



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)



**ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT**

2020



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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 environment, social and governance report for the year ended 31 December 2020. 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") as well as Taiwan during the period from 1 January 2020 to 31 December 2020.

REPORTING STANDARDS

This report was prepared in accordance with Appendix 27 "Environmental, Social and Governance Report 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">• Shareholders' meetings• Annual Report & interim report• ESG Report• Announcements and circulars
Customers	<ul style="list-style-type: none">• Product quality 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



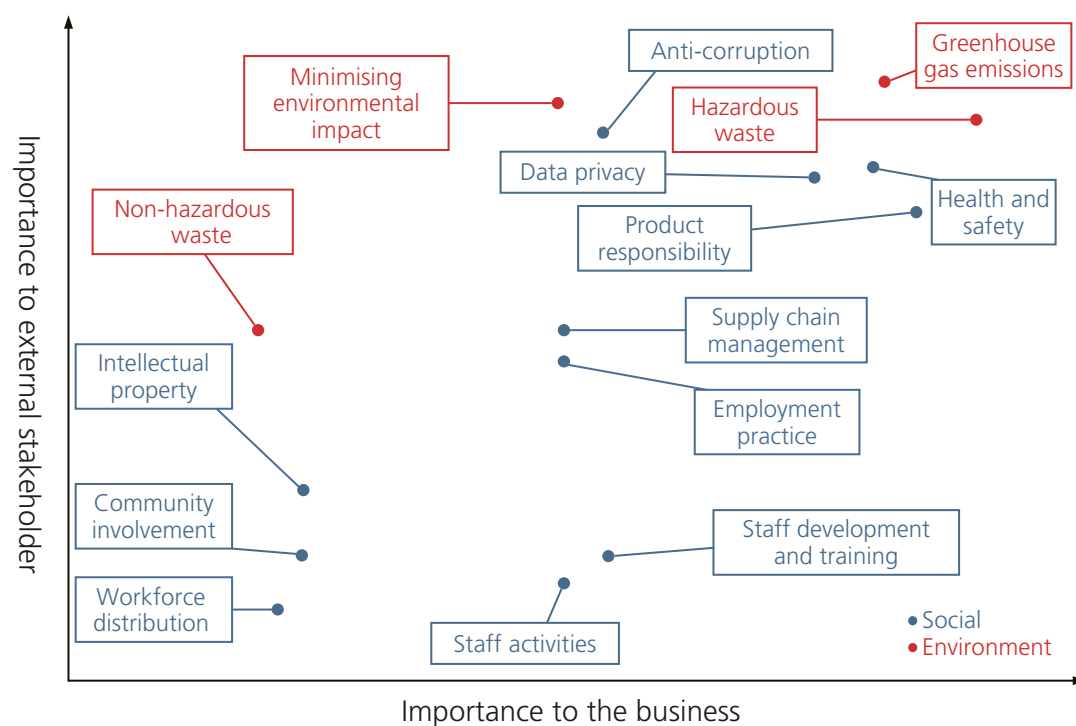


About this Report

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

	2020 Hong Kong office	2019 Hong Kong office	2020 Shenzhen office	2019 Shenzhen office	2020 Taiwan office	2019 Taiwan office
A1. Pollutants from air emissions						
NOx emissions (g)	54,184	59,399	71,400	175,329	26,460	31,865
SOx emissions (g)	273	229	182	368	53	64
PM emissions (g)	5,029	5,561	6,620	13,627	6,181	7,444
A2. Greenhouse gas emission						
CO ₂ emissions (kg)	48,330	44,539	29,348	59,208	48,811	50,128
CH ₄ emissions converted to CO ₂ emissions (kg)	70	55	60	125	0.4	0.4
N ₂ O emissions converted to CO ₂ emissions (kg)	5,100	3,856	3,481	7,526	NA	NA

Overall business activities and hence mobility were greatly reduced in year 2020 due to Covid-19. All figures for air emissions and greenhouse gas emissions from the fuel consumption in Shenzhen offices in 2020 were decreased when compared with those figures in 2019. Air and gas emissions in our Taiwan office in 2020 were slightly reduced when comparing to 2019. Air emission in our Hong Kong office in 2020 were slightly reduced but not greenhouse gas emission. We have used more of private cars to commute so that our staff faced a reduced exposure to Covid-19 risk comparing the use of public transportation.





