



ZHIDAO INTERNATIONAL (HOLDINGS) LIMITED

志道國際（控股）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1220)

Environmental, Social and
Governance Report

2024



* For identification purpose only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Report Profile

Zhidao International (Holdings) Limited (hereafter, the “**Company**”, “**we**” or “**us**”) and its subsidiaries (collectively known as the “**Group**”) are pleased to present our 2024 Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**” or the “**Report**”). This ESG Report is prepared in accordance with the ESG reporting guide (the “**Reporting Guide**”) as set out in Appendix C2 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The content of this ESG Report herein focuses on providing an overview of the ESG performance of our major operations from 1 April 2023 to 31 March 2024 (the “**Reporting Period**” or “**2023/24**”).

The principal activity of the Group is investments holding. The Group is principally engaged in (i) trading of aluminum products, (ii) supply of aluminum products in construction projects and the provision of construction and engineering services; and (iii) money lending.

Reporting Scope

The ESG Report covers the overall environmental and social performances of the core businesses of the Group in Hong Kong and Macau during the Reporting Period. The key Business Units are:

- ❖ Head office located in Wan Chai, Hong Kong ; and
- ❖ I Tong Engineering Company Limited located in Macau.

Reporting Framework

This ESG Report is prepared in accordance with the ESG Reporting Guide as set out in the Listing Rules and has complied with the “Mandatory Disclosure Requirements” and “Comply or Explain Provisions”, as well as the principles of materiality, quantitative, balance and consistency as below:

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting principles	Application in this report
Materiality	The Group assessed the materiality of those ESG issues based on the corresponding risks posed on the sustainability on the Group's businesses. Material ESG issues were identified and prioritized and are disclosed in this ESG Report.
Quantitative	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, are disclosed in the respective sections in this ESG Report.
Balance	The ESG Report is prepared on a fair and unbiased basis. The Group fully disclosed the material key performance indicators regardless of whether performance has improved or declined in line with the principle.
Consistency	Unless stated otherwise, the Group applies consistent methodology in compiling the ESG data reported to ensure meaningful comparison of ESG performance over time and between entities. Any change in methods or Key Performance Indicators ("the KPIs") used is explained.

In preparing the ESG Report, the Group has adopted the international standards and emission factors specified in the guidance materials set out on the Listing Rules for computing the KPIs, and there is no change from the previous period in the way the ESG Report has been prepared. The application of materiality is detailed in the section headed "Materiality Analysis". The two ESG subject areas, namely Environmental and Social, are disclosed in this ESG Report, highlighting the impacts of the operations of the Group in Hong Kong and Macau in the Reporting Period. In order to have a thorough performance review, we have compared the data in the last reporting period.

We have also provided the ESG content index that includes the KPIs for the ESG Reporting Guide and it is set out in pages 19 to 24 of this ESG Report.

Information and Feedback

For detailed information regarding the financial performance and corporate governance of the Group during the Reporting Period, please visit our official website (<http://www.zdihl.com/en-us/circulars.php>) and our annual report. Your opinion is highly valued, should you have any suggestions or comments, please email us at info@zdihl.com or post to our head office in Hong Kong.

Board Approval

The board of directors (the "**Board**") of the Group approved the ESG Report on 29 July 2024.

¹ How to prepare an ESG Report — refer to

Appendix 2: Reporting Guidance on Environmental KPIs, https://www.hkex.com.hk/-/media/HKEXMarket/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/app2_envirokpis.pdf;

Appendix 3: Reporting Guidance on Social KPIs, https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rulesand-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/app3_socialkpis.pdf?la=en

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT

As stakeholders play a crucial role in sustaining the success of our business, we make use of various communication channels to understand our stakeholders. To pursue our sustainability ambitions, we have aimed to establish mutual trust and develop cooperative relationships with our stakeholders, and we would like to align our ESG strategies with their expectations. The following table provides an overview of the Group's key stakeholders and various approaches adopted by the Group to communicate with different key stakeholders:

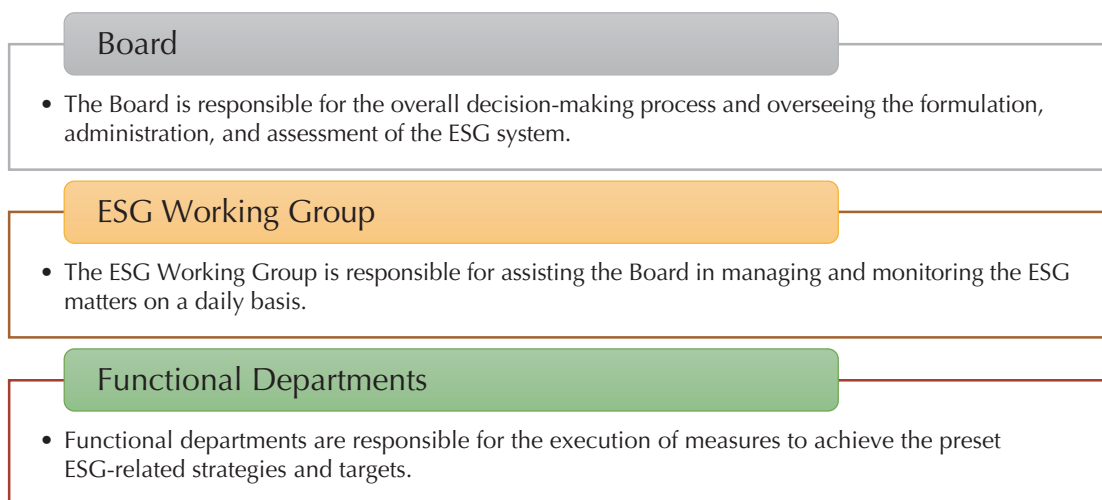
Stakeholders	Possible incidental issues	Communication and response
Stock Exchange	Compliance with the Listing Rules, publishing announcements in a timely and accurate manner.	Meetings, trainings, seminars, website updates and announcements.
Governments	Compliance with laws and regulations, social welfare, and prevention of tax evasion.	Interaction and visits, government inspections, tax returns and other information.
Suppliers	Payment schedule and supply stability.	Business meeting and site visits.
Investors	Corporate governance system, business strategies and performance, and investment return.	Organization and participation of general meetings, issue financial reports or business updates for investors, press and analysts.
Media	Corporate governance, environmental protection, and human rights.	Company's announcements and annual reports.
Customers	Product/service quality, fair and reasonable pricing, value of service, protection for the labor force and work safety.	Site visits and after-sale services.
Employees	Rights and benefits, employees' compensation, training and development, working hours and working environment.	Conducting team activities, training, interviews, issue staff manual and internal memorandum.
Community	Community environment, employment and community development, and social welfare services.	Employees volunteering activities and community welfare services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

