

金猫银猫CSmall

金猫银猫集团有限公司

CSmall Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1815

Environmental, Social and Governance Report

2024



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This environmental, social and governance report (the “**Report**”) covers the impact of the principal operations of CSMall Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) on the environment, society and governance (“**ESG**”) from 1 January 2024 to 31 December 2024 (the “**Reporting Period**” or the “**current year**”) together with the comparative figures from 1 January 2023 to 31 December 2023 (the “**last year**”).

Principal activities

This Report addresses the impact of the principal operating activities of the Group, being the design and sales of gold, silver, gem-set, colored gemstones and other jewellery products in the People’s Republic of China (the “**PRC**”) (“**New Jewellery Retail segment**”), and conducting integrated online-and-offline sales of fresh food in the PRC and providing related electronic platforms and branding and SaaS (software as a service) services along the agricultural supply chain in the PRC (“**Fresh Food Retail segment**”) (classified discontinued operation), on the environment and society during the Reporting Period. On 5 November 2024, the Group signed an equity transfer agreement in relation to the Fresh Food Retail segment with the buyer, for sales of all of its 51% equity interests. The disposal was completed on 13 January 2025.

During the year, the Group completed the acquisition of the exploration right of a mine in Tibet, China in August 2024, and held an exploration license with the right to conduct general exploration on mineral resources in an area of 28.88 square kilometers in Lhoka, Tibet, China (the “**Lhoka Exploration Area**”) for development of the new exploration business. As at 31 December 2024, the business was still in the early stage of exploration of mineral resources.

Main reporting guidelines

This Report was prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “**ESG Reporting Guide**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**” or the “**Stock Exchange**”) (the “**Listing Rules**”) (the version effective from 31 December 2023). This Report focuses on the policies and performance of the Group in the four main areas, namely environmental protection, employment and labour practices, as well as operating practices and community investment, during the Reporting Period.

Preparation principle

The Report has been prepared based on the following reporting principles:

Materiality: When the Company’s board of directors (the “**Board**”) determines that ESG issues will have a significant impact on the Group’s investors and other stakeholders, the Group shall report on them, details of which have been disclosed in the sections headed “**STAKEHOLDERS’ ENGAGEMENT**” and “**MATERIALITY ASSESSMENT**”;

Quantitative: Quantitative environmental and social information has been presented in the Report with descriptions of its purpose and impact, and comparative information will be provided in subsequent Reports;

Balance: The Report shall present the Group’s performance during the Reporting Period in an unbiased manner, and avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the readers.

Consistency: The Report is our seventh ESG report. We adopt a consistent approach for ESG information disclosure in the Report to facilitate meaningful comparisons year by year.

Publication

The Report is available online in both Chinese and English versions. All shareholders and stakeholders can access the Report on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company’s website at www.csmall.com. In case of any discrepancy, the English version shall prevail.





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GROUP PROFILE

The Group completed its global offering and listing on the Main Board of the Hong Kong Stock Exchange on 13 March 2018. The Group will continue to maintain its online-offline integrated jewellery retail model, which is different from traditional jewellery retail brands, as it takes advantage of the comprehensive benefits of the platform, technology, supply chain and new online-offline integrated retail platform to integrate, optimize and empower traditional jewellery retail franchisees, so as to complement the Group's and the franchisees' respective strengths and foster mutual development. As a leading online-offline integrated Internet-based jewellery retailer in the PRC, the Group pays attention to diversified designs and brand values.

The Group adopts stringent quality control policies and management control and provides high-quality products and excellent after-sales services. It has good insights into the market trends of the gold, silver, gem-set, colored gemstones and jewellery industry and adjusts its strategies accordingly, so as to achieve reasonable gross profits in its sales and create maximum sustainable value for its stakeholders.

In order to diversify the revenue stream and develop new businesses in response to the market environment, the Group disposed of the volatile Fresh Food Retail segment in 2024, and the disposal was completed on 13 January 2025.

In addition, on 15 August 2024, the Group entered into an equity transfer agreement in relation to acquisition of a company holding an exploration license with the right to conduct general exploration on mineral resources in an area of 28.88 square kilometers in Lhoka, Tibet. The acquisition of equity interests was completed on 21 August 2024.

STATEMENT OF THE BOARD

In order to ensure the establishment of competent ESG risk management measures and internal control system, the Board is responsible for directing the sustainability strategies and the reporting of ESG, while the management of the Group would execute the strategies and practice sustainability in their daily operation.

The Board reviews and revises the Group's policy on sustainable development from time to time to ensure the effectiveness of the policy for accomplishing the expectations and needs of the stakeholders. An annual review will be carried out by the Board on the ESG initiatives to make sure adequate measures has been taken to enhance sustainability governance. A materiality assessment and stakeholders' assessment are carried out every year to identify and prioritize material ESG and risk related issues.

In the long term, we aim to emphasise on business sustainability and strive to maintain higher standards of business practices in respect of environmental protection.



