



亞洲聯網科技
有限公司

Asia Tele-Net and Technology Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 0679)



Contents

	<i>Page</i>
About Us	2
About this Report	3
Environmental Protection	6
Operational Practice	15
Employee Care	18
Community Involvement	27

About Us

Asia Tele-Net and Technology Corporation Limited, as our name tells, we are based in Asia to provide advanced technologies to our customers worldwide. We are an investment holding company holding investments in various disciplines with particular strength in electroplating technologies. Through our brand “PAL”, it is our mission to apply electroplating technologies in different applications or business segments so that the Group would grow segment by segment. This strategy would also help us to smooth out any cyclical effect in one particular segment and hence a more stable turnover and profitability level for the benefits of shareholders.

About this Report

The board of directors of the Company is pleased to present its second environment, social and governance report for the year ended 31 December 2017. This report discloses the Company's measures and performance on sustainable development issues so that our stakeholders would appreciate our effort and commitment towards environmental protection and social responsibilities.

REPORTING YEAR AND SCOPE

The information contained in this report covers operational activities of our Hong Kong office, manufacturing facilities and various service centers in the People's Republic of China ("PRC") during the period from 1 January 2017 to 31 December 2017. Starting from the year 2017, we also cover the operational activities information of our Taiwan office.

REPORTING STANDARDS

This report was prepared in accordance with Appendix 27 "Environmental, Social and Governance Reporting Guide" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). Data disclosed in this report are results of internal statistics and analysis on four main aspects, namely environmental protection, operational practices, employee care and community involvement.

STAKEHOLDER ENGAGEMENT

We engaged our stakeholders to collect the relevant information in order to identify the areas of importance to the Group and to our stakeholders.

Communications and engagement with stakeholders are an integral part in forming our policies and measures for environmental protection and social responsibility.

Expectations of Stakeholders and Responses

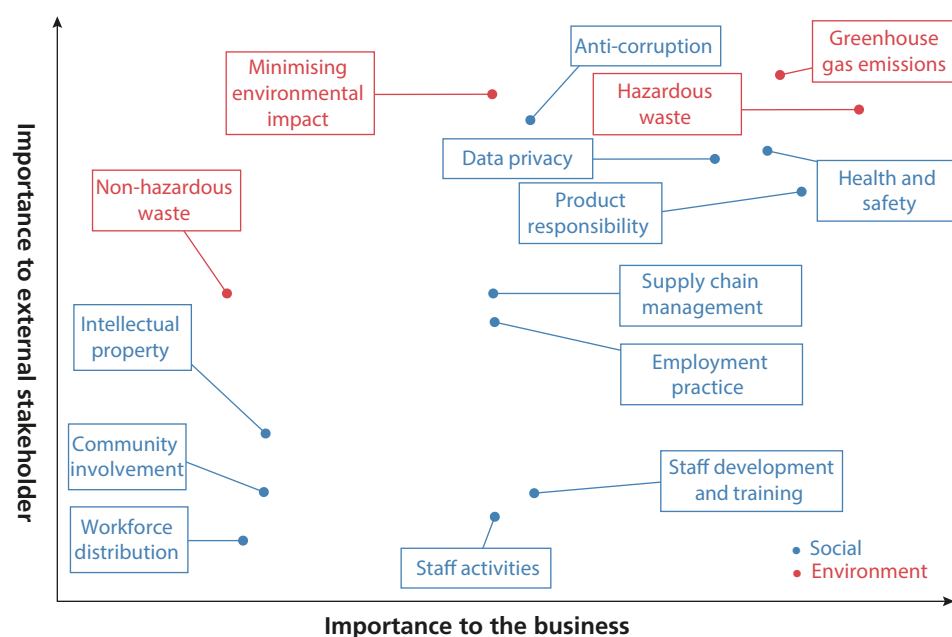
Stakeholders	Concerned Issues	Communication and Responses
Shareholders	<ul style="list-style-type: none">• The corporate governance system• Business strategies• Business performance• Investment returns	<ul style="list-style-type: none">• Shareholder meetings• Financial reports• Announcements and circulars
Customers	<ul style="list-style-type: none">• Product quality and safety• Service quality• Pricing• Customer data protection• Business ethics• Contract compliance	<ul style="list-style-type: none">• Requests raised during meeting and/or contract negotiation• Constant improvement in product design• Monitoring of customers' satisfaction• Project review meeting

