term business success. The complex implications of sustainability-related challenges present notable risks to sustained growth. In response, the Group has implemented proactive measures to identify, control, and mitigate risks throughout its business operations and value chain, while enhancing resilience against future market uncertainties.

As a Hong Kong-based enterprise primarily engaged in IP automation and entertainment services alongside dry bulk shipping and logistics services, the Group embraces its responsibility to drive positive industry transformation. Sustainability principles have been fully integrated into our core business strategies and daily operations. The Group continues to enhance its environmental, social, and governance ("**ESG**") performance through environmental stewardship, social responsibility initiatives, and adherence to high governance standards. Through collaborative partnerships with stakeholders and industry peers, we are fostering a corporate culture of sustainability that ensures long-term development in today's dynamic global business environment.

II. REPORTING BOUNDARY & PRINCIPLES

In compliance with the requirements under Appendix C2 – Environmental, Social and Governance Reporting Guide (the "**ESG Guide**") of Rules Governing the Listing of Securities on GEM (the GEM Listing Rules) of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Group is pleased to present its ESG Report (the "**Report**") for the financial year ended 31 March 2025 ("**FY2024/2025**", or "**the year under review**"). This Report demonstrates the Group's approach and performance in ESG management and corporate sustainable development, under the "Comply or Explain" provision. For the corporate governance section, please refer to the Corporate Governance Report in the Group's 2024/2025 Annual Report.

A complete content index table is available at the end of this Report for readers' convenience to check its integrity. This ESG Report is prepared in both English and Chinese. Should there be any conflict or inconsistency, the English version shall prevail.

Boundary Setting

The Group's IP automation and entertainment business includes the operation of the shop "Ganawawa" in Hong Kong, which is an IP thematic experience centre providing different IP products from automation gift machines, thematic game machines, carnival game booths and retail outlets. In FY2024/2025, the new "Ganawawa" shop opened at AEON stores, Lai Chi Kok, Hong Kong, will be included in the Report's reporting scope.

The business also includes the integrated edutainment and experience playground "Sooper Yoo" opened in Westwood, Hong Kong. In addition, the provision of IP-related brand management and marketing consulting services are also included in the business boundary.

Although the Group successfully restored its logistic services in the fourth quarter of 2021, this Report will only cover the data and information on the social aspect of this business segment, including operations in the Mainland China. The Group is committed to further enhancing its data collection methodology in the near future to provide a more comprehensive view of its environmental performance.

Given the Group's business nature and the considerations above, the reporting scope of this Report covers the management policies along with environmental and social performances of the Group's businesses of i) IP automation and entertainment business and ii) dry bulk shipping and logistic business under the operational control approach.

Reporting Principles

This Report has been prepared in accordance with the reporting principles as stated in the ESG Guide, namely Materiality, Quantitative, Balance, and Consistency.

Materiality

The Group follows the principle of Materiality to effectively identify key ESG issues and allocate resources appropriately for managing ESG-related risks. The Group periodically conducts a materiality assessment by distributing online surveys to its key stakeholders. This allows the Group to identify material ESG issues that may impact the Group in the long term, based on feedback from stakeholders regarding various ESG-related issues. For more information, please refer to the chapter **Stakeholder Engagement**.

Quantitative

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

Balance

The Group aligns with the principle of Balance and presents a holistic view of its ESG performance to ensure its stakeholders receive accurate and meaningful ESG information for informed decision-making. The Group is fully transparent on its outstanding achievements and rooms for improvement.

Consistency

The Group utilises a consistent reporting framework and data calculation method as previous years to facilitate peer comparison and meaningful cross-year analysis. In case of any significant differences from the previous reporting framework, corresponding explanation will be made.

III. MESSAGE FROM THE BOARD

Dear Valued Stakeholders,

On behalf of the Board of Directors (the "**Board**"), I am pleased to present this ESG Report, outlining the Group's approach, performance and commitment to corporate sustainability for FY2024/2025.

Throughout our journey, the Group has maintained a robust corporate governance structure to effectively manage sustainability initiatives. As the highest governance authority, the Board oversees all ESG-related issues and integrates sound ESG management approaches into our sustainable development framework. During the year under review, we maintained our enhanced governance structure to achieve effective management of ESG-related risks.

Our ESG Management Approach

To ensure optimal resource allocation towards priority ESG matters, we conducted stakeholder engagement to identify material ESG-related issues that may impose significant impacts on our sustainable development. In FY2024/2025, we collaborated with external ESG consultants to identify and prioritise these issues through stakeholder engagement and materiality assessment. Key stakeholders rated ESG-related issues by level of concern, and the consolidated results were mapped in a materiality matrix. These findings were subsequently validated and endorsed by the Board. We remain committed to dedicating greater resources to material issues that are most relevant to our business operations. For further details, please refer to the chapter **Stakeholder Engagement**.

Meanwhile, we have updated our short-term targets on ESG performance following careful analysis of historical performance data. Demonstrating our commitment to sustainable development, we have formulated and implemented action plans to reduce emissions and energy consumption, accelerating our transition towards greener operations. The Board reviews these targets annually as part of the ESG Report preparation process. More detailed information is available in the subsections headed **Targets and Actions** under the chapter **Environment and Natural Resources**.