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STAKEHOLDERS' ENGAGEMENT

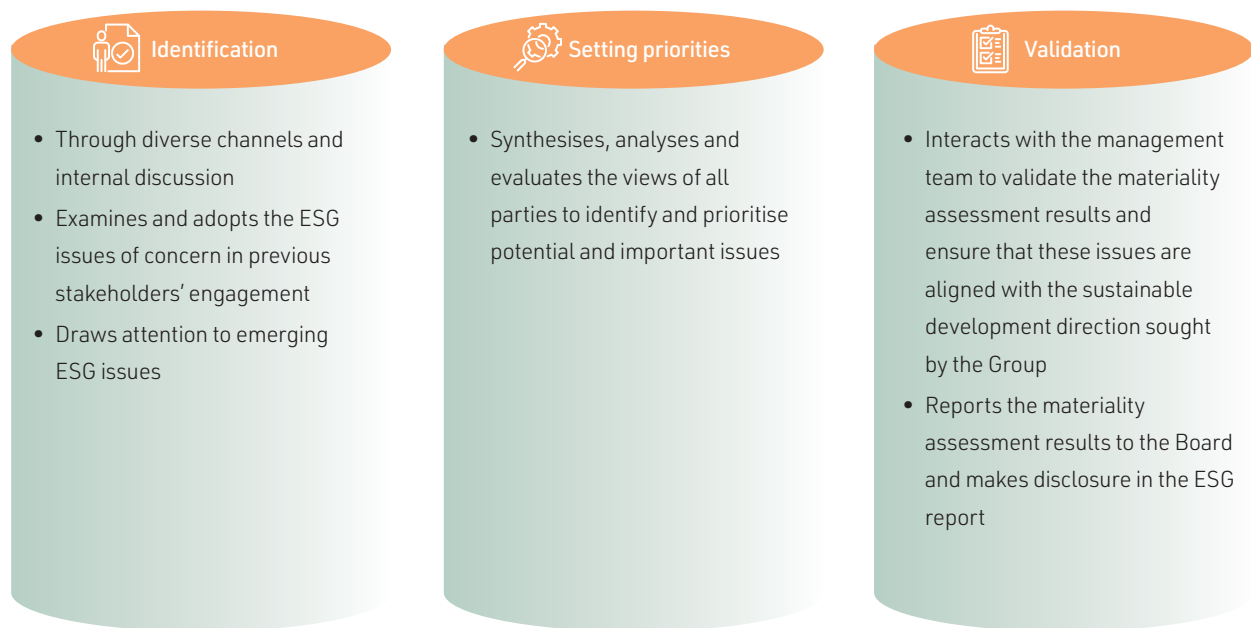
The Group values all stakeholders and their views on the Group's business and ESG issues. In order to know and understand the expectations of stakeholders, the Group has been maintaining close communications with stakeholders through various engagement methods and communication channels. The Group also takes into consideration the following issues of concern of stakeholders in the formulation of business and ESG strategies:

Major Stakeholders	Areas of Concern	Engagement Channels
The Stock Exchange	Compliance with the Listing Rules	Announcements published on the Stock Exchange's website Meetings Phone calls and emails
Government/ regulatory authorities	Compliance with relevant laws and regulations Proper tax payment Food safety and production environment	Site visits and audits Regular declarations Announcements of new laws and regulations in the Gazette Annual reports and other publications on its website
Shareholders and investors	Return on investments Transparent information disclosure Protection on interests of shareholders and fair treatment of shareholders	Annual and other general meetings of shareholders Annual reports, announcements and other publications Disclosure on the Stock Exchange's/the Group's website Company mail box managed by designated personnel
Employees	Salaries and welfares Protection on employees' rights and interests Career development and training Office epidemic prevention	Regular meetings Comprehensive training Intranet and emails Regular company activities
Customers	Safe and high-quality products Good relationship Business ethics After-sales services Product and food safety	Website Television broadcast WeChat Interactive customer evaluation
Suppliers and partners	Long-term business relationship Fair competition Food safety	Procurement contracts, emails, telephone calls, interviews Interactive supplier evaluation
Media	Corporate governance Environmental protection	Explanatory documents on key issues Website
Public and community	Environmental issues Charity contributions to the community	Community activities
Non-governmental organization	Waste disposal Environmental compliance management	Public information disclosure

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MATERIALITY ASSESSMENT

During the Reporting Period, the Group held discussions with the management and conducted materiality assessment through various channels to identify ESG issues that their key stakeholders and the Group are both interested in, and assessed the level of concern as viewed by them so as to select the relatively important environmental and social issues. For materiality assessment, the Group has adopted the following three processes:



The following table sets out the summary of the key ESG issues of the Group:

Environmental	Social
<ul style="list-style-type: none"> • emission control • waste management • resources utilization • energy management • water management 	<ul style="list-style-type: none"> • employment practice • occupational health and safety • career development and training • prevention of child labour and forced labour • supply chain management • product responsibility • customer service • privacy protection • intellectual property rights • anti-corruption • community investment



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FEEDBACK

We encourage our stakeholders to provide us with their comments and suggestions. If you have any comments on this Report or the Group's sustainability performance, please email us at cs@csmall.cn and the Group will keep reviewing our performance and making improvements.

A. ENVIRONMENTAL PROTECTION

The Group is committed to continuously enhancing its environmental and social responsibilities to achieve sustainable development of the Group. Our target is to reduce hazardous greenhouse gas emissions and unnecessary waste disposal in our daily business operations. At the same time, the Group has formulated a number of environmental protection policies and guidelines while establishing, tracking and closely monitoring the key performance indicators for continuous improvement. We regularly update and notify the management of the Group on the work results and key performance indicators to ensure that the Group follows the direction of the policies and upholds the same philosophy.

During the Reporting Period, the Group complied with the relevant laws and regulations relating to air and greenhouse gas emissions, discharges to water and land, and generation of hazardous and non-hazardous wastes, such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and the Environmental Protection Management Regulations for Construction Projects (《建設項目環境保護管理條例》), which had material impacts on the Group. During the Reporting Period, the Group did not violate any PRC environmental protection laws and regulations and was not subject to any material fines, non-monetary penalties or litigation relating to environmental violations.

A.1 Emissions and Wastes

As an online-offline integrated internet-based jewellery retailer which also conducts Fresh Food Retail business including pork distribution and food trading, the Group did not have any manufacturing business during the Reporting Period, and therefore no hazardous waste was generated in the course of our business.

The Group owns a private car for the purpose of visiting customers of our New Jewellery Retail segment. For sales channels, in addition to selling products to customers face-to-face at the exhibition hall and through physical stores, sales are also conducted online and large scale transportation companies are engaged for the delivery of products. Except for the private car mentioned above, the Group does not own its own fleet, and our Fresh Food Retail segment relies on external frozen food transportation service providers for the delivery of fresh meat to our partners (i.e. fresh meat stalls known as "Meat Shopkeepers (肉掌櫃)"). Therefore, we are unable to directly measure the gas emissions from the relevant vehicles.