Environmental Protection

B. Greenhouse gas emissions from other sources

CO ₂ emissions (kg)	2020 Hong Kong office	2019 Hong Kong office	2020 Shenzhen Office & Staff quarter Factory & Canteen		2019 Shenzhen Office & Staff quarter Factory & Canteen		2020 Suzhou Office & Staff quarter Warehouse & Canteen		2019 Suzhou Office & Warehouse	2020 Taiwan office	2019 Taiwan office
Use of electricity	249,779	261,388	422,423	111,060	420,790	132,252	11,326	2,837	14,504	224	218
Use of natural gas	N/A	N/A	N/A	88,640	N/A	110,198	N/A	500	N/A	N/A	N/A
Generated from wasted papers	6,706	7,821	13,560	N/A	8,880	N/A	612	N/A	744	2,544	1,649
Electricity used by Water Supplies Department for fresh water we consumed	315	331	N/A		N/A		N/A	N/A	N/A	N/A	N/A
Electricity used by Drainage Services Department for sewage we generated	149	157	N/A		N/A		N/A	N/A	N/A	N/A	N/A
Generated from business travel activities	54,404	295,627	2,948		10,812		745	N/A	336	484	484
TOTAL	311,353	560,666	638,631		682,932		16,020		15,584	3,252	2,351

Comparing with 2019, greenhouse gas emissions for all operating locations were decreased in 2020 except Taiwan and Suzhou offices:

- Overall use of electricity and natural gas were decreased. Our production arm in Shenzhen was closed for a certain period pursuant to the temporary closure requirements set out by Shenzhen Municipal Government with the view to contain the spreading of Covid-19. Hong Kong office implemented work from home policy for majority of staff for most of the months in 2020. For Taiwan and Suzhou offices, as their roles are mainly provision of after-sales service support to our local customers, their business activities were fairly the same when comparing to 2019.
- Greenhouse gas emission generated from wasted papers were increased in all regions as more internal forms were used for declaration and for internal propaganda in relation to Covid-19 purpose.
- CO₂ emissions generated from business travel activities were decreased due to travel bans/restrictions imposed by various countries. We still had a small group of staff who were required to travel overseas for installation and service works.





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





Environmental Protection

Total non-hazardous waste produced are as follows:

	2020 Hong Kong office		2019 Hong Kong office		2020 Shenzhen office & factory		2019 Shenzhen office & factory		2020 Suzhou office		2019 Suzhou office		2020 Taiwan office		2019 Taiwan office	
	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity	Consumption (tonnes)	Intensity
Food waste	0.44	0.004 tonnes per employee	1.27	0.01 tonnes per employee	17.81	0.06 tonnes per employee	33.18	0.05 tonnes per employee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Office garbage	0.64	0.006 tonnes per employee	0.61	0.005 tonnes per employee	3.74	0.01 tonnes per employee	3.74	0.01 tonnes per employee	0.52	0.02 tonnes per employee	0.52	0.17 tonnes per employee	2.64	0.13 tonnes per employee	3.65	0.18 tonnes per employee
Packing material waste	2.15	N/A	2.39	N/A	1.68	N/A	2.58	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Production remaining waste	NA	NA	NA	NA	1.55	NA	2.52	NA	NA	NA	NA	NA	NA	NA	NA	NA

- As explained above, our production arm in Shenzhen was closed for a certain period pursuant to the temporary closure requirements set out by Shenzhen Municipal Government with the view to contain the spreading of Covid-19. Hong Kong office implemented work from home policy for majority of staff for most of the months in 2020. As such, food waste generated by our Shenzhen and Hong Kong offices in year 2020 has greatly reduced.
- Creation of office garbage unfortunately has increased in 2020 as more sanitary products and papers were used for Covid-19 purpose.
- Packing and production waste were reduced due to the drop of business activities in 2020.



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.

For year 2020 the major driving factor is Covid-19. In order to maintain a clean and hygienic environment, more internal cleaning was conducted and hence more water was consumed.

Water consumption for office, production plant and staff quarters in total and intensity are as follows:–

	2020 Hong Kong office	2019 Hong Kong office	2020 Shenzhen		2019 Shenzhen		2020 Suzhou office		2019 Suzhou office	2020 Taiwan office	2019 Taiwan office
			Office & Factory	Staff quarter & Canteen	Office & Factory	Staff quarter & Canteen	Office & Factory	Staff quarter & Canteen			
Water consumption in total (cubic meters)	743	781	6,043	10,493	5,564	12,372	477.4	170.5	525	42	44
Intensity	6.42 cubic meters per employee	6.15 cubic meters per employee	20.54 cubic meters per employee	35.67 cubic meters per employee	15.52 cubic meters per employee	34.56 cubic meters per employee	14.01 cubic meters per employee	5.00 cubic meters per employee	12.64 cubic meters per employee	2.02 cubic meters per employee	2.20 cubic meters per employee

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 stored in special containers. These containers 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. Nevertheless, as each project or each testing set up has its own objective(s), any increased or reduced use of distilled water year by year is very much driven by project objectives.

