



S.A.S. Dragon Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 1184)



Environmental, Social and Governance Report 2024



Environmental, Social and Governance Report

S.A.S. Dragon Holdings Limited (the “Company”) together with its subsidiaries (the “Group” or “we” or “our” or “us”) is a leading ELECTRONIC SUPPLY CHAIN SERVICES PROVIDER in the Greater China region. The Group specializes in design, development, sourcing, quality assurance and logistics management of global proprietary electronic components and semiconductor products including chipset solutions, display panels, memory chips, power supply system solutions, multimedia system solutions, PEMCO, IoT home automation solutions, light-emitting diode (“LED”) lighting solutions and other premier solutions for a wide range of applications for mobile, consumer electronics, computer and networking and telecommunication and LED lighting and display products. According to Gartner’s data, in terms of revenue, the Group is ranked as top 9 global semiconductor distributor in 2021 and 2024.

REPORTING PERIOD, FRAMEWORK, PRINCIPLES AND SCOPE

The board (the “Board”) of directors (the “Director(s)”) of the Group is pleased to present this environmental, social and governance report (the “Report”) which sets out matters relating to the environmental, social and governance (“ESG”) of the Group for the period from 1 January 2024 to 31 December 2024 (the “Reporting Period” or “2024”).

The Report has been prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) set out in Appendix C2 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This Report follows the reporting principles in the ESG Guide:

“Materiality”: In defining the material ESG issues that are relevant to the Group’s business and stakeholders, we maintain communication with internal and external parties to understand their expectations and suggestions. We continue to engage closely with our stakeholders, including employees, investors, customers, suppliers, local government agencies and organisations, regardless of whether they are affected by our operations or have a significant impact on our operations.

“Quantitative”: The Group has established internal guidelines and procedures with reference to industry practices, guidelines of exchanges or relevant government departments, as well as laws and regulations, to collect environmental and social performance data from various business departments, and to keep relevant monitoring instruments records or supporting documents. Please refer to the relevant sections in the Report for the standards, methodologies and assumptions (where applicable) for the calculation of performance data.

“Balance”: We aim to keep our report balanced and make fair disclosures on critical aspects of our performance, both in terms of progress made and continuing challenges that we are dealing with.

“Consistency”: Except for the changes in the scope of this Report due to the change in operation, the disclosure and statistical methods of this Report are consistent with those of last year, and the same data statistics and conversion methods are used. Relevant historical data have been disclosed in this Report to enable stakeholders to better understand and compare the Group’s sustainability performance.

Unless otherwise specified, the environmental key performance indicators (“KPIs”) of the Report covers the Group’s operations in relation to (i) the sales of electronic components and semiconductors and (ii) distribution of business equipment and provision of related ancillary services in Hong Kong and Mainland China (the “Reporting Scope”) as they contributed over 84% of the Group’s revenue; while the social KPIs of the Report covers all subsidiaries of the Group.

COMMUNICATION WITH STAKEHOLDER

The Group strives to accommodate views and interests of stakeholders (including but not limited to shareholders, customers, employees, suppliers, regulatory authorities and the public) through constructive communications with them to determine the direction of the Group's long-term development and maintain close relationships with stakeholders. The financial performance of the Group are summarised in the Group's interim report and annual report and reported to investors through the Group's official website (www.sasdragon.com.hk).

Stakeholders	Possible issues of concern	Communication channels
The Board	<ul style="list-style-type: none"> • Corporate governance • Regulatory compliance • Financial performance • Strategic development 	<ul style="list-style-type: none"> • Board meetings • Committee meetings • Annual general meeting
Shareholders and investors	<ul style="list-style-type: none"> • Compliance with laws and regulations • Corporate governance system • Business strategies and performance • Investment returns 	<ul style="list-style-type: none"> • Annual general meeting and other shareholder meetings • Financial reports • Press releases and circulars • Company website and email
Customers	<ul style="list-style-type: none"> • Good customer service • High-quality control • Customer's right • Business integrity and ethics 	<ul style="list-style-type: none"> • Feedback from front-line employees • Interim and annual reports, corporate websites • Routine communications
Employees	<ul style="list-style-type: none"> • Remuneration and compensation • Career development • Health and safety 	<ul style="list-style-type: none"> • Training activities and seminars • Employee notice boards • Staff appraisals
Suppliers	<ul style="list-style-type: none"> • Payment schedule • Stable demand • Fair and open tendering 	<ul style="list-style-type: none"> • Emails • Regular assessment of suppliers' performance • Supplier management meetings and events • On-site visits • Tendering process
Regulatory bodies and government authorities	<ul style="list-style-type: none"> • Regulatory compliance • Prevention of tax evasion • Social welfare • Sustainable development • Occupational health and safety 	<ul style="list-style-type: none"> • Interaction and visits • Company website
Media, community and the public	<ul style="list-style-type: none"> • Environmental protection • Employment and community development • Social welfare 	<ul style="list-style-type: none"> • the Report • Media