The Board endeavours to use its best efforts to reduce greenhouse gas emission and improve electricity efficiency in the coming year. The Group has established a series of guidelines on use of resources to ensure the sustainable development and operation of the Group. The Group also places great emphasis on the environmental impact of its newly mining business and actively works to understand and develop relevant processes to ensure treatment of emissions reduction for other solid emissions and hazardous discharges. We are committed to ensuring that the storage and treatment of emissions comply with national and regional regulatory standards and aim to enhance the efficiency of emissions treatment through continuous innovation to achieve optimal environmental protection outcomes.



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The steps to be taken to achieve this target include, but not limited to:

- No use of air conditioners during non-working hours
- Maintaining the target temperature for an air-conditioning system at 25°C
- Encouraging use of more energy-efficient equipment
- Turning off lights and computer when leaving office
- Minimizing travel and encouraging online video and teleconferencing to reduce transportation needs
- Minimizing packaging materials for gifts packing and consider using recycled materials

A.1.1 Emissions

Emission by vehicle	2024	2023
Type	Private car	Private car
Number	1 vehicle	1 vehicle
Mileage	13,000 km	32,755 km
Type of fuel	Unleaded petrol	Unleaded petrol
Fuel consumption by vehicles	1,037 litres	2,105 litres
Emission of NO _x	971.10 g	2,446.8 g
Emission of SO _x	15.25 g	30.94 g
Emission of particulates	71.50 g	180.15 g



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A.1.2 Greenhouse gas emissions

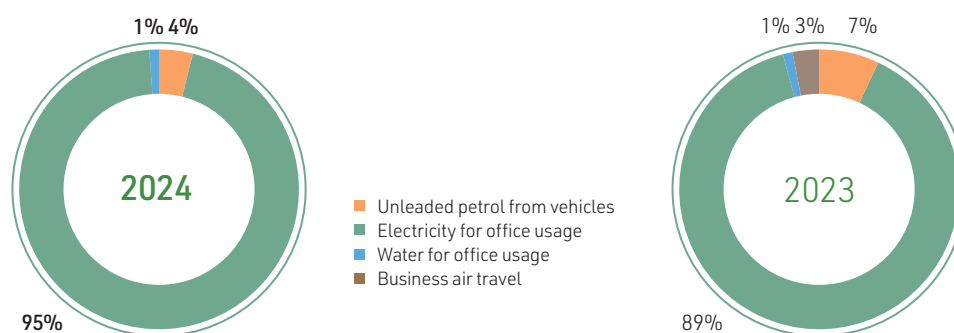
Since the Group does not have any manufacturing facilities, the gas emissions generated by the Group mainly come from the electricity purchased and water consumed by our office, the business air travel by employees, and the private car for visiting our customers. The office of the Fresh Food Retail segment is located in a shared workspace, and the rental cost already covers various daily office expenses such as electricity, water and paper. For the fresh meat stalls services, some partners (i.e. Meat Shopkeepers) are operating in wet markets, supermarkets, grocery stores, etc. The related water and electricity expenses are borne by the partners or may be included in the rent or management fees, and the partners are also unable to track the consumption level. Therefore, we have not been able to directly measure the relevant greenhouse gas emissions.

	2024		2023	
	CO ₂ equivalent emission (tonnes)	Intensity (Note 1)	CO ₂ equivalent emission (tonnes)	Intensity (Note 1)
Scope 1 – Greenhouse gas direct emissions				
Greenhouse gas emissions from mobile combustion sources	2.81	1.78	5.70	1.14
Scope 2 – Energy indirect emissions				
Mainly come from the electricity purchased	71.74	45.55	75.95	15.17
Scope 3 – Other indirect emissions				
Electricity used for processing fresh water and sewage by government department	0.77	0.49	1.01	0.20
Business air travel by employees	0.21	0.13	3.05	0.61
	75.53	47.95	85.71	17.12

Note 1: The intensity is measured in tonnes per RMB100 million of the Group's revenue, which was RMB158 million during the Reporting Period (2023: RMB501 million).

The Group's greenhouse gas emissions during the Reporting Period were mainly carbon dioxide (CO₂), with emission data and diagram detailed below.

Proportions of CO₂ equivalent emissions



In the current year, electricity for business usage accounts for 95% of the total gas emissions (2023: 89%).

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A.1.3 Total amount and intensity of wastes and non-hazardous wastes generated

As the business activities of the New Jewellery Retail segment operated by the Group are sales of gold, silver, colored gemstones and gem-set and other jewellery products, it does not involve pollution discharge issues.

The non-hazardous waste water generated in the operation of Fresh Food Retail segment mainly comes from the cleansing sewage of fresh meat processing plants and Meat Shopkeepers as well as the domestic sewage of offices. The related wastewater are treated and discharged by the partners or may be included in the rent or management fees, and the partners are also unable to track the consumption level. Therefore, we have not been able to directly measure emissions. The main non-hazardous waste generated by us is a small amount of general waste such as stationery in our Group's office operation. As assessed by the Company, such disposal is limited, so no relevant disclosure has been made accordingly.

A.1.4 Treatment of hazardous and non-hazardous wastes

The non-hazardous waste generated by the Fresh Food Retail segment is mainly the organic waste generated during the processing of fresh meat, as well as the domestic waste generated in the Group's daily operations. Through accurate data forecasting, we reduce the amount of inventory to reduce the disposal amount of non-hazardous waste and reduce the impact on the environment caused by the disposal of waste due to expired fresh food. Domestic waste produced during daily operations is collected and disposed of by property management companies. The Group also adopts appropriate and economical policies concerning the waste generated in the office during daily operation. For example, we encourage our employees to use recycled paper, and most of our internal administrative documents are published electronically instead of printing out on paper, putting our philosophy of being economical into practice.

