



倩碧控股有限公司

Simplicity Holding Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8367

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

2025

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Simplicity Holding Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), are pleased to present its annual Environmental, Social and Governance Report (this “**Report**”) of the Group for the financial year ended 31 March 2025.

This Report aims to explain the sustainable development of our principal business segment during the financial year.

The Company is an investment holding company and its subsidiaries are principally engaged in the business of casual dining full service restaurant operations (“**Catering business**”) and aircraft’s engine stand repairing and maintenance services (“**Engineering Business**”). For details of the Group’s businesses, refer to “Business Overview” under the “Management Discussion and Analysis” Section.

This Report is to provide an overview of the Group’s management upon the ESG-related issues in the operation, summarises the performance of the Group in respect of corporate social responsibility, covering its operating activities which are considered as material by the Group. With the aim to optimise and improve the disclosure requirements in the Report, the Group has taken initiative to formulate policies, record relevant data, implement and monitor measures. This Report shall be published both in Chinese and English on the website of Stock Exchange and the Company. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

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

Preparation Basis, Scope and Reporting Principles

This Report demonstrates our sustainability initiatives during the reporting period from 1 April 2024 to 31 March 2025 (the “**Reporting Period**”). This Report is prepared and is in compliance with Appendix C2 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) — “Environmental, Social and Governance Reporting Guide” (“**ESG Reporting Guide**”), including the overall approach, reporting principles, the mandatory disclosure requirements, and the “comply or explain” provisions as specified in the ESG Reporting Guide.

The scope of this Report includes the sustainability initiatives and performances of our restaurants and the central kitchen, where the storage and ancillary office of the catering business are also located. Additionally, we have included the sustainability initiatives and performances from the Engineering Business the first time. Since the business acquisition in the fiscal year of 2023, this part of the business has become the one of the Group’s substantial business activities, and hence warrants the inclusion in the ESG scope. However, the ESG system in this business is still under development, and hence some of the data may not be immediately available to us. The Group will continuously improve the collection of data in this area.

During the year, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

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The reporting principles used throughout this Report is explained as follows:

Reporting Principles	How it is applied to this report
Materiality	The ESG Report includes ESG issues that are determined by the Board of Directors, with the assistance of the management and ESG working group that are above the threshold at which they are sufficiently important to investors and other stakeholders to be reported. These material ESG issues were identified through consideration and discussion by the Board of Directors and the ESG working group, and also through the discussions in the normal course of engagement with the different stakeholders. Further detail of the identification process and the selection criteria are set out in the “Stakeholder Engagement and Materiality Assessment” section.
Quantitative	The KPIs in respect of historical data described in the ESG Report are measured by the Company. Targets set are either in terms of actual numerical figures, or directional statements or forward-looking statements to reduce a particular impact related to each of the KPIs. The effectiveness of ESG policies and management systems can hence be evaluated and validated. Each quantitative information is accompanied by a narrative, explaining its purpose, impacts, and comparative data are given where appropriate. Information on the standards, methodologies, assumptions and/or calculation used, and source of key emission and conversion factors used for both quantitative environmental and social KPIs are disclosed in the ESG Report where appropriate. Refer to the explanations accompanied the relevant KPIs for further detail.
Balance	The ESG report provides an unbiased picture of the Company's performance during the Reporting Period by disclosing information in an objective manner, avoiding contents that may inappropriately influence the judgment made by report readers, i.e. bias selections, omissions, or present in a format that deliberately misrepresentation reality.
Consistency	Methodologies used is consistent so as to allow for meaningful comparison of ESG data over time. Any changes that could affect a meaningful comparison of the KPIs have been disclosed accordingly.

ESG GOVERNANCE

Sustainable development is an integral part of the Group's business strategy in order to achieve business excellence and enhance capabilities for long-term competitiveness. We are committed to operating in a manner that is economically, socially and environmentally sustainable while balancing the interests of our various stakeholders and fostering a positive impact on the society.

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ESG oversight

The Board aims to provide stakeholders with an understanding of the overall ESG governance structure of the Company. The Board acknowledges its role of oversight of ESG issues through the consideration and discussion of ESG issues in board meetings. In this section the Board will further explain its ESG management approach and strategy, including the process used to evaluate, prioritise, and manage material ESG-related issues (including risks to the issuer's businesses), and how it reviews progress made against ESG-related goals and targets with an explanation of how they related to the Company's business.