We aim to collaborate with our stakeholders to improve our ESG performance and create greater value for the wider community continuously.

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GOVERNANCE STRUCTURE

While the Group is committed to creating value for its shareholders, it also strives to fulfil its corporate social responsibility. The Board is ultimately responsible for overseeing the Group's corporate governance and overall ESG management approach. The Board plays a supervisory role in collecting data, drafting and reviewing the Report. Information on the Group's governance structure is set out in the corporate governance report attached in the Annual Report 2024.

The Board is also responsible for ensuring the effectiveness of the Group's risk management and internal control mechanisms. To develop a systematic management approach for ESG issues, the Group has arranged designated personnel from various departments to manage the Group's ESG matters as a working group. The working group is responsible for collecting relevant information on the ESG aspects for the preparation of the Report. It periodically reports to the Board, assists in identifying and assessing the Group's ESG risk, and evaluates the implementation and effectiveness of the Group's internal control system, to evaluate, prioritise and manage material ESG-related issues. It also examines and reviews the Group's ESG performance against the Group's ESG-related goals and targets, including environmental, labour practices, and other ESG aspects.

A. ENVIRONMENTAL

The Group strives to protect the environment through the implementation of control activities and monitoring measures in its business activities and workplace. We are committed to promoting a green environment by introducing environmentally friendly business practices, educating our employees to enhance their awareness on environmental protection and complying with the relevant environmental laws and regulations.

In order to mitigate the environmental impacts produced by the Group's operation, we have adopted and implemented relevant environmental policies. These policies apply the emission mitigation principle as well as the waste management principle of "Reduce, Reuse, Recycle and Replace", with the objectives of minimising the adverse environmental impacts and ensuring the emission being generated or waste disposed are managed in an environmentally responsible manner.

During the Reporting Period, the Group did not identify any material non-compliance with related environmental laws and regulations, including but not limited to the Environmental Protection Law of the PRC, the Energy Conservation Law of the PRC, and the Air Pollution Control Ordinance (Cap.311) of Hong Kong that would have a significant impact on the Group.

A1. Emissions***Air emissions***

The Group's major sources of exhaust gas emissions were originated from petrol and diesel consumed by vehicles and town gas cooking for cafeteria. Thus, the Group has developed clear guidelines in relation to daily vehicular operation. The Group periodically records and monitors the fuel consumed, educates employees to turn off engines for idling vehicles, and conducts regular vehicle inspections and maintenance to enhance vehicle efficiency. With more efficient use of vehicles, the air emissions intensity has decreased by 22.3% from FY2023. The air emissions performances were as follows:

Types of exhaust gases	Unit	2024	2023
Nitrogen Oxides (NOx)	g	328,962	348,315 ¹
Sulphur Oxides (SOx)	g	831	1,021 ¹
Particulate Matter (PM)	g	18,849	19,572 ¹
Total air emissions	g	348,642	368,908¹
Total air emissions intensity	g	14.98	19.28

Note:

1. The NOx emission, SOx emission and PM emission in 2023 has revised from 346,046 g, 756 g and 19,405 g respectively after internal revision of emission data.
2. During the Reporting Period, the Group's total revenue in respect to the Reporting Scope was approximately HK\$23,275.57 million (2023: approximately HK\$19,133.51 million). The data is also used for calculating other intensity data.

