



PINE TECHNOLOGY  
HOLDINGS LIMITED  
松景科技控股有限公司\*  
(Incorporated in Bermuda with limited liability)  
(於百慕達註冊成立之有限公司)  
Stock Code 股份代號 : 1079



2023 ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT  
環境、社會及管治報告

\* For identification purpose only  
僅供識別

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## About this Report

PINE Technology Holdings Limited (hereafter referred to as the “**Company**” or “**PINE**”) along with its subsidiaries (the “**Group**”) is pleased to present its seventh standalone Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”).

In addition to the Group’s headquarter office in Hong Kong, we once again will disclose the ESG practices and performance of one of our subsidiaries, China UIP Information Technology Co., Limited (“**China UIP**”) located in Guangzhou, Guangdong province, the People’s Republic of China (the “**PRC**”). Unless otherwise specified, this Report covers the fiscal year from 1 July 2022 to 30 June 2023 (the “**Reporting Period**”).

This Report is prepared in compliance with the “Mandatory Disclosure Requirements” and the “Comply or explain” Provisions of the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) under Appendix 27 of the Main Board Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**HKEX**”), and adheres to the following principles:

### Materiality

Supported by a stakeholder engagement exercise and external materiality analysis, this Report is structured based on the materiality of ESG issues. For more information, please refer to subsections “Stakeholder Engagement” and “Materiality Assessment” under the section “Sustainability Approach”.

### Quantitative

This Report discloses quantitative key performance indicators (“**KPIs**”) of the Group’s headquarter office in Hong Kong and subsidiary office in Guangzhou. Information on the standards, methodologies, assumptions, and calculations tools used are further disclosed where applicable.

### Balance

With an aim to provide an unbiased picture of the Group’s ESG performance, all information is prepared and published based on existing policies, practices, and official documents or reports in an accurate, genuine, and transparent manner.

### Consistency

Any changes to the calculation scopes, methods, KPIs used, or any other relevant factors affecting a meaningful comparison shall be disclosed. The calculation scopes in this Report include the Group’s offices in Hong Kong and the PRC. The methodologies adopted are consistent with the previous reports, which allows for meaningful comparisons of ESG data over time.

We welcome your feedback on this Report and our approach to sustainability. If you have any comments or suggestions, please share with us by:

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## About PINE

### Company Profile

PINE has a respected and world-renowned presence in the computing industry. Since its establishment in 1989, we have endeavoured to make the unimaginable possible and spared no effort to push the envelope of computing device technology in order to meet and surpass the expectations within the ever-expanding computing industry. First listed on the Growth Enterprise Market in 1999, PINE transferred to the Main Board of the HKEx in 2010 which enabled the Company to continue to deliver the finest computing products to a larger global customer base. During the Reporting Period, the Group continued to operate the following business segments whilst the operation of the money lending service segment has been discontinued:

#### **Manufacturing, sales, and distribution of computer products**

The Group manufactures and sells market video graphics cards, other computer components, consumer electronic products and others under the Group's brand products, as well as other brand products, to customers.

#### **Provision of computer-related Services**

Upon particular request from customers, the Group also offers computer software, hardware and system development services.

## Chairman's Message

On behalf of the Board of Directors (the “**Board**”), it is my pleasure to present the latest ESG Report of the Group for the fiscal year ended 30 June 2023. This Report represents our continued commitments and contributions to sustainable development and the principles of ESG in a genuine and transparent manner. Through this Report, we aim to paint a full picture of our dedication and determination to creating long-term sustainable value for both our internal and external stakeholders.

During the Reporting Period, we have witnessed the end of the novel coronavirus (“**COVID-19**”) pandemic. The reopening of the border between Hong Kong and the PRC after almost three years of closure has reignited the economy as businesses begin their recovery to pre-pandemic levels. Nevertheless, the enduring impact of the pandemic on the economy and global geopolitical conflicts are expected to affect the recovery and induce various risks and uncertainties to our business. The Board has developed various strategies and will continue to assess these macroeconomic impacts on the Group's operations and financial performance, as well as closely monitoring the Group's exposure to these risks and uncertainties. The Group shall continue to grasp its growth opportunities and increase its competitive advantage to facilitate the long-term business development of the Group.

As the World Meteorological Organisation determines the 2023 summer as the hottest summer on record, the Group also recognises the urgency to address climate change and its impact on the environment, society, and economy. This year, we have formulated our Climate Change Policy (the “**Climate Change Policy**”) which illustrates our commitment to minimising the carbon footprint of our operation and across the value chain as well as strengthening the Group's resilience against the potential risks of climate change. We shall continue to collaborate with our stakeholders to support local and international climate goals and facilitate the transition towards a low-carbon economy.

This year, the Group has successfully achieved most of its environmental targets set in 2021. Whilst we are pushing ahead with the remaining targets, we have established longer-term environmental targets to be achieved within the coming two to four years. We will continue to closely monitor the Group's environmental performance including greenhouse gas (“**GHG**”) emissions and waste reduction in order to drive progress on minimising its impact on the environment and to achieve sustainable development.

In closing, I would like to express my profound gratitude to all our employees and management team for the professionalism and dedication they have shown in the past year towards achieving our ESG goals and targets as well as the immense value they bring to the Group. The accomplishments set out in this Report would not have been realised without their devotion and commitment. Moving forward, PINE shall remain steadfast in fulfilling its ESG and sustainability responsibilities and continue to work with its partners in the information technology industry to strive to build a better and more sustainable future for all.

**Zhang Sanhuo**

CHAIRMAN

Hong Kong, 27 October 2023

## Sustainability Approach

The development of the information technology industry is inextricably linked to sustainable development. They share part of the same visions and outcome – to establish an efficient and harmonious connection between people, products, society, and the environment that drives the globalisation of regional markets, as well as forging a responsible, inclusive, and efficient economy with greater communication. Information technology can be leveraged to facilitate transitions to sustainability so long as potential negative linkages are identified and addressed adequately.

At PINE, our ESG goals are beyond purely making and distributing high quality electronic products. We actively identify each opportunity where we can integrate sustainable practices into our business and operations. We reinforce our sustainability approaches through comprehensive methods, with an aim to promote sustainable concepts within the IT industry and global market.

We have strengthened our ESG governance and strategy by a variety of approaches, including gap analysis on ESG performances, environmental mitigation targets setting, and external materiality assessment. By adopting these strategies, we have been able to effectively identify areas for improvement and better position ourselves in our efforts to become a more sustainable company.

### ESG Governance

Our Board upholds the overall responsibility for the management of the Group’s ESG matters, including evaluating and prioritising material ESG issues, as well as setting and tracking the Group’s ESG-related targets. Having realised the overall expectations on ESG commitments and achievements are continually evolving, our Board adopts a set of approaches divided by three main timeframes and strives to address and respond to the most urgent ESG issues within those respective periods.

The Board’s short-term approach mainly focuses on the alignment and compliance with the ESG Reporting Guide which was announced by the HKEx in late 2019 and is effective from July 2020 onwards. We have discussed relevant ESG reporting matters and continue to minimise the gaps between our current performance and these new requirements. Furthermore, the Board commissioned an independent sustainability consultancy in 2021 to conduct an external materiality assessment on potential ESG issues and develop a list of environmental targets to mitigate the Group’s environmental impacts in a consistent manner. During the Reporting Period, the Group has successfully achieved most of these targets, which are due in 2023, and the Board has established a new set of environmental targets to be achieved within the coming two to four years. For more information, please refer to the subsection “Environmental Targets” under the section “Environmental Protection”.

To ensure there are appropriate precautions towards the emerging ESG risks in the medium and long-term, all potential ESG risks covering financial, operational, compliance and governance aspects are identified and discussed by the Board and the audit committee on a regular basis. Moving forward, in order to better monitor the Group’s ESG performances and effectively adjust its management approaches, the Board may designate an ESG committee in the near future, which is considered one of the long-term strategies. The ESG committee would be responsible for the management of ESG issues, including but not limited to launching ESG-related initiatives. The ESG committee may also be responsible for evaluating the materiality of potential ESG issues to the Group on an annual basis and reviewing the effectiveness of the Group’s ESG management and risk control systems on an ongoing basis.