ESG management approach and strategy

To ensure cohesion with existing business strategies and processes, the Board aligns its ESG management approach and strategy with our existing governance framework (i.e. risk management and internal controls system, for more information please refer to the Corporate Governance report). The ESG-related risks are therefore evaluated, prioritise, and managed as part of the existing processes of this governance framework, so that ESG-related risks are managed just as effective as those which are not ESG-related.

Through an integrated, dual top-down and bottom-up approach, risks identified at each level of defense are discussed, evaluated and prioritise at that level as well as between the other levels. Material risks are then communicated and considered by the Board and the senior management regularly at board and committee meetings.

Each of these material risks are entered into a risk register where an appropriate level of risk appetite is set with the appropriate risk response. Risk register and their relevant risk appetite and risk responses are approved by the Board. These risks in the risk register are regularly monitored to consider the change of any risk and the necessity of change in risk response.

Hence, in formulating our sustainability we take not only the principle of sustainability seriously, we also take into careful consideration various risk including legal compliance, operational, finance and also the opinions from stakeholders. We have established and implemented various policies to manage and monitor the risks related to the environment, employment, operating practices and community. Details of the management approaches to sustainable development of different areas are illustrated in this Report.

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Stakeholder Engagement and Materiality Assessment

In order to understand stakeholders' needs, continuous and active communication with stakeholders is essential to our business operation. We set up diverse communication channels to exchange information and receive feedback from stakeholders. Communication channels with major stakeholder groups were as below:

Stakeholder Group	Issue of Most Concern	Communication Channels
Investors	— Return on investment — Business strategies — Future development plan	— Annual General Meeting and shareholder meetings — Announcements and circulars — Financial reports — Company's website
Customers	— Food safety — Product and service responsibility — Food choice — Good dining environment	— Customer satisfaction surveys and feedback forms — Direct communication — Information of the restaurant and food commentary in the social media — Company's hotline and email — Company's website
Suppliers	— Business ethics and reputation — Cooperation with mutual benefits — Long-term partnership	— Supplier management meetings and events — Site visits and performance review — Procurement processes
Employees	— Health and safety — Career development — Remuneration and benefits — Equal opportunities	— Training — Performance appraisal — Meetings and communications — Internal newsletters and other publications
Government and regulatory bodies	— Tax payment as required by law — Business ethics — Complying with relevant laws and regulations	— Performance reports — Written response to public consultation — Site visits
Community	— Protect the environment — Giving back to society	— Press release — Company's website — ESG reports
Landlords	— Lease contract arrangement — Brand image and marketing	— Regular meetings — Festival event gatherings (in shopping malls) — Opening ceremonies of new shops

No formal stakeholder engagement exercise was conducted, material ESG factors were selected based on input from ESG working group, the management and stakeholders from existing stakeholder engagement processes as outline above, which we have identified to be (in the order of importance): supply chain management, safety and quality assurance of food production, health & safety of employees and customers, and also environment ESG topics such as GHG emissions, waste management, energy and water consumption.

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ESG-related goals and targets progress review

Material ESG-related issues are issues that are critical to both short-term and long-term success of the Company's business. It is those parts of the Company's business where these issues lie, the ESG impact of these issues is highly relevant. The KPIs of material ESG-related issues are regularly reviewed against goals and targets set-up by the Management and the Board, with the assistance of ESG working group, throughout the process of the preparing of ESG reporting to determine progress made and made adjustment and revisions to the original goals and targets where appropriate.

1. ENVIRONMENTAL PROTECTION

Emission & Wastes

With the policy relating to emission, water and wastes aiming to reduce the impact of its business operation on the environment, the Group implements measures for environmental protection, such as installation of efficient filtering equipment for its exhaust and waste water produced from cooking to reduce air and water pollutions, and regular maintenance of ventilation system. During the Reporting Period, the Group was not in violation of any of the relevant laws and regulations in relation to environmental protection that have a significant impact on the Group.

Air emissions

For the Catering Business, the use of electricity in restaurants, central kitchen and office generate carbon dioxides ("CO₂"), while the usage of vehicles generates the emission of nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and particulate matters ("PM"). The amount of air emissions had remained at a fairly low level year-on-year, because the majority of the energy consumption were electricity, hence our direct emission were minimal compared to our indirect emissions.