To facilitate an effective management of the ESG issues, the Group has established a governance structure. The Board has an overall responsibility for overseeing the Group's ESG-related risks and opportunities, establishing and adopting the ESG-related strategies and targets of the Group including setting KPI for environmental-related issues and setting higher standards of energy efficient measures and waste treatment, reviewing the Group's performance annually against the ESG-related targets, and revising the ESG-related strategies as appropriate if significant variance from the ESG-related target is identified. The Group has set up an ESG Working group ("**ESG Working Group**") which includes Company Secretary, Accountant, and administrative staff to support the Board in implementing ESG-related strategies and target and promoting the implementation of measures in relation to the ESG issues identified.

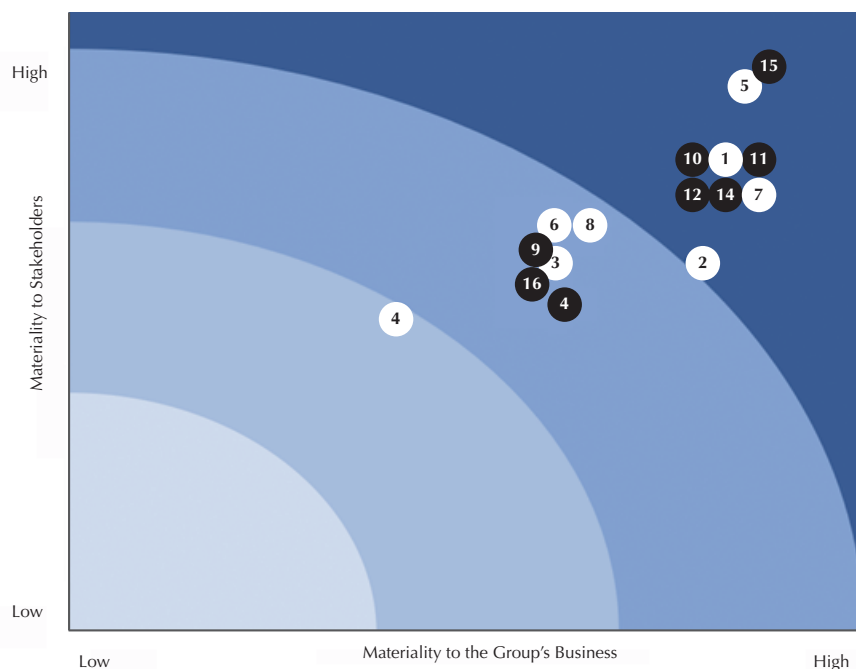
Base on the set goals and targets, the Board will continue to review the Group's process in relation to ESG goals and targets in order to build a more sustainable business and bring greater benefits for the society as a whole.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ANALYSIS

In order to ensure that this ESG Report has fully covered and responded to the major concern of stakeholders, in addition to regular communication with stakeholders, the Group has also referred to certain information, such as the matters covered in the previous ESG report, the Company's internal policies, industrial trends and the materiality map of the Sustainability Accounting Standards Board² to identify issues that have potential or actual impact on the sustainable development of the Group. To better understand the concerns and interests of its stakeholders, the Group reviewed its the materiality assessment in the last reporting period. After analyzing the results, the Group concluded that there have been no significant changes in the main concerns of stakeholders and that the priority of ESG matters remains consistent with the previous period. The assessment results are presented below:



○ ENVIRONMENTAL MATTERS

● SOCIAL AND GOVERNANCE MATTERS

- 1 Air Emissions
- 2 Greenhouse Gas Emissions
- 3 Hazardous Waste
- 4 Non-hazardous Waste
- 5 Energy Use
- 6 Use of Water Resources
- 7 Environment & Natural Resources
- 8 Climate Change

- 9 Employment
- 10 Health and Safety
- 11 Development and Training
- 12 Labor Standards
- 13 Supply Chain Management
- 14 Product Responsibility
- 15 Anti-corruption
- 16 Social Responsibility

² Sustainability Accounting Standards Board's Materiality Map, <https://materiality.sasb.org/>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

THE GROUP AND THE ENVIRONMENT

Overview

The Group acknowledges that a healthy environment is crucial to the well-being of our society, people and business. Our commitment to environmental stewardship and sustainability encompasses each of our businesses. We are dedicated to maintaining a low level of energy consumption and emission in every single step. We also strive to enhance operational efficiency and carry out measures to reduce the impacts of our daily operations on the environment.

The Group strictly complies with the laws and regulations in relation to environmental protection, including the Law. 2/91/M 《第2/91/M號法律》, “Decree-law No. 58/95M (Penal Code section 268) — Prevention Of Crime In Pollution” 《第58/95/M號法令（刑法典第268條）— 防止污染罪行》 and “Administrative Regulation No. 22/2020 — Construction Waste Management System” 《第22/2020號行政法規 — 建築廢料管理制度》 of Macau. During the Reporting Period, the Group complied with all relevant environmental laws and regulations that have significant impacts on the Group.

Emissions

Air Emissions

During the Reporting Period, the Group’s operations were primarily conducted through office-based activities and the Group did not possess any vehicular assets, thus there were no air emissions.