## ESG Strategy

The Group's sustainable development is driven by a holistic ESG strategy, where it focuses on the key ESG topics and the main challenges for the coming three to five years, including regulations and standards compliance, stakeholder relationships management, as well as products and services quality improvement. In order to overcome these challenges and improve the synergy between our ESG goals, management approaches, as well as the direction for business development, the Board shall review this strategy on an annual basis. During our daily operation, the Group is committed to fulfilling the following principles:

- Maintain higher environmental and social standards to ensure the sustainable development of its business
- Comply with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment, and the environment
- Encourage employees, customers, suppliers, and other stakeholders to participate in environmental and social activities that benefit society as a whole
- Maintain strong relationships with its employees, enhance cooperation with its suppliers and provide high-quality products and services to its customers, so as to ensure sustainable development

## Stakeholder Engagement

Stakeholders' interests, expectations and concerns intertwine with the Group's overall performance. During the Reporting Period, by consulting various departments, the Group identified seven different stakeholder groups whose actions are highly intertwined with the Group's daily operations and business development. Through the following communication channels, the Group is committed to constructing a favourable, transparent, and sincere connection with each stakeholder group.

| Stakeholder Group      | Communication Channel  |
|------------------------|--|
| Shareholders/Investors | <ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Press releases</li> <li>• Annual and interim reports</li> <li>• Announcements and notices</li> </ul> |
| Employees              | <ul style="list-style-type: none"> <li>• Surveys</li> <li>• New hire orientation programmes</li> <li>• Training and development</li> <li>• Comment boxes</li> </ul>              |
| Customers              | <ul style="list-style-type: none"> <li>• Customer visits</li> <li>• Surveys</li> <li>• Meetings and correspondences</li> </ul>   |
| Suppliers              | <ul style="list-style-type: none"> <li>• Assessment surveys</li> <li>• Site visits</li> <li>• Supplier audits</li> </ul>   |
| Community Groups       | <ul style="list-style-type: none"> <li>• Charity activities</li> <li>• Volunteering activities</li> </ul>  |
| Media                  | <ul style="list-style-type: none"> <li>• Press releases</li> <li>• Meetings and correspondences</li> </ul>   |
| Regulatory Bodies      | <ul style="list-style-type: none"> <li>• Site visits</li> <li>• (Non-) compliance reports</li> <li>• Meetings and correspondences</li> </ul>                                     |

## Materiality Assessment

The Group values its stakeholders' opinions and recognises there are many intersections between stakeholders and the Group's interests. A materiality assessment was conducted in 2021 by an independent sustainability consultancy to identify and evaluate ESG issues deemed important to our stakeholders and the Group. Through the process of engaging our stakeholders, we were also able to carry out further adjustments and improvements to our sustainability agenda. We are committed to performing this exercise regularly to ensure our existing priorities, strategies and policies align with stakeholders' expectations.<sup>1</sup> The below steps were undertaken to assess the materiality of ESG issues:

### Step 1: Identification

A list of potential material issues was identified with reference to the following sources:

- Previous ESG reports from PINE
- External industry benchmarking

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<sup>1</sup> A materiality assessment was not conducted for the current Reporting Period as the Group does not consider its ESG practices to have significant differences when compared to the previous reporting period. As such, this Report adopts the results of the materiality assessment conducted in 2021.



The criteria for the selection of material ESG issues include whether the issue has a substantial impact on the assessments and decisions of stakeholders, and whether it reflects the Group's significant environmental and social impacts. By considering these criteria, 17 material issues were identified and defined.

## **Step 2: Prioritisation**

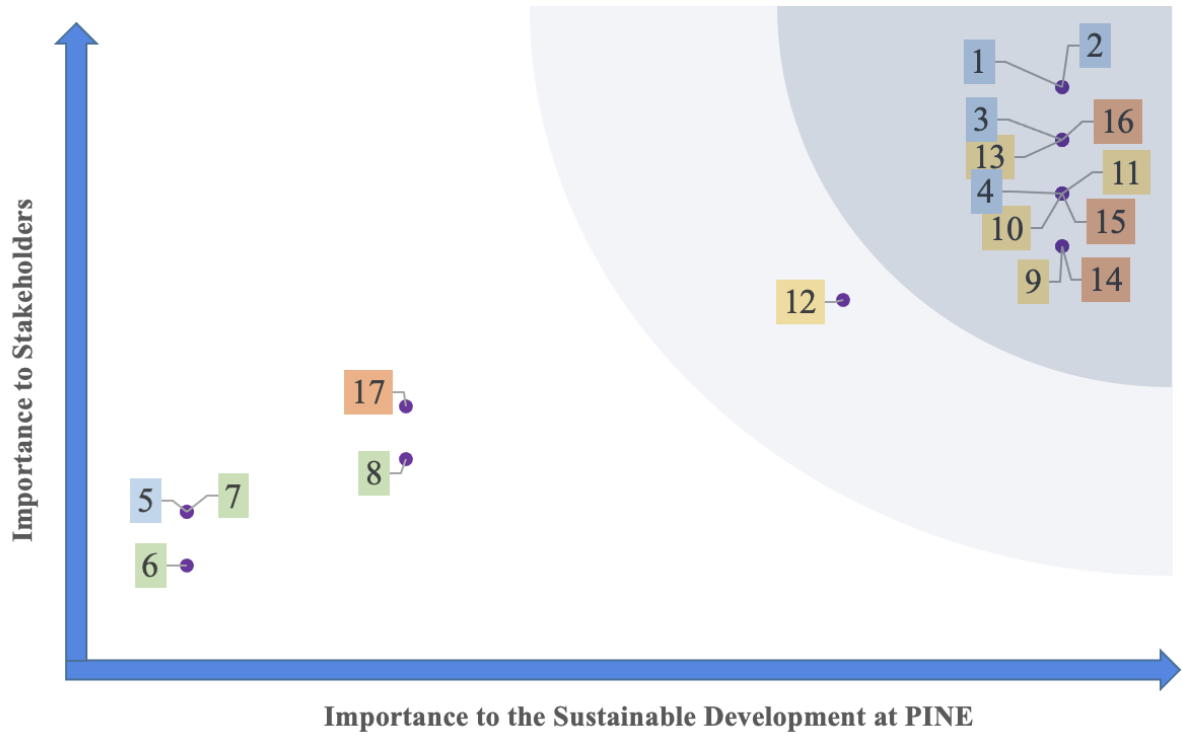
Different stakeholder groups were selected and engaged based on their influence on the Group. A standard questionnaire was distributed to stakeholders to ensure consistent and systematic evaluation of material issues. They were tasked to rate the relative importance of the identified ESG issues.

- Four members of the Board and senior management (the “**Management**”) ranked the importance of material issues towards the Group's sustainable development.
- 12 members from different stakeholders groups, which include employees, customers, as well as suppliers and contractors ranked the importance of material issues based on their own preferences and expectations.

## **Step 3: Validation and Review**

The Group's Management confirmed and validated the list of material topics for disclosure in this Report. The Board reviewed the identified material issues and the results to ensure appropriate relevance and materiality to PINE.

Based on the questionnaire responses, a materiality matrix was created in accordance with international practices in prioritising material issues based on their importance to the sustainable development at PINE (represented by Board and Management) versus its stakeholders (represented by employees, customers, suppliers and contractors).



|  |  |
|--|--|
| <p><b>People Cultivation</b></p> <ol style="list-style-type: none"> <li>1. Workplace Diversity and Inclusion</li> <li>2. Employee Compensation and Benefits</li> <li>3. Occupational Health and Safety</li> <li>4. Employee Training and Development</li> <li>5. Community and Charity Engagement</li> </ol> | <p><b>Environment Protection</b></p> <ol style="list-style-type: none"> <li>6. Environmental Resource Optimisation</li> <li>7. Air and Waste Emissions Reduction</li> <li>8. Climate-Related Risk Identification</li> </ol>  |
| <p><b>Operation Management</b></p> <ol style="list-style-type: none"> <li>9. Product Quality and Innovation</li> <li>10. Customer Relationship</li> <li>11. Marketing Responsibility</li> <li>12. Supply Chain Risk Mitigation</li> <li>13. Green Procurement</li> </ol>                                     | <p><b>Business Integrity</b></p> <ol style="list-style-type: none"> <li>14. Anti-Corruption</li> <li>15. Intellectual Property</li> <li>16. Privacy and Confidentiality</li> <li>17. Anti-Child and Forced Labour</li> </ol> |

In order to finalise a report structure that balances stakeholders’ views, an average score was used to assess the relative importance of the four aspects. The recommended report structure for this year was confirmed and approved by the Board, as shown below:



## Operation Management

With the rapid development in information technology, artificial intelligence and automation, and their increasing significance in our daily lives, there is an ever-increasing demand for computer components, computer software and electronic products. As such, companies operating in this realm must be conscious of the amount of electronic waste (“**e-waste**”) produced which leads to local and global environmental issues and acts as a direct contradiction to the Group’s values on sustainability. Conducting such trade business in the global market requires PINE to develop holistic operation management that can ensure product quality and lifespan. Through our responsible service and customer relationship strategy, rigorous quality assurance and control system, as well as supply chain optimisation practices, we strive to source and distribute eco-friendly and sustainable products that aim to lessen the Group’s impact on the environment.