Greenhouse gas ("GHG") emissions

The major sources of the Group's GHG emissions were direct GHG emissions generated from petrol and diesel consumed by vehicles, as well as town gas cooking (Scope 1), and energy indirect GHG emissions generated from purchased electricity and town gas cooking (Scope 2). To reduce GHG emissions during operation, the Group has actively adopted energy conservation measures, which are described under aspect A2 of the Report. With more efficient use of resources, the GHG emissions intensity for the Reporting Period was decreased by approximately 26.4% from FY2023. The GHG emissions performances were as follows:

Indicator ¹	Unit	2024	2023
Direct GHG emissions (Scope 1)	tCO ₂ e	147	181 ⁴
Indirect GHG emissions (Scope 2)	tCO ₂ e	167	168 ⁴
Total GHG emissions (Scope 1 and 2)	tCO ₂ e	314	349 ⁴
Total GHG emissions intensity	tCO ₂ e/million dollars revenue ³	0.01	0.02

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Note:

3. GHG emission data are presented in terms of carbon dioxide equivalent and are based on, including, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, the “Notice on the Management of Enterprise Greenhouse Gas Emissions Reporting by Power Generation Industry in 2023- 2025” issued by the Ministry of Ecology and Environment of the PRC, the “Sustainability Report 2023” published by CLP Holdings Limited, “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” and “Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework” issued by the Stock Exchange and “Global Warming Potential Values” from the IPCC Sixth Assessment Report (AR6).
4. The Direct GHG emissions (Scope 1), Indirect GHG emissions (Scope 2) and The total GHG emissions (Scope 1 and 2) in 2023 has revised from 133 tCO₂e, 164 tCO₂e and 297 tCO₂e respectively after internal revision of emission data.

The Group has achieved the target set in last year, which is to maintain the total GHG emission intensity level in 2024 as in 2022, due to a reduction in consumption of petrol and electricity. The Group has maintained the emission target to maintain the total GHG emission intensity level in 2024 as in 2023 (2023: approximately 0.02 tCO₂e per million dollar revenue). In order to achieve this emission target, the Group has implemented a number of energy-saving measures. For measures on energy conservation and emission reduction, please refer to the section headed “Use of Resources”.

Waste Management

Non-hazardous solid wastes were generated in our office and warehouse during our operation. With the aim of minimising the environmental impacts of non-hazardous wastes generated from our business operations, the Group has implemented relevant measures to handle such waste and has launched different reduction initiatives. The Group encourages its employees to handle documents electronically. When the use of paper is required, documents are required to use double-sided printing. In addition, recycling bins are provided at our workplace with waste paper and used toner cartridges collected for recycling. Moreover, we arranged conference calls or video conference instead of face-to-face meetings where possible. During the Reporting Period, the total non-hazardous wastes were amounted to about 28.12 tonnes (2023: approximately 30.57 tonnes), which approximates to 0.001 tonnes per million dollars revenue.

During the Reporting Period, the total of hazardous wastes were amounted to about 30.00 kg (2023: 0kg), which approximates to 0.0001 tonnes per million dollars revenue. The hazardous waste disposed mainly consist of failed personal computers and monitors. The abovementioned wastes were collected by a recycle shop. The Group will continue to work with licensed recycling companies, hands the hazardous electronic wastes for recycling and handling and comply with the relevant environmental laws and regulations.

During the Reporting Period, the Group took necessary steps to monitor and manage the environmental effect of the operations. The Group aims to reduce the energy consumption and carbon emissions, and seeks to find less harmful ways to protect the environment in the operations. Our internal policies have complied with all the relevant laws and regulations applicable to our operations under different jurisdictions.



During the Reporting Period, the Group has disposed 3.70 tonnes of paper, with an intensity of 0.0002 tonnes per million dollars revenue. The Group has achieved the target set in last year, which is to maintain the total paper disposal intensity level in 2024 as in 2022. The Group has maintained the target for waste generation to maintain the total paper disposal intensity level in 2024 as in 2023 (2023: approximately 0.0002 tonnes per million dollars revenue). In order to achieve this waste disposal target, the Group has adopted green office practices to reduce paper consumption. The Group has implemented an electronic office system to encourage the use of electronic forms for internal communication, such as business trip application and expense reimbursement application. In addition, the Group has set double-side printing as the default mode for printers.