Greenhouse Gas Emissions

Greenhouse gas (“GHG”) emissions arise primarily from energy indirect (scope 2) emissions resulting from the consumption of purchased electricity for our office operations, while other indirect (scope 3) GHG emissions are attributable to paper consumption and business travel. During this Reporting Period, the total GHG emissions were 10.69 tonnes of carbon dioxide equivalent (“CO₂e”) (2022/23: 12.19 tonnes of CO₂e), with an intensity per floor area of 0.029 tonnes of CO₂e/square meter (“sq.m.”) (2022/23: 0.033 tonnes of CO₂e/sq.m.). Both the total GHG emissions and the intensity per floor area in sq.m. decreased by approximately 12.31% and 12.12% respectively, which was attributed to no vehicle usage causing no direct GHG (Scope 1) emissions during the Reporting Period. The Group has been keeping on track with the set target from the previous period. The statistics of GHG emissions recorded during the current and previous reporting period are detailed below.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GHG Emissions and Intensity	Unit	2023/24	2022/23
Scope 1			
Direct Emissions	tonnes of CO ₂ e	0	0.84
Scope 2			
Energy Indirect Emissions (Purchase Electricity) ³	tonnes of CO ₂ e	9.64	10.67
Scope 3			
Other Indirect Emissions (Paper Consumption)	tonnes of CO ₂ e	0.72	0.68
Other Indirect Emissions (Business Travel) ⁴	tonnes of CO ₂ e	0.33	N/A
Total GHG Emissions And Intensity			
Total GHG Emissions	tonnes of CO ₂ e	10.69	12.19
Total GHG Emissions Intensity Per Floor Area	tonnes of CO ₂ e/sq.m. ⁵	0.029	0.033

The Group endeavors to reduce energy consumption and emissions, which are closely related to GHG emissions. In light of reducing GHG emissions, the Group adopts green practices in its daily operations. For the details of energy efficient practices, please refer to the section “Energy Consumption” and “Waste Management” of this report. The Group is dedicated to the conservation of energy and minimization of pollutant emission, aim the total GHG emission intensity between 90% to 120% of the level of baseline year ended 31 March 2024 in the next reporting period.

Waste Management

The Group does not generate any hazardous waste or consume any packaging materials due to the nature of its business, while the main sources of non-hazardous waste are office waste and paper waste generated from daily operations. During the Reporting Period, the total non-hazardous waste intensity per floor area was 0.0056 tonnes/sq.m. (2022/23: 0.0075 tonnes/sq.m.), which decreased by 25.33% due to the decrease in the number of employees. The Group has been keeping on track with the set target from the previous period. The details of non-hazardous waste generated during the Reporting Period are as follows:

Non-Hazardous Waste and Intensity	Unit	2023/24	2022/23
Total Non-Hazardous Waste	tonnes	2.09	2.80
Total Non-Hazardous Waste Per Floor Area Intensity	tonnes/sq.m. ⁵	0.0056	0.0075

In order to adhere to the principle of sustainable development, the Group is committed to reducing or maintaining the total non-hazardous waste intensity between 90% to 120% of the level of baseline year ended 31 March 2024 in the next reporting period.

³ For Scope 2 GHG emission, with reference to the Sustainability Reports published by HK Electric, the CO₂e emissions intensity of electricity is 0.6600 kg/kWh in 2023. For data in relation to Macau's operation, we refer to Sustainability Report published by Companhia de Electricidade de Macau (“CEM”), the CO₂e emissions intensity of electricity is 0.6080 kg/kWh in 2023.

⁴ Starting from this Reporting Period, other indirect (scope 3) GHG emissions of business travel will be included for more comprehensive disclosure. Calculation methodology for air travel in accordance with Carbon Emissions Calculator (ICEC) by International Civil Aviation Organization (ICAO).

⁵ Total floor area of the Group is same as last reporting period, 373.22 sq.m.. This data is also used to calculate other intensity data.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In response to environmental protection, the Group strongly advocates the 4Rs principles of reduce, reuse, recycle and replace. We separate all recyclable paper waste from the waste source so that the cleaning contractor can conduct garbage sorting and recycling more easily. For the used papers, confidential documents are destroyed with a shredder while general documents are put in paper recycling boxes at the offices. Moreover, we minimize the use of disposable and non-recyclable, and encourage the use of reusable products instead of disposable items. Our staff use recycled toner cartridges and recycled repositionable notes, and reuse office supplies such as document files, clips and envelopes until they are unusable. In addition, we frequently evaluate the usage of office supplies to avoid overstock and fully utilize them.

To reduce the paper consumption, we reduce the use of copier paper for administrative work. The followings are the measures adopted during our daily operations:

- Double-sided printing is set as the default setting on computers, single-sided printing has to be manually selected;
- For any papers that have been used for single-sided printing, they should be reused when there is no confidential information on the printed side of the paper; and
- Staff members are encouraged to circulate documents through electronic means such as email or encrypted universal serial bus (“USB”).

Use of Resources

As a responsible corporate citizen, we are acutely cognizant of the pressing need to safeguard the integrity of our natural environment and champion the efficient consumption of resources. We are committed to upholding high environmental standards to fulfil requirements under relevant laws and ordinances in our daily operations. The Group also understands the importance of efficient utilization of resources whilst delivering safe and quality services to its consumers.

Energy Consumption

The Group’s energy consumption resulted from electricity consumption for office operations. During this Reporting Period, the total energy consumption intensity per floor area was 41.31 kWh/sq.m. (2022/23: 44.44 kWh/sq.m.), which decreased by 7.04% due to no fuel energy consumption from vehicle during the Reporting Period and met the target set last reporting period. The following shows the comparative figures for energy consumption between this Reporting Period and the previous reporting period.