### Service Responsibility and Customer Relationship

The Group upholds a prudent attitude towards sales services and customer engagement. We adhere to the sales order procedures to ensure a smooth process of our trading activities. Upon a detailed quality assurance and control process, we will arrange reliable express services to avoid potential damage to products during the shipment to customers. Customers are granted legal titles and statutory property rights of the products after successfully receiving the items or their control permission. We have the responsibility to handle any unexpected situations regarding product quality before successful delivery, ensuring customers will not assume any unfulfilled obligations that may affect the products they have accepted.

The Group is dedicated to forging customer relationships that can guarantee their satisfaction. We treat each customer with due care to retain their loyalty. Sales to our existing customers are normally made with credit terms of 1 to 180 days. For new customers, deposits or cash on delivery may be required, as per contractual agreement. As part of our after-sales service, we welcome customer feedback on communication, price competitiveness, product quality and service level. If any feedback or complaint is received, our employees will follow internal guidelines and approach each issue in an appropriate and timely manner.

During the Reporting Period, there were no laws and regulations relating to the health and safety matters of products and services that had a significant impact on the Group, and the Group was not aware of any non-compliance with relevant laws and regulations. Furthermore, the Group did not receive any material complaints relating to its products and services.

### Product Quality Assurance

The Group directly sources computer components and electronic products from its suppliers, and thereby the manufacturing process is not included in its direct operations. By carrying out the following dual inspections, we ensure that all purchased products are of the finest quality before being shipped to customers:

- Carry out stringent quality inspection procedures prior to shipment and delivery; and
- Adopt corrective and preventive control procedures whilst analysing the causes of known incidents and potential risks of product non-conformity.

In the unlikely event that a substandard product is found, we will carry out recall and disposal procedures. A reason analysis report is subsequently generated and promptly circulated to the management team to prevent such event from reoccurring. During the Reporting Period, there were no reported cases of product recalls and returns, including those due to safety and health reasons.

## Supply Chain Optimisation

The Group's suppliers include distributors and contractors, which are widely distributed across the PRC and around the world. It remains our goal to optimise our supply chain and enhance its sustainability. We closely communicate with existing suppliers to ensure that they understand our expectations on quality management, occupational health and safety, as well as environmental standards, whilst actively collaborating with prospective suppliers that are capable of providing environmentally friendly products and services.

Our supplier management process serves as a cornerstone that facilitates supplier engagement in an unbiased manner. When engaging prospective and retaining suppliers, we strictly follow the established selection and evaluation procedures. Different assessment methods including but not limited to site inspections and supplier audits shall be conducted to assess various aspects of suppliers' performance such as delivery efficiency, service quality and reliability, management systems and procedural controls.

The Group developed a Sustainable Procurement Policy (the "**Sustainable Procurement Policy**") which records the Group's existing list of approved suppliers and specifies its general approach to green procurement. It amplifies our commitment to sustainable development and is a positive step towards fulfilling our corporate responsibility to manage our overall impact on the environment, society, and local economy.

With an aim to identify and manage ESG risks along our supply chain, we adopt a detailed assessment to review suppliers' environmental and social policies. Aspects such as environmental performance, occupational health and safety, human rights and ethics are considered within the assessment. In order to monitor their ESG performance, we require suppliers to draft a guideline regarding environmental and social commitment and review their achievements on an annual basis. For particular suppliers, we will help them formulate relevant policies and procedures to improve their environmental and social responsibilities in the long run.

During the Reporting Period, the Group engaged with 31 suppliers, all of which have complied with the aforementioned requirements proposed by the Group. For more information regarding the number of suppliers by geographical region, please refer to the subsection "Social KPIs" under the section "KPIs Summary".

In order to promote environmentally friendly products and services within our supply chain, we actively choose responsible suppliers that can help us enhance our green office practices. For instance, China UIP purchases electronic appliances with energy-saving labels and green decorative accessories from relevant suppliers and subcontracts work to responsible computer software contractors. Moving forward, the Group will continuously explore applicable environmentally friendly products as well as services, whilst maintaining long-lasting connections with these responsible suppliers in order to fully incorporate sustainable considerations into our supply chain.

## People Cultivation

PINE aims to foster a harmonious work environment where its employees and the surrounding community can thrive together, create a hazard-free workplace with ultimate safety in each operational stage, and build a platform for employees to achieve their personal growth and professional goals. We believe that these efforts will cultivate and incentivise our people to wholeheartedly pursue their careers, whilst sustaining the Group's long-term business growth.

### Workplace Harmony

#### **Recruitment, Promotion and Dismissal**

Both our headquarter office and China UIP adhere to an unbiased recruitment principle, which is solely based on criteria such as professional knowledge, work experience, personal skills, and abilities. Upon the assessment conducted by the human resource ("HR") Department and other relevant departments, only qualified candidates will be employed. During employment, employees with outstanding work performance may receive promotion opportunities whenever applicable. If employees' performance fail to meet our requirements, or on the occasion that the Group needs to adjust its employment structure due to business development, employees may be dismissed with a one-month notification in advance.

#### **Compensation, Benefits and Welfare**

The Group ensures that its employees are remunerated according to the prevailing manpower market conditions and individual performance, qualification, and experience. We review our remuneration policies on a regular basis and make necessary changes in a timely manner. Apart from statutory benefits such as monthly salary, medical coverage, rest time, mandatory provident fund, social insurance, holiday leave, and annual leave, we also provide discretionary bonuses and a variety of allowances including but not limited to phone bill reimbursement, overtime compensation, training courses, meals, and business trip subsidies.

#### **Equal Opportunity, Diversity and Anti-Discrimination**

We strive to foster a non-discriminatory workplace with inclusivity, respect, and diversity. Our Employee Handbook ("**Employee Handbook**") covers the operation at the Group level and is implemented and continually monitored by the HR Department. Stipulated in this policy, any form of discrimination in any employment decisions, including but not limited to race, religion, nationality, origin, age, disability, sex, pregnancy, sexual orientation, are strictly prohibited. If employees encounter any form of harassment, they should immediately report to their superior or the HR Department. We will provide necessary assistance and initiate corresponding investigations after receiving the complaint. In the unlikely event that such cases arise, the offender will bear disciplinary actions including but not limited to summary dismissal.

The Group strives to construct a harmonious workplace. During the Reporting Period, there were no laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that had a significant impact on the Group. There were no reported cases of non-compliance that compromised the Group's performance on workplace harmony.

#### **Social Contribution and Community Investment**

As a high-tech IT company dedicated to contributing to the PRC's IT industry, China UIP positions itself as a professional electronic service provider that provides business processing and management system solutions for governments, public organisations, private enterprises and regulatory agencies at all levels.

We leverage strong technical and financial strength, as well as cooperation and communication with other well-known industry peers and partners, with an aim to foster the rapid development of electronic governance in society and improve the public and private sector's well-being by introducing varied electronic conveniences. Moving forward, the Group will continue to understand the needs and interests of the community where it operates and shall consider investing in efforts to engage with them directly.

## Workplace Safety

### Cyber Safety

As the majority of China UIP's operations is based online, the Group pays great attention to the network system in the office. We actively employ the highest levels of cyber security in the workplace and strive to forge a stable and reliable online operation to avoid potential risk and possible loss. Any third-party software must pass an antivirus test to ensure its safety and reliability prior to installation and use.