A2. Use of Resources

The Group has always placed great emphasis on energy and resources conservation. To achieve this, the Group continually applies efficient consumption strategies to improve energy saving and reduce energy consumption.

To create a green workplace, we encourage reducing, reusing and recycling of materials to minimise wastage during daily operations. For energy saving and GHG emission reduction, LED lamps for offices and warehouse are installed, air conditioners filters are cleaned and maintained regularly, environmental-friendly paper are used for printing financial reports and eco-friendly stationeries are used. We continue to request our employees to turn off lights and air conditioners when no staff is at the workplace, to unplug the appliances, computers, printers and equipment which are not in use, and to maintain room temperature at 25 degrees Celsius when using air conditioners during summer. In respect of the water usage, we always remind our staff to check whether the water taps are completely shut off after use even though the water may be provided by the property management offices. In view of the geographical location of the Group's operation and business nature, the Group did not encounter any issues in sourcing water.

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The Group's energy and water consumption performances were as follows:

Energy consumption and water consumption

Use of resources	Unit	2024	2023
Direct energy consumption			
Unleaded petrol	kWh	302,920	404,315 ⁵
Diesel	kWh	247,001	271,113
Indirect energy consumption			
Purchased electricity	kWh	378,899	379,719 ⁵
Town gas	kWh	–	–
Total energy consumption	kWh	928,820	1,055,147 ⁵
Total energy consumption intensity	kWh/million dollars revenue	39.91	55.15 ⁵
Water consumption	Cubic meter	571	570
Water consumption intensity	Cubic meter/million dollars revenue	0.02	0.03

Note:

- The direct energy consumption through unleaded petrol, indirect energy consumption through purchased electricity, the total energy consumption and the total energy consumption intensity in 2023 has revised from 229,491 kWh, 580,764 kWh, 1,081,368 kWh and 56.52 kWh/million dollars revenue respectively after internal revision of energy consumption data.

The Group has set an energy use efficiency target to maintain the total energy consumption intensity level in FY2024 as in FY2023 (2023: approximately 55.15 kWh per million dollars revenue). With above number of energy-saving measures, the total energy consumption intensity has decreased by approximately 27.6% from FY2023. The Group will continue to pursue to maintain the energy efficiency target in FY2025.

The Group has set a water use efficiency target to maintain the water consumption intensity level in FY2024 as in FY2023 (2023: approximately 0.03 m³ per million dollars revenue). The Group has implemented the water-saving measures above in order to achieve this water use efficiency reduction target.

Sewage Discharge

We do not consume a significant volume of water through our business activities. Therefore, our business activities did not generate a material portion of discharge into water. As the sewage discharged by the Group is discharged directly into the municipal sewage pipe network, the amount of water consumed is considered as the sewage discharged.

Total packaging material used

The packaging materials for our finished products are provided by our suppliers.

A3. The Environment and Natural Resources

Although the core business of our Group has remote impact on the environment and natural resources, we recognize the responsibility in minimising the negative environmental impact of our business operations and our investment portfolio.

The Group endeavours to comply with the applicable environmental laws and regulations and has adopted effective measures to reduce wastage. Our employees are fully aware that it is important for the operation of the Group to minimise the impact on the environment and natural resources. Our management also closely monitors the utilities consumption in different offices and encourages employees to work together to reduce utilities consumption.

To ensure that employees implement the Group's environmental protection philosophy in their daily work, all new employees are required to go through the training in environmental protection.

GREEN OFFICE POLICY

The Group has implemented a series of measures to reduce the use of office supplies:

- Implement electronic file management, encouraging employees to process documents on computers and transmit information electronically as far as possible, and reducing the printing, transmission, sorting and archiving of paper files. The number of envelopes, portfolios and brochures issued by the Group is also subject to verification and control to minimise the demand for paper;
- Categorise waste, recycle and transfer recyclable resources to qualified recyclers, various collection bins have been placed in the office for the recycling of single-sided printed paper and printer cartridges;
- Put up "Save Water" reminders in appropriate places to remind employees to reduce water consumption in their daily operations and to close the taps immediately after use so as to reduce unnecessary waste; and
- Enhance daily maintenance and management of water equipment, including regular maintenance of water mains and pipes to reduce hidden leakage.