Looking Ahead

In FY2024/2025, the Group continued its focus on strengthening core operations. As global economic recovery gains momentum and markets rebound, the increasing demand for entertainment presents excellent opportunities to explore transformative paths toward a sustainable and prosperous future. Accordingly, we regularly review our ESG-related goals and targets while introducing enhanced measures to align our practices with evolving industry standards. We are also committed to expanding the scope of our ESG reporting to provide stakeholders with a more comprehensive understanding of our environmental performance across all operational activities.

Last but not least, I would like to express my sincere gratitude to our dedicated staff for their valuable contributions throughout the year, and to our stakeholders, customers, and business partners for their unwavering support in our journey toward a sustainable future.

Ho Chiu Ha Maisy
Chairlady and Executive Director
Hong Kong, 21 July 2025

IV. ESG MANAGEMENT STRATEGY

In light of the unprecedented global changes in recent years, the Board has identified emerging challenges related to various ESG-related issues, including climate change, environmental degradation, resource scarcity, and increasing inequality. The Group is committed to establishing a robust ESG management strategy and integrating sustainability into its development plan, in order to effectively manage the potential impacts of these crises.

The Group employs a "top-down" management approach for its ESG management, and the Board is responsible for overseeing all ESG-related matters. Moreover, the Group adopts a two-way dialogue mechanism between management and employees that fosters better communication and transparency throughout the organisation, ensuring employee practices align with the Group's rules and guidelines.

Furthermore, the Group has developed a set of KPIs on its Greenhouse Gas ("**GHG**") emissions and use of resources, in order to monitor its progress on ESG-related goals and targets effectively. The management periodically assesses the Group's environmental performance against these targets and reports the findings to the Board for review. By actively monitoring its progress toward ESG objectives, the Board can ensure the effectiveness of relevant practices and identify areas for improvement.

The Group continues to study and benchmark global standards and frameworks related to sustainable development, which outline universally accepted objectives, challenges, and opportunities for creating a more sustainable future. The Group makes reference to these insights to strengthen its governance framework, while ensuring compliance with legal requirements and meet stakeholders' expectations.

V. STAKEHOLDER ENGAGEMENT

The Group's ESG management is founded on effective stakeholder engagements. To this end, the Group fosters open communication and strong relationships with its key stakeholders, ensuring their needs and concerns are addressed promptly. By actively engaging with key stakeholders, the Group not only shares its sustainability achievements but also stays informed about emerging risks and opportunities in the markets. The Group has maintained stable connections with its stakeholders over the years through various channels, integrating their diverse insights to enhance its ESG management policies.

Communication with Key Stakeholders

Stakeholders	Expectations and Concerns	Communication Channels
Government and regulatory authorities	• Law and regulation compliance • Anti-corruption policies	• Supervision on the compliance with local laws and regulations • Routine reports and tax payments
Professional organisation	• Fulfil environmental and social responsibilities • Enhance sustainable development system	• Online surveys • Telephone discussions

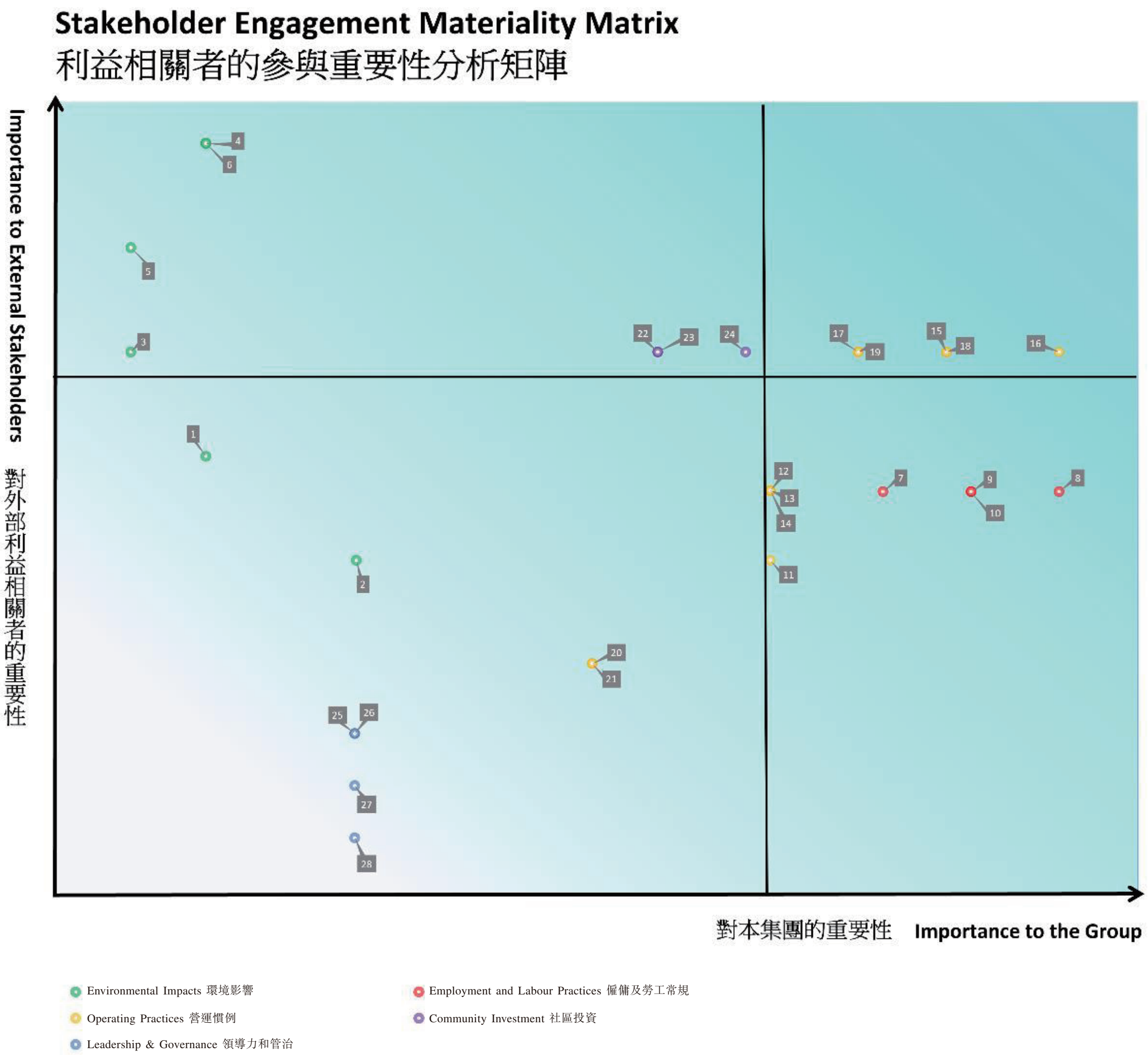
Stakeholders	Expectations and Concerns	Communication Channels
Employees	• Employees' remuneration and benefits • Systematic risk management • Career development • Training opportunities • Occupational health and safety • Sound grievance mechanism and internal communication	• Performance appraisal • Regular meetings and training courses • Written comments via emails, notice boards, telephone calls and team building activities
Customers	• High-quality products and services • Operation with integrity • Involvement in discussions with the Group about ESG affairs • Cultivation of local employment	• Face-to-face communication with customers
Shareholders	• Return on investments • Corporate governance • Law and regulation compliance	• Regular reports • Announcements • Annual general meetings
Suppliers	• Protect the rights of partners • Support local economic development • Create a sustainable development model • Participate in philanthropy	• Open tenders • Business meetings, phone calls and on-site visits • Seminars and workshops • Email and circulars
General public	• Business compliance • Conform to business ethics	• Regular reports • Announcements