For Engineering Business, 17 vehicles are currently in used for our Engineering Business, consuming energy from various sources, electricity, petrol and diesel. For vehicles which burns petrol and diesel, there are direct air emission of NO_x, SO_x and PM and scope 1 direct GHG emissions. For vehicles that uses electricity, scope 2 GHG emissions would have been accounted for. However, because of lack of data collection, data for electric vehicles have not been presented. The Group will strive to improve the data collection and calculation in this area.

Types of emission	Unit	2025	2024
Nitrogen oxides	kg	751.97	—
Sulphur oxides	kg	0.38	—
Particulate matters	kg	74.54	—

The Group commits to reduce pollution by ensuring the efficient usage of equipment and vehicles. The Group has implemented the following measures so as to achieve the environmental friendly approach: i) reduce the frequency of delivery of food materials to our group restaurants from twice a day to once a day where practicable; ii) maximize the space utilization of the delivery vehicles so that we could reduce the number of deliveries and hence reduce fuel consumption; and iii) environment-friendliness is one of the main selection criteria when selecting logistics partners.

Greenhouse gas ("GHG") emissions

Greenhouse gas is considered as one of the major contributors to the climate change and global warming. Energy consumption accounts for a major part of our GHG emission. The Group endeavours to improve energy efficiency and reduce energy consumption by adopting energy saving initiatives mentioned in the section "Use of Energy and Resources" of this Report.

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During the Reporting Period, the GHG emission was as follows:

Type of GHG emission	Unit	2025	2024
Scope 1 (Note 1)	Tonnes of CO ₂ e	62.89	—
Scope 2 (Note 2)	Tonnes of CO ₂ e	458.09	946.49
Total GHG emission (Note 3)	Tonnes of CO ₂ e	520.98	946.49
GHG emission intensity	Tonnes of CO ₂ e/ employee (Note 4)	4.31	7.82

Notes:

1. Scope 1: Direct emission should have been included from diesel and petrol consumed by vehicles used in Engineering business.
2. Scope 2: Indirect emission from the generation of purchased electricity and purchased town gas consumed by the Group.
3. Total GHG emission does not include scope 3 GHG emissions (other indirect emissions) because the contribution from these has been relatively low, and there it has not been cost effective to account for the relevant data.
4. The intensity refers to tonnes of carbon dioxide equivalent (CO₂e) per the total number of employees at the end of the Reporting Period.

Wastes Management

The Group adheres to the waste management principles and strives to properly manage and dispose all wastes produced in our business activities. Our waste management practices comply with related environmental protection laws and regulations. The Group maintains a high standard in wastes reduction, educates employees about the importance of sustainable development, and provides relevant supports in order to enhance their skills and knowledge in sustainability.

Hazardous and Non-hazardous Wastes

Due to our business nature our production is strictly monitored and controlled to ensure that no harmful substances are introduced into our product, and therefore no hazardous waste are produced and all waste were non-hazardous.

The Group strive to improve the collection of data related to waste for Engineering Business.

For catering business, the majority of these wastes are food waste, for example food scraps from kitchen and food leftover from customers. The Group has set aside an area for recycling and storing used cooking oil and grease traps in each restaurant for qualified vendors to collect and dispose. We have also placed a number of designated garbage bins in kitchens for staff to centralise food wastes. The qualified wastes collector will collect these garbage bins on a regular basis to ensure the environmental hygiene of kitchens and restaurants and proper handling of food wastes.

Furthermore, the Group has implemented various measures to minimise food waste at the kitchen, such as making better use of food ingredients in the various dish recipes. Due to the volume and the difficulty in measurement during the Reporting Period it was not practicable for the Group to obtain meaningful data in a cost effective way to quantify the food waste generation. The Group will continue to explore ways to improve the ESG data collection in this regard in the future.

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Other than food waste, during the Reporting Period the Group's non-hazardous wastes disposal performances were as follows:

Non-hazardous wastes type	Unit	Disposal	
		2025	2024
Office paper	kg	175.00	185.00
Total non-hazardous wastes	kg/employee (Note 1)	1.45	1.53

Note:

1. The intensity refers to kilograms per the total number of employees at the end of the Reporting Period.

Use of Energy and Resources

Our Group is continuously educating our employees the policies on the efficient use of resources including water, energy and other raw materials in accordance with the relevant environmental laws and regulations.