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A4. Climate Change

The Group recognises that climate change has been affecting our stakeholders, business operations and communities in different aspects. The Group strives to enhance its ability to respond to climate impacts and mitigate the risks and impacts of climate change on the Group, thereby helping the Group to adapt to and resist climate change. During the Reporting Period, the Group has been paying close attention to the impact of climate change as described below.

PHYSICAL RISKS

Extreme weather caused by climate change such as typhoons and rainstorms may disrupt business operations. In order to minimise disruptions to our business operations, the Group has put in place a set of contingency measures for adverse weather conditions as well as appropriate back-up of important information to minimise the negative impact on our business.

In addition to the above, the Group is also fully aware that extreme weather conditions may endanger the health and safety of employees. Therefore, we have formulated comprehensive typhoon and rainstorm arrangements to protect the health and safety of employees in extreme weather conditions. The Group also takes into account the different situations faced by individual employees under extreme weather conditions as far as possible, such as residence, nearby roads and traffic conditions, and adopts flexible treatment methods depending on the actual difficulties and needs of employees. For example, the Group implements a flexible off-duty day schedule for employees. At the same time, under extreme weather conditions, the human resources department will remind and notify employees of the latest weather conditions through communication software or emails.

TRANSITION RISK

In terms of legal risks, the Group expects that the laws and regulations related to climate change will become more stringent, such as the possibility that local governments adopt carbon tax to manage national GHG emissions. As a result, the Group may be exposed to legal risks and may have to incur higher operating costs to comply with regulatory changes. The Group has adopted a series of measures against possible legal risks. Firstly, the Group continuously monitors any changes in laws or regulations. Secondly, the Group has sought compliance advisory services to reduce legal risks. Thirdly, the Group has been taking comprehensive measures to protect the environment, including measures aimed at reducing greenhouse gas emissions. As we do more than meet the compliance requirements, we can quickly adapt to the more stringent regulations that may arise.

B. SOCIAL

B1. Employment

Employees are our valuable assets. We have developed a written staff manual to govern the discipline, working hours, leaves and other benefits of our employees, in accordance with the relevant laws and regulations. During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations including but not limited to the Labour Law, the Labour Contract Law, the Social Insurance Law and Regulation on Work-Related Injury Insurances of the PRC, as well as the Employment Ordinance of Hong Kong, and the Labour Standards Act of Taiwan that would have a significant impact to the Group.

To attract, motivate and retain experienced staff we review their pay packages annually with reference to the prevailing market conditions. Our full-time employees are entitled to maternity, paternity, compassionate leaves, medical insurance, performance related bonus and mandatory provident fund, while our PRC full-time employees are also entitled to nursing leave. The Group has adopted a share option scheme as an incentive to eligible employees. Social and recreational activities are arranged for the employees in achieving work-life balance. We apply equal opportunity and non-discrimination in recruitment, promotion and all other aspects of our employment practices.

During the Reporting Period, in order to enable employees to get a balance between work and life, the following activities were held:

Company Trip to Hong Kong for Taiwan Colleagues



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Celebration of S.A.S. Group's 30th Listing Anniversary



Yan Chai Charity Golf Tournament



Tsuen Wan Dragon Boat Race 2024



S.A.S. Group Sponsored Yan Chai Charity Preview Screening the "Rob N Roll"



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As at 31 December 2024, the Group had a total of 510 employees in the Greater China Region, and the distribution of employees within the Group were as follows:

Distribution of employees	2024 %
By Gender	
Male	58
Female	42
By Employment Type	
Full-time	100
Part-time	0
By Age Group	
Below 30	10
30 to 50	72
Over 50	18
By Region	
PRC	49
Hong Kong	41
Taiwan	10

As at 31 December 2024, the overall employee turnover rate was 14%. The breakdown of turnover rate was as follows:

Employee Turnover Rate	2024 %
By Gender	
Male	15
Female	13
By Age Group	
Below 30	23
30 to 50	14
Over 50	10
By Region	
PRC	18
Hong Kong	10
Taiwan	16