	Hong Kong Office	
	Consumption In 2020 (litre)	Consumption In 2019 (litre)
Use of distilled water	473	1,893
Hazardous water generated	10.15	13.49





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 office management and daily operation. Employees are encouraged to follow all published measures and to contribute ideas to further reduce the use of resources.

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

	2020 Hong Kong office	2019 Hong Kong office	2020 Shenzhen office	2019 Shenzhen office	2020 Taiwan office	2019 Taiwan office
Consumption of vehicles fuels in total (tonnes)	17.99	14.82	12.20	24.77	19.75	22.15
Intensity (tonnes per employee)	0.16	0.14	0.04	0.07	0.95	1.11

Intensity for consumption of vehicles fuels in Hong Kong office has a slight increase. We have used more of private cars for staff to commute in order to reduce their risk exposure from infection. Comparatively speaking, infection risk faced by Hong Kong was relatively higher than in China or Taiwan for year 2020.

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

	2020 Hong Kong office	2019 Hong Kong office	2020 Shenzhen Office & Factory	2019 Shenzhen Office & Factory	2020 Suzhou Office & warehouse	2019 Suzhou Office & Factory	2020 Taiwan office	2019 Taiwan office
Consumption of electricity (kWh in '000s)	489.76	512.53	670.51	667.92	19.87	25.45	42.40	41.16
Intensity (kWh in '000s per employee)	4.229	4.040	2.279	1.740	0.583	0.75	2.038	2.060

The consumption of electricity in general has decreased slightly or was relatively the same as last year.



Environmental Protection

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.

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	No. of supplier in 2020		No. of supplier in 2019	
	Percentage		Percentage	
China/Hong Kong	289	82.81%	312	80.41%
Southeast & East Asia (except China)	28	8.02%	28	7.22%
USA	8	2.29%	9	2.32%
Other region	4	1.15%	7	1.80%
Europe	20	5.73%	32	8.25%
Total	349	100.00%	388	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 at 31 December 2020, the number of patents in effect is 22 (2019: 21) with 8 (2019: 5) patents pending for approval.

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.





Operational Practice

In 2020, there were no cases regarding corrupt practices brought against the Group or our staff.

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 2020

Employee category	Number of employees as at 31 Dec 2020	Percentage of each employee category (as at 31 Dec 2020)	Number of employee turnover	Percentage of turnover
Management	38	34.55%	3	2.59%
Production Staff	0	0.00%	0	0.00%
Engineers	24	21.82%	2	1.73%
Technicians	9	8.18%	0	0.00%
Others	39	35.45%	4	3.45%
Total	110	100.00%	9	7.77%

Average total number of employees 115.8



Employee Care

The workforce and turnover rate of employees by gender and age group (Hong Kong office) for the year 2020

Gender and age group	Number of employees as at 31 Dec 2020	Percentage of each employee category (as at 31 Dec 2020)	Number of employee turnover	Percentage of turnover
Male				
30 or below	6	5.45%	0	0.00%
31-40	17	15.45%	1	0.86%
41-50	22	20.00%	1	0.86%
51 or above	32	29.09%	2	1.73%
Sub-total	77	70.00%	4	3.45%
Female				
30 or below	4	3.64%	0	0.00%
31-40	10	9.09%	0	0.00%
41-50	6	5.45%	4	3.45%
51 or above	13	11.82%	5	4.32%
Sub-total	33	30.00%	9	7.77%
Total	110	100.00%	13	11.23%
Average total number of employees	115.8			





Employee Care

The workforce and turnover rate of employees by employee category (Shenzhen office) for the year 2020

Employee category	Number of employees as at 31 Dec 2020	Percentage of each employee category (as at 31 Dec 2020)	Number of employee turnover	Percentage of turnover
Management	7	2.46%	0	0.00%
Production Staff	30	10.56%	4	1.36%
Engineers	73	25.70%	17	5.78%
Technicians	22	7.75%	0	0.00%
Others	152	53.52%	9	3.06%
Total	284	100.00%	30	10.20%