Materiality Assessment

The Group recognises that ESG risks and opportunities identified by stakeholders differ based on their backgrounds and business activities. As such, it periodically conducts a comprehensive materiality assessment to identify the major concerns and expectations of its stakeholders regarding ESG issues.

In FY2024/2025, we engaged an external consultancy to conduct a materiality assessment to identify material ESG issues that were most related to our business operations. Representatives of internal and external stakeholders were selected based on their influence and degree of dependence on the Group. Selected stakeholders were then invited to rate against the list of ESG issues through filling an online questionnaire. The list of ESG issues covered topics on environmental impacts, employment and labour practices, operating practices, community investment, and leadership and governance.

After collecting and analysing the responses of the stakeholders, the results have been summarised into a materiality matrix shown as below.



1	GHG Emissions	15	Product/Service Quality and Safety
2	Energy Management	16	Customer Privacy and Data Security
3	Water and Wastewater Management	17	Marketing and Promotion
4	Solid Waste Stewardship	18	Intellectual Property Rights
5	Climate Change Mitigation and Adaptation	19	Labelling Relating to Products/Services
6	Renewable and Clean Energy	20	Business Ethics and 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 and Regulatory Environment (regulation-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)

Through the materiality assessment, "Product/Service Quality and Safety", "Customer Privacy and Data Security", "Marketing and Promotion", "Intellectual Property Rights" and "Labelling Relating to Products/Services" were identified as the most material ESG issues to the Group. The results were reviewed and validated by the Board. The Group strives to allocating more time and resources to develop comprehensive strategies to address these issues. Other issues will also be discussed in various sections of this ESG Report.

In addition to the most material issues, the Group also invited its stakeholders to provide insights on the United Nations Sustainable Development Goals ("**SDGs**") that align with its business strategy. Goal 1 – No Poverty, Goal 3 – Good Health and Well-Being and Goal 4 – Quality Education were selected as the prioritised SDGs for the Group's sustainable development.

Stakeholders' Feedback

Striving for excellence, the Group appreciates stakeholders' feedback and opinions, especially on the most material topics as listed in the materiality assessment. Readers are also welcome to share their views on ESG matters with the Group at:

Email: admin@chanceton.com
Telephone: (852) 2158 9999
Fax: (852) 2543 9311

VI. ENVIRONMENTAL SUSTAINABILITY

The Group embraces the concept of a circular economy, thus it strives to minimise its environmental impacts while pursuing long-term business growth. To achieve this, the Group has integrated low-carbon elements into its environmental management practices to reduce its environmental footprint during daily operations. In FY2024/2025, the Group remained committed to its environmental goals by complying with relevant environmental laws and regulations in Hong Kong, including but not limited to the *Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong)*.

This section primarily discloses the Group's policies, practices and performance on emissions, use of resources, the environment and natural resources, as well as climate-related management during the year under review. Please refer to Tables 1 and 2 in the **Appendix** for details on the Group's emissions and use of resources.