About this Report

Stakeholders	Concerned Issues	Communication and Responses
Employees	<ul style="list-style-type: none"> Employee rights and benefits Compensation policy Training and development Work environment 	<ul style="list-style-type: none"> Employee activities Employee training Company's intranet
Suppliers	<ul style="list-style-type: none"> Business ethics Fair competition Contract compliance including punctual payment 	<ul style="list-style-type: none"> Requests raised during meeting and order negotiation Project review meeting
Governments and Supervisory institutions	<ul style="list-style-type: none"> Compliance over rules and laws Degree of harm done to environment Creation of employment 	<ul style="list-style-type: none"> Visits to the Group companies Questionnaire sent to the Group Information disclosure
Community and the public	<ul style="list-style-type: none"> Contribution to community development Environmental protection Business ethics 	<ul style="list-style-type: none"> Community activities Employee volunteer activities Social undertakings

MATERIALITY ASSESSMENT

Based on the stakeholder engagement findings, we have come up with a materiality matrix are stated below. We strive to ensure proper measures are applied on the most significant issues so that they are addressed adequately throughout our business activities.



About this Report

ACCESS OF THIS REPORT

This report is released online. The online version is available on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.atnt.biz). This report is released in Chinese and English version. Should there be any discrepancies between the two versions, the English version shall prevail.

FEEDBACK

Our continued improvement depends on your valuable comments on the contents and form of this report. If you have any question or suggestion, please send it to esg@atnt.biz via email or to our Hong Kong office by post to No. 11 Dai Hei Street, Tai Po Industrial Estate, New Territories, Hong Kong.

Environmental Protection

The Group formulates policies and measures to identify and minimize wastes and emissions from our operations. Main discharges generated from our operations are emission, solid waste and water.

We have established a data collection system to measure our emissions and waste generation. By analyzing the data year by year, it will help us identifying problematic areas and hence establishing rectification measures.

EMISSIONS

Given the nature of our businesses, our emissions mainly come from indirect energy consumption in terms of electricity. Therefore, management of energy conservation is reinforced in our offices through the following policies and measures:–

- Promote and use high efficiency or energy-saving equipment
- Promote concept of energy-saving and emission reductions amongst employees by reminding employees to turn off any computers, printers, light and other office equipment that are not being used
- Set ventilation system with an average temperature at around 25 degrees Celsius
- Offer company coach services to staff so that they commute between office and major bus/MTR stations via our company coach which is a similar form of public transport
- Reduce frequency of travel by encouraging the use of video-conferencing
- Install sensor light for people who pass through the corridor in the office at night, the sensor light will turn on automatically
- Use environmental friendly paper to print Annual Reports and Interim Reports for our stakeholders' perusal

Environmental Protection

Relevant emission data are reported below.

A. Air emissions and greenhouse gas emissions from the fuel consumption

	2017 Hong Kong office	2016 Hong Kong office	2017 Shenzhen office	2016 Shenzhen office	2017 Taiwan office
A1. Pollutants from air emissions					
NO _x emissions (g)	33,333	29,181	381,872	231,840	4,595
SO _x emissions (g)	295	279.22	590	455	9
PM emissions (g)	2,956	2,648.06	32,370	17,360	1,073
A2. Greenhouse gas emissions					
CO ₂ emissions (kg)	64,609	45,760	95,010	73,038	1,775
CH ₄ emissions converted to CO ₂ emissions (kg)	98	90	196	160	0
N ₂ O emissions converted to CO ₂ emissions (kg)	6,293	5,920	11,495	9,994	1

Compared with the emissions figures in 2016, the overall figures for the emissions in 2017 increased. The main reason is our business activities in the Group increased during the year 2017. The revenue in the Group in 2017 was approximately HK\$800,966,000 or 33% more than in 2016.

B. Greenhouse gas emissions from other sources

	2017 Hong Kong office CO ₂ emissions (kg)	2016 Hong Kong office CO ₂ emissions (kg)	2017 Shenzhen Office & Factory CO ₂ emissions (kg)	2017 Shenzhen Staff quarter & Canteen CO ₂ emissions (kg)	Total	2016 Shenzhen office & factory, staff quarter & canteen CO ₂ emissions (kg)
Use of electricity	279,479	307,720	856,083	125,750	981,833	1,060,328
Use of natural gas	N/A	N/A	N/A	133,195	133,195	125,525
Generated from wasted papers	8,457	8,870	34,200	N/A	34,200	2,395
Electricity used by Water Supplies Department for fresh water we consumed	649	830		N/A		N/A
Electricity used by Drainage Services Department for sewage we generated	327	370		N/A		N/A
Generated from business travel activities	272,072	348,520		15,345		14,982
TOTAL	560,984	666,310		1,164,573		1,203,230

Environmental Protection

For comparison with 2016, the results of greenhouse gas emissions from other sources in 2017 are as follows:–

Due to the adoption of emission factors decreased, CO₂ emissions were relatively decreased arising from using electricity.