Average total number of employees 294.2

The workforce and turnover rate of employees by gender and age group (Shenzhen office) for the year 2020

Gender and age group	Number of employees as at 31 Dec 2020	Percentage of each employee category (as at 31 Dec 2020)	Number of employee turnover	Percentage of turnover
Male				
30 or below	26	9.15%	17	5.78%
31-40	69	24.30%	3	1.02%
41-50	86	30.28%	0	0.00%
51 or above	59	20.77%	3	1.02%
Sub-total	240	84.51%	23	7.82%
Female				
30 or below	8	2.82%	3	1.02%
31-40	19	6.69%	3	1.02%
41-50	12	4.23%	1	0.34%
51 or above	5	1.76%	0	0.00%
Sub-total	44	15.49%	7	2.38%
Total	284	100.00%	30	10.20%

Average total number of employees 294.2



Employee Care

The workforce and turnover rate of employees by employee category (Suzhou office) for the year 2020

Employee category	Number of employees as at 31 Dec 2020	Percentage of each employee category (as at 31 Dec 2020)	Number of employee turnover	Percentage of turnover
Management	0	0.00%	0	0.00%
Production Staff	0	0.00%	0	0.00%
Engineers	6	18.18%	1	0.34%
Technicians	9	27.27%	1	0.34%
Others	18	54.55%	0	0.00%
Total	33	100%	2	0.68%

Average total number of employees 34.1

The workforce and turnover rate of employees by gender and age group (Suzhou office) for the year 2020

Gender and age group	Number of employees as at 31 Dec 2020	Percentage of each employee category (as at 31 Dec 2020)	Number of employee turnover	Percentage of turnover
Male				
30 or below	3	9.09%	1	0.34%
31-40	11	33.33%	1	0.34%
41-50	10	30.30%	0	0.00%
51 or above	3	9.09%	0	0.00%
Sub-total	27	81.82%	2	0.68%
Female				
30 or below	0	0.00%	0	0.00%
31-40	6	18.18%	0	0.00%
41-50	0	0.00%	0	0.00%
51 or above	0	0.00%	0	0.00%
Sub-total	6	18.18%	0	0.00%
Total	33	100%	2	0.68%

Average total number of employees 34.1





Employee Care

The workforce and turnover rate of employees by employee category (Taiwan office) for the year 2020

Employee category	Number of employees as at 31 Dec 2020	Percentage of each employee category (as at 31 Dec 2020)	Number of employee turnover	Percentage of turnover
Management	4	19.05%	0	0.00%
Production Staff	0	0.00%	0	0.00%
Engineers	7	33.33%	1	4.76%
Technicians	7	33.33%	1	4.76%
Others	3	14.29%	0	0.00%
Total	21	100.00%	2	9.52%

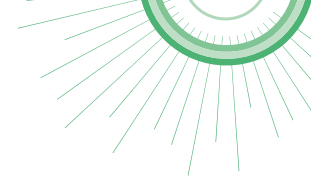
Average total number of employees 20.8

The workforce and turnover rate of employees by gender and age group (Taiwan office) for the year 2020

Gender and age group	Number of employees as at 31 Dec 2020	Percentage of each employee category (as at 31 Dec 2020)	Number of employee turnover	Percentage of turnover
Male				
30 or below	6	28.57%	1	4.76%
31-40	0	0.00%	0	0.00%
41-50	10	47.62%	1	4.76%
51 or above	1	4.76%	0	0.00%
Sub-total	17	80.95%	2	9.52%
Female				
30 or below	0	0.00%	0	0.00%
31-40	2	9.52%	0	0.00%
41-50	1	4.76%	0	0.00%
51 or above	1	4.76%	0	0.00%
Sub-total	4	19.05%	0	0.00%
Total	21	100.00%	2	9.52%

Average total number of employees 20.8





Employee Care

The drop in workforce was due to (i) voluntary turnover and (ii) strategy to use more third-party subcontractors in China.

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 2020, there was no fatal accident happened for offices in Hong Kong, Shenzhen, Suzhou and Taiwan.

Lost days in relation to work injury are as follows:-

	Hong Kong office	Shenzhen office and factory	Suzhou office	Taiwan office
Lost days	4	0	0	1.5

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

RESPONSE TO COVID-19

The outbreak of COVID-19 has seriously threatened health of humanity. The Company places great importance to the potential health and safety impact of the COVID-19 on its employees. In order to minimize the risk of cross-infection, the Company has closely monitored the pandemic situation from the beginning of the pandemic and quickly established an emergency team for pandemic prevention and control. A number of notices were issued, an emergency plan was formulated, the emergency prevention and control plan were detailed, and the prevention and control measures were strictly implemented. Detailed arrangements and measures were made in terms of pandemic control, production arrangements, employee return, post-holiday safety and insurance, and work arrangement.