A.1.5 Measures for and results of reducing emissions

During the course of our operations, we always bear in mind environmental protection and resource efficiency. For example, we recommend the use of teleconferencing and video conferencing instead of business trips, encourage our employees to use recycled paper, and streamline warehousing and delivery processes to reduce the frequency of transportation, so as to reduce emissions from our daily operations in a versatile and effective way.





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A.2 Resource Utilization

The Group is committed to optimizing resources utilization and production and operation patterns in order to reduce the impact on the environment. As our main consumption in the operation process is electricity and water, we adopt different measures to reduce consumption and improve resource efficiency.

During the Reporting Period, the Group's New Jewellery Retail segment leased independent offices, which provide daily office resources such as electricity, water and paper, so we were able to directly measure the relevant usage rates.

However, the office of the Fresh Food Retail segment is located in a shared workspace, and the rental cost already covers various daily office expenses, so direct measurement of usage rates is not possible. For the fresh meat stalls services, some partners (i.e. Meat Shopkeepers) are operating in wet markets, supermarkets, grocery stores, etc. The related water and electricity expenses are borne by the partners or may be included in the rent or management fees, and the partners are also unable to track the consumption level. Therefore, we have not been able to directly measure usage rates.

A.2.1 Direct and indirect energy

We encourage our employees to use electricity effectively. We have taken various measures to improve energy efficiency, such as reducing electricity usage, keeping indoor temperatures at a reasonable level, and using energy-efficient equipment. During the Reporting Period, the Group's energy usage in the office was as follows:

Resource utilization	2024	2023
Electricity consumption		
Usage (kWh)	110,247	116,708
Intensity (Note 2)	69,998	23,318

Note 2: The intensity is measured in kWh per RMB100 million of the Group's revenue, which was RMB158 million during the Reporting Period (2023: RMB501 million).

A.2.2 Total amount and intensity of water consumption

The Group promotes sustainable and efficient use of water. Due to the Group's operating locations, we did not encounter any significant issues in sourcing water that is fit for purpose.

The Group has set target to improve water consumption efficiency by posting water-saving signs to remind employees for water conservation and inspecting water supply pipelines on a regular basis to prevent water leakage.

During the Reporting Period, our total water consumption in the office was 1,544 m³ (2023: 2,023 m³), representing an intensity of 980 m³ (2023: 440 m³) per RMB100 million of the Group's revenue.

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A.2.3 Plan on energy utilization and proper use of water

The Board endeavours to use its best efforts to reduce the consumptions on energy, paper and water, as well as packaging material in the coming year. In order to achieve this target, the Group has been actively implementing water conservation measures to reduce water consumption. We have also taken various measures to reduce carbon emissions and improve energy efficiency, as well as to reduce electricity consumption and keep indoor temperatures at a reasonable level. It is also our wish that our employees make joint efforts with us to contribute to the cause of environmental protection.

The Group has worked to raise staff awareness of environmental management at workplace while encouraging the staff to reduce the consumption of electricity, paper and water resources. When carrying out renovations of the new offices, the Group used more energy efficient LED lighting and air conditioners. We posted notices at conspicuous locations to remind our staff to switch off electricity when leaving office and turn off the water taps immediately after use. The Group strongly encourages double-sided printing, use of electronic documentation, and recycling of used paper in order to lower paper consumption. Dedicated bins have been set up at the Group's offices to facilitate waste separation and recycling.



Save Paper



Save Electricity



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A.2.4 Total amount of packaging materials used for finished products

The major business activity under the New Jewellery Retail segment is the sales of gold, silver, colored gemstones, gem-set and other jewellery products. For the sake of the environment, in the current year, the Company replaced plastic packaging boxes with more environmentally friendly and recyclable paper, and daily packaging boxes in the office were recycled and suitably cut into delivery boxes. The packaging materials used in the Fresh Food Retail segment are mainly plastics and are provided to consumers by partners. Therefore, the Group does not have statistics on the relevant data. With respect to packaging materials used by the Group with statistics available, the commonly used materials are plastics, corrugated paper and paper sheets. The following table illustrates the Group's usage of packaging materials during the Reporting Period.

Type	2024		2023	
	Usage (tonnes)	Intensity (tonnes/ RMB100 million) (Note 3)	Usage (tonnes)	Intensity (tonnes/ RMB100 million) (Note 3)
Plastics	0.4	0.23	0.3	0.06
Paper sheets	5.1	3.24	4.5	0.90

Note 3: The intensity is measured in tonnes per RMB100 million of the Group's revenue, which was RMB158 million during the Reporting Period (2023: RMB501 million).

A.3 Environment and Natural Resources

The Group is committed to protecting our environment and minimizing the impact of its daily operations on the environment. In order to reduce carbon emissions, one of our considerations during the packaging process is to facilitate our customers to preserve their purchased products, and therefore we focus on the functionality of the packaging and reduce the use of disposable materials. In our daily operations, we also constantly remind our employees of the importance of energy conservation, in an effort to create green office spaces.

A.4 Climate Change

The physical impacts of climate change, including extreme weather events, or damage to facilities have immediate operational impacts and are treated as operational risks. Understanding these trends and the relationship with our business can help us to prepare, analyse possible risks and opportunities, help seize the opportunities of potential benefits and establish the response capacity of the Group in the long run.

In response to climate change, the Group is committed to reducing carbon emissions and waste generated by office. The Group aims to reduce the consumption of electricity, water, paper and gasoline for vehicles as well as the number of business trips.

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B. SOCIETY

EMPLOYMENT AND LABOUR PRACTICES

B.1 Employment

The Group complies with the relevant regulations such as Labour Law of the People's Republic of China 《中華人民共和國勞動法》, the Labour Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》, the Law of the People's Republic of China on the Protection of Women's Rights and Interests 《中華人民共和國婦女權益保障法》, the Social Security Law of the People's Republic of China 《中華人民共和國社會保障法》, the Trade Union Law of the People's Republic of China 《中華人民共和國工會法》 and the Special Regulations on Protection of Women Workers 《女職工勞動保護特別規定》, and makes timely contributions to the five major insurances and one provident fund for its employees, i.e. pension insurance, medical insurance, unemployment insurance, maternity insurance, work injury insurance and housing provident fund.