Energy Consumption And Intensity	Unit	2023/24	2022/23
Fuel Consumption	kWh	0	2,448.04
Electricity Consumption	kWh	15,416.00	14,138.00
Total Energy Consumption	kWh	15,416.00	16,586.04
Total Energy Consumption Per Floor Area Intensity	kWh/sq.m. ⁵	41.31	44.44

The Group will continue its efforts to achieve the goal of maintaining or reducing the total electricity consumption intensity between 90% to 120% of the level of baseline year ended 31 March 2024.

With an aim to reduce energy consumption and emissions, the Group has implemented various energy-saving measures in its offices and encouraged our staff members to save electricity at the workplace. We have informed our staff members to turn off the lights during lunch hours and after office hours. Moreover, the electrical appliances should be turned off when not used. Written notices such as “Save Energy” are put on the walls at workplace to remind our staff members on building a healthier environment. The indoor temperature is maintained at 24 degrees Celsius or above to reduce the unnecessary use of energy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water Usage

As our business nature does not involve significant water consumption, the water usage is solely for office purposes. The existing water supply meets our daily operational needs so there is no issue in sourcing water. As our businesses operate in office premises where the water supply is centrally managed by its respective property management, and there is no separate meter for individual office units, it is not feasible for us to provide relevant water usage data.

Despite no recorded data, the Group still makes every effort to conserve water by adopting a wide range of measures. We regularly check on water taps and pipes to avoid unnecessary leakage, install water-efficient fittings, and promote and educate to raise awareness of issues among our employees towards water scarcity.

The Environment and Natural Resources

The Group's primary business activities do not have a significant impact on the environment and natural resources. Notwithstanding, the Group strives to enhance environmental sustainability and environmental awareness of its employees. We will continue to review our environmental policies and green practices from time to time.

Climate Change

In response to the global concern on climate change, the Group has included climate change-related risks in its annual risk assessment, and made relevant disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures. The ESG Working Group regularly analyzes the potential risks brought by climate change and evaluates and reviews its response strategies at least once a year and reports to the Board.

The Group's analysis of potential financial risks brought by climate change and response strategies are as follows:

Risk Type	Risks	Potential Financial Impact	Short (current reporting period)	Medium (one to three years)	Long (four to ten years)	Mitigation Strategy
Physical Risks	<ul style="list-style-type: none"> Acute Increased frequency and severity of extreme weather events. 	<ul style="list-style-type: none"> Reduction in revenue due to business disruptions 	✓	✓		<ul style="list-style-type: none"> Adopted energy conservation measures
	<ul style="list-style-type: none"> Chronic Sustained elevated temperature 	<ul style="list-style-type: none"> Loss of assets due to damage to properties Increase in operating costs due to rising needs for cooling 				
Transition Risks	<ul style="list-style-type: none"> Legal risks More stringent laws and regulations related to climate change 	<ul style="list-style-type: none"> Increase in operating expenses to comply with regulation or adopt to new practices/ technologies 		✓	✓	<ul style="list-style-type: none"> Continuous monitoring of changes in regulatory environment and market trends to ensure our products and services meet the requirements and expectations of the regulatory bodies and customers Adopted energy conservation measures
	<ul style="list-style-type: none"> Market risks Customers shift towards demand of green building technologies 					

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

THE GROUP AND THE SOCIETY

Employment

During the Reporting Period, the Group strictly complied with all relevant employment laws and regulations, including but not limited to “Employment Ordinance” 《僱傭條例》, “Minimum Wage Ordinance” 《最低工資條例》, “Employees’ Compensation Ordinance” 《僱員補償條例》, and “Mandatory Provident Fund Schemes Ordinance” 《強制性公積金計劃條例》 of Hong Kong and “Labour Relations Law” 《勞動關係法》 of Macau.

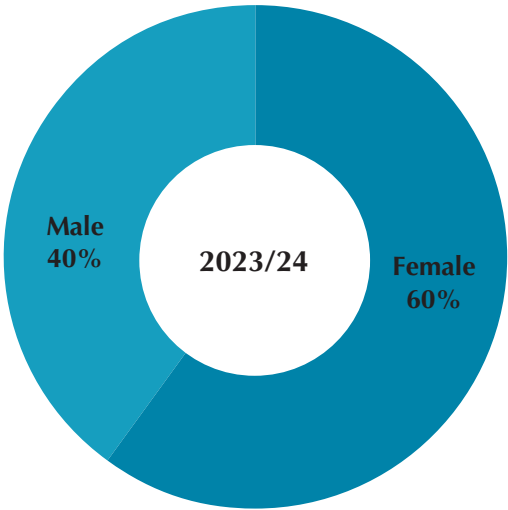
We see our employees as the most valuable assets of the Group, and focus our efforts on providing them a safe and enjoyable working environment. The objective of Human Resources Department is to reward and recognize outstanding employees by providing competitive remuneration packages with basic salary, and to promote career development and progression within the Group via providing adequate rewards, training and opportunities.

As at 31 March 2024, the employee profiles by gender, age, employment type, employment category, and geographical location are shown as follows:

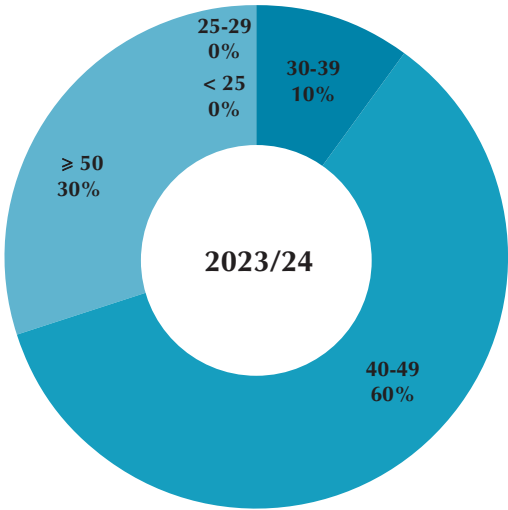
	2023/24	2022/23
Total Workforce	10	15
Type Of Employment		
Full Time	10	15
Part Time	0	0
Breakdowns By Gender		
Male	4	8
Female	6	7
Breakdowns By Age		
< 25	0	0
25–29	0	1
30–39	1	8
40–49	6	3
≥ 50	3	3
Breakdowns By Employee Category		
Management	1	2
Senior Staff	3	3
Junior Staff	6	10
Breakdowns By Geographical Location		
Hong Kong	8	7
Macau	2	8