Emissions

Given its business nature, the Group did not generate any air emissions during its operations. In FY2024/2025, the GHG emissions generated by the Group were mainly Scope 2 (Energy Indirect) emissions from the consumption of purchased electricity for the daily operations of its head office and shops. In response to the call to combat climate change and striving for net-zero carbon emissions by the Hong Kong Government, the Group is dedicated to exploring alternatives to reduce carbon emissions and resource consumption.

Since the solid waste generated by the Group was uniformly collected and managed by the property management of the buildings where the Group operates, accurate records of the waste volume generated during the year under review were not available.

In FY2024/2025, the Group complied with 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.

GHG Emissions

As electricity consumption is essential for daily operations, the Group recognises its crucial role in reducing GHG emissions. To this end, various initiatives have been implemented to control its electricity consumption, and the Group has maintained detailed records of its electricity usage for systematic monitoring and comparison. The Group's policies for managing GHG emissions associated with energy consumption will be further described in the subsection titled **Electricity** under the section **Energy & Resources**.

Moreover, the Group considers Scope 3 (Other Indirect) GHG emissions generated from business air travel in FY2023/2024 and FY2024/2025 to be insignificant and immaterial when compared to the overall GHG emissions. Therefore, data related to Scope 3 GHG emissions will not be disclosed in this Report according to the principle of Materiality.

Wastewater & Solid Waste

During the year under review, the Group did not generate any significant amount of hazardous waste. The non-hazardous waste generated from the Group mainly consisted of commercial wastewater and municipal solid waste, including paper, from daily operations. The wastewater was discharged directly into the municipal drainage system, while solid waste was uniformly handled by the property management of the buildings.

Although specific waste amounts are not recorded, the Group is committed to further controlling its waste discharges and enhancing waste management practices. A series of measures have been implemented to reduce waste generation at the source, which will be detailed in the next section **The Environment and Natural Resources**.

Recognising that the amount of wastewater discharged highly correlates with water consumption, the Group has adopted a series of water-saving measures to improve its water usage in daily operations. Further details on these approaches will be discussed in the subsection titled **Water** under the section **Energy & Resources**.

Energy & Resources

In FY2024/2025, the Group mainly consumed electricity, water and paper during its operations, and did not consume significant amount of packaging materials. More information on the Group's resource consumption during the year under review is illustrated in Table 2 in the **Appendix**.

Electricity

Daily operations in the offices and shops constitute the primary sources of electricity consumption for the Group. To effectively manage electricity usage and further reduce its Scope 2 emissions, the Group has implemented several measures ensuring that its offices and shops adhere to its electricity-saving principles, including:

- Turning off all idling electronic equipment, including lights and air conditioners;
- Placing "Save electricity and turn off the lights when you leave" reminders in prominent areas of the workplace to promote resource conservation awareness;

- Conducting regular inspection and maintenance of electrical appliances to ensure optimal operational efficiency; and
- Designating internal coordinator(s) responsible for collecting, evaluating and managing the Group's electricity consumption data to support ESG reporting and drive continuous improvement initiatives.

Water

While the Group's business operations do not involve significant water consumption, it fully recognises water as a precious and finite resource. To promote water conservation efforts, the Group has implemented several initiatives to improve water resource management, including:

- Repairing dripping taps promptly to prevent further leakage;
- Prioritising water-efficient equipment with Water Efficiency Labels during procurement; and
- Educating employees regarding water conservation awareness and water-saving practices.

In FY2024/2025, the Group did not face any problem in sourcing water fit for its purpose.

Paper

Paper is one of the major resources that the Group consumes during its daily operations. To encourage its employees to save paper, the Group has implemented a series of internal practices promoting the "Paperless Office" and "Automation Office" concepts, aiming to reduce paper consumption at its source. In addition, the Group actively encourages all employees to participate in paper reuse and recycling initiatives. Specific relevant practices and measures include:

- Encouraging information dissemination by electronic means (i.e., emails or e-bulletin boards);
- Educating employees on paper-saving practices;
- Setting duplex printing as the default mode for most network printers; and
- Placing posters and stickers to remind staff to avoid using disposable paper products.

Environment and Natural Resources

Although our business nature and operational patterns do not generate significant impact on the environment and the natural resources, we recognised that GHG emissions, primarily from the purchase and consumption of electricity, represent a notable component of our environmental footprint. To enhance our environmental stewardship, we have conducted a thorough assessment of our energy consumption patterns to drive continuous improvement in environmental performance.

Given the effective implementation of energy-saving measures, there was a fall in the intensity of our Scope 2 GHG emissions in FY2024/2025 when compared to the previous year. We have developed and implemented environmental policies ensuring environmentally responsible operations and compliance with applicable laws and regulations. During the year under review, we thoroughly evaluated our historical performance and updated our targets on emissions and use of resources, as detailed in the table below.

Targets and Actions

Areas	Targets	Actions
GHG Emissions	As the majority of the Group's GHG emissions arise from electricity purchased and consumed, the reduction target for GHG emissions is aligned with the electricity reduction target. Taking FY2023/2024 as the baseline year, the Group targets to lower the intensity of its GHG emissions by 20% within the same business scope in FY2025/2026.	The intensity of the Group's GHG emission decreased by 26% in FY2024/2025, as compared to that of the target baseline year FY2023/2024. The Group strives to further reduce its GHG emissions by strictly implementing electricity-saving measures and exploring the application of renewable energy.