Regarding the reason for increasing of use of natural gas, it would probably that about 16 employees in China were hired which was more than in the year 2016.

Since the recycled papers was significantly consumed in Shenzhen office in the year 2016, no more recycled papers could be used in the year 2017. Our staff would then use fresh papers more in the year 2017. No more recycled papers could be used which enabled CO₂ emissions figures in the year 2017 were more than those in the year 2016.

For Shenzhen office, since our business activities were increased significantly in the year 2017, it was difficult to avoid the increased frequencies for our employees travelling to our customers' sites to work. Nevertheless, the CO₂ emissions were not much increased in the year 2017. We should keep an alert to maintain the reduction of CO₂ emissions in anyway.

Apart from the above, other greenhouse gas emissions were decreased. We could see the effectiveness of control CO₂ emissions results achieved on those parts.

2017 CO₂ emissions (kg)	Suzhou office	Suzhou warehouse	Taiwan office
Use of electricity	8,225	225	382
Generated from wasted paper	686	N/A	3,799
Generated from business travel activities	4,974	N/A	335
TOTAL	13,885	225	4,516

Environmental Protection

SOLID WASTE

Our day to day operations mainly generate non-hazardous solid waste including production remaining materials and office garbage. Our policies and procedures for minimizing solid waste are summarized below.

- Production remaining materials refer to the leftover materials and offcuts from manufacturing process. In order to minimize these remaining materials, we use CNC machining whenever possible to reduce yield loss and we set a maximum benchmark for each project. When this benchmark is crossed, responsible engineers and supervisors are required to answer for this in the review meeting
- As part of the process to reduce costs for our customers and to offer a lower price, our engineering teams continuously offer ideas on minimal material consumption design for our customers to consider
- Production remaining materials will be sorted into recyclable and non-recyclable ones. The Group works with recycling companies and hand the waste for their recycling and handling. For the non-recyclable waste, the Group will dispose them at approved waste centers
- We encourage use of recycled or reuse papers
- We encourage practice of double-sided printing
- We use recycled plastic cartridges in photocopiers and printers
- We enable passwords control at photocopiers and printers so that staff could have a second-thought before actual printing and to delete any document which is activated to print by mistake
- As part of supply chain management, we will use eco-friendly packaging material whenever possible

In 2017, total hazardous waste produced: 39.67 tonnes (2016: 180.76 tonnes) and intensity: 3.09 tonnes (2016: 12.91 tonnes) per research and development project.

For Hong Kong office, about 78% decrease in total hazardous waste we produced in the year 2017, and about 76% decrease in intensity. Our Technology Development Department took every step to share testing results for similar projects, therefore, the number of hazardous waste we had in the year 2017 was greatly reduced even though we had 36% approximately increase in R&D project for the year 2017.

Environmental Protection

Total non-hazardous waste produced are as follows:-

	2017 Hong Kong office		2016 Hong Kong office		2017 Shenzhen office & factory, staff quarter & canteen		2016 Shenzhen office & factory, staff quarter & canteen	
	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity
Food waste	0.85	0.01 tonnes per employee	3.41	0.02 tonnes per employee	51	0.11 tonnes per employee	142	0.31 tonnes per employee
Office garbage	3.35	0.02 tonnes per employee	57.07	0.37 tonnes per employee	7	0.02 tonnes per employee		
Test panel waste	6.50	0.34 tonnes per project (See Note ¹ below)	30.09	2.21 tonnes per project (See Note ² below)	N/A	N/A	N/A	N/A
Packing material waste	4.73	N/A	0.24	N/A	6	N/A	N/A	N/A
Production remaining waste	N/A	N/A	N/A	N/A	8.11	N/A	6.5	N/A

Note¹: Total number of projects in 2017: 19

Note²: Total number of projects in 2016: 14

Under we monitored the control of solid waste, the overall total non-hazardous waste produced in the year 2017 decreased. For examples, we adopted a systematic and regular record for food waste in order to adjust the order of lunch box quantities and the plastic lunch boxes would be disposed separately for recycling. In addition, efficient use of materials in R&D project also helped to decrease the number of waste we produced.

Packing material waste and production remaining waste were increased as our products made and shipped out were more than in the year 2016.