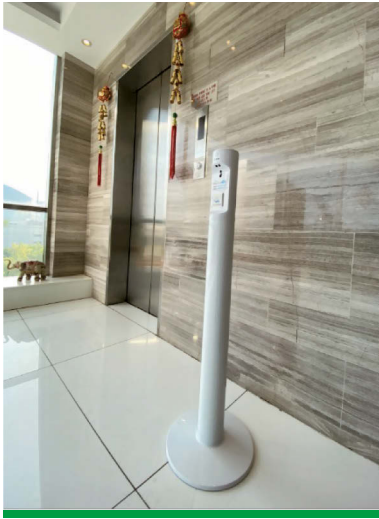
Hong Kong office

Since the outbreak of COVID-19, our Hong Kong office have adopted following measures to preserve a safe working environment for the staff:

Employee Care

Regular disinfections

Since the outbreak of COVID-19, additional disinfections were performed. Apart from cleaning with diluted bleach, air sanitizing & purifying liquid was sprayed within office and canteen regularly. Disinfecting hand sanitizers have also been installed in the following places for the employees' use:



Reception



Department entrance



Canteen entrance

Work from home policy

In order to reduce the probability of the virus spreading in the office and reduce the risk of staff exposure to infection when they commute to work, a work from home policy was adopted. Supporting staff such as finance, human resources, administration, IT and warehouse staff was still required to work in office. However, sitting arrangement was reassigned so that they were able to maintain a fair distance between each other.

Contactless delivery

During the first half of 2020, goods and supplies delivered to warehouse and/or office were all dropped off at ground floor and our staff picked them up at a later stage.

Health declaration and temperature check

All staff was required to report their health condition as well as those family members living together with them on weekly basis. Employees must check their body temperature when they arrive at work.

When we dropped the contactless delivery in the second half of 2020, all visitor (including delivery man and shareholders attending annual general meeting) entering our premises were required to provide similar health declaration and to check body temperature. Access was granted only if they satisfy certain health criteria.



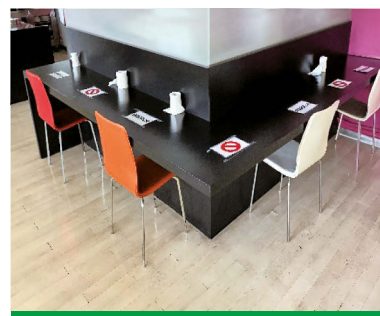
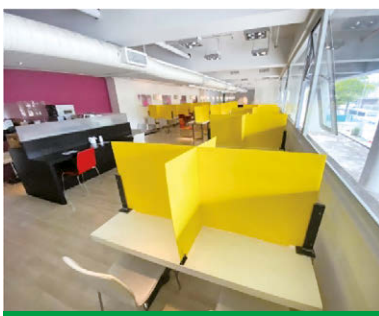
Employee Care

Identifying possible risk

Based on the list of buildings with confirmed/probable cases of COVID-19 as announced by the Department of Health from time to time, our human resources team cross-checked the list against the residential address of our staff. Any staff living in the same block was requested to work from home for a week. Before they came back to work, they had to report their health condition. Even if no symptom was spotted, staff was required to perform a test at the commune testing center. Only those with negative result was allowed to get back to office.

Lunch arrangement

In order to reduce the inflection risk through droplets, lunch time has been divided into two sessions to reduce the number of staff staying at one place. Social distancing was requested and staff will sit at intervals. Dividers have also been installed as below:



Other arrangements

- Meetings will be conducted electronically
- All non-essential business travel has ceased
- Monitor the evolving landscape and conditions as they unfold

Shenzhen office

At the beginning of 2020 when the COVID-19 pandemic spread rapidly, our Shenzhen office responded quickly, and established an emergency response mechanism for the epidemic. We also strictly followed the epidemic prevention requirements of the State and local governments and formulated the following epidemic prevention and control measures:

Employee Care

- In January 2020, our Shenzhen office requested relevant responsible departments to strengthen food safety, hygiene and related disinfection work. Employees who were returning from Wuhan were required to report to the administrative department and conduct medical screening to confirm that they were free of infection before they were allowed to go to work. At the same time, the epidemic prevention and control guidelines were issued to all employees;