Energy Consumption

Electricity was the major energy consumption of the Group for the catering business, use daily by the restaurant operations, at the central kitchen and also at our office. The Group promotes energy saving with various energy-efficient measures, which include switching off idle lightings and air conditioners during non-office hours and lunch time, switching off electrical appliances and devices when the staffs left the office, all computer equipment, printers and photocopiers are set to power saving mode, affix save energy posters near the main switches in order to remind the Group's employees of energy saving. In addition, the Group uses LED lighting in different areas of the Group's restaurants, central kitchen and office.

For engineering business, a variety of energy is used in its operating vehicles, electricity, petrol and diesel. The Group will strive to improve the data collection in this area so as to enrich our disclosure.

During the Reporting Period, the energy consumption was as follows:

Types of Energy	Unit	2025	2024
Petrol	MWh	35.87	—
Diesel	MWh	237.54	—
Purchased electricity	MWh	1,233.71	1,892.98
Town Gas	MWh	3.37	—
Total energy consumption	MWh	1,510.49	1,892.98
Energy intensity	MWh/employee (Note 1)	12.48	15.64

Note:

1. The intensity refers to MWh per the total number of employees at the end of the Reporting Period.

The decrease in electricity and town gas consumption in 2025 was mainly due to our continuous efforts on developing energy conservation norm among all staff through internal training as it has created a sense of urgency to all staff about the importance of energy saving. The Group expects more progress would be made after the energy conservation norm has evolved further among the staff and the result can be reflected in the next year.

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Water Consumption

Water is essential to all communities. The Group consumes water in different activities, including washing of food materials, cooking and cleaning of kitchen utensils. The Group endeavours to conserve water efficiently by identifying water saving initiatives. The Group has adopted water saving production methods and equipment to reduce water consumption. The used water is reused under feasible circumstances. Furthermore, the Group has conducted regular maintenance of water pipes to prevent leakage of water and repair any defective components. We promote water conservation to our customers and employees. Reminders of water-saving responsibilities, in the form of notices and signs, are posted near to water outlets in the kitchens, washrooms, and offices. During the Reporting Period, the water consumption was as follows:

Water Consumption	Unit	2025	2024
Total water consumption	m ³	19,895	28,802
Water intensity	m ³ /employee (Note 1)	164	238

Note:

1. The intensity refers to cubic metres per the total number of employees at the end of the Reporting Period.

Total water consumption decreased by approximately 31% from 28,802m³ in FY2024 to approximately 19,895m³ in FY2025, indicates the effectiveness of the Company's water conservation strategy. Employees' awareness of reducing water consumption has been increased through the implementation of the above-mentioned measures. The Group will keep on performing current works and strive to remain the intensity at a reasonably low level.

Considering the location of our office and restaurants, we do not have any issue in sourcing water that is fit for purpose.

Packaging Materials

The packaging material used by our Group includes plastic cutlery such as knives, forks and spoons, plastic straws, plastic cups, plastic bags, plastic boxes and etc. We are committed to adopting recycled plastic packages and minimising the usage for our customers. We have utilised every type of packaging material by utilising the space of each in order to avoid excessive packaging. The total plastic packaging materials used by our Group for the years ended 31 March 2025 and 31 March 2024 were approximately 327 kg and 129 kg respectively, indicates an increase trend of packaging materials used.

With the passing of the new law of the Hong Kong SAR government, "Product Eco-responsibility (Amendment) Bill 2023", the first phase of the regulation began since 22 April 2024, in which the sales and free distribution of disposable plastic tableware such as straws, stirrers, plates and cutlery, etc. are prohibited. The usage of these materials is expected to decrease in the future as the public become more accustomed to bringing reusable tableware, or using other more environmental friendly alternatives where available.

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The Environment and Natural Resources

The Group views environmental protection as a material issue in promoting sustainable development. We acknowledge that in order to fully address these issues, it requires actions to be taken by all levels. We have also been continuously seeking for better solutions in reducing air and greenhouse gas emissions, the management of water and waste and utilising resources in hope to operate sustainably and in a more responsible manner.

The Group heavily emphasises on indoor air quality, and the Group has strict control over air quality management. We prohibit anyone from smoking in kitchen and dining areas. Any person who is found to have violated such rule will be subjected to disciplinary action, up to and including termination of employment. Besides, the Group has installed exhaust emission systems and air pollution control equipment, including mechanical ventilation systems, air purifiers and oil fume exhaust filters in all restaurants. This helps to minimise the oil fume emissions and odour nuisance arising from our restaurant operations. Apart from these measures, the Group will also conduct regular cleaning of the air conditioning systems to ensure a high level of indoor air quality is provided for both employees and customers.