	Suzhou office		Taiwan office	
	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity
Office garbage	0.5	0.01 tonnes per employee (See Note ³ below)	1.4	0.07 tonnes per employee

Note³: Average total number of employees in Suzhou office: 34

Environmental Protection

WATER

The Group uses water in three main areas, namely cleaning required during manufacturing process, water consumed for testing equipment and water consumed in office and staff quarters. Water consumed in office and staff quarters are for drinking and cleaning purposes.

As an equipment manufacturing, the volume of water we consumed during manufacturing process is relatively low. The only cleaning process involved is cleaning and passivation of stainless steel parts.

From time to time, the Group is required to set up small testing equipment in Hong Kong. We mainly use distilled water and chemicals for testing purposes. After testing, hazardous waste water will be produced and will be stored in special containers. This hazardous waste water will be sent to professional contractor licensed by the Environment Protection Department for further processing before discharge to the drainage system. In order to reduce the consumption of distilled water, our testing team will carefully evaluate each project and will try to use fresh water instead of distilled water whenever possible.

Besides, we have the water treatment system (self-designed and self-made) to handle the waste water. Waste water would be drained after being handled with that water treatment system.

Water consumption in total and intensity are as follows:–

	2017 Hong Kong office	2016 Hong Kong office	2017 Shenzhen			2016 Shenzhen office & factory, staff quarter & canteen	2017 Research & Development project	2016 Research & Development project
			Office & Factory	Staff quarter & Canteen	Total			
Water consumption in total (cubic metres)	1,615	2,031	9,948	12,792	22,740	22,862	7	37
Intensity	11.06 cubic metres per employee	13.21 cubic metres per employee	21.67 cubic metres per employee	49.39 cubic metres per employee (See Note below)	71.06 cubic metres per employee	50.69 cubic metres per employee	0.36 cubic metres per project	2.673 cubic metres per project

Note: Adjusted average total number of employees in 2017 for staff quarter & canteen: 259 (2016: 451)

Our water consumption in all areas decreased in the year 2017. We should keep to minimize water consumption as our good practice.

We are unable to obtain water consumption figures in Suzhou office and Suzhou warehouse due to the water consumption is controlled by the landlord. In Taiwan office, water consumption in total for the year 2017 was 58 cubic metres and intensity was 2.636 cubic metres per employee.

Environmental Protection

USE OF RESOURCES

Due to our business nature, we do not consume directly any natural resources. We consume natural resources indirectly by purchasing raw material such as plastic sheet, stainless steel and electronic components. As such, we believe that if we are conscious of the way we design our product and the way we operate so as to consume less of raw material, electricity and water, we will be doing less harm to the environment.

We promote a “Green” concept and is committed to act in an environmentally responsible manner through its office management and daily operation. Employees are encouraged to follow all those measures listed above and to contribute ideas to further reduce the use of resources.

Consumption of vehicles fuels in total and intensity are as follows:–

	2017 Hong Kong office	2016 Hong Kong office	2017 Shenzhen office	2016 Shenzhen office	2017 Taiwan office
Consumption of vehicles fuels in total (tonnes)	20	19.0649	40	30.7653	0.77
Intensity (tonnes per employee)	0.137	0.124	0.087	0.068	0.035

Consumption of electricity in total and intensity are as follows:–

	2017 Hong Kong office	2016 Hong Kong office	2017 Shenzhen Office & Factory Staff quarter & Canteen	2016 Shenzhen office & factory, staff quarter & canteen
Consumption of electricity in total (kWh in '000s)	548	569.858	1,500	1,683.061
Intensity (kWh in '000s per employee)	3.753	3.706	3.268	3.732

Note: Adjusted average total number of employees in 2017 for staff quarter & canteen: 259 (2016: 451)

Environmental Protection

The main reason for the increase of consumption of vehicles fuels and electricity is our business activities in the Group increased during the year 2017. Except the consumption of electricity in Hong Kong office, it decreased. We believe our promotion of “Green” concept and “Green” action taken result achieved.

2017	Suzhou office	Suzhou warehouse	Taiwan office
Consumption of electricity in total (kWh in '000s)	14	0.4	0.72
Intensity (kWh in '000s per employee)	0.41	0.01	0.03

Total packaging material used for finished products in 2017: 502 tonnes (2016: 251 tonnes). Such increase as our products were shipped out more than the year 2016.

MINIMISING ENVIRONMENTAL IMPACT

Managing the environmental impact of what we do is a high priority within our group. We continuously work to prevent harm to the environment by adopting and implementing best practice at all of our sites worldwide. Our policy is to minimise the environmental impact of what we do, while continuing to deliver reliable products and services for our customers.