- All personnel entering the office area should check their body temperature and disinfect their hands. We required employees with symptoms of fever, sustained coughing, difficulty in breathing (or alike) to stay in our temporary quarantine room immediately, and such employees should see doctors and were strictly prohibited to assume duty at the workplace;



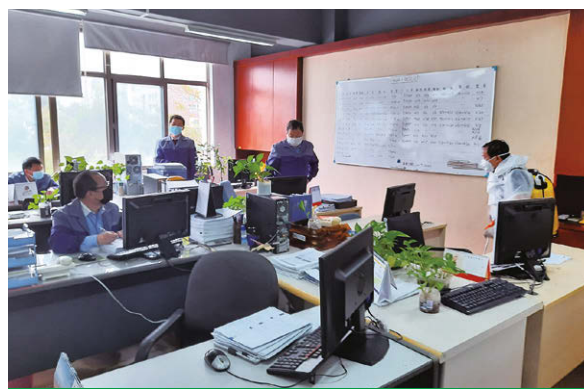


Employee Care

- In order to fully implement health management for employees, the Company procured protective products such as surgical masks, distributed them to employees three times a day (reduced to one mask a day in second half of 2020) and required them to wear mask during work. We also put in place collection box for discarded masks;



- In order to prevent the spreading of COVID-19, work areas were disinfected regularly by dedicated team. Canteen, office building, staff dormitory, bathroom, etc. were thoroughly cleaned. Hand sterilizers were placed in office lobby and toilet.



Employee Care

- In order to reduce the risk of transmitting between humans through droplets, our dining area for employees are divided into five areas. Lunch practice has been adjusted from self-meal portioning to distributing by kitchen staff. Our employees took meals in the canteen by groups and good air ventilation was ensured.



- In early 2020, our Safety and Health department reported the epidemic situation to the government every day including:
 - (i) the resumption of work situation;
 - (ii) personnel information in key epidemic areas (Hubei/Wenzhou);
 - (iii) report key personnel information;
 - (iv) epidemic prevention measures put in place;
 - (v) taking daily photos of the office building/factory/canteen disinfection site (to prepare for any enquiry in the future);
 - (vi) keeping daily employees temperature measurement records (to prepare for any checking in the future); and
 - (vii) provision of information on employees who returned to work and other relevant materials to Songgang police station from time to time.

With the launch of vaccine, the general awareness against the threat of coronavirus and the tight control imposed by the governments in China and Hong Kong, the number of inflections is under control. Even though Taiwan has recently met with an unexpected outbreak, given their past experience, we are optimistic that Taiwan will soon regain normalcy. Nevertheless, until the pandemic is completely out of the way, the Group will continue most of the measures listed in above to provide a safe and hygienic work environment to our staff.





Employee Care

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 2020

Employee category	Number of trained employees	Training hours completed	Average training hours per head
Senior Management	0	0	0
Middle Management	2	96	4.8
Engineers	2	11	5.5
Technicians	7	65	9.3
Production Staff	0	0	0
Others	0	0	0
Total	11	172	15.6

Employee Care

The information of employees trained by employee category (Shenzhen Office) for the year 2020

Employee category	Number of trained employees	Training hours completed	Average training hours per head
Senior Management	10	108	10.8
Middle Management	40	440	11
Engineers	24	458	19.1
Technicians	48	684	14.3
Production Staff	22	176	8
Others	25	200	8
Total	169	2,066	12.2

The information of employees trained by employee category (Taiwan Office) for the year 2020

Employee category	Number of trained employees	Training hours completed	Average training hours per head
Senior Management	0	0	0
Middle Management	0	0	0
Engineers	11	69	6.3
Technicians	0	0	0
Production Staff	0	0	0
Others	0	0	0
Total	11	69	6.3

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





Employee Care

EMPLOYEE-FRIENDLY POLICIES

The Company allows employees to 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.

Start from 2018, the Company granted an additional paid leave in each calendar year to our employees and called it "Celebration Leave". Our employees can choose a day which they would like to celebrate with their loved ones or which they feel important for himself/herself, for example days like birthday, wedding anniversary etc, as one of our staff benefits.

In compliance with various social-distancing rules, the Group has stopped all staff activities and has not participated in any charitable event in year 2020.

LABOUR STANDARD

The Group is in strict 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.



ATNT

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Asia Tele-Net and Technology Corporation Limited