Climate Change

The Group acknowledges that climate change poses different kinds of risks as well as opportunities to the Company's operations. According to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), climate risks are classified into transitional risks (the adaptation challenges that companies may face in terms of policies, laws, technologies and markets) and physical risks (the impact that extreme weather events may have on companies).

For physical risks, examples include bad weather such as extreme cold or heat, heavy rain, storm, typhoon, and other extreme weather events that can disrupt operations by damaging power grid, communication infrastructures, obstructing and injuring our staff on the way or during their work, and also disastrous events incidental to these weather such as the fire hazard from overheated equipment in severe heat waves cause by global warming. All these events may bring severe impact to the company's operations.

For transformation risks, which means the risks faced by the Company include the introduction of policies related to energy conservation and emission reduction, stricter emission reporting obligations and compliance requirements, etc.

In response, the Group will identify these risks and prioritise those which have severe impact to take precaution measures first. The Group will also identify, if any, opportunities where changing of the business processes may be possible, for instance, staff switch to use online video conference methods to communicate in order that these severe impact to operations may be mitigated or avoided.

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2. EMPLOYMENT AND LABOR PRACTICES

Employment

Our Company values staff as our precious asset, we believe that success in hiring, training and retaining experienced employees is critical to providing reliable and quality services, in both our catering business and engineering business.

Our Group seeks to hire employees with relevant experience in the industries of our respective businesses.

We offer internal promotion opportunities and competitive remuneration and benefits, with reference to the market conditions, individual responsibilities, performance and qualifications. Various fringe benefits include free meals during shift are offered to our restaurant employees. Discretionary bonus may be awarded based on individual performance.

The Group also has a set of comprehensive human resources management policy to support human resources function. The policies include compensation and benefits, working hours and holidays, recruitment and selection, performance management, promotion, employment termination, training and development.

During the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and regulations that had significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

The total number of full time employees and the distribution on demographics as of 31 March 2025 and 2024 have been depicted as below, all based in Hong Kong.

Total Number of Full Time Employees and Distribution				
Gender	2025		2024	
	No. of employee	Occupied percentage (%)	No. of employee	Occupied percentage (%)
Male	59	49%	25	21%
Female	62	51%	96	79%
Total	121	100%	121	100%
Job Type	2025		2024	
	No. of employee	Occupied percentage (%)	No. of employee	Occupied percentage (%)
Full Time	71	59%	76	63%
Part Time	50	41%	45	37%
Total	121	100%	121	100%
Age Range	2025		2024	
	No. of employee	Occupied percentage (%)	No. of employee	Occupied percentage (%)
Below 30	20	16%	13	11%
30–50	65	54%	49	40%
Over 50	36	30%	59	49%
Total Number of Full Time Employees	121	100%	121	100%

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Employee Turnover Rate by Gender and Age Group

	2025		2024	
	No. of employee	Occupied percentage (%)	No. of employee	Occupied percentage (%)
Gender				
Male	9	60%	5	24%
Female	6	40%	16	76%
	2025		2024	
	No. of employee	Occupied percentage (%)	No. of employee	Occupied percentage (%)
Age Range				
Below 30	4	27%	2	10%
30–50	3	20%	10	48%
Over 50	8	53%	9	43%

Health and Safety

The Group concerns the health and safety of our employees and we strongly believe that ensuring to provide a safe working environment for the employees is the most important social responsibility to its shareholders, employees and the community where it situates. Each of the Group's restaurants satisfies the requirements with the Director of Food and Environmental Hygiene ("DFEH") under the Public Health and Municipal Services Ordinance. All equipment including sanitary fitments, ventilation and facilities for cleaning equipment and utensils are monitored by the Group periodically to remain at a high safety standard.

We strive to create a strong culture of safety awareness by implementing a policy for all kitchen staff to be properly trained to ensure the safety inside the kitchen, such as proper operation of equipment and activities involving heat and sharp objects; kitchen staff are also trained to maintain a safe working condition such as immediate floor cleaning when excess water are unexpectedly present to avoid slippery floor. Our staff are also trained with proper handling of object to avoid injury. We regularly review our safety procedure and update it according to the latest knowledge in the discipline of occupational health and safety, especially those directly relevant to the food and beverage industry.