In order to achieve this, we:

- integrate our environmental policy across the Group;
- comply with environmental legislation and regulation in every country in which we operate; and
- establish environmental targets and monitor them continuously, analysing and reporting the results to our management team

1/ Reduction in energy consumption

We measure and monitor consumption with the sincere aim to reduce the amount of energy we use in our offices and factory wherever possible. This will indirectly reduce greenhouse gas emissions.

Environmental Protection

2/ Water consumption

We strive to reduce the amount of water we use in the coming years compared to this year.

3/ Waste management

We always seek to use materials more efficiently to reduce the amount of potentially harmful waste we generate. This includes reviewing the type and quality of materials we source as well as the way we make and package our finished goods. We are committed to good recycling practices and also recommend that our suppliers to do so.

COMPLIANCE TO LAWS AND REGULATIONS

During the year, the Group strictly adheres to the required law and regulations in relation to all environmental issues.

Operational Practice

SUPPLY CHAIN MANAGEMENT

Sound supply chain management ensures the Group to sustain its business operations and development. We have maintained strong relationships with our suppliers to meet our customers' needs in an effective and efficient manner. When selecting suppliers, the Group takes factors into accounts such as quality of products, price, reliability and anticipated market acceptance. The Group expects suppliers to observe the environmental, social, health and safety and governance considerations in their operations.

During the year, geographical distribution of our suppliers by number are as follows:–

Region	Quantity	Percentage
China/Hong Kong	309	83.74%
Southeast & East Asia (except China)	27	7.32%
USA	11	2.98%
Other region	1	0.27%
Europe	21	5.69%
Total	369	100.00%

PRODUCT RESPONSIBILITY

The Group recognizes quality product with good safety features and excellent after-sale-service are key to the success and sustainability of a corporation.

Our engineering team will ensure that our electroplating equipment is designed to meet appropriate safety standards. Appropriate electrical components are selected to meet various local requirements e.g. UL marked components for American customers, CE marked components for European customers.

The Group's manufacturing facilities are ISO certified and have a comprehensive set of quality control policies to ensure that any major defects are identified and rectified before shipment. We have regular weekly departmental meetings and monthly management meetings to report, review, monitor each project and to address customer's request.

We have also set up various service centers and their locations are closer to our customers' manufacturing facilities. Our experienced technician will provide on-time after-sale-service and solutions to our customers.

During the reporting period, we experienced no product recall.

Operational Practice

INTELLECTUAL PROPERTY

We are one of the few Hong Kong companies who will maintain its own technology development team in Hong Kong. The Group would continue to commit on product engineering, research and development in next generation technology and costs reduction measures so that we are able to grab fruitful return and further strengthen our leading position in electroplating equipment.

We respect original design and work done. Apart from registration of trademark, the Group has also patented some of our top-notch engineering design. We warrant to our customers that we have good titles to the technology and design in the equipment we sold to them.

As we will from time to time develop new product or process with our customer or other engineering firm, it is our practice to sign non-disclosure agreement with them to protect each party's rights in its own intellectual property.

DATA PRIVACY

The Group is abided by the Personal Data (Privacy) Ordinance, Law on Protection of Consumer Rights and Interests of the PRC as well as Personal Information Protection Act and Enforcement Rules of the Personal Information Protection Act in Taiwan. Information collected would only be used for the purpose for which it is intended for.

Besides, we have included in the employee handbook several confidentiality provisions which require employees to keep confidential of the information they receive from time to time from our customers or business partners. Also, access rights are set so that the information in our ERP system, databases and servers is only available for colleagues who are responsible for that particular area. This is to avoid undue disclosure of information.

ANTI-CORRUPTION

To maintain a fair and ethical business environment, the Group strictly adheres to the anti-corruption laws in every country in which we operate. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly, and with integrity in all our business dealings and relationships, wherever we operate.

The Group has issued an Anti-Corruption Policy Statement to educate staff what is bribery and advised them on how to avoid and how to raise a concern to management. We have also stated clearly in the statement what enforcement action may be taken including disciplinary action and reporting to the relevant authorities. At the same time, we assure our staff that they will not suffer retaliation for reporting, in good faith, a violation or suspected violation of the anti-corruption policy statement.

In 2017, there were no cases regarding corrupt practices brought against the Group or our staff.

Operational Practice

In addition, the Group has a whistle-blowing policy to promote transparent structure and clear communication within the Group. The policy is the reporting of the suspected misconduct, illegal acts or failure to act within the Group. Person who has a legitimate concern about the above suspected misconduct or act may raise the matter directly to the chairman of the Group or if exceptionally, the concern is about the chairman of the Group, the person can raise his or her concern to the chairman of the audit committee. All concerns will be acknowledged receipt and treated in confidential and if appropriate, the concerns raised may be investigated and/or referred to the independent third party or police.