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

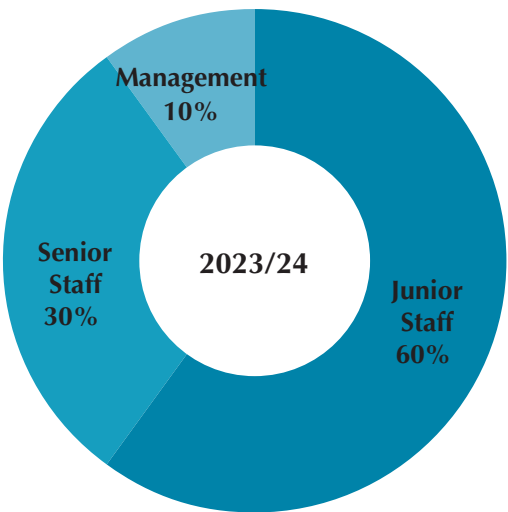
BY GENDER



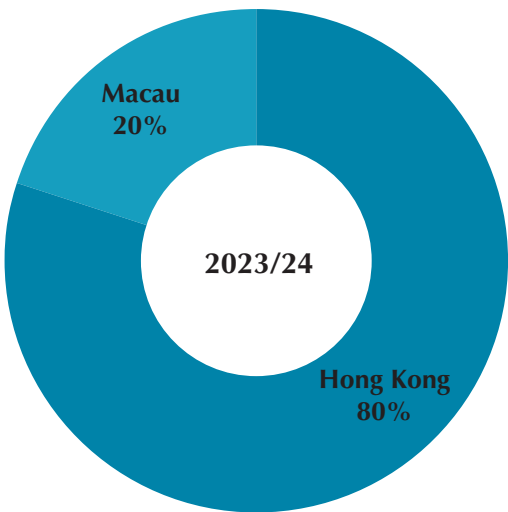
BY AGE



BY RANK



BY GEOGRAPHICAL LOCATION



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

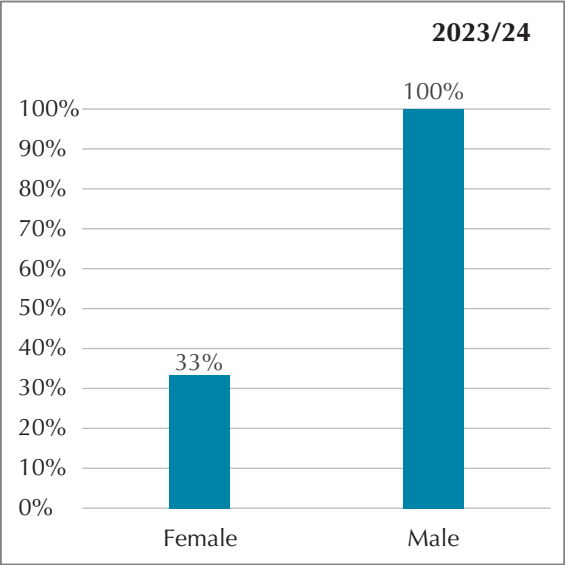
Details of the staff turnover rate by gender, age and geographical location during the current and previous reporting periods are shown as follows:

	2023/24	2022/23
Employee Turnover Rate⁶	60%	33%
By Gender		
Male	100%	13%
Female	33%	57%
By Age		
< 25	0%	0%
25–29	0%	100%
30–39	400%	38%
40–49	17%	0%
≥ 50	33%	33%
By Region		
Hong Kong	0%	14%
Macau	300%	25%

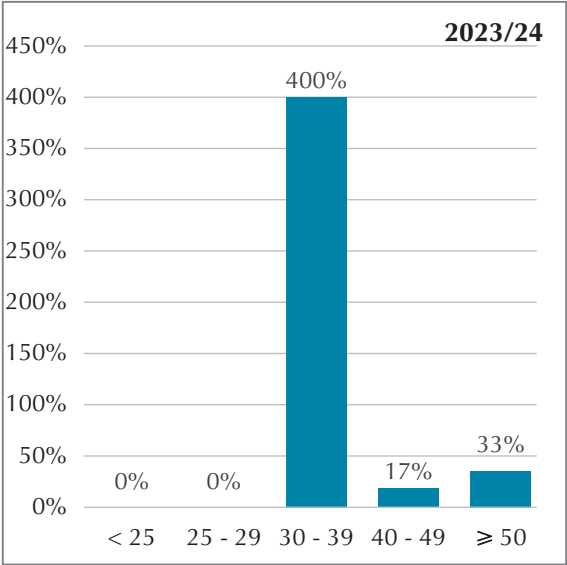
⁶ In accordance with “Appendix 3: Reporting Guidance on Social KPIs” issued by Stock Exchange, turnover rates by region, gender, and age group are calculated based on the number of employees in the relevant category during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