We believe that these measures are adequate and effective to prevent serious work injuries. When an accident occurs in the Group's central kitchen and restaurants, the senior staff is responsible to report the accident to the administration department as soon as possible.

During the Reporting Period, no case of violation of occupational health and safety laws, standards and regulations, such as Occupational Safety and Health Ordinance, for the Company was observed. No case of staff deceased due to work injury was recorded. The below table shows the number of lost days recorded due to work-related accidents.

Number of Staff Deceased and Lost Days Due to Work-related Accidents

	2025	2024	2023
Number of Staff Deceased Due to Work Injury	0	0	0
Number of Lost Days Due to Work Injury	37	0	59

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Development and Training

The Group recognises the importance of skilled and professionally trained employees to its business growth and future success. Thus, the Group provides on-the-job trainings regularly such as training on food preparation and preservation, handling of different food ingredients, hygiene conditions in the kitchen and restaurants, food production flow and quality control in different aspects of the restaurant operation. In addition, the Group trains all front-line service staffs on customer services. We introduce orientation program which is led by our experienced staff as mentors to educate our new staff in the areas of food safety, work safety as well as emphasising the importance of good hygiene environment. We believe such arrangement could enhance the communication efficiency and promote team spirit.

In addition, the Group keeps monitoring the performance of our staff to ensure the delivery of good services to our customers.

The Group has always encouraged our Directors to attend relevant seminar and training courses to obtain up-to-dated knowledge regarding to corporate governance and industry standard. In addition, we will share the knowledge with our Directors from time to time about the updates of the listing rules in Hong Kong, updates of the rules and regulations of various government bodies such as Food and Environmental Hygiene Department, Labor Department, Inland Revenue Department, Company Registry and etc.

The collection of training data have been particularly difficult, due to various reason including the turnover of staff in the catering industry, the difficulty in data compilation. Hence, in the interest of accuracy and completeness, the Company has decided not to disclose data, until the Company may present this data in a more meaningful way, the Company will however continue to tackle this challenge to improve the collection method and system in the future.

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Labor Standards

The Group always respect and strictly complies with all applicable labor laws, regulations and industry practices. We have also developed rigorous and systematic measures for approval and selection, to prohibit the use of child labor and forced labor. We ensure fair and equal treatment of all employees. The Group arranges the employees' working hours based on the statutory working hour standards and allows them to entitle paid leaves and sick leaves in accordance with labor laws.

The Group has a well-established recruitment process to check the background of candidates and a formal reporting procedure to deal with any exceptions. Upon employment, recruiters will stringently review employees' personal information including academic certificate, ID card, household registration and other information to ensure all information provided by the new employees are true and accurate.

During the Reporting Period, the Group was not aware of any material non-compliance with the labor requirements set out in relevant laws and regulations.

3. OPERATIONAL PRACTICES

Quality Assurance

Quality is the most important factor to achieve sustainable growth and build a trustworthy commercial brand. For our catering business, food is closely related to people's health. The Group selects food ingredients with due care, often based on the origin, nutritional value, freshness and consumption safety. Raw materials and food ingredients are sourced primarily from the list of suppliers approved by the Group's senior management. Quality and freshness of the food ingredients and raw materials are examined on a regular basis. The Group would stop sourcing from those suppliers if they fail to provide quality food ingredients up to our standard.

In addition to food ingredients procurement, the Group continues to improve the production process in order to further enhance the quality and safety of our food products. The Group identifies the food safety objectives and conducts reviews to ensure consistent compliance. The Group also performs regular identification of hazards, determination of critical control points and timely implementation of effective control and monitoring measures.

The Group also implements a quality control system that emphasises food hygiene and safety as well as the sanitation and cleanliness of restaurant premises. It covers quality control from food processing and cooking, food and services provided to customers, to the dining environments of restaurants.

Food safety policies and procedures have been developed in accordance with the standards required by the relevant government authorities. Restaurant managers are responsible for reviewing the operations and performance of their respective restaurants to ensure that they are in compliance with the Group's operating guidelines and policies.

We have several staff members from different restaurants involved in implementing various quality control measures on food production, including, among others, checking the quality upon purchase of raw materials, receipt of food ingredients, cooking and serving of foods.