The policy is designed to ensure that the persons can raise their concerns about wrongdoing or malpractice within the Group without fear of victimization, subsequent discrimination, disadvantage or dismissal. It is also intended to encourage and enable the persons to raise serious concern within the Group rather than ignoring a problem.

The whistle-blowing policy will be reviewed by the audit committee annually. A written annual report of all cases will be summarized the concerns raised and sent to the audit committee for their attention. A corporate register containing all concerns will be maintained. By maintaining a corporate register (without disclosing any confidential details), the relevant department will learn from mistakes and does not repeat them. The register also helps to maintain consistency of approach across the departments.

Employee Care

EMPLOYMENT PRACTICE

Employees are our valuable assets. To strengthen our employees' loyalty, satisfaction and competence development, the Group adheres to fair and open recruitment, provides protection of rights and interests as well as benefits, welfare and care for each employee. In addition, we provide a health and safety working environment and appropriate training to our employees.

Fair and open recruitment

We recruit staff based on fair and open principles to ensure the recruitment and selection process is objective and consistent. We avoid any employment discrimination and offer equal employment opportunities to all candidates.

Employment terms

To protect the legitimate rights and interests between the Group companies and the employees, all successful candidates are required to sign an employment contract which outlines all agree terms. We have also issued employees' handbook which covers and governs the compensation, discipline, recruitment, promotion mechanism, working hours, leaves and other benefits and welfare offered by the Group.

Appraisal

To evaluate the performance of employees, we conduct performance appraisal annually for our employees. Through a bilateral communication during appraisal, the Company and employees would have a chance to understand more deeply the need of each other, and to discuss employee's work performance, achievement, expectation and goals setting and achieved in order to improve and/or enhance work performance.

Benefits, welfare and employee care

We provide medical and life insurances, mandatory provident fund scheme, free lunch, company coach service and overtime travelling allowances to our employees. Education subsidies will also be granted to appropriate employees.

To create a sense of belonging, the Company also provide massages machines, sofa and television in rest spaces and room for breast-feeding. The Group also provides accommodation to our employees in China.

Employee Care

WORKFORCE DISTRIBUTION

Our workforce distribution is as follows:–

The workforce and turnover rate of employees by employee category (Hong Kong office) for the year 2017

Employee category	Number of employees as at 31 Dec 2017	Number of employee category over total number of employees as at 31 Dec 2017	Number of employee turnover	Percentage of turnover over average total number of employees
Management	36	24.83%	1	0.68%
Production Staff	0	0.00%	0	0.00%
Engineers	48	33.11%	13	8.90%
Technicians	16	11.03%	0	0.00%
Others	45	31.03%	3	2.05%
Total	145	100.00%	17	11.63%

The workforce and turnover rate of employees by gender and age group (Hong Kong office) for the year 2017

Gender and age group	Number of employees as at 31 Dec 2017	Number of employee by gender and age group over total number of employees as at 31 Dec 2017	Number of employee turnover	Percentage of turnover over average total number of employees
Male				
30 or below	17	11.72%	9	6.16%
31-40	27	18.62%	1	0.68%
41-50	29	20.00%	1	0.68%
51 or above	34	23.45%	0	0.00%
Sub-total	107	73.79%	11	7.52%
Female				
30 or below	9	6.21%	4	2.74%
31-40	7	4.83%	2	1.37%
41-50	10	6.90%	0	0.00%
51 or above	12	8.27%	0	0.00%
Sub-total	38	26.21%	6	4.11%
Total	145	100.00%	17	11.63%

Average total number of employees
in Hong Kong office 146

Employee Care

The workforce and turnover rate of employees by employee category (PRC offices) for the year 2017

Employee category	Number of employees as at 31 Dec 2017	Number of employee category over total number of employees as at 31 Dec 2017	Number of employee turnover	Percentage of turnover over average total number of employees
Management	0	0.00%	0	0.00%
Production Staff	116	25.00%	0	0.00%
Engineers	112	24.14%	27	5.88%
Technicians	45	9.70%	5	1.09%
Others	191	41.16%	6	1.31%
Total	464	100.00%	38	8.28%

The workforce and turnover rate of employees by gender and age group (PRC offices) for the year 2017