### Fire Safety

The Group has an operational guideline and emergency response procedure to ensure fire safety. In our daily operations, employees are required to abide by the following rules:

- Comply with operating procedures and pay attention to fire prevention
- Prohibit from smoking in places with no-smoking notices
- Report to the department manager in a timely manner if anyone notices any electrical equipment with potential fire hazards
- Become familiar with the locations of fire extinguishing equipment

When encountering a fire accident, employees are expected to minimise safety risk through the following emergency response procedure:

- Keep calm and ask colleagues for assistance
- Inform related personnel including the department manager, property security, fire brigade, and emergency aid centre
- Cut off the power supply and close all doors and windows near the fire scene
- Do not use water or foam to extinguish the fire caused by electricity
- Use nearby fire extinguishing equipment to extinguish the fire
- Follow the instructions to evacuate the fire scene in an orderly manner

### Extreme Weather Safety

We have also formulated safety instructions to guide employees to avoid any potential hazards related to extreme weather conditions. For example, within the operations in Hong Kong, we observe the Hong Kong Labour Department's Code of Practice in Times of Typhoons and Rainstorms as a guidance material in formulating the Group's work arrangement under extreme weather. For more information, please refer to the subsection "Addressing Climate Change" under the section "Environmental Protection".

During the Reporting Period, there were no material relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that had a significant impact on the Group, and the Group was not aware of any non-compliance with relevant laws and regulations. Furthermore, there were no work-related fatalities or injuries that occurred in the workplace.

## Workplace Training

The Group's training policy has been developed by the management team based on the latest industry practices as well as the requirements from various departments and employees, with an aim to improve the technical and professional skill sets of employees, our product quality, and market competitiveness, as well as ensure the Group's continuous business growth and expansion.

During the Reporting Period, the Group organised an environmental awareness-raising training for our employees at the Hong Kong headquarter office, as part of the Group's efforts to achieve its environmental targets. The training was attended by employees from various departments. It covered topics including the causes and impacts of global environmental issues such as climate change as well as waste and plastic pollution. In addition to the environmental actions at the international and corporate level, useful information about green office operations and eco-friendly lifestyles were also introduced. The Group encourages its employees to implement these actionable practices at work and during their everyday lives to induce behavioural change and promote sustainable lifestyles.

Furthermore, we encourage employees to undertake external training programmes that enhance their professional skills and knowledge. Subject to the management's approval, employees can be reimbursed up to 80% of course fees upon completion of each training programme.

For more information regarding employee training KPIs, please refer to the subsection "Social KPIs" under the section "KPIs Summary".

## Business Integrity

PINE endeavours to deliver the finest electronic products and IT services whilst upholding strong business integrity to its customers, distributors, and other business partners. As a trading company, we firmly believe that maintaining ethical business conduct is a cornerstone that establishes a trustworthy commercial network. The Group has formulated concrete approaches to prudently regulate business ethics issues such as data privacy, intellectual property, anti-corruption, and labour standards. Moving forward, we shall continue to maintain the highest business standard and aim to sustain our success.

### Data Privacy and Intellectual Property

The Group spares no effort to protect the private interests and intellectual property rights of each stakeholder. As communicated in the Employee Handbook at our headquarter office and China UIP, any inventions used or created by any employees whilst carrying out their duties to invent, innovate, design, compose or create shall be deemed as a property of the Group, regardless of whether any patents or copyrights have been registered. Third parties' know-how and designs in the design, development, product production and other relevant processes, along with the Group's customer information, trading records, business strategies and decisions are deemed as part of confidential data. Unless permission is obtained, employees shall not download, store, send or delete any company information, data, files, or materials to any external channels for any non-business purposes. Breaching or pirating such information may lead to employment termination.

During the Reporting Period, there were no laws and regulations relating to the advertising, labelling and privacy matters of products and services that had a significant impact on the Group, and the Group was not aware of any non-compliance with relevant laws and regulations.

### Anti-Corruption

The Group has established a whistleblowing policy to define appropriate responses for handling bribery, extortion, fraud, and money laundering. As communicated in the Employee Handbook, employees are forbidden to receive benefits from any party that has a business relationship with the Group. When assessing suppliers, handling sensitive confidential information, and communicating with suppliers and customers, we restrict any material or monetary exchange in pursuit of personal interests.

We have set up designated officers and bodies including the financial controller as well as the audit committee, and reporting channels such as phone calls, in-person meetings, email, and posts to receive complaints about business ethics raised by stakeholders and handle any non-compliance cases. Throughout the whistleblowing process, the identity of the whistleblower will be concealed to ensure they will not be discriminated against. Relevant officers will evaluate the complaint and determine corresponding remediation solutions, including legal action against any corruption that is in breach of the relevant laws. We also conducted a moral risk assessment for each position to determine which position may be easily exposed to moral issues. For high-risk positions, we provide relevant employees with specific training to increase their awareness. During the Reporting Period, anti-corruption training was not organised as most of our employees have already undertaken relevant training and possess up-to-date knowledge. The Group will ensure all new employees are aware of its anti-corruption policies and practices.



During the Reporting Period, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong) had a significant impact on the Group in relation to its daily trading activities. There were no concluded legal cases regarding corrupt practices brought against the Group and its employees. We ensure our compliance by providing anti-corruption training for the Board and employees on a regular basis. For more information, please refer to the subsection “Workplace Training” under the section “People Cultivation”.

## Anti-Child and Forced Labour

The Group strives to create an anti-child and forced labour workplace that can showcase its commitments towards labour standards. Abiding by relevant laws and regulations in Hong Kong and the PRC, hiring workers below 16 years old is strictly prohibited at PINE.

In order to prevent child labour recruitment from occurring, we established a monitoring procedure informing applicants of our policy against child labour during the recruitment process. We closely examine their identity documents and verify the information through interviews and, if necessary, governmental information channels. The recruitment process will begin only after the respective applicant’s identity has been verified.

We encourage work-life balance among employees and stipulate their working hours in the Employee Handbook. If employees are required to work overtime due to work needs, the amount of extra time shall not violate the requirements of local laws and regulations. Overtime allowances such as transportation and meal subsidies will be provided. At China UIP, a separation of duties policy is adopted. Unless otherwise specified, employees solely need to be responsible for their own duty. In order to ensure that all employees have sufficient rest time, approval from the management is required prior to any overtime work.

In the unlikely event that child or forced labour is found in the workplace, the Group will strictly take the following mitigation actions accordingly:

- Dismiss the illegal worker
- Report to the local labour authority and provide medical checks for the relevant personnel. If any occupational disease is discovered, medical treatment should be arranged, and the expense is covered by the Group
- Report to the Board and carry out discussion to prevent similar cases from reoccurring
- Review the recruitment process and hold the recruitment agency accountable

During the Reporting Period, there were no laws and regulations relating to preventing child and forced labour that had a significant impact on the Group, and the Group was not aware of any non-compliance with relevant laws and regulations.

## Environmental Protection

PINE aligns its business development with the urgent need for environmental protection. We closely examine our operation to determine the importance and urgency of each environmental issue towards the Group's business. Through the external materiality assessment, we realised climate change issues are our primary concerns in the upcoming future and thereby have established a Climate Change Policy and a preliminary response strategy. Furthermore, we also formulate green office practices and establish targets in order to minimise our emissions and the use of resources, with an aim to protect our environment in a comprehensive and consistent manner. During the Reporting Period, there were no laws and regulations relating to pollution and environmental protection that had a significant impact on the Group, and the Group was not aware of any non-compliance with relevant laws and regulations.

### Addressing Climate Change

PINE is committed to the protection of the environment and pursuing sustainable development across its business and value chain in order to support local and international climate goals. During the Reporting Period, the Group established its Climate Change Policy which sets out its commitment to monitoring and managing climate-related risks and opportunities, as well as reducing GHG emissions and other environmental impacts along the value chain. PINE will work with its partners and stakeholders to contribute to the transition towards a low-carbon economy.

### Physical Risks

The physical risks of climate change vary based on different geographical regions around the world. They include chronic risks such as extreme heat, drought, and water shortage as well as acute risks such as wildfires, hurricanes, and flooding. Our offices are located in Hong Kong and Guangzhou, which are along the southern coast of the PRC. The typhoon season typically lasts between July and September each year. A potentially longer and more extreme typhoon season may disrupt the Group's normal operations. Hence, extreme weather conditions are deemed as the primary acute physical risk in our climate-related risk identification. We have formulated a Climate Change Policy to enhance the Group's resilience towards climate-related physical risks including extreme weather conditions.