The Group understands that its employees are critical assets and its business development wholly depends on their contribution and hard work. The growth of our employees leads to continuous innovation in our products and helps us achieve excellence and quality. The Group provides competitive remuneration packages to its employees with reference to industry practices and benchmarks, including paid annual leaves, marriage leaves, maternity leaves, internal promotion opportunities and annual bonuses. The Group also provides employees with internal promotion opportunities in recognition of their outstanding performance and hard work.

During the recruitment process, we strive to be fair and just, and therefore we have adopted an open recruitment process. The Group will not tolerate any kinds of discrimination, including gender, sexual orientation, disability, age, religion, family background or other personal characteristics protected by law.

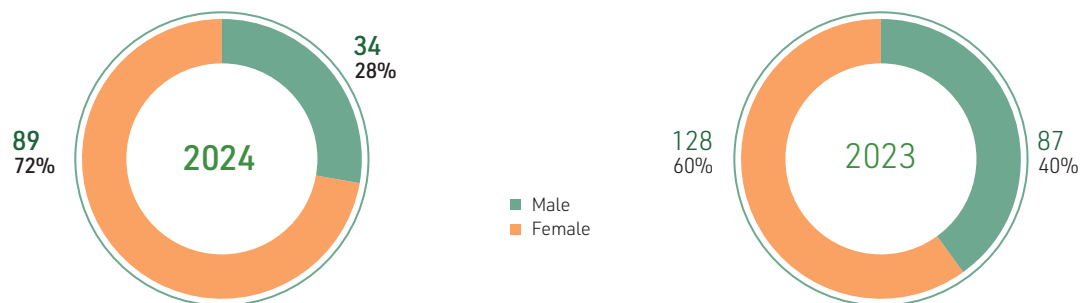




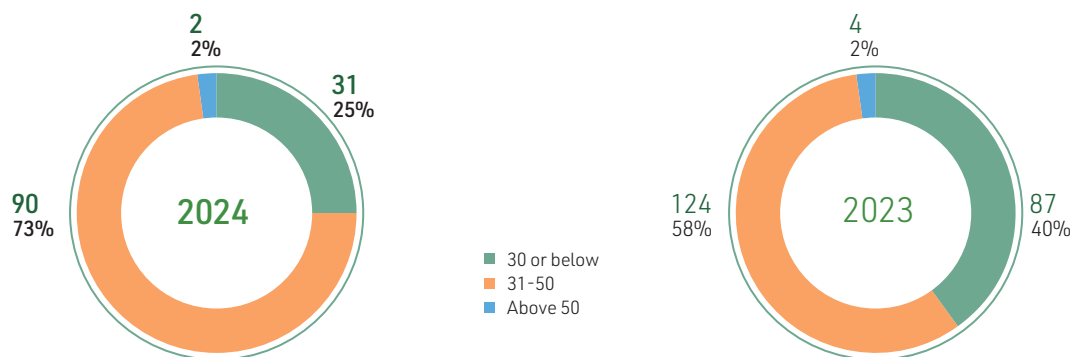
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As at the end of the Reporting Period, the Group had a total of 123 employees (2023: 215), representing a decrease of 92 as compared with the end of 2023, of which 66 employees were employed by the Fresh Food Retail segment. All are full-time employees. We value the opinions of employees, and encourage employees to express their opinions on the Group to jointly create a comfortable working environment. Therefore, the Group has set up e-mail addresses and collection boxes to collect employees' opinions, which have become one of the communication channels between employees and the Group. In addition, we firmly believe that the success of the Group also depends on the dedication and sense of belonging of the employees. Thanks to the dedication of our employees to the Group, we have successfully built a diverse and respectful working environment. The following figures are compiled based on the total number of employees as at the end of the Reporting Period.