Gender and age group	Number of employees as at 31 Dec 2017	Number of employee by gender and age group over total number of employees as at 31 Dec 2017	Number of employee turnover	Percentage of turnover over average total number of employees
Male				
30 or below	72	15.52%	26	5.66%
31-40	138	29.74%	5	1.09%
41-50	146	31.47%	2	0.44%
51 or above	43	9.27%	0	0.00%
Sub-total	399	86.00%	33	7.19%
Female				
30 or below	19	4.09%	4	0.87%
31-40	29	6.25%	0	0.00%
41-50	13	2.80%	1	0.22%
51 or above	4	0.86%	0	0.00%
Sub-total	65	14.00%	5	1.09%
Total	464	100.00%	38	8.28%

Average total number of employees
in PRC offices

459

Employee Care

The workforce and turnover rate of employees by employee category (Taiwan office) for the year 2017

Employee category	Number of employees as at 31 Dec 2017	Number of employee category over total number of employees as at 31 Dec 2017	Number of employee turnover	Percentage of turnover over average total number of employees
Management	0	0.00%	0	0.00%
Production Staff	0	0.00%	0	0.00%
Engineers	7	30.43%	1	4.55%
Technicians	6	26.09%	3	13.64%
Others	10	43.48%	0	0.00%
Total	23	100.00%	4	18.19%

The workforce and turnover rate of employees by gender and age group (Taiwan office) for the year 2017

Gender and age group	Number of employees as at 31 Dec 2017	Number of employee by gender and age group over total number of employees as at 31 Dec 2017	Number of employee turnover	Percentage of turnover over average total number of employees
Male				
30 or below	9	39.13%	0	0.00%
31-40	2	8.70%	3	13.64%
41-50	8	34.78%	1	4.55%
51 or above	0	0.00%	0	0.00%
Sub-total	19	82.61%	4	18.19%
Female				
30 or below	0	0.00%	0	0.00%
31-40	2	8.69%	0	0.00%
41-50	1	4.35%	0	0.00%
51 or above	1	4.35%	0	0.00%
Sub-total	4	17.39%	0	0.00%
Total	23	100.00%	4	18.19%

Average total number of employees
in Taiwan office

22

Employee Care

HEALTH AND SAFETY

The Group places great emphases on occupational health and safety. In our Hong Kong office, we have set out guidelines in our employees handbook. In our China offices and factory, we abide by the relevant laws and regulations such as “中華人民共和國安全生產法”. In our Taiwan office, we abide by the relevant laws such as Occupational Safety and Health Act.

We have also set various guidelines such as “職業衛生管理制度匯編”、“職業健康衛生的防護與管理操作指引” and “安全管理和事故預防紀律處分規定”. By adoption of these guidelines, we aim to provide a health and safe working environment which protect the employees from occupational hazards.

The Group has dedicated department and personnel for safety management in offices, factory and customers' sites. The Group has developed the relevant safety systems and operating procedures as follows:–

- At China factory
 - established Work Safety Department
 - appointed safety officers to conduct daily safety check at factory and remind staff to wear appropriate protection gears including safety helmets and belts when they are at works
- At office
 - appointed safety officer to inspect the office safety regularly
- At customers' sites
 - team leaders act as safety supervisors to conduct relevant safety training beforehand and to provide safety guidance during installation to our staff and sub-contractors (if any)
 - team leaders have to ensure staff will wear protective gears and uniform where necessary such as safety shoes, safety helmets, protective goggles, mask and acid-proof gloves (“Protective Equipments”) provided by the Company before starting the work
 - we would send safety officer to site (large size jobs) to help for onsite safety measures implementation
 - the safety officer would even prosecute the workers who violate the safety rules, like not wear safety belt when working at height. A fixed penalty will be imposed if prosecution
 - at the sites in Taiwan, all our staff are required to attend local safety training before entering into customer's site
 - the Group provides a comprehensive safety handbook to staff who works at the site

Employee Care

- At laboratory
 - Manager or team leader will provide standard safety testing procedures and training to the staff
 - ensure staff to wear the Protective Equipments before commencement of work
 - has well-developed first-aid equipments and kits
 - has installed shower to wash away hazardous chemicals

In 2017, there was no fatal accident happened. Lost days in relation to slight work injury are as follows:–

	Hong Kong office	Shenzhen office and factory	Suzhou office	Taiwan office
Lost days	42	63.30	0	0

On the other hand, the Company provides ergonomics stands to those employees who use notebooks at work to reduce occupational strain.

DEVELOPMENT AND TRAINING

The Company encourages our employees to improve their knowledge and skills for discharging their duties at work. If the employees have interest in relevant course, they can apply to their manager for training subsidies.