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The Directors believe that maintaining good customer satisfaction will help strengthen the Group's price-value proposition, branding and reputation. We make every effort to understand our customers' needs and enhance their experience with our services. The Group welcomes comments and feedback from the customers. All frontline service staff are required to handle every request, enquiry or complaint of customers promptly and seriously. In case of complicated matters that they are not 100% confident to handle, they will pass those cases to the senior management to further follow up.

During the Reporting Period, the number of complaint in relation to food or quality of services were minimal and insignificant.

Supply Chain Management

For our catering business, we generally select our suppliers based on a set of selection criteria, which includes but not limited to the following criteria:

- reputation, capacity, agility and business operations of the supplier;
- variety, type and quality of food ingredients, goods or services offered by the supplier;
- pricing of the food ingredients, goods or services;
- supply terms and conditions, such as payment terms, delivery schedule and discount;
- past performance; and
- our relationship with the suppliers

Our new suppliers' selection is conducted by sample testing, we receive samples from the new suppliers from time to time and our chefs will use these samples to prepare the dishes for testing. Senior management and executive chefs will then make assessment based on these sample dishes and then will decide whether the samples should be approved or rejected. Other requirements are also needed to consider such as the cost, origin of the supply of the food ingredients, possession of necessary licences, timely delivery of orders, as well as the environmental and societal impact. If the potential supplier passes our initial screening, we will place a small trial order to test the quality of their food, and their reliability and timeliness in the delivery. If the potential supplier passes the testing phase, we will then negotiate a long-term supply relationship with this potential supplier.

Our Groups has established and maintained long-term relationships with a number of suppliers. To ensure stable supply of food ingredients and minimise the risk of non-delivery, sub-standard products and supplier's default, the Group generally sources major raw materials from more than one approved supplier. Currently we source our foods from over 100 suppliers and nearly all of them are based in Hong Kong. The Group places great emphasis on the quality of its raw materials, and closely monitors whether the suppliers can achieve the aforesaid criteria.

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Our Group executive chef and purchasing department will monitor the quality of our raw materials and consumables and may suggest to our management to consider removing certain suppliers if there is deterioration in the capacities, reliability or consistency of service and product quality of those suppliers. We may remove suppliers failing to meet our selection criteria or being susceptible of negative publicity from our supplier list.

Geographic Zone	2025		2024	
	Number of Suppliers	Occupied percentage (%)	Number of Suppliers	Occupied percentage (%)
Hong Kong	6	100%	80	100%
Others	0	0%	0	0%
Total	6	100%	80	100%

Product Responsibility

For our catering business, our Group has a centralised procurement department to master-control all the sourcing for all our restaurants, we are committed to serve high quality of food to customers as part of the product responsibility. Therefore, our Group has in place policies and procedures on food quality management since quality of food and hygiene and safety are the Group's business imperatives. We have strict internal quality control standards on the quality, hygiene and safety of food served to our customers, such as:

- we source our food ingredients from reliable and approved suppliers with proven good track records to ensure the quality of food ingredients.
- we strive to source food ingredients locally whenever possible to ensure freshness of food ingredients. Food ingredients are whenever practicable bulk-purchased and kept at the central kitchen while perishable food ingredients are kept at an inventory level for sufficient for the short needs. Any unused vegetables are discarded at the end of the day.
- employees are properly trained in food safety handling and food processing including: washing, cutting, seasoning, cooking and serving. Raw food and cooked food are stored separately to avoid cross-contamination, and all food processing equipment are cleaned thoroughly before its use.

Our Group always complies with all the local relevant laws and regulations on health and safety relating to products and services provided. It is our policy to seek, if required, professional advices and assistance to ensure such compliance. Also, hotlines for complaints (on products, services and others) are available to the public. Once a complaint is received, a formal investigation shall be conducted and follow up action shall be taken in a timely manner. It is also our policy that if there is any material problem on our product quality, a product recall shall be taken.

During the Reporting Period, there was no product subject to recalls for safety or health reasons or non-compliance with relevant laws and regulations regarding product responsibility.

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Protection of intellectual property right and consumer privacy

The Group recognise the importance of the protection over intellectual property right and consumer privacy. Proper licences for software and information are obtained by the Group to use in its business operation. Meanwhile, the Group handles all information provided by clients, employees and business partner in accordance with Personal Data (Privacy) Ordinance and related laws and regulations to ensure those information is under proper protection.