As outlined in the Employee Handbook, the Hong Kong headquarter office established special working arrangements in the event of typhoons and rainstorms. Abiding by relevant regulations of the Labour Department of Hong Kong, all employees are not required to report for duty under different levels of extreme weather. In order to protect the safety of its employees and properties, China UIP requires employees to obey the instructions of the department managers and ensure safe operation under extreme weather conditions.

### Transition Risks

Transition to a low-carbon economy may present significant risks relating to policies, market, finance, technology and reputation. As the Group engages with distributors and contractors around the world, climate-induced transition risks along its supply chain must be considered during its climate-related risk identification and adaptation strategy formulation. The cost of GHG emissions and air pollution will increase in the foreseeable future. As a trading company, we realise that it is important to optimise our logistics operation, by identifying and minimising our Scope 3 indirect GHG emissions and avoiding carbon-intensive transportation methods that may increase our logistic cost.

In order to ensure the smoothness and efficiency of our supply chain, we shall also consider conducting risk analysis for our electronic product manufacturers in the PRC. For example, we shall preferably select manufacturers that align with the regulation of local carbon markets, rather than those that are prone to receive penalties based on China's Carbon Emission Trading System. Moving forward, the Group will consider identifying other aspects such as market and reputation risks to determine their priority and formulate corresponding adaptation strategies if necessary.

## Emissions Mitigation

During the Reporting Period, the Group's emissions include indirect GHG emissions stemming from its purchased electricity. For detailed emissions data, please refer to the subsection "Environmental KPIs" under the section "KPIs Summary". Our operation is based on office scenarios where the emissions impact on the environment is considered insignificant. Nevertheless, we strive to mitigate these emissions by complying with the green office practice, as described in the subsection "Green Office Practice" under this section.

## Resource Consumption

The main resources consumed by the Group during the Reporting Period included electricity, water, and paper. For detailed consumption data, please refer to the subsection "Environmental KPIs" under the section "KPIs Summary". As we purchased these resources from local utility providers, we did not encounter any issue in sourcing water or other resources. We encourage employees to follow the established green office practice as discussed under the following subsection "Green Office Practice".

## Green Office Practice

An effective environmental protection strategy should be positioned in line with the Company's own business nature and operational scenario. At PINE, green and sustainable office practices are considered the most significant cornerstone to advancing the Group's environmental performance. By thoroughly examining our daily operation, we identified several substantial aspects regarding energy and the use of resources, and created corresponding guidelines and regulations to integrate responsible consumption into our offices:

### Lighting

- Use only LED, T5 or compact fluorescent lamp with energy labels
- Assign employees to turn off lights when they are not in use or after office hours

### Heating, Ventilation and Air Conditioning

- Use air-conditioning zoning
- Adjust individual air-conditioners to suitable temperatures
- Set general air temperature to above 25°C

### Office Appliance

- Maintain all electrical appliances such as lamps and computers on a regular basis
- Adopt multi-function devices that combine printing, scanning, photocopy, and fax functions

### **Waste Reduction**

- Avoid using disposable umbrella bags by providing umbrella stands or racks
- Provide visitors with glass cups, containers, and utensils
- Assign designated area for collection of office waste and recyclables
- Provide reusable utensils for staff in the common area for lunch
- Reuse occasional festival decorations (e.g. Christmas, New Year's)

### **Awareness and Education**

Encourage employees to:

- Prevent unnecessary prolonged use of office appliances
- Print only when necessary
- Lower the brightness of their monitor screen
- Reuse packaging materials such as plastic bags and plastic boxes
- Attend ESG seminars or related events

### **Water Saving Devices or Practices**

- Maintain water dispensers, taps and pipes and repair leaks in a timely manner
- Affix water-saving stickers and posters in washrooms

### **Paper Consumption**

- Adopt electronic supporting mediums, e-procurement system, and e-recruitment system
- Digitalise documents for filing to reduce the usage of paper
- Assign designated area for collection of single-sided paper



Warm reminder: Please turn off the lights after leaving the room



Save every kWh of electricity. Turn off the lights and save electricity



Dear colleagues, please support the environment and save paper. Use double-sided photocopying where possible and re-use single-sided wastepaper. Thank you!

The practices listed above have already made a big difference. The digitisation of paper use, and reuse and recycling of scrap paper, for example, have led to a significant reduction in paper usage. In 2023, both our Hong Kong headquarter and Guangzhou offices achieved a 100% reuse and recycling rate of scrap paper.

We continue to seek new ways to enhance our green and sustainable office practices moving forward.

### Environmental Targets

In order to monitor our environmental performance and carry out appropriate adjustments in a timely manner, we formulated the following emission mitigation and resource consumption targets in 2021:

| Air and GHG Emissions Targets  | Progress  | Initiatives   |
|--|-----------|---|
| By 2023, provide at least two hours of GHG emissions mitigation training for employees | Completed | GHG emissions and mitigation training was provided to employees at the Hong Kong headquarter office during the Reporting Period   |
| By 2023, identify Scope 3 GHG emissions and create corresponding tracking document     | Completed | Two categories of Scope 3 emissions, including purchased goods and services (specifically water supply) and waste generated in operations (specifically wastewater processing and paper disposal at landfills) have been included since the 2022 ESG Report |

| Resource Consumption Targets   | Progress   | Initiatives   |
|--|------------|---|
| By 2023, set up a Sustainable Procurement Policy to purchase electrical appliances with energy saving labels | Completed  | Sustainable Procurement Policy was set up in 2022   |
| By 2023, set up a Green Office Policy that guides employees on energy saving measures                        | Completed  | Green Office Policy was set up in 2022  |
| By 2023, reach 50 percent installation rate of water-efficient taps with an aerator or flow restrictor       | Incomplete | In negotiation with the property management company for the installation of water-efficient taps      |
| By 2023, provide at least one hour of energy and resource saving training for employees                      | Completed  | Energy and resource saving training was provided to employees during the Reporting Period             |
| By 2023, reach 80 percent reuse and recycling rate of scrap paper  | Completed  | Both Guangzhou and Hong Kong headquarter office achieved 100% reuse and recycling rate of scrap paper |
| By 2023, adopt at least one type of eco-friendly paper for office operation                                  | Completed  | Adopted eco-friendly paper in our office in 2023  |
| By 2023, set up an official paper recycling partnership with licensed vendors                                | Annulled   | Waste paper is disposed of in recycling bins managed by the property management company               |

During the Reporting Period, the environmental targets previously set in 2021 were mostly achieved. Whilst we will continue to push ahead with the remaining targets, the Group has set its latest targets to be achieved by 2025 to 2027 to drive progress in its environmental performance and solidify the Group's commitment towards environmental stewardship and sustainable development. Meanwhile, a target for water efficiency is omitted as it is considered to be immaterial to the Group's business operation.

| Environmental Aspects | Targets  |
|-----------------------|--|
| GHG                   | <ul style="list-style-type: none"> <li>By 2027, reduce absolute Scope 1-3 greenhouse gas emissions by 50%, compared to 2021 baseline</li> <li>By 2027, request greenhouse gas emissions data from major supplier(s) for Scope 3 emissions data analysis</li> </ul>           |
| Waste                 | <ul style="list-style-type: none"> <li>By 2025, establish a waste monitoring system for general waste</li> <li>By 2025, provide recycling bins in offices for waste separation and recycling</li> <li>By 2027, maintain 100% scrap paper reuse and recycling rate</li> </ul> |
| Electricity           | <ul style="list-style-type: none"> <li>By 2027, reduce absolute electricity usage by 50%, compared to 2021 baseline</li> <li>By 2027, provide at least one hour of training to employees on responsible energy consumption and climate change</li> </ul>                     |

## Laws and Regulations

During the Reporting Period, we have rigorously adhered to the following laws and regulations. Those with a significant impact on the Group's operation are further disclosed in the respective sections.