Average training hours completed by employees is summarized as follows:–

The information of employees trained by employee category (Hong Kong office) for the year 2017

Employee category	Number of trained employees	Average training hours completed	Percentage of trained employees over average total number of employees
Senior Management	0	0	0.00%
Middle Management	1	8	0.68%
Engineers	2	10	1.37%
Technicians	2	12	1.37%
Production Staff	0	0	0.00%
Others	4	28	2.74%
Total	9	58	6.16%

Employee Care

For Hong Kong office, we focused on applying The HKIE Engineering Graduate Training Scheme “A”, and it was approved by The Hong Kong Institution of Engineers in December 2017. We expected to start running the programme by the end of the year 2018.

The information of employees trained by employee category (PRC Offices) for the year 2017

Employee category	Number of trained employees	Average training hours completed	Percentage of trained employees over average total number of employees
Senior Management	0	0	0.00%
Middle Management	11	28	2.40%
Engineers	14	34	3.05%
Technicians	20	40	4.36%
Production Staff	274	814	59.69%
Others	104	250	22.66%
Total	423	1,166	92.16%

The information of employees trained by employee category (Taiwan Office) for the year 2017

Employee category	Number of trained employees	Average training hours completed	Percentage of trained employees over average total number of employees
Senior Management	0	0	0.00%
Middle Management	1	6	4.55%
Engineers	4	275.5	18.18%
Technicians	7	21	31.82%
Production Staff	0	0	0.00%
Others	0	0	0.00%
Total	12	302.5	54.55%

Our Group laid emphasis on safety training, most of our training hours were for safety training. Hours shown above included internal safety and technical training, safety training organized by our customers/suppliers and safety and other training by professional organizations in Hong Kong.

Employee Care

STAFF ACTIVITIES

During the year, the Company invited a recognized financial planner to hold a workshop called “DIY strategy planning on retirement” in our Hong Kong office. Our employees had enthusiastically participated the activity. The purpose of the activity is let our employees can properly arrange their mandatory provident funds and other savings in order to prepare for retirement as soon as possible.

We also had a Christmas party and annual dinner during the year. Employees and management not only could enjoy delicious food, played games and participated game competition, but also took chance to share happiness moment and relax from the work. Through activities, employees and management could also build up friendly relationship and team spirit.



The Company also allows employees leave office early on the day of festivals, like Mid-Autumn Festival and Winter Solstice. Let employees can have more time to accompany their families and/or friends and prepare for celebration of festivals. Besides, moon cakes and fruits are distributed yearly to let employees enjoy the festival's atmosphere. During the year, before the coming of Mid-Autumn Festival, we offered employees' benefits for the purchase of ice-cream moon cake coupons with discounts as well.

Employee Care

LABOUR STANDARD

The Group is strictly in compliance with the Employment Ordinance of Hong Kong, Labour Law of the PRC, Protection of Minor Laws of the PRC and Labour Standards Act in Taiwan. We fully recognize that child labour and forced labour violate fundamental human rights and have established measures to combat against illegal employment on child labour and forced labour.

During the recruitment process, we will require job applicants to provide a valid identity documents for our verification. A copy of their identity documents will be kept in file and would be subject to subsequent check and inspection. If any dishonest disclosure is found, we will terminate his or her employment immediately.

Community Involvement

During the year, we participated again the “Shine Tak Hiking Walk” event held by Hongkong Shine Tak Foundation Association Limited (“Shine Tak”) and sponsored HK\$150,000 for the event. The event is an annual fundraising campaign to promote the “Caring for Scientific Research and Youth Development Program”. The aim of the event is to promote young people in Hong Kong to “caring for and using technology” and using “translocation thinking” to develop care products that can help people in need in the society. They will use scientific research to convey love and give back to society.



We also sponsored HK\$60,000 on “Caring for Scientific Research Youth Development Program – Beijing and Xi’an Aerospace Science and Technology Study Mission” which was jointly organized by Shine Tak and the Hong Kong Science and Technology Association. In addition to experiencing the application of China’s space science and technology development in daily life, students also prepare for their career planning and clarify their future goals and directions.

Our employees also participated the “Race to Feed 2017” charity run activity held by Heifer Hong Kong to support Heifer’s poverty alleviation program in China. We donated about HK\$230,000 to Heifer Hong Kong to support their program.

In addition, we donated HK\$50,000 to support “New Territories Walk for Millions” for 2017 held by The Community Chest of Hong Kong. The Community Chest strives its best to raise funds for its member social welfare agencies in helping the hundreds of thousands of needy and disadvantaged people in our community.



In 2017, we made the above donations in the total amount of approximately HK\$490,000 (2016: approximately HK\$182,000).