Group's staff number – by gender

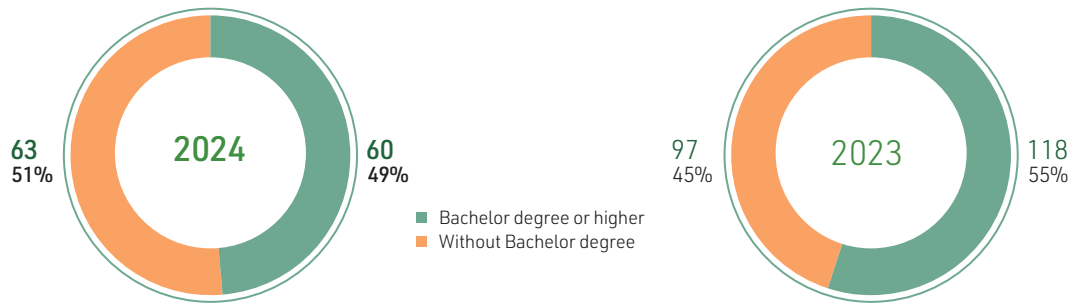


Group's staff number – by age

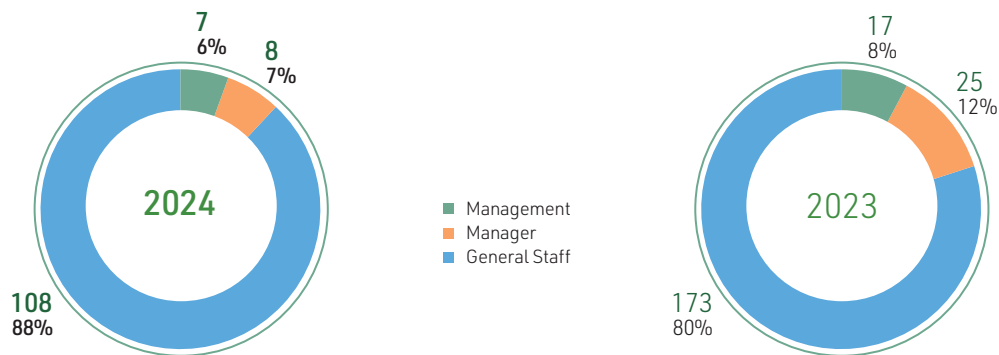


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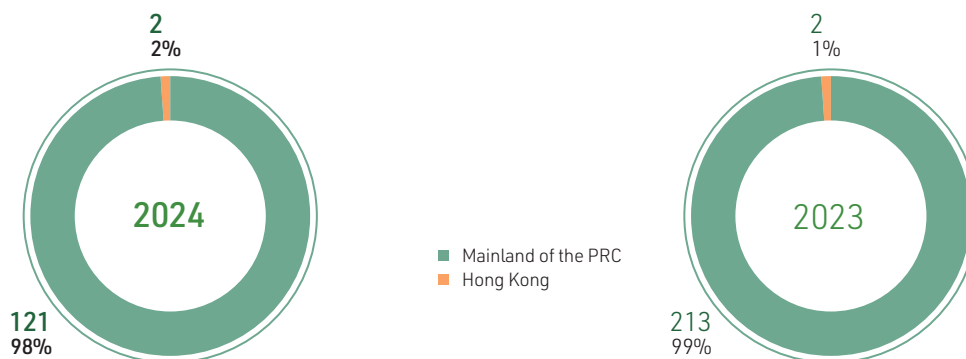
Group's staff number – by education



Group's staff number – by seniority



Group's staff number – by geographical region

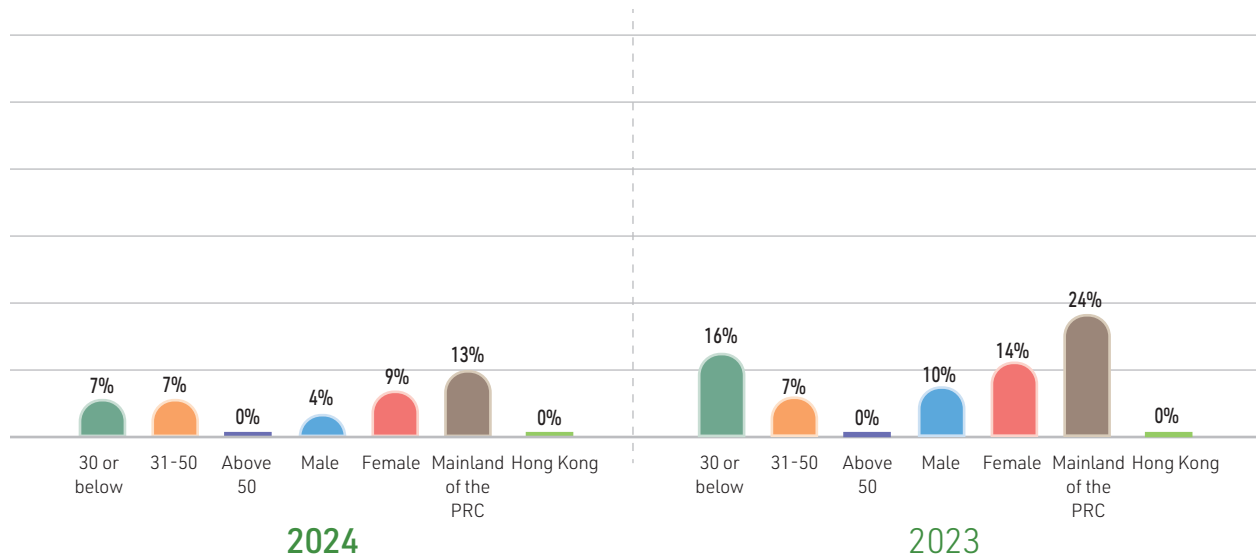




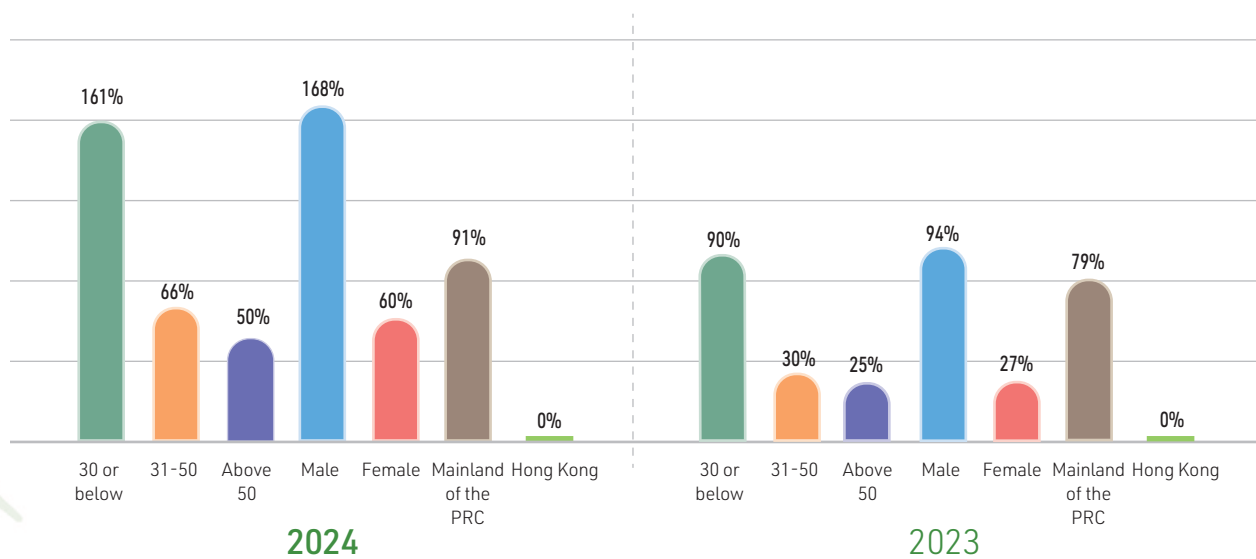
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The analysis of staff on-boarding and turnover rates during the Reporting Period is as follows:

Staff on-boarding rate



Staff turnover rate



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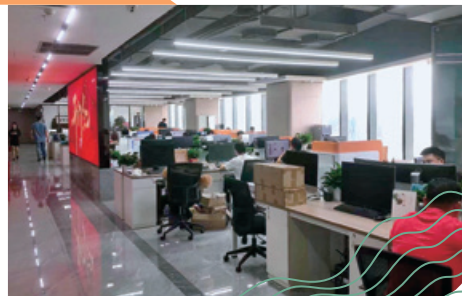
B.2 Health and Safety

During the Reporting Period, the Group complied with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards, such as the Work Safety Law of the People's Republic of China 《中華人民共和國安全生產法》 and the Prevention and Control of Occupational Diseases Law of the People's Republic of China 《中華人民共和國職業病防治法》, to ensure that the employees are working in a safe environment in respect of health, hygiene, ventilation, gas safety, building structure and means of escape.

Providing a safe and relaxing working environment for our employees is one of our main considerations. A number of measures have been implemented in the workplace to promote this policy, which are detailed as follows:

- No smoking, no abuse of alcohol and no drugs in the workplace
- Provision of clean and tidy staff lounge
- Adequate illumination in the workspace and open and clear corridors, especially the escape exits
- Provision of adjustable chairs and computer displays so that our employees can maintain proper sitting postures and protect their eyes

No work-related fatalities were recorded in each of the past seven years, including the Reporting Period. During the Reporting Period, no work-related injuries were recorded.



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B.3 Development and Training

In order to maintain the competitiveness of the Group and our employees, our human resources team regularly organizes internal and external training for our employees to support their personal growth and continuous development.

The Group provided diverse training programs for our employees during the Reporting Period, including induction training, occupational safety and health education, company policy training and on-the-job training. The following table shows the number of hours that our employees spent on in-house training during the Reporting Period:

	2024	2023
Total number of training hours/total number of employees		
By seniority:		
– Manager level or above	0.40	2.35
– Below manager level	0.46	1.69
By gender:		
– Male	0.47	1.93
– Female	0.45	1.62

During the Reporting Period, the percentages of staff that received training are: management level or above staff: 20%, below manager level staff: 23%; male: 24%, female: 22% (2023: management level or above staff: 48%, below manager level staff: 67%; male: 68%, female: 60%).





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B.4 Labour Standards

The Group strictly complies with the relevant laws in the place where it operates, including the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Special Protection Regulations for Juvenile Workers (《未成年工特殊保護規定》) and the Regulations on Prohibition of Child Labour (《禁止使用童工規定》), and absolutely refrains from hiring child labour or involuntary labour. During the Reporting Period, there was no child labour or forced labour involved in the Group's business activities.

Being fully aware that exploitation of child and forced labour violates human rights and international labour conventions, the Group has established policies that prohibit any forced, bonded or otherwise involuntary labour throughout its operations. Additionally, through its procurement and tendering policies, the Group also endeavours to ensure that its suppliers and contractors are free from the employment of forced, bonded or otherwise involuntary labour.

OPERATING PRACTICES

B.5 Supply Chain Management

The Group's major suppliers are raw materials suppliers for our New Jewellery Retail business, and fresh food suppliers for our Fresh Food Retail business. We are committed to providing our customers with quality products and services. To ensure the quality of our metal products and fresh food products, we are very careful in selecting our suppliers. For example, we will perform due diligence investigations on new suppliers to get an understanding of, among other things, their backgrounds and whether they are in compliance with environmental permits, so as to ensure the commitment of our upstream suppliers to environmental protection and market quality.

We have established an appraisal and review mechanism for the Fresh Food Retail segment to ensure the legality and quality of suppliers. When selecting new suppliers, we will give priority to potential suppliers with better reputation, and conduct a preliminary review of their production and quality assurance capabilities. After that, we will conduct investigation on the products, production capacity and implementation of the quality and safety management system of the selected suppliers; if necessary, we will also ask the selected suppliers to provide samples for evaluation and inspection, and conduct on-site evaluations. Only suppliers who have passed the review process will be included in the list of qualified suppliers. In addition, we will review and check the basic information of new suppliers, including conducting on-site assessment at the supplier's site, reviewing their quality system certification, product safety certification, business license and other documents to ensure the supplier's compliance. Afterwards, we regularly evaluate existing suppliers based on price, quality, delivery time, etc., and unqualified suppliers will be eliminated.

The Group has set up a procurement department to handle procurement fairly by making comparison in a number of aspects. Our procurement department also communicates directly with the customer service department to collect customers' opinions on the quality of our products in an effort to provide feedback to our suppliers.

For Fresh Food Retail segment, in order to ensure food safety, the Company strictly selects partners, and business partners must provide Food Safety License (《食品安全許可證》) or National Industrial Product Production License (《全國工業產品生產許可》). We also require external transportation fleets to control the temperature during the transportation process to ensure that the food is delivered fresh to the Meat Shopkeepers. In addition, the Meat Shopkeepers are required to clean and disinfect the meat-handling utensils in due course.

During the Reporting Period, we had a total of 22 jewellery suppliers and 11 fresh food suppliers (2023: 12 jewellery suppliers and 68 fresh food suppliers), all of which are located in the PRC.



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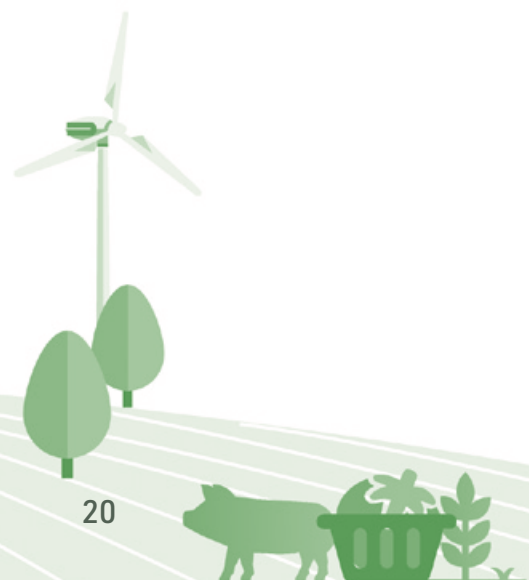
B.6 Product Responsibility

During the Reporting Period, the Group complied with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters of products and services provided and methods of redress, such as the Trade Descriptions Ordinance (《商品說明條例》) (Chapter 362 of the Laws of Hong Kong), the People's Republic of China Product Quality Law (《中華人民共和國產品質量法》) and the People's Republic of China Law on Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》).