Areas	Targets	Actions
Solid Wastes	Taking FY2023/2024 as the baseline year, the Group targets to lower the intensity of non-hazardous solid waste generated by 20% within the same scope in FY2025/2026.	Since the non-hazardous solid waste is managed by the property management, the Group did not have the actual amount of waste disposed. Adhering to the 3R principle of "Reduce, Reuse and Recycle", the Group will continue its waste management efforts and encourage its employees to actively participate in waste recycling.
Electricity	Taking FY2023/2024 as the baseline year, the Group targets to lower the intensity of electricity consumption by 20% within the same scope in FY2025/2026.	The intensity of the Group's electricity consumption in FY2024/2025 remained similar to that in FY2023/2024. To maintain its good performance, the Group will continue with its effective implementation of electricity-saving measures and explore energy-efficient appliances during procurement to enhance its overall energy efficiency.
Water and wastewater	The amount of water consumed by the Group during the year under review was calculated based on appropriate assumptions. Due to challenges in obtaining accurate data on water consumption and wastewater discharge, the Group is cautious about setting specific reduction targets for these metrics. Nevertheless, the Group is committed to adhering to its internal water conservation policies and strengthening relevant education work.	

Climate Change

Climate change is leading to significant and widespread impacts across both nature and human society. The Group acknowledges the urgent need to address this issue and is committed to taking proactive measures to manage climate-related risks, while identifying potential business opportunities. Following the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"), the Group conducted an evaluation to identify the material climate-related risks that could significantly impact its business operations, as described below.

Risk	Potential Impact	
Physical Risk	• Increased severity and frequency of extreme weather events	• Severe weather events, such as heavy rain and tropical cyclones, may disrupt shipping and logistic services. These delivery delays may result in higher operating costs, introducing additional uncertainties and challenges to business growth.
Transition Risk	• Enhanced reporting obligations on carbon emissions • Introduction on carbon pricing	• Enhanced reporting obligations may lead to increased compliance costs for the Group due to the need for additional monitoring and reporting. • The implementation of carbon pricing will incur external costs, necessitating investments in technology and equipment upgrades for the Group.

The Group is now in the early phases of developing climate change mitigation and adaptation strategies. Moving ahead, the Group will dedicate resources and attention to comprehending the impacts of climate change on its business and developing corresponding plans. The Group plans to perform a scenario analysis to assess its climate resilience and enhance strategic flexibility. Additionally, the Group will proactively explore and capitalise emerging market opportunities as it transitions toward a low-carbon business model.

VII. SOCIAL SUSTAINABILITY

EMPLOYMENT AND LABOUR PRACTICES

Employment

The Group acknowledges its workforce as the foundation of its long-term business success and development. Therefore, the Group prioritises the comprehensive well-being of its employees and remains dedicated to fostering a diverse, inclusive, and supportive working environment for all employees. Through offering development pathways and professional training opportunities, the Group enables its employees to realise their potential and continuously improve their professional capabilities, achieving mutual growth for both individuals and the Group.

As of 31 March 2025, there were a total of 66 employees under the Group's employment. The breakdown of the Group's workforce in terms of age, gender and position levels can be found in Table 3 in the **Appendix**.

Law compliance

In FY2024/2025, the Group complied with the relevant laws and regulations, 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);*
- *Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong); and*
- *Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong).*

To ensure the Group's employment practices align with the latest laws and regulations, the Human Resources Department regularly reviews and updates its human resource management policies.

Recruitment and promotion

To maintain its competitiveness, it is of top priority for the Group to attract and retain talents. Therefore, the Group has implemented robust recruitment policies to regulate the recruitment process and employee management. It offers fair and competitive remuneration packages that take into account candidates' background, personal attributes, working experiences and career aspirations. Furthermore, employees who demonstrates outstanding performance are eligible to promotion opportunities which the Group offers with reference to market benchmarks.

Compensation and dismissal

The Group regularly reviews its remuneration policies in line with industry standards and market trends. Meanwhile, the Group periodically conducts performance appraisals, in order to ensure all employees are recognised and compensated appropriately for their contributions and efforts. All employment decisions, including appointments, promotions, and terminations, are made on reasonable and lawful grounds. The Group has also implemented strict dismissal procedures to prohibit any form of unfair or illegitimate dismissal. During the year under review, the Group's turnover rate was approximately 39.4%. Details on the Group's turnover rate can be found in Table 4 in the **Appendix**.

Working hours and rest periods

Employees' working hours and rest periods are defined based on local employment laws and regulations. In addition to the basic annual leave and statutory holidays, employees are entitled to extra leave benefits, including sick leave, marriage leave, maternity leave, paternity leave and compassionate leave.

Equal opportunity, diversity and anti-discrimination

Committed to promoting inclusion as an equal opportunity employer, the Group believes that a dynamic workforce with diverse backgrounds leads to better performance and achievement. To this end, the Group advocates for equality in the workplace and maintains a zero-tolerance policy for any form of workplace discrimination, harassment, or vilification. All decisions regarding hiring, training, promotion, dismissal and retirement are made irrespective of its employees' age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality, religion or any other non-job-related elements.