| <b>Operation Management</b>  |  |
|--|--|
| Hong Kong  |  |
| <ul style="list-style-type: none"> <li>• Consumer Goods Safety Ordinance (Cap. 456 of the Laws of Hong Kong)</li> <li>• Sale of Goods Ordinance (Cap. 26 of the Laws of Hong Kong)</li> <li>• Supply of Services (Implied Terms) Ordinance (Cap. 457 of the Laws of Hong Kong)</li> <li>• Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong)</li> </ul>  |  |
| PRC  |  |
| <ul style="list-style-type: none"> <li>• Government Procurement Law of the People's Republic of China</li> <li>• Law of the People's Republic of China on Bid Invitation and Bidding</li> <li>• Production Safety Law of the People's Republic of China</li> </ul>   |  |
| <b>People Cultivation</b>  |  |
| Hong Kong  |  |
| <ul style="list-style-type: none"> <li>• Employment Ordinance (Cap. 57 of the Laws of Hong Kong)</li> <li>• Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong)</li> <li>• Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)</li> <li>• Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)</li> <li>• Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)</li> <li>• Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)</li> </ul> |  |
| PRC  |  |
| <ul style="list-style-type: none"> <li>• Labour Contract Law of the People's Republic of China</li> <li>• Labour Law of the People's Republic of China</li> <li>• Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases</li> <li>• Provisions on Minimum Wages</li> <li>• Provisions on the Administration of Occupational Health at Workplaces</li> <li>• Social Insurance Law of the People's Republic of China</li> </ul>  |  |

|   |
|---|
| <b>Business Integrity</b>   |
| Hong Kong   |
| <ul style="list-style-type: none"> <li>• Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong)</li> <li>• Companies Ordinance (Cap. 622 of the Laws of Hong Kong)</li> <li>• Competition Ordinance (Cap. 619 of the Laws of Hong Kong)</li> <li>• Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)</li> <li>• Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)</li> </ul>   |
| PRC   |
| <ul style="list-style-type: none"> <li>• Anti-Monopoly Law of the People’s Republic of China</li> <li>• Cybersecurity Law of the People’s Republic of China</li> <li>• Interim Provisions on Prohibition of Commercial Bribery</li> <li>• Law of the People's Republic of China Against Unfair Competition</li> <li>• Provisions on Protecting the Personal Information of Telecommunications and Internet Users</li> </ul>   |
| <b>Environmental Protection</b>   |
| Hong Kong   |
| <ul style="list-style-type: none"> <li>• Product Eco-responsibility Ordinance (Cap. 603 of the Laws of Hong Kong)</li> </ul>  |
| PRC   |
| <ul style="list-style-type: none"> <li>• Environmental Protection Law of the People’s Republic of China</li> <li>• Law of the People’s Republic of China on Environmental Impact Assessment</li> <li>• Law of the People’s Republic of China on Prevention and Control of Environmental Noise Pollution</li> <li>• Law of the People’s Republic of China on Prevention and Control of Environment Pollution by Solid Waste</li> <li>• Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution</li> <li>• Water Pollution Prevention and Control Law of the People’s Republic of China</li> </ul> |



## KPIs Summary

### Environmental KPIs

| KPIs  | Unit                           | 2023       | 2022                | 2021       |
|---|--------------------------------|------------|---------------------|------------|
| <b>Air Emissions (KPI A1.1)</b>                                     |                                |            |                     |            |
| Nitrogen Oxides   | kg                             | -          | 0.47                | 1.34       |
| Sulphur Oxides  | kg                             | -          | 0.02                | 0.02       |
| Particulate Matter  | kg                             | -          | 0.04                | 0.10       |
| <b>GHG Emissions<sup>2</sup> (KPI A1.2)</b>                         |                                |            |                     |            |
| Scope 1 - Direct Emissions from Mobile Source                       | tCO <sub>2</sub> e-            | -          | 2.86                | 3.14       |
| Scope 2 - Indirect Emissions from Purchased Electricity             | tCO <sub>2</sub> e-            | 38.87      | 54.13               | 66.87      |
| Scope 3 - All Other Indirect Emissions <sup>3</sup>                 | tCO <sub>2</sub> e-            | 0.0003     | 1.1091 <sup>4</sup> | -          |
| Total GHG Emissions (Scope 1&2)                                     | tCO <sub>2</sub> e-            | 38.87      | 56.99               | 70.01      |
| Total GHG Emissions (Scope 1,2&3)                                   | tCO <sub>2</sub> e-            | 38.87      | 58.10               | -          |
| Total GHG Emissions (Scope 1,2&3) Intensity by FTE <sup>5</sup>     | tCO <sub>2</sub> e- /Person(s) | 2.05       | 0.56                | 0.69       |
| Total GHG Emissions (Scope 1,2&3) Intensity by Revenue <sup>6</sup> | tCO <sub>2</sub> e- /HK\$'000  | 0.0008     | 0.0010              | 0.0007     |
| <b>Energy and Resource Consumption (KPI A2.1 &amp; A2.2)</b>        |                                |            |                     |            |
| Electricity Usage   | kWh                            | 49,094.00  | 67,674.34           | 84,739.00  |
| Petrol Usage  | Litres                         | -          | 1,075.00            | 1,180.00   |
| Total Energy Usage  | MJ                             | 176,738.40 | 279,726.12          | 344,684.80 |
| Total Energy Usage Intensity by FTE <sup>5</sup>                    | MJ/ Person(s)                  | 9,302.02   | 2,689.67            | 3,412.72   |
| Total Energy Usage Intensity by Revenue <sup>6</sup>                | MJ/ HK\$'000                   | 3.76       | 4.59                | 3.62       |
| Water Usage   | m <sup>3</sup>                 | 1.01       | 482.02              | 330.63     |
| Water Usage Intensity by FTE <sup>5</sup>                           | m <sup>3</sup> / Person(s)     | 0.05       | 4.63                | 3.27       |

<sup>2</sup> The GHG quantification methodology is based on following standards:

- The “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” issued by the Environmental Protection Department and the Electrical and Mechanical Services Department in Hong Kong
- The “China’s Regional Power Grids Baseline Emissions Factors in the 2019 Emission Reduction Project” issued by the Ministry of Ecology and Environment of the PRC

<sup>3</sup> Scope 3 emissions include two categories based on the GHG protocol, including purchased goods and services (specifically water supply) and waste generated in operations (specifically paper in landfill). However, it does not currently include Guangzhou water consumption data as the PRC does not provide clear water or sewage emission factors.

<sup>4</sup> Scope 3 emissions in 2022 has been recalculated due to inconsistencies in the calculation methodology.

<sup>5</sup> FTE refers to the total number of full-time employees at the end of the Reporting Period.

<sup>6</sup> In 2023, the Group’s reporting currency has been converted from USD to HKD. Hence, all revenue figures from previous years have been converted and are denominated in HK\$ at a conversion rate of US\$ 1 = HK\$ 7.8. The Group’s total revenue was HK\$ 46,993,000 in 2023.

|   |                              |         |         |          |
|---|------------------------------|---------|---------|----------|
| Water Usage Intensity by Revenue <sup>6</sup> | m <sup>3</sup> /<br>HK\$'000 | 0.00002 | 0.00791 | 0.00347  |
| Paper Usage                                   | kg                           | 159.67  | 231.02  | 4,500.00 |
| Paper Usage Intensity by FTE <sup>5</sup>     | kg/<br>Person(s)             | 8.40    | 2.22    | 44.55    |
| Paper Usage Intensity by Revenue <sup>6</sup> | kg/<br>HK\$'000              | 0.003   | 0.004   | 0.047    |