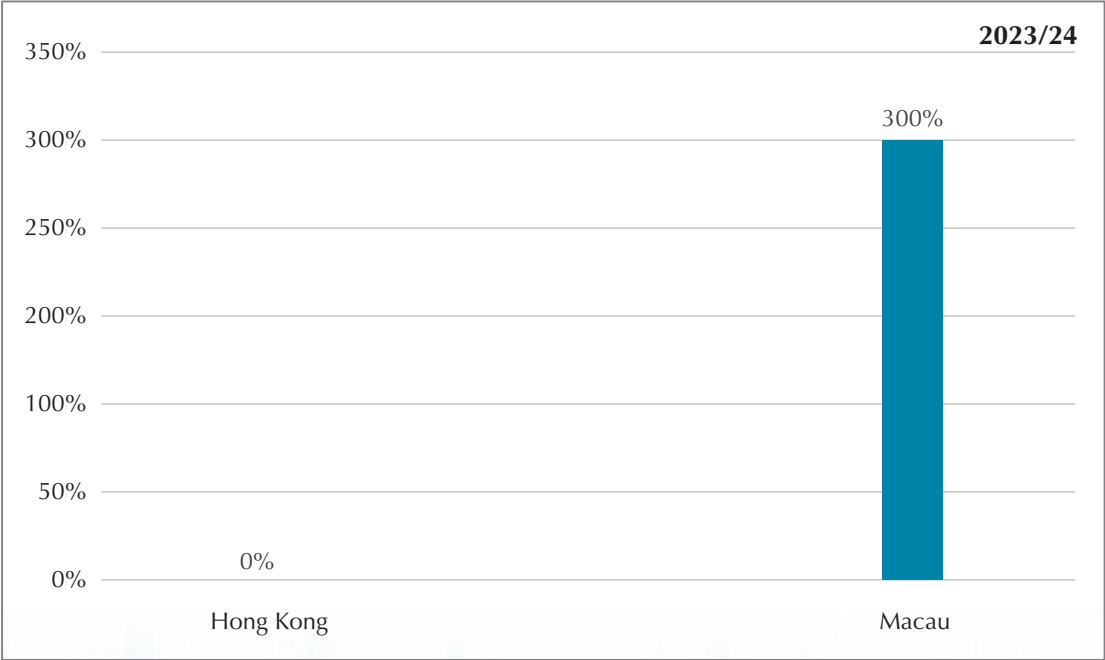
BY GENDER



BY AGE



BY GEOGRAPHICAL LOCATION



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Compensation Package

Our employees are enrolled into the Mandatory Provident Fund (“MPF”) scheme of Hong Kong and the obligatory system to the Social Security Fund (“FSS”) of Macau; and scheduled to vacations and days off at weekends in accordance with relevant laws and regulations. Newly recruited employees are admitted as permanent employees after successful completion of a 3-month probation period, permanent employees are then provided with medical scheme, training subsidy and granted with a minimum 12-day annual leave which exceeds the minimum leave entitlement specified by the Hong Kong law. As for employees in Macau, they are entitled to minimum 5-day annual leave and 6-day annual leave respectively after one year of service, which is in accordance with the respective local law. On top of that, the Group provides rather attractive remuneration packages through the internal employee incentive and remuneration adjustment mechanism. The Group offers the discretionary bonus along with a competitive salary package and allocates share options to provide incentives and rewards to excellent employees.

The Group is also committed to helping its employees in balancing their work and family responsibilities by implementing family-friendly employment practices. Our employees are entitled to 3-day paid marriage leave and 3-day paid compassionate leave.

These measures aim at establishing fair, reasonable and adequate recognition and rewards for employees to foster their sense of belonging and performance.

Equal Opportunity, Diversity and Anti-discrimination

The Group is committed to providing a diverse and inclusive workplace where all employees are treated with dignity and respect. All employees are assessed based on their ability, job performance and contribution, irrespective of their nationality, race, religion, disability, sexual orientation, political opinion, gender, age or family status. The Group reinforces the policies on prohibiting bullying, discrimination and harassment.

Health and Safety

The Group places the health and safety of its employees as priority and strictly complies with the laws and regulations related to workplace health and safety of Hong Kong and Macau. Our management ensures a safe working environment which protects the employees from occupational hazard, measures such as prohibiting smoking in the workplace and maintaining the condition of firefighting equipment are implemented. At the same time, we implement various insurance policies such as an accident insurance for employees’ compensation. Such insurance reduces employees’ liability arising from unintentional injuries.

The Group has implemented the following practices to ensure a comfortable and safe working environment for the employees:

- Precautionary measures have improved its operating environmental hygiene
- Providing adequate lighting in the workplace
- Ensure the proper use of personal protective equipment at work
- Conducting regular safety inspections.

Over the last three reporting periods, including the current Reporting Period, there has been no work-related fatality or injury, and thus, no lost days due to work injury have been reported.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

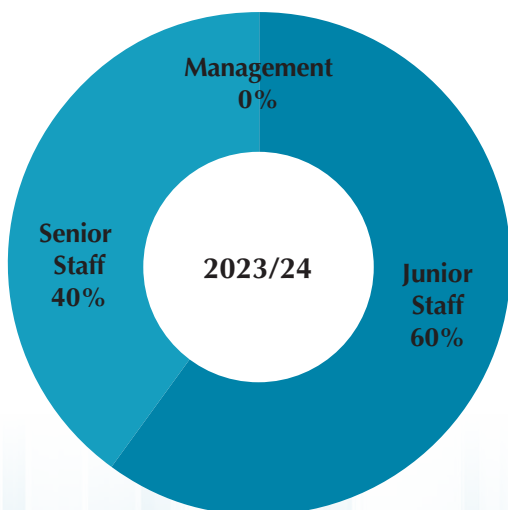
Development and Training

Training plays an important role in providing employees comprehensive development to equip them with the ability to meet the demands of a dynamic market and achieve success of the Group. The Group provides onboarding sessions for new employees to deepen their understanding of its regulatory requirements. Besides the aforementioned, we offer induction and on-the-job training to our employees, and we carry out probationary evaluations and annual assessments to decide their availability to us. For better corporate management, we also provide training for the junior and senior employee. These training sessions include compliance, technical and financial training.