To prohibit discrimination in the workplace, the Group implements all necessary measures and requires its employees to respect one another. The Group also encourages its employees to report any concerns regarding workplace discrimination to the Human Resources Department. Upon receiving a report, the Human Resources Department will investigate the incident and take necessary disciplinary actions promptly.

Other benefits and welfare

The Group prioritises the well-being of its employees, encompassing both physical and mental health. To boost morale and foster a sense of belonging, the Group provides year-end bonus and organises various entertaining activities to strengthen team cohesion. During the year under review, the Group organised festive parties and dinner gatherings for its employees.

In FY2024/2025, the Group was not in violation of 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.

Health and Safety

Occupational health and safety is considered a top priority for the Group. Aligning with its corporate commitment, the Group strives to create a healthy and secure environment for all employees. Moreover, to mitigate the occupational health and safety risks faced by its employees, the Group integrates health and safety elements into its business operations. In FY2024/2025, the Group complied with the applicable laws and regulations regarding the protection of occupational health and safety, including the *Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)*.

The Group has established internal health and safety policies as a measure to further safeguard its employees' health and safety. The policies offer clear and practical guidance on preventing work-related risks for all employees in the office and shops. The Group continuously monitors the implementation of these policies to ensure their effectiveness. With reference to the recommended practices outlined in Occupational Health and Safety Management Systems (ISO45001: 2018), the Group developed and enforced the following measures:

- Maintaining and cleaning the air-conditioning systems on a regular basis;
- Promoting the "5S" concept in workplace management;
- Disinfecting carpets and office equipment regularly; and
- Prohibiting smoking and drinking liquor in the workplace.

The Group requires its employees to promptly report any unsafe practices, injuries, accidents or safety-related hazards to their supervisors. In addition, the Group designates shop managers in charge of the operations, and the Operation Manager to identify, control and manage the potential occupational health and safety risks. During the year under review, the Group did not record any work-related injuries or lost days due to work injury, and no work-related fatalities have been recorded in the past three years (including the reporting year).

In FY2024/2025, the Group was not in violation of material relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that may have a significant impact on the Group.

Development and Training

The Group recognises that its employees are essential to maintaining competitiveness in the marketplace and places great importance on talent cultivation and professional development. Therefore, it provides opportunities and resources to support the growth of its employees.

Meanwhile, internal policies have also been implemented to encourage the Group's employees to achieve continuous improvement through training. In addition to internal training, employees are encouraged to enrol in job-related courses and external training programmes to enhance their professional knowledge and skills. The Group also offers reimbursement for employees who have completed relevant vocational qualification examinations and obtained certifications.

Although the Group did not provide any training programmes for its employees in FY2024/2025, it will explore opportunities to arrange diversified training for its employees in the future.

Labour Standards

The Group strictly adheres to the *Employment Ordinance (Cap. 57 of the Laws of Hong Kong)* to prevent child and forced labour. To combat child labour, underage workers, and forced labour, the Group has established internal policies that standardise recruitment and employment procedures. Specifically, the Human Resource Department requires all job applicants to provide valid identity documents and materials, including academic transcripts and ID cards, to ensure they are lawfully employable.

To ensure compliance with applicable laws and regulations, the Group regularly reviews and updates its internal policies regarding employment practices. The Human Resource Department is responsible for monitoring recruitment and employment procedures. In identification of any practices that violate against relevant labour laws, regulations or standards, the Group will terminate the relevant employment contract immediately, and the corresponding employees will be disciplined accordingly. A report will be made to the police when deemed necessary by the senior management.

In FY2024/2025, the Group was not in violation of any relevant laws and regulations, in relation to the prevention of child and forced labour that have a significant impact on the Group.

OPERATING PRACTICES

Supply Chain Management

The Group understands it is critical to maintain a stable and sustainable supply chain for its business development. As such, the Group continuously optimises its supply chain management by identifying and eliminating potential environmental and social risks along its value chain. The Group has formulated and implemented its Compliance Manual for supplier management, requiring suppliers to adhere to the relevant policies and guidelines outlined in the Manual.

The Group evaluates suppliers based on criteria such as production/service cost, quality, and post-sale service during the supplier selection process. To address risks arising from the supply chain, the Group has implemented relevant internal policies and conducts due diligence for suppliers before engagement. The Group's procurement team reviews the environmental performance and social responsibility fulfilment of the suppliers on a regular basis to ensure their performance meets expectations.

The Group extends the concept of sustainability to its value chain as part of its commitment to environmental protection. Aiming to enhance sustainability performance, the Group adopts green procurement principles and prioritises products and services with better environmental performance, in particular local procurement which helps to reduce carbon emissions from upstream transportation and distribution. In FY2024/2025, the Group maintained stable relationships with 13 suppliers which are all located in Hong Kong. The Group's supply chain management and green procurement policies applied to five of its suppliers.

Product Responsibility

In FY2024/2025, the Group complied with the relevant laws and regulations in Hong Kong regarding health and safety, advertising, labelling and privacy matters with respect to its operations, products and services, and methods of redress that have a significant impact on the Group, including but not limited to:

- *GEM Listing Rules;*
- *Companies Ordinance (Cap. 622 of the Laws of Hong Kong);*
- *Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong); and*
- *Consumer Council Ordinance (Cap. 216 of the Laws of Hong Kong).*

In consideration of the Group's business nature and the principle of Materiality, health and safety, advertising and labelling-related issues are considered not significant to the Group, thereby not being discussed in this ESG Report.