## Social KPIs

| KPIs  | Unit      | 2023   | 2022  | 2021   |
|---|-----------|--------|-------|--------|
| <b>Workforce (KPI B1.1)</b>                                 |           |        |       |        |
| <b>Total Workforce</b>                                      |           |        |       |        |
| Total Workforce   | Person(s) | 19     | 104   | 101    |
| <b>Workforce by Gender</b>                                  |           |        |       |        |
| Male  | Person(s) | 14     | 79    | 76     |
| Female  | Person(s) | 5      | 25    | 25     |
| <b>Workforce by Age Group</b>                               |           |        |       |        |
| <30   | Person(s) | 2      | 34    | 34     |
| 30-40   | Person(s) | 8      | 38    | 38     |
| 41-50   | Person(s) | 4      | 21    | 25     |
| >50   | Person(s) | 5      | 11    | 4      |
| <b>Workforce by Employment Type</b>                         |           |        |       |        |
| Management  | Person(s) | 7      | 13    | 8      |
| Administration, Accounting and Finance                      | Person(s) | 7      | 10    | 15     |
| Sales and Marketing   | Person(s) | 1      | 5     | 5      |
| Procurement, Warehousing and Logistics                      | Person(s) | 2      | 0     | 0      |
| Technical and Maintenance                                   | Person(s) | 2      | 76    | 73     |
| <b>Workforce by Geographical Location</b>                   |           |        |       |        |
| Hong Kong   | Person(s) | 10     | 14    | 13     |
| PRC   | Person(s) | 9      | 90    | 88     |
| <b>Turnover Rate (KPI B1.2)</b>                             |           |        |       |        |
| <b>Total Turnover Rate</b>                                  |           |        |       |        |
| Total Turnover Rate   | %         | 134.96 | 37.07 | 52.03  |
| <b>Turnover Rate by Gender</b>                              |           |        |       |        |
| Male  | %         | 141.94 | 34.84 | 47.37  |
| Female  | %         | 113.33 | 44.00 | 67.86  |
| <b>Turnover Rate by Age Group</b>                           |           |        |       |        |
| <30   | %         | 105.56 | 67.65 | 68.97  |
| 30-40   | %         | 191.30 | 23.68 | 47.19  |
| 41-50   | %         | 136.00 | 8.70  | 40.00  |
| >50   | %         | 37.50  | 53.33 | 20.00  |
| <b>Turnover Rate by Geographical Location</b>               |           |        |       |        |
| Hong Kong   | %         | 16.67  | 22.22 | 225.00 |
| PRC   | %         | 163.64 | 39.33 | 21.23  |
| <b>Occupational Health and Safety (KPI B2.1 &amp; B2.2)</b> |           |        |       |        |
| Work-Related Fatalities                                     | Case(s)   | 0      | 0     | 0      |

| KPIs  | Unit            | 2023   | 2022  | 2021  |
|---|-----------------|--------|-------|-------|
| Lost Days Due to Work Injury  | Day(s)          | 0      | 0     | 0     |
| <b>Development and Training (KPI B3.1 &amp; B3.2)</b>                     |                 |        |       |       |
| <b>Percentage of Employees Trained</b>                                    |                 |        |       |       |
| Total   | %               | 26.32  | 64.42 | 3.96  |
| <b>Percentage of Employees Trained by Gender<sup>7</sup></b>              |                 |        |       |       |
| Male  | %               | 35.71  | 81.01 | 75.00 |
| Female  | %               | 0.00   | 12.00 | 25.00 |
| <b>Percentage of Employees Trained by Employment Category<sup>7</sup></b> |                 |        |       |       |
| Management  | %               | 14.29  | 23.08 | 50.00 |
| Administration, Accounting and Finance                                    | %               | 28.57  | 10.00 | 50.00 |
| Sales and Marketing   | %               | 100.00 | 20.00 | 0.00  |
| Procurement, Warehousing and Logistics                                    | %               | 50.00  | 0.00  | 0.00  |
| Technical and Maintenance   | %               | 0.00   | 78.95 | 0.00  |
| <b>Average Training Hours</b>   |                 |        |       |       |
| Total   | Hour(s)/ Person | 0.53   | 8.87  | 0.40  |
| <b>Average Training Hours by Gender</b>                                   |                 |        |       |       |
| Male  | Hour(s)/ Person | 0.71   | 11.19 | 0.39  |
| Female  | Hour(s)/ Person | 0.00   | 1.52  | 0.40  |
| <b>Average Training Hours by Employment Category</b>                      |                 |        |       |       |
| Management  | Hour(s)/ Person | 0.29   | 2.62  | 2.50  |
| Administration, Accounting and Finance                                    | Hour(s)/ Person | 0.57   | 3.40  | 1.33  |
| Sales and Marketing   | Hour(s)/ Person | 2.00   | 2.80  | 0.00  |
| Procurement, Warehousing and Logistics                                    | Hour(s)/ Person | 1.00   | 0.00  | 0.00  |
| Technical and Maintenance   | Hour(s)/ Person | 0.00   | 11.05 | 0.00  |
| <b>Supply Chain (KPI B5.1)</b>  |                 |        |       |       |
| <b>Suppliers by Geographical Region</b>                                   |                 |        |       |       |
| PRC   | No.             | 31     | 59    | 25    |
| <b>Product and Service (KPI B6.1 &amp; B6.2)</b>                          |                 |        |       |       |
| Product Recall Rate for Safety and Health Reasons                         | %               | 0      | 0     | 0     |
| Product and Service-related Complaints                                    | Case(s)         | 0      | 0     | 0     |

<sup>7</sup> Since 2022, breakdown of percentage of employees trained in relevant categories represents the percentage of employees trained in a category to the number of employees in that category at the end of the Reporting Period. In 2021, this figure denotes the percentage of employees trained in that category to the total number of employees trained. The Company believes this updated calculation methodology is a better representation of our training practices and will continue to use this method going forward.

| KPIs  | Unit    | 2023 | 2022 | 2021 |
|---|---------|------|------|------|
| <b>Anti-corruption (KPI B7.1)</b>                 |         |      |      |      |
| Concluded Legal Cases regarding Corrupt Practices | Case(s) | 0    | 0    | 0    |

## ESG Reporting Guide Content Index

| Aspects, General Disclosures and KPIs    | Description   | Relevant Chapter or Explanation   |
|--|---|---|
| <b>Mandatory Disclosure Requirements</b> |   |   |
| <b>Governance Structure</b>              |   |   |
|  | <p>A statement from the board containing the following elements:</p> <p>i) a disclosure of the board’s oversight of ESG issues;</p> <p>ii) the board’s 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</p> <p>iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</p>   | <p><b>Sustainability Approach</b></p> <ul style="list-style-type: none"> <li>- ESG Governance</li> <li>- ESG Strategy</li> </ul>  |
| <b>Reporting Principles</b>              |   |   |
|  | <p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report:</p> <p><b>Materiality:</b> The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be discussed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p> | <p><b>About this Report</b></p> <p><b>Sustainability Approach</b></p> <ul style="list-style-type: none"> <li>- Stakeholder Engagement</li> <li>- Materiality Assessment</li> </ul> <p><b>KPIs Summary</b></p> |
| <b>Reporting Boundary</b>                |   |   |
|  | <p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>  | <p><b>About this Report</b></p>   |

| Aspects, General Disclosures and KPIs | Description   | Relevant Chapter or Explanation   |
|---------------------------------------|---|---|
| <b>"Comply or explain" Provisions</b> |   |   |
| <b>A. Environmental</b>               |   |   |
| <b>Aspect A1: Emissions</b>           |   |   |
| General Disclosure                    | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | <b>Environmental Protection</b><br>- Emissions Mitigation<br><br><b>Laws and Regulations</b>  |
| KPI A1.1                              | The types of emissions and respective emissions data.   | <b>Environmental Protection</b><br>- Emission Mitigation<br><br><b>KPIs Summary</b><br>- Environmental KPIs   |
| KPI A1.2                              | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | <b>KPIs Summary</b><br>- Environmental KPIs   |
| KPI A1.3                              | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | As the Group did not generate any hazardous waste, this disclosure is considered to be immaterial.  |
| KPI A1.4                              | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | The Group's non-hazardous waste documentary system is under development and relevant information is not available. We shall record and disclose relevant data in future ESG reports.  |
| KPI A1.5                              | Description of emissions target(s) set and steps taken to achieve them.   | <b>Environmental Protection</b><br>- Resource Consumption<br>- Green Office Practice<br>- Environmental Targets   |
| KPI A1.6                              | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.  | As hazardous waste is immaterial to the Group, the Group only formulated general mitigation steps for non-hazardous waste. For more information, please refer to the subsection "Green Office Practice" under the section "Environmental Protection". |
| <b>Aspect A2: Use of Resources</b>    |   |   |
| General Disclosure                    | Policies on the efficient use of resources, including energy, water and other raw materials.  | <b>Environmental Protection</b><br>- Resource Consumption<br>- Green Office Practice  |
| KPI A2.1                              | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).  | <b>Environmental Protection</b><br>- Resource Consumption<br><br><b>KPIs Summary</b><br>- Environmental KPIs  |
| KPI A2.2                              | Water consumption in total and intensity (e.g. per unit of production volume, per facility).  | <b>KPIs Summary</b><br>- Environmental KPIs   |