Product safety and quality assurance

The Group offers self-branded and third-party branded jewellery products. Self-branded products are designed by our development team and each product is properly accompanied by product information and usage labeling in accordance with relevant laws and industry practices. The Group undertakes that it will continue to maintain product safety of the highest level, assess product quality regularly and take the initiative to make improvements.

During the Reporting Period, we did not receive any major complaints about the quality of our products and services, and did not make any recalls due to safety and health incidents.





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After-sales service

New Jewellery Retail segment

The Group provides high-quality products, backed with comprehensive after-sales service. Our website provides a clear list of points for our customers to note after making a purchase, including invoicing, repairing, shining, return, resizing, cleaning, examination and buyback. We have also set up a professional customer service team to provide consultation and handle complaints online. In order to ensure effective communication with our customers, the Group has set up a dedicated department to handle customer calls, which will quickly relay the feedback of our customers to the relevant departments and follow up with our customers proactively. The department has separate workstations to protect the privacy of our customers.

Fresh Food Retail segment

In order to ensure that customers receive high-quality services and products, the Group has in place a series of scoring mechanisms for the Meat Shopkeepers. Through regular monitoring, Meat Shopkeepers are evaluated, and the Group will terminate its partnerships with unqualified Meat Shopkeepers. When a complaint is received from a customer, the relevant department of the Fresh Food Retail segment will understand the content of the complaint, learn about the circumstances from the Meat Shopkeepers in relation to the sales, and reply to the customer within 24 hours. Appropriate actions will be taken to avoid the reoccurrence of the same or similar circumstances, and to improve customer satisfaction. We will record relevant information on the complaint in detail as a reference for future management.



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Data privacy

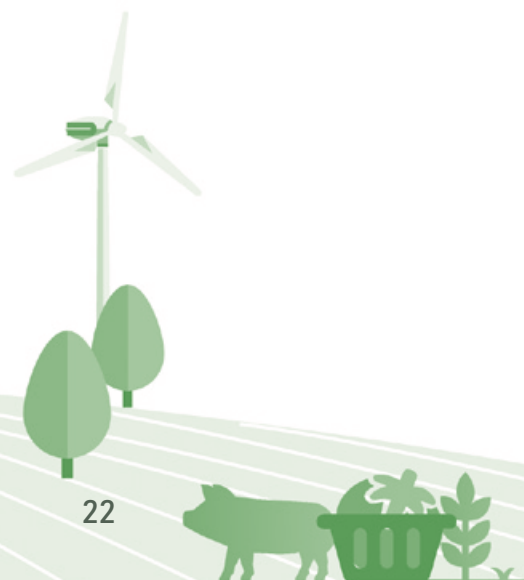
The Group understands that during the process of sales, the Group collects personal data of customers through the membership programme, social media platforms and the Company's website. The Group considers privacy and personal data protection as part of its business management, and incorporates information confidentiality requirements into its corporate policies, whereby customer data can only be used in relation to the operations of the Group. The Group has always strictly complied with the relevant laws and regulations relating to privacy and has ensured that all information relating to personal privacy is properly handled.

During the Reporting Period, the Group did not receive any complaints about privacy infringement.

Intellectual property rights

The Group's enthusiasm for innovation and arts has prompted us to pay more attention to intellectual property rights. We regularly review relevant intellectual property policies and apply for registration of patents on the brands and designs of the Group, thereby safeguarding our diversified designs and brand values. As at the end of 2024, the Group had 92 (2023: 88) registered trademarks in the PRC.

During the Reporting Period, the Group did not breach any intellectual property rights of any related parties.



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B.7 Anti-corruption

During the Reporting Period, the Group complied with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, such as the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), the Regulations of the People's Republic of China for Suppression of Corruption (《中華人民共和國懲治貪污條例》) and the Prevention of Bribery Ordinance (《防止賄賂條例》) (Chapter 201 of the Laws of Hong Kong).

In order to establish an open, fair and transparent business culture, and deter violations such as bribery, extortion, fraud and money laundering, the Group has established the Integrity & Compliance Department, which is responsible for receiving and reviewing relevant whistle-blowing reports and is determined to crack down on all corrupt sales activities.

The reports we accept include but are not limited to the following:

- Asking for or accepting bribes from our employees, including cash, premium gifts and any forms of lavish treatments
- Conflicts of interests in duty performance, such as violation of the Group's investment regulations, or working for our suppliers, distributors and partners at the same time
- Leakage of the Company's confidential information and data by our employees
- Exploitation of positions by our employees for personal gains

The Group encourages whistleblowers to report by real-name and promises to protect their identities and keep their reports confidential. For all commenced investigations, the relevant departments will provide updates to the whistleblowers according to the contact information provided.

During the Reporting Period, no cases of anti-corruption involving the Group were concluded.

In order to raise the awareness of self-discipline, the Group provides relevant anti-corruption and anti-bribery training for the Board and employees. All new employees have training on anti-corruption business ethics and anti-money laundering in order to enhance their self-discipline awareness and emphasize the importance of integrity and ethics. The Group's "Anti-Corruption Policy" was officially published on the official website of the Company in March 2022 and also included in the staff's handbook.

B.8 Community Investment

The Group encourages its employees to participate in community and charitable activities to give back to society and actively participate in community services under the philosophy of "benefitting from society, giving back to society".