Maintaining product/service quality

While promoting ongoing business growth, the Group strives to maintain the quality of its products and services. To provide customers with satisfactory experience, the Group continuously improve its service quality by promptly addressing emerging technical and operational risks.

Furthermore, the Group conducts business activities in accordance with local ordinances and requires employees to uphold high standards of integrity and professional ethics. To enhance service quality effectively, the Group values customer feedback and maintains active communication to address their concerns promptly.

To ensure customers receive high-quality products, the Group has established a robust quality control system and conducts regular quality inspections to prevent the distribution of unsatisfactory products. Moreover, its internal recall guidelines clearly describe standardised recall procedures. If a defective product posing health concerns or quality issues is identified, the Group will promptly initiate actions to recall the products from its shop following its recall procedures.

During the year under review, no products of the Group were subjected to recalls due to health and safety reasons.

Complaint handling

The Group places great importance on customer feedback and views complaints as a powerful tool for driving business improvement. By maintaining effective communication channels, the Group seeks customer input to understand their needs and expectations.

Upon receiving a complaint, the relevant department will conduct a thorough investigation in accordance with internal guidelines. After the head office has confirmed the results, the Group will take appropriate actions. Customers are kept informed of the investigation process and handling results within a specified timeframe.

During the year under review, the Group did not receive any substantial complaints.

Protecting customer privacy

The Group complies with applicable laws and regulations regarding customer privacy. To prevent personal information leakage, the Group implements measures to protect the interest of its customers. The principles, requirements and procedures related to personal data management are clearly outlined in the Employee Handbook.

The Information Technology Department implements and monitors policies related to customer data protection and privacy. Additionally, it regularly reviews practices related to personal data protection to ensure that all customer data of is used solely for the purpose for which it was collected.

During the year under review, there were no substantiated complaints received by the Group concerning the breaches of customer privacy and losses of customer data.

Intellectual property rights

The Group places great importance on protecting intellectual property rights as intellectual property automation and entertainment is one of its major business segments. During the year under review, the Group implemented internal guidelines to safeguard its intellectual property rights, including requirements on protecting confidential business secrets and other proprietary intellectual properties.

Regarding collaborations with renowned brands or IP for crossover activities, the Group engages the Legal Department and signs a cooperation agreement with the involved IP owner before entering into a commercial contract.

Anti-Corruption

Committed to fostering a corporate culture built on transparency and integrity, the Group acknowledges the importance of ethical business operations and has zero tolerance towards any form of corruption. To support this commitment, the Group has formulated and implemented internal anti-corruption policies, which have been communicated effectively to all employees.

In FY2024/2025, the Group complied with the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group, including but not limited to:

- *Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong); and*
- *Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).*

The Group has established an effective grievance mechanism to protect its interest thus to combat corruption and illegal behaviours. The whistleblowing procedures allow employees to report any suspected inappropriate or illegal behaviour to the Group's Audit Committee, either verbally or in writing, with supporting evidence. Upon receiving a report, the Audit Committee conducts a confidential investigation and verification process to protect the whistle-blower from retaliation and reprisals. For substantiated illegal activities, the Group will take appropriate actions and report to relevant regulators or law enforcement authorities, as deemed necessary by the management.

Although the Group did not arrange any training in FY2024/2025, it will continue to educate its employees on relevant knowledge to further enhance their understanding on anti-bribery and corruption.

During the year under review, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees. The Group was also not in violation of any local relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

COMMUNITY

Community Investment

The Group understands its corporate social responsibilities and is dedicated to engaging in community activities to support local development. Since its establishment, the Group has been contributing to a harmonious and sustainable future by creating values and lasting impacts on the community it serves. Other than providing job opportunities and engaging with local suppliers, the Group also encourages its employees to actively participate in social activities.

During the year under review, although the Group did not organise or participate in any community activities or charitable activities, it will enhance local construction efforts and actively seek more opportunities to give back to society.

LOOKING FORWARD

Looking ahead, the Group will strive to enhance its ESG performance and gradually adopt best practices aligned with industry standards, aiming for long-term success while maintaining stable and sustainable business operations.

APPENDIX

Table 1 The Group's Total Emissions by Category in FY2024/2025 and FY2023/2024

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2024/2025	Intensity (Unit/ Floor Area m^2) in FY2024/2025 [1]	Amount in FY2023/2024 [2]	Intensity (Unit Floor Area m^2) in FY2023/2024 [2]
GHG Emissions [4]	Scope 1 (Direct Emissions)	Tonnes of CO_2e	–	–	–	–
	Scope 2 (Energy Indirect Emissions) [3]	Tonnes of CO_2e	133.6	0.05	90.5	0.07
	Total (Scope 1 & 2)	Tonnes of CO_2e	133.6	0.05	90.5	0.07
Non-hazardous Waste [5, 6]	Wastewater	m^3	58.0	0.02	30.0	0.02