B2 Health and Safety

We are committed to providing and maintaining a safe, healthy and hygienic workplace for all employees. The Group has established relevant policies on the prevention and remediation of safety accidents, and detection on potential safety hazards in workplace so as to maintain a safe working environment. The Group did not encounter any lost days caused by injury. Air purifiers were placed in work place to improve air circulation. First aid boxes are also available at easily accessible locations in the workplace.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant health and safety-related laws and regulations, including, but not limited to the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, Fire Protection Law of the People's Republic of China and Provisions on the Supervision and Administration of Fire Protection of Construction Projects of the PRC, the Occupational Safety and Health Ordinance (Cap.509), and Factories and Industrial Undertakings Ordinance (Cap.59) of Hong Kong, the Occupational Safety and Health Act of Taiwan that would have a significant impact to the Group.

During the Reporting Period, the Group recorded 2 work-related fatalities and 150 lost-days related to work injuries. Also, the Group did not record any work-related fatalities occurred in the financial years ended 31 December 2022 and 31 December 2023.

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B3. Development and Training

We acknowledge the importance of training for the development of our employees as well as the Group itself. The Group has adopted relevant policies in governing training arrangements and benefits. We encourage and support our employees to participate in personal and professional training through sponsoring training programmes, seminars, workshops and conferences, peer learning and on-the-job coaching, as well as reimbursement for external training courses to enhance their competencies in performing their jobs effectively and efficiently. We believe this is a mutually beneficial practice for achieving both personal and corporate goals as a whole.

As at 31 December 2024, there is 171 employee trained. The percentage of employees trained by the Group's employees in the Greater China Region were as follows:

Percentage of employee trained	2024 %
By Gender	
Male	35
Female	31
By Employee Category	
Senior management	1
Middle management	12
Junior employees	87

As at 31 December 2024, total training hours offered in 2024 was 3,814 hours, average 7.5 hours per employee (2023: 3,640 hours in total, average 8.1 hours per employee), which reflected our continuous commitment. the total training hours received by the Group's employees in the Greater China Region were as follows:

	2024
Total no. of hours of training received by employees	3,814
Average hours of training per employee	
By Gender	
Male	9
Female	5
By Employee Category	
Senior management	1
Middle management	3
Junior employees	9

B4. Labour Standards

The Group considers child and forced labour unacceptable and ought to be prevented. The Group has instituted a comprehensive screening and recruiting process to prohibit the employment of child labour. Personal data are collected and carefully checked during the employment process to assist the selection of suitable candidates and to verify their personal background. If violation is involved, it will be dealt with in the light of the circumstances.

Employee work schedules are set up fairly to keep within standard working hours. All employees are provided with appropriate leave entitlements including annual leave, sick leave, marriage leave, maternity leave, paternity leave and compassionate leave, etc.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour related laws and regulations, including but not limited to the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, Fire Protection Law of the People's Republic of China and Provisions on the Supervision and Administration of Fire Protection of Construction Projects of the PRC, the Occupational Safety and Health Ordinance (Cap.509), and Factories and Industrial Undertakings Ordinance (Cap.59) of Hong Kong, and the Labour Standards Act of Taiwan that would have a significant impact to the Group.

B5. Supply Chain Management

Relationship is the fundamentals of business. Sound supply chain management ensures the Group could sustain its business operations and development. We have maintained strong relationships with our suppliers to meet our customer's needs in an effective and efficient manner. The Group has established a rigorous supplier selection system. When selecting suppliers, the Group takes various factors into account such as quality of products and functionality, price, reliability and anticipated market acceptance.

In view of growing concern on sustainability issues, the Group has also incorporated environmental and social considerations in the supplier selection process. We expect suppliers to observe the environmental, social, health and safety and governance considerations in their operations in order to manage the environmental and social risks in our supply chain.

The Group has also formulated policies and procedures to ensure that suppliers could compete in a transparent and fair manner. We do not differentiate and discriminate against any suppliers, and we do not tolerate any forms of corruption or bribery. Employees and other individuals with interest in the suppliers are also not allowed to participate in relevant procurement activities.

Suppliers by Region

China	1,021
Hong Kong	175
Taiwan	110
Other Asian Countries	15
Others	100
Total	1,421

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During the Reporting Period, we procured from over 1,000 internationally renowned brands as our suppliers. Over 98% of goods were supplied from South Korea, China, Taiwan and Hong Kong.