| Aspects, General Disclosures and KPIs                   | Description  | Relevant Chapter or Explanation   |
|---|--|---|
| KPI A2.3  | Description of energy use efficiency target(s) set and steps taken to achieve them.  | <b>Environmental Protection</b> <ul style="list-style-type: none"> <li>- Resource Consumption</li> <li>- Green Office Practice</li> <li>- Environmental Targets</li> </ul>          |
| KPI A2.4  | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.   | <b>Environmental Protection</b> <ul style="list-style-type: none"> <li>- Resource Consumption</li> <li>- Green Office Practice</li> <li>- Environmental Targets</li> </ul>          |
| KPI A2.5  | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | The Group's packaging material documentary system is under development and relevant information is not available. We shall record and disclose relevant data in future ESG reports. |
| <b>Aspect A3: The Environment and Natural Resources</b> |  |   |
| General Disclosure                                      | Policies on minimising the issuer's significant impacts on the environment and natural resources.  | <b>Environment Protection</b> <ul style="list-style-type: none"> <li>- Emissions Mitigation</li> <li>- Resource Consumption</li> <li>- Green Office Practice</li> </ul>             |
| KPI A3.1  | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.  | <b>Environmental Protection</b> <ul style="list-style-type: none"> <li>- Emissions Mitigation</li> <li>- Resource Consumption</li> <li>- Green Office Practice</li> </ul>           |
| <b>Aspect A4: Climate Change</b>                        |  |   |
| General Disclosure                                      | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.   | <b>Environmental Protection</b> <ul style="list-style-type: none"> <li>- Addressing Climate Change</li> </ul>   |
| 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.   | <b>Environmental Protection</b> <ul style="list-style-type: none"> <li>- Addressing Climate Change</li> </ul>   |
| <b>B. Social</b>  |  |   |
| <b>Employment and Labour Practices</b>                  |  |   |
| <b>Aspect B1: Employment</b>                            |  |   |
| General Disclosure                                      | Information on: <ul style="list-style-type: none"> <li>(c) the policies; and</li> <li>(d) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</li> </ul> | <b>People Cultivation</b> <ul style="list-style-type: none"> <li>- Workplace Harmony</li> </ul> <b>Laws and Regulations</b>   |
| KPI B1.1  | Total workforce by gender, employment type, age group and geographical region.   | <b>KPIs Summary</b> <ul style="list-style-type: none"> <li>- Social KPIs</li> </ul>   |
| KPI B1.2  | Employee turnover rate by gender, age group and geographical region.   | <b>KPIs Summary</b> <ul style="list-style-type: none"> <li>- Social KPIs</li> </ul>   |

| Aspects, General Disclosures and KPIs      | Description   | Relevant Chapter or Explanation  |
|--|---|--|
| <b>Aspect B2: Health and Safety</b>        |   |  |
| General Disclosure                         | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | <b>People Cultivation</b><br>- Workplace Safety<br><br><b>Laws and Regulations</b>             |
| KPI B2.1                                   | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.   | <b>KPIs Summary</b><br>- Social KPIs   |
| KPI B2.2                                   | Lost days due to work injury.   | <b>KPIs Summary</b><br>- Social KPIs   |
| KPI B2.3                                   | Description of occupational health and safety measures adopted, and how they are implemented and monitored.   | <b>People Cultivation</b><br>- Workplace Safety  |
| <b>Aspect B3: Development and Training</b> |   |  |
| General Disclosure                         | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.   | <b>People Cultivation</b><br>- Workplace Training  |
| KPI B3.1                                   | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  | <b>KPIs Summary</b><br>- Social KPIs   |
| KPI B3.2                                   | The average training hours completed per employee by gender and employee category.  | <b>KPIs Summary</b><br>- Social KPIs   |
| <b>Aspect B4: Labour Standards</b>         |   |  |
| General Disclosure                         | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.  | <b>Business Integrity</b><br>- Anti-Child and Forced Labour<br><br><b>Laws and Regulations</b> |
| KPI B4.1                                   | Description of measures to review employment practices to avoid child and forced labour.  | <b>Business Integrity</b><br>- Anti-Child and Forced Labour                                    |
| KPI B4.2                                   | Description of steps taken to eliminate such practices when discovered.   | <b>Business Integrity</b><br>- Anti-Child and Forced Labour                                    |
| <b>Operating Practices</b>                 |   |  |
| <b>Aspect B5: Supply Chain Management</b>  |   |  |
| General Disclosure                         | Policies on managing environmental and social risks of the supply chain.  | <b>Operation Management</b><br>- Supply Chain Optimisation                                     |
| KPI B5.1                                   | Number of suppliers by geographical region.   | <b>KPIs Summary</b><br>- Social KPIs   |
| KPI B5.2                                   | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.   | <b>Operation Management</b><br>- Supply Chain Optimisation                                     |
| KPI B5.3                                   | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.  | <b>Operation Management</b><br>- Supply Chain Optimisation                                     |
| KPI B5.4                                   | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.   | <b>Operation Management</b><br>- Supply Chain Optimisation                                     |



| Aspects, General Disclosures and KPIs    | Description   | Relevant Chapter or Explanation  |
|--|---|--|
| <b>Aspect B6: Product Responsibility</b> |   |  |
| General Disclosure                       | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | <b>Operation Management</b> <ul style="list-style-type: none"> <li>- Service Responsibility and Customer Relationship</li> <li>- Product Quality Assurance</li> </ul> <b>Business Integrity</b> <ul style="list-style-type: none"> <li>- Data Privacy and Intellectual Property</li> </ul> <b>Laws and Regulations</b> |
| KPI B6.1                                 | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | <b>KPIs Summary</b> <ul style="list-style-type: none"> <li>- Social KPIs</li> </ul>  |
| KPI B6.2                                 | Number of products and service-related complaints received and how they are dealt with.   | <b>KPIs Summary</b> <ul style="list-style-type: none"> <li>- Social KPIs</li> </ul>  |
| KPI B6.3                                 | Description of practices relating to observing and protecting intellectual property rights.   | <b>Business Integrity</b> <ul style="list-style-type: none"> <li>- Data Privacy and Intellectual Property</li> </ul>   |
| KPI B6.4                                 | Description of quality assurance process and recall procedures.   | <b>Operation Management</b> <ul style="list-style-type: none"> <li>- Service Responsibility and Customer Relationship</li> <li>- Product Quality Assurance</li> </ul>  |
| KPI B6.5                                 | Description of consumer data protection and privacy policies, and how they are implemented and monitored.   | <b>Business Integrity</b> <ul style="list-style-type: none"> <li>- Data Privacy and Intellectual Property</li> </ul>   |
| <b>Aspect B7: Anti-corruption</b>        |   |  |
| General Disclosure                       | Information on :<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.   | <b>Business Integrity</b> <ul style="list-style-type: none"> <li>- Anti-Corruption</li> </ul> <b>Laws and Regulations</b>  |
| 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.  | <b>KPIs Summary</b> <ul style="list-style-type: none"> <li>- Social KPIs</li> </ul>  |
| KPI B7.2                                 | Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.   | <b>Business Integrity</b> <ul style="list-style-type: none"> <li>- Anti-Corruption</li> </ul>  |
| KPI B7.3                                 | Description of anti-corruption training provided to directors and staff.  | <b>Business Integrity</b> <ul style="list-style-type: none"> <li>- Anti-Corruption</li> </ul>  |

| Aspects, General Disclosures and KPIs  | Description  | Relevant Chapter or Explanation  |
|--|--|--|
| <b>Community</b>                       |  |  |
| <b>Aspect B8: Community Investment</b> |  |  |
| General Disclosure                     | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | <b>People Cultivation</b><br>- Workplace Harmony   |
| KPI B8.1                               | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).  | <b>People Cultivation</b><br>- Workplace Harmony   |
| KPI B8.2                               | Resources contributed (e.g. money or time) to the focus area.  | During the Reporting Period, the Group did not engage in any community activity and relevant information is not available. We shall consider gathering efforts to directly engage with them in the future. |