Anti-Corruption

The Group is committed to conducting business in an ethical manner. While product and service quality is indeed something we work hard for, the Group also cares about business ethics by complying with relevant laws and regulations that have a significant impact relating to bribery, extortion, fraud and money laundering. Every employee is required to abide by the code of conduct and good practices set forth by the Group.

Directors and employees are required to make a declaration to the Group's senior management through the reporting channels when actual or potential conflict of interest arises. Accepting gift from external parties (i.e. suppliers, customers, contractors, etc.) is prohibited unless prior approval is obtained from the Group's senior management.

The anti-corruption policy of the Group has proven to be of positive effect. The Group has put in place whistle-blowing procedures, encouraging the employees to report directly to the Company's senior management any illegal, immoral practice or any act in breach of the code of conduct. The whistleblower will be protected. Investigation will be made and the case will be followed up. In this way, we could create a fair business environment. The Company had also arrange employees to attend ethic and governance training conducted by ICAC to ensure employees receive update information regarding anti-corruption.

During the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and regulations that had significant impact on the Group relating to bribery, extortion, fraud and money laundering, and there was no legal case regarding corrupt practices happened within the Group during the year.

4. COMMUNITY INVESTMENT

The Group believes in shouldering the responsibility of contributing society while having economic development. As a responsible corporate citizen, we are committed to embolden and support the public by means of social participation and contribution as part of its strategic development. We hope to foster employees' sense of social responsibility by encouraging them to participate in charitable activities during their work and spare time to make greater contributions to the community.

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5. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Pages
A. Environmental			
A1: Emissions			
General Disclosure		Environmental Protection — Emissions & Wastes	6
KPI A1.1	The types of emissions and respective emissions data.	Air Emission	6
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Greenhouse Gas Emission	7
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Not applicable to the Group's business	N/A
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity.	Wastes Management	8
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Air Emissions, Greenhouse Gas Emission	7
KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Hazardous and Non-hazardous Wastes	7
A2: Use of Resources			
General Disclosure		Environmental Protection — Use of Energy and Resources	8
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Energy Consumption	8
KPI A2.2	Water consumption in total and intensity.	Water Consumption	9
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption	8
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives target(s) set and step taken to achieve them.	Water Consumption	9
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable with reference to per unit produced.	Packaging Materials	9

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Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Pages
A3: The Environment and Natural Resources			
General Disclosure		Environmental Protection — Use of Energy and Resources	8
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources	10
A4: Climate Change			
General Disclosure		Environmental Protection — Climate Change	10
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.	Climate Change	10
B. Social			
Employment and Labour Practices			
B1: Employment			
General Disclosure		Employment and Labour Practices — Employment	11
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Employment and Labour Practices — Employment	11
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labour Practices — Employment	11
B2: Health and safety			
General Disclosure		Employment and Labour Practices — Health and Safety	12
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	No case of work — related fatality was noted	12
KPI B2.2	Lost days due to work injury.	Employment and Labour Practices — Health and Safety	12
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Employment and Labour Practices — Health and Safety	12

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Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Pages
B3: Development and Training			
General Disclosure		Employment and Labour Practices — Development and Training	13
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Employment and Labour Practices — Development and Training	13
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employment and Labour Practices — Development and Training	13
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employment and Labour Practices — Development and Training	13
B4: Labour Standards			
General Disclosure		Employment and Labour Practices — Labour Standards	14
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Labour Practices — Labour Standards	14
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Labour Practices — Labour Standards	14

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Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Pages
Operating Practices			
B5: Supply Chain Management			
General Disclosure		Supply Chain Management	15
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	16
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	15
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	15
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	15
B6: Product Responsibility			
General Disclosure		Supply Chain Management	15
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No case of product subject to recalls for safety or health reasons were noted	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	The Group currently does not report on this indicator	N/A
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	The Group currently does not report on this indicator	N/A
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility	16
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protection of intellectual property right and consumer privacy	16

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Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Pages
B7: Anti-corruption			
General Disclosure		Anti-corruption	17
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.	No concluded legal case regarding corrupt practices was noted	N/A
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption	17
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption	17
Community			
B8: Community Investment			
General Disclosure		Community Investment	17
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		Community Investment	17
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sports).	Community Investment	17
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment	17