1. *Intensity for FY2024/2025 was calculated by dividing the amount of GHG and other emissions respectively by the Group's floor areas of operations of one office and three shops in Hong Kong in FY2024/2025, which was around 2,573.1 m^2;*
2. *The amount and intensity in FY2023/2024 were extracted from the data set out in the Group's ESG report for FY2023/2024;*
3. *The Group's Scope 2 (Energy Indirect Emissions) only included the emissions arose from the consumption of purchased electricity;*
4. *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 the Stock Exchange and Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong;*
5. *The total amount of wastewater generated by the Group was primarily based on the estimation of assuming 100% of the fresh water consumed by the Group will enter the sewage system in areas where an accurate recording of the amount of wastewater was hard to obtain; and*
6. *Since the non-hazardous solid waste is handled by the property management, the Group did not have the actual amount of waste disposed. Aiming to enhance its reporting accuracy, the Group chose not to estimate the amount of waste disposed in FY2024/2025 and will explore more accurate measurement approaches.*

Table 2 Total Resource Consumption in FY2024/2025 and FY2023/2024

Use of Resources	Key Performance Indicator (KPI)	Unit	Amount in FY2024/2025	Intensity (Unit/ Floor Area m^2) in FY2024/2025 [1]	Amount in FY2023/2024 [2]	Intensity (Unit Floor Area m^2) in FY2023/2024 [2]
Energy	Electricity	kWh	229,682	89.26	136,150.0	108.88
	TOTAL [3]	kWh'000	229.7	0.09	136.2	0.11
Water	Water [4]	m^3	58.0	0.02	30.0	0.02
Paper	Paper	kg	225.0	0.09	150.0	0.12

1. *Intensity for FY2024/2025 was calculated by dividing the amount of resources that the Group consumed in FY2024/2025 by the Group's floor areas of operations of one office and three shops in Hong Kong in FY2024/2025, which was around 2,573.1 m^2;*
2. *The amount and intensity in FY2023/2024 were extracted from the data set out in the Group's ESG report for FY2023/2024;*
3. *The total energy was calculated based on "How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange; and*
4. *In FY2024/2025, the amount of water consumption only includes the data from the Group's head office and Sooper Yoo in the Westwood. With the enhancement in the new approaches in its measurement of water consumption, the Group has refined its water management and monitoring through recording a more accurate amount of water usage. The Group will keep on looking for more convincible techniques that cover all business activities in the future.*

Table 3 Number of Employees by Age Group, Gender, Employment Type, Position Level and Geographical Location of the Group in FY2024/2025 [1]

Unit:Number of employees	Age group					
Gender	Aged below 30	Aged between 30 and 39	Aged between 40 and 49	Aged between 50 and 59	Aged 60 or above	**Total**
Male	9	5	4	2	1	21
Female	30	8	4	2	1	45
Total	39	13	8	4	2	66

Employment type		
Full time	Part time	**Total**
42	24	66

	Position level				
Gender	General staff	Middle managerial level	Senior managerial level	Chief executive level management	**Total**
Male	13	6	2	0	21
Female	35	5	3	2	45
Total	48	11	5	2	66

Geographical location	
Mainland China	24
Hong Kong	42
Total	**66**

1. *The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered 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 aforementioned 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 the Stock Exchange.*

Table 4 Employee Turnover Rate by Age Group, Gender and Geographical Locations in FY2024/2025 [1]

Unit: Number of employees	Age group					
Gender	Aged below 30	Aged between 30 and 39	Aged between 40 and 49	Aged between 50 and 59	Aged 60 or above	**Total**
Male	12	2	1	0	0	15
Employee turnover rate	133.3%	40.0%	25.0%	0.0%	0.0%	71.4%
Female	7	3	1	0	0	11
Employee turnover rate	23.3%	37.5%	25.0%	0.0%	0.0%	24.4%
Total	19	5	2	0	0	26
Total employee turnover rate	48.7%	38.5%	25.0%	0.0%	0.0%	39.4%

Geographical locations		
Locations	**Employee turnover**	**Employee turnover rate**
Mainland China	26	108.3%
Hong Kong	0	0%

1. *The turnover data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees, within the aforementioned reporting scope. Turnover rates were calculated by dividing the number of employees who left the Group in FY2024/2025 by the number of employees in FY2024/2025. 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 the Stock Exchange.*

REPORT DISCLOSURE INDEX

Aspects	ESG Indicators	Description	Page
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 NO_x, SO_x, 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.	27
	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).	27
	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).	27

Aspects	ESG Indicators	Description	Page
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	16
	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.	14, 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.*	14, 15
	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).	28
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	28
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	17
	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.	15, 17
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	14

Aspects	ESG Indicators	Description	Page
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	16
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	16
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.	18
	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.	18
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.	19
	KPI B1.1	Total workforce by gender, employment type (for example, full-or parttime), age group and geographical region.	29
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	30

Aspects	ESG Indicators	Description	Page
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.	21
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	21
	KPI B2.2	Lost days due to work injury.	21
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	21
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.*	22
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	22
	KPI B3.2	The average training hours completed per employee by gender and employee category.	22

Aspects	ESG Indicators	Description	Page
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.	22
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	22
	KPI B4.2	Description of steps taken to eliminate such practices when discovered	22
Operating Practices			
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	23
	KPI B5.1	Number of suppliers by geographical region.	23
	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.	23
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	23
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	23

Aspects	ESG Indicators	Description	Page
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.	23
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	24
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	24
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	25
	KPI B6.4	Description of quality assurance process and recall procedures	24
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	24, 25

Aspects	ESG Indicators	Description	Page
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	25
	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	26
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	26
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	26
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.	26
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	26
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	26