B6. Product Responsibility

The Group recognizes good customer service and after-sale-service are key to the success and sustainability of a corporation. In terms of quality control, suppliers provide warranty on the products they supply to the Group for distribution of electronic components and finished products. They are also responsible for providing or procuring the provision of in-warranty service to the end customers.

The Group also adopts the following quality control policies on the products to be sold:

- a series of inspections upon the receipt of the products in our warehouse regarding, among others, their appearance, packaging, specification and brand logo, etc. on a sampling basis; and
- if any defects are identified, the relevant product will be returned to the supplier for replacement.

The Group is also committed to complying with the Hong Kong Personal Data (Privacy) Ordinance. Personal data shall be highly protected. Employees are prohibited to disclose confidential information, including information related to suppliers and customers whether orally or in writing or in any other media which are not publicly known. Any employee who is found to have divulged confidential information to any third-parties without authorization will be subjected to disciplinary actions.

The Group prohibits the advertisements to disclose descriptions, claims or illustrations that are not true. By complying relevant legislations and code of practices, the Group organises promotion campaigns and creates advertising materials to ensure they are reliable, reasonable, and not containing any deceitful details or elements when generating advertisements in order to protect consumers' interests, rights and benefits.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations concerning advertising, labelling and privacy matters relating to products and services provided and methods of redress, including but not limited to the Patent Law, Copyright Law and Trademark Law of the PRC., Product Eco-responsibility Ordinance (Cap. 603), Sale of Goods Ordinance (Cap. 26), Consumer Goods Safety Ordinance (Cap.456), Copyright Ordinance (Cap.528), Personal Data (Privacy) Ordinance (Cap.486), Supply of Services (Implied Terms) Ordinance (Cap.457) and Trade Descriptions Ordinance (Cap.362) of Hong Kong, and the Personal Data Protection Act of Taiwan that would have a significant impact to the Group. In addition, we have neither received any cases of infringement of intellectual property rights, nor were we aware of any suspected cases of infringement of intellectual property rights of products that we distributed during the Reporting Period.

During the Reporting Period, The Group has received no product-related complaints and service-related complaints. The Group designated staff to handle all complaints received promptly and review our procedures for any improvement to prevent recurring complaints.

B7. Anti-corruption

Both the Group and its business partners are expected to uphold the highest standard of ethics. All parties involved in business interactions shall be prohibited from every forms of corruption, extortion, bribery, fraud, money laundering and embezzlement. The Group advocates the standards of fair transaction, advertising and competition and puts in place a confidentiality mechanism to protect the identity of suppliers and whistleblowers.

The Group is committed to strengthening compliance training. Reading materials in relation to business ethics and anti-corruption conducted by the Independent Commission Against Corruption were circulated to the Directors and staff of the Group, so as to enhance employees' understanding on anti-bribery and anti-corruption.

During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or employees. The Group was also not aware of any material non-compliance with related laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to Company Law, Bidding Law and Interim Provisions on Banning Commercial Bribery of the PRC, the Prevention of Bribery Ordinance (Cap.201) of Hong Kong, and the Anti-corruption Act of Taiwan that would have a significant impact to the Group.

To firmly reject the occurrence of corruption, frauds, etc., the Group has established whistle-blowing policy for employees and other stakeholders to report any suspected improper or illegal activities through any anonymous ways such as by mail, email, telephone, etc. The Group will investigate and handle the case once internal corruption related information is received. The investigations are administered on a confidential basis and there will be no reprisal against employees. During the Reporting Period, the Group provided anti-corruption training to both Directors and employees, with approximately 10 hours and 2 hours were provided to 10 Directors and 2 employees respectively.

B8. Community Investment

We encourage our employees to participate in social and community events, as well as to volunteer for good causes. The Group was appointed as Safe City Ambassadors by The Hong Kong Police Force. We will continue to shoulder the social responsibility by caring for the community, employees and the environment in order to build a cohesive society.

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The Group was appointed as Safe City Ambassadors by The Hong Kong Police Force



During the Reporting Period, the Group donated approximately HK\$2,783,000 to charitable and other non-profit organisations in Hong Kong and China.

The Group sponsored the “Tour around Hong Kong Charity Walk 2024”