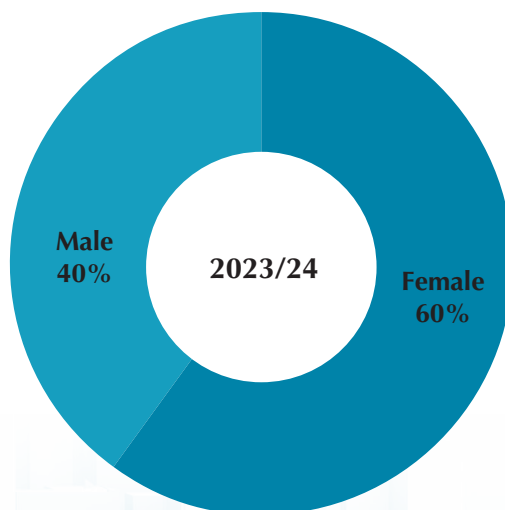
Details of training held during the Reporting Period are as follows:

	2023/24	
	Percentages Of Employees Trained ⁷	Average Training Hours Per Employee ⁸
Total	50	7.5
Breakdown By Gender		
Male	40	7.5
Female	60	7.5
Breakdown By Employment Category		
Management	0	0
Senior Staff	40	10
Junior Staff	60	7.5

BY EMPLOYMENT CATERGORY



BY GENDER



⁷ Percentage of employees trained: Total number of trained employees/Total number of employees as of 31 March of the financial year * 100%; Number of trained employees of each category/Total trained employees*100%

⁸ Average training hours per employee: Total number of training hours/Total number of employees; Average training hours for employees in specified categories: Total number of training hours for employees in the specified category/Number of employees in the specified category

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Labor Standards

During the Reporting Period, we complied with all relevant laws and regulations such as “Employment Ordinance” 《僱傭條例》 of Hong Kong and “Labour Relations Law” 《勞動關係法》 of Macau. The Group strictly prohibits any recruitment of child and forced labor. We ensure that the employment agreements signed with our employees are on a fair, equal, voluntary and mutually agreed basis.

It is essential to acclaim the efficiency, quality, and commitment of the workforce towards the Group that has resulted in the significant development and success of the Group in the marketplace. With the aim to institute a favorable work environment the Group took several steps which included creating a cross-cultural workforce, developing the competencies of employees, recognizing, motivating, rewarding talent, and ensuring the well-being and safety of all individuals. The Group is well aware that child and forced labor violates fundamental human rights; therefore, it prohibits all forms of child or forced labor. In order to prevent child labor, the responsible staff members perform detailed screening procedures during the staff recruitment process. Original identify proof from each candidate will be collected and carefully scrutinized to verify the legitimacy of respective documents and ensure that their age meets the requirements stipulated in the Employment Ordinance. If any child labor is discovered, we would immediately terminate the contract and investigate into the incident, and might take disciplinary actions against any staff members who are responsible for the causes of the incident. To ensure that the Group’s key policies are clearly and consistently communicated to the employees and to avoid forced labour, the Group has established a set of guidelines detailing the rights of the employees, such as working hours, leave entitlements and other benefits and welfare.

During the Reporting Period, no case related to child or forced labor was found.

Supply Chain Management

The Group had 4 suppliers in total as at 31 March 2024. As the principal business activities of the Group is in the Macau, thus all the suppliers of the Group is located in the Macau.

The Group emphasizes that responsible supply chain management is vital to its businesses. We can minimize our impacts on the environment through selecting suppliers that provide environmentally- and socially-responsible products. We also continuously monitor and regularly review the performances of our suppliers, to ensure that the suppliers are performing in line with our business commitments and are complying with relevant legal and regulatory requirements.

The Group informs suppliers of the Group’s expectations and requirements that the suppliers must abide by. Moreover, the Group selects and monitors the performance of suppliers based on the various criterion, such as the quality of services and products, environmental and social responsibility and business ethics.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Product and Service Responsibility

Quality Products and Services

Delivering quality products and services is key to sustainable development of the Group. The Group aims to achieve high standard for all its products and services. The Group has a quality management system in place and has been continuously improving it. For the construction business, our project managers had the responsibility to monitor the overall process and quality of work undertaken by us and our subcontractors in light of the contract works delegated to them. Supervisors discuss quality issues with our subcontractors and provide instructions to remedy any defects identified in their works.

During the Reporting Period, there were no products sold or shipped subject to recalls for safety and health reasons.

For the money lending business, we comply with all relevant laws and regulations, including but not limited to, the “Money Lenders Ordinance” 《放債人條例》 of Hong Kong. We gain customers’ satisfaction and establish close ties with them through our professional services. The staff follow the formal procedures that are subject to the control by the administrative management.

Complaints Handling Procedures

Customer feedback, which is invaluable in the extremely competitive market, is solicited through multiple channels, such as our company’s email and customer service hotline. These highly valued communication tools allow the efficient and effective handling of customers’ comments, recommendations, and complaints. Customer feedback and opinions help drive the Group’s continuous improvement and are essential to the pursuit of excellence.

The Group makes every effort to promptly investigate and resolve all disputes and complaints lodged by customers. During the Reporting Period, no complaints were received. To respond to the complaint, the Group actively engaging in dialogue and consultation with the customers, as well as keeping a detailed record of their feedback, uses the best endeavor to procure satisfaction of the customer.

Protection of Customers’ Data

The Group places vast effort on protecting the privacy of its customers, partners and employees during the collection, process and use of personal data. The Group adheres to the relevant regulations, such as the “Personal Data (Privacy) Ordinance” 《個人資料(私隱)條例》 of Hong Kong and the “Personal Data Protection Act” 《個人資料保護法》 of Macau. The Group regularly monitors for security threats and implement security practices to prevent unauthorized access to ensure customers’ personal data is securely kept and processed only for the purpose of which it has been collected.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with relevant regulations and codes concerning health and safety, advertising, labelling and privacy matters relating to the provision of the Group’s products and services. Simultaneously, received no complaint or litigation due to violation of any national or regional laws and regulations in relation to the provision of commercial services.

Intellectual Property Rights

The Group always strictly abides by the relevant laws and regulations on intellectual property protection applicable in the place where it operates, and insists on maintaining and protecting the intellectual property rights of the Group from any infringement through close monitoring. Legal action may be taken in due course upon any identification of infringement.

During the Reporting Period, there were no cases regarding copyright infringement reported within the Group. The Group has strictly complied with the relevant laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Anti-corruption

The Group is committed to conducting its businesses with integrity and high ethical standards. We strictly complied with all relevant laws and regulations relating to bribery, extortion, fraud and money laundering, including but not limited to, the “Prevention of Bribery Ordinance” 《防止賄賂條例》 and “Anti-Money Laundering and Counter-Terrorist Financing Ordinance” 《打擊洗錢及恐怖分子資金籌集條例》 of Hong Kong and “Prevention and Suppression of Bribery in the Private Sector” 《預防及遏止私營部門賄賂法律制度》 of Macau.

The Group prohibits all forms of bribery and corruption and ensures its anti-corruption policy is clearly communicated to all its employees. No employees are permitted to solicit or accept any advantage for themselves directly or indirectly. Directors and staff should avoid any conflicts of interest, in which their private interest conflicts with the Group’s interest.

For whistleblowing, employees are encouraged to express concerns with their managers about any potential issues in the event of any suspicious occurrences in person, by letter, or by email. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation. Therefore, the employee(s) reporting in good faith under this procedure shall be assured of the protection against unfair termination or victimization, even if the reports are subsequently proved to be unsubstantiated. After a potential fraud case is being reported, investigation reports are handled by the Management of the Group, and they are treated confidentially to protect employees from retaliation. The corresponding penalties for the violation will be determined based on the nature, severity and evidence obtained in relation to the case.

The Group established Anti-Money Laundering/Counter-Terrorist Financing Policy is to mitigate the risks in relation to the Money Laundering (“ML”) and Terrorist Financing (“TF”). The Company has established and implemented adequate and appropriate Anti-money Laundering (“AML”)/Counter-terrorist Financing (“CTF”) systems (including customer due diligence policies and procedures) taking into account factors including products and services offered, types of customers, geographical locations, delivery/distribution channel. The Group adopted a risk-based approach to identify, assess and take effective action to mitigate the ML/TF risks by allocating resources in the most efficient way with proper priorities so that the greatest risk receives the highest attention. The AML/CTF system allows each business unit to assess the customer’s risk level upon creating an account and to classify the accounts per the AML policy into three categories, i.e., high risk, moderate risk, and low risk. Transaction monitoring is a crucial component of an effective AML/CTF system. It involves the continuous review and analysis of customer transactions to detect and prevent suspicious activities that may indicate money laundering or terrorist financing. When a suspicious transaction is detected, the company’s staff must report it to the Compliance Officer (“CO”) and Money Laundering Reporting Officer (“MLRO”) promptly. The CO and MLRO will investigate the transaction, file a Suspicious Transaction Report (STR) with the Joint Financial Intelligence Unit (“JFIU”) if necessary, and ensure that internal controls prevent tipping-off. Adherence to AML guidelines, confidentiality in reporting, and timely reporting to authorities are crucial steps taken by the company to address suspicious transactions effectively and prevent financial crimes. Employee ethics, such as anti-corruption are also incorporated in the onboarding training for new employees. To encourage Directors to participate in continuous professional development activities, the Group will closely monitor the update of the ordinance and arrange relevant training for employees and Director when necessary.

All directors received training on corporate governance prior to the Group’s listing or at the time of joining the Group so that they are aware of their duties and responsibilities on integrity. Since the Group’s business is not highly exposed to the risk of corruption, no training in such area was held during the Reporting Period. The Group will provide and subsidize training in anti-corruption to its employees and directors when necessary. The Group did not have any litigation arising from corruption, bribery, or money laundering during the Reporting Period.

Community Investment

The Group is well aware of the responsibilities it owes to the community at large. In recognition of our social duty as a good corporate citizen, we endeavor to give back to the society and continue to explore different opportunities to incorporate environmental and social elements into our operations and investment decisions. We also encourage employees to take part in community services to foster sustainable harmony of a society.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE GUIDE CONTENT INDEX

Aspect	Description	Chapter/Section	Remarks
A. Environmental			
A1 Emissions			
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 	Overview	
KPI A1.1	The types of emissions and respective emissions data.	Air Emissions	No air emissions during the Reporting Period
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).	Greenhouse Gas Emissions	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	No hazardous waste was produced during the ordinary course of business
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Energy Consumption	
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.	Waste Management	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Chapter/Section	Remarks
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Consumption, Water Usage	
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).	Energy Consumption	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Usage	Water supply provided by office building
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption	
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.	Water Usage	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Waste Management	No packaging materials used
A3 The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources	No significant impact on environment and natural resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		
A4 Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those may impact, the issuer, and the actions taken to manage them.	Climate Change	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Chapter/Section	Remarks
B. Social			
B1 Employment			
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 	Employment; Compensation Package; and Equal Opportunity, diversity and Anti-discrimination	
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment	
B2 Health and Safety			
General Disclosure	Information on: <ul style="list-style-type: none"> 1. the policies; and 2. 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. 	Health and Safety	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety	
KPI B2.2	Lost days due to work injury.	Health and Safety	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Chapter/Section	Remarks
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work.	Development and Training	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training	
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training	
B4 Labor Standards			
General Disclosure	Information on: <ol style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. 	Labor Standards	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Labor Standards	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labor Standards	
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Chapter/Section	Remarks
B6 Product and Service Responsibility			
General Disclosure	Information on: <ol style="list-style-type: none"> the policies; and 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. 	Customer Services, Protection of Customers' Data	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product and Service Responsibility — Quality Products and Services	
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product and Service Responsibility — Complaints Handling Procedures	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product and Service Responsibility — Intellectual property rights	
KPI B6.4	Description of quality assurance process and recall procedures.	Product and Service Responsibility — Quality Products and Services	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product and Service Responsibility — Protection of Customers' Data	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Chapter/Section	Remarks
B7 Anti-corruption			
General Disclosure	Information on: <ol style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 	Anti-corruption	
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.	Anti-corruption	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption	
B8 Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community Investment	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment	