



Great China Holdings (Hong Kong) Limited
大中華控股(香港)有限公司

(Incorporated in Hong Kong with limited liability)
Stock Code: 00021

Environmental, Social and
Governance Report
2024



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Great China Holdings (Hong Kong) Limited (the “Company”, and with its subsidiaries, collectively, the “Group”) is pleased to present its Environmental, Social and Governance Report (the “ESG Report” or “this Report”) with disclosure reference made to the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”; which has been renamed as the ‘Environment, Social and Governance Reporting Code’ since January 1, 2025) as contained in Appendix C2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This ESG Report is prepared in compliance with the mandatory disclosure requirements and the “Comply or Explain” provisions set out in the ESG Reporting Guide. Looking forward, the Group will continue to optimize and improve the disclosure of key performance indicators (“KPIs”) which are considered material by the Group.

I. PREAMBLE

The Group actively adheres to environmental and social responsibilities. The Board of Directors of the Company (the “Board”) is ultimately responsible for leading the environmental, social and governance (“ESG”) works by establishing dedicated teams to manage ESG issues within the business division. Designated staffs are assigned to enforce and supervise the implementation of relevant policies.

For day-to-day ESG governance, the Board authorizes senior management to organize and coordinate the ESG work of each subsidiary to ensure that its strategic decisions are implemented. An ESG working group, composed of representatives from the Legal and Compliance, Operations, and Human Resource Departments, is responsible for organizing, promoting, and implementing various ESG related tasks under the Group’s ESG management policies and strategies. The Board is committed to maintaining good communications with our senior management and making timely decisions on important ESG issues, supported by regular reporting of annual ESG updates by senior management, in order to gain an understanding of the ESG performance of the Group’s business. The Board understands that the establishment of ESG targets aids in the Group’s ESG governance. Therefore, the Board sets ESG targets related to the Group’s business where appropriate, and reviews progress made toward improving the Group’s ESG performance by keeping track of the ESG KPI on a regular basis, in the environmental and social aspects, which are vital and closely related to the business of the Group. The Board will, if necessary, engage independent third parties to evaluate the Group’s ESG risks and review existing strategies, targets and internal control measures. The Board regularly discusses ESG issues with the management, ensuring robust oversight and integration of ESG considerations into the Group’s strategic planning, business model and other decision-making processes.

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The Group identifies and manages ESG risks in order to achieve its business objectives and ensure its stable development. We adopt a risk management system under a top-down risk management structure. The Board has the overall responsibility of maintaining sound ESG risk management and internal control systems within the Group. Through exercising oversight on the Group's management and active and conducive communication with management personnels and employees who are involved in the day-to-day operation of the Group's business, the Board is able to identify material ESG risks in the aspects of emissions, consumption of resources, impact on natural resources and climate change, as well as other social aspects pertaining to our Group, monitor and review ESG performance regularly to ensure continuous improvement. As part of this, the Board is responsible for:

- Establishing the overall risk management policy to ensure alignment with strategic objectives.
- Identifying and assessing the Group's significant ESG risks, determining related risk levels, and formulating counter measures for which management is implemented by relevant departments and business units.
- Reviewing and monitoring the effectiveness of the Group's ESG risk management and internal control systems on an annual basis, ensuring that the Group has taken reasonable measures to manage significant risks.

The Group believes that ESG risks have gradually become an important factor in its business, and has taken the approach to incorporate ESG risks into its routine risk management process as a means of enhancing its overall risk evaluation, prioritizing and management and control capabilities. The approach to risk management is as follows:

- **Risk Identification:** ESG risks are identified through i) analysis to evaluate internal strengths/weaknesses and external opportunities/threats, ii) stakeholder engagement (e.g., surveys, consultations) to capture material concerns, and iii) industry benchmarking against peers and global standards (e.g., Sustainability Accounting Standards Board ("SASB")).
- **Risk Assessment & Prioritization:** A risk matrix (Impact × Likelihood) is used to categorize risks into high, medium, and low priority.
- **Risk Response:** Strategies are developed to avoid, transfer, mitigate, or accept the identified risks.
- **Monitoring:** KPIs are established to track risk exposure.

The Group is committed to making continuous improvements in corporate environmental protection aspect and social responsibility in order to meet the changing needs of an advancing society. The Group is pleased to present its ESG Report this year to demonstrate its efforts on sustainable development.

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II. REPORTING PERIOD AND SCOPE OF THE REPORT

The ESG Report covers the operational boundaries including the business of property development and investment in the People's Republic of China (the "PRC"), encompassing the Gold Coast Project *(金麗灣項目) and Shanwei Projects* (汕尾項目), as well as the Group's office located in Hong Kong and PRC, which is consistent with the reporting scope of the previous year. The corporate governance aspect is addressed in more detailed in the Corporate Governance Report. The reporting period of this ESG Report is for the financial year 2024, from 1 January 2024 to 31 December 2024 ("FY2024" or the "Reporting Period"), unless specifically stated otherwise.

III. REPORTING PRINCIPLE OF THE REPORT

During the preparation for this ESG Report, the Group adheres to the reporting principles of materiality, quantitative, balance and consistency by:

Reporting Principles	Interpretation	The Group's Application
Materiality	The report should disclose significant impacts on the environment and society, or aspects that materially affect how the stakeholders assess the company and make decisions.	The Group conducts questionnaires and communicates with stakeholders and conducts the materiality assessment for identifying material ESG issues, and reports the Group's material sustainability issues.
Quantitative	The KPIs disclosed in the report shall be calculable and comparable where applicable.	Under feasible situation, the Group records, calculates and discloses quantitative information and conducts comparisons with past performance. KPIs in respect of historical data are to be measurable. Information of the standards, methodologies, references and source of key emission of these KPIs are stated wherever appropriate.
Balance	The issuer should objectively and truthfully report its current year ESG performance.	The Group follows the principles of accuracy, objectivity, and fairness to report its achievements and challenges in sustainable development.
Consistency	The ESG Report should be prepared in a consistent manner, its ESG's KPIs can be compared to understand corporate performance.	The Group ensures consistency in preparing the report and manage its ESG data for future comparison. Any changes that could affect a meaningful comparison of the KPIs have been disclosed accordingly.

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Both English and Chinese versions of this Report are available on the Company's website at www.greatchinaproperties.com and website of the Stock Exchange at www.hkexnews.hk. If there is any conflict or inconsistency, the English version shall prevail. Information relating to the Group's corporate governance practices can be found in the Corporate Governance Report on pages 12 to 20 of this annual report.

IV. STAKEHOLDER ENGAGEMENT

To conduct of the Group's materiality assessment in identifying and understanding the main concerns and material interests to stakeholders in the ESG Report, the Group has engaged with its stakeholders to do a materiality assessment survey. Stakeholders are selected based on stakeholder influence and stakeholder dependence on the Group. Stakeholders with high influence and high dependence on the Group are selected by the management of the Group. The selected stakeholders have been invited to express their views and concerns on major social and environment issues. The stakeholder engagement procedure has been conducted through online survey and utilized multiple channels to engage with them. For the ESG Report in FY2024, the Group identified legal compliance on employment practices and operating practices as material concerns to the stakeholders. The following table illustrates the issues of concern of our major stakeholders and the methods we use to communicate with them:

Stakeholders	Expectation	Engagement Channels	Measures
Government	<ul style="list-style-type: none"> – Abide by laws and regulations – Timely tax payment – Promote regional economic development and employment 	<ul style="list-style-type: none"> – On-site inspections and checks – Company's website 	<ul style="list-style-type: none"> – Operated, managed and settled taxes according to laws and regulations, strengthened safety management – Accepted the government's supervision, inspection and evaluation
Shareholders and investors	<ul style="list-style-type: none"> – Provide high transparency of information disclosure – Protect shareholder's rights and interests 	<ul style="list-style-type: none"> – Annual general meeting and shareholders' meetings – Annual report, interim report and corporate announcements – Company's website 	<ul style="list-style-type: none"> – Issued notices of general meetings and proposed resolutions according to regulations – Disclosed corporate information by publishing annual reports, interim reports, quarterly reports and announcements – Disclosed corporate contact details on Company's website and in reports and ensured all communication channels are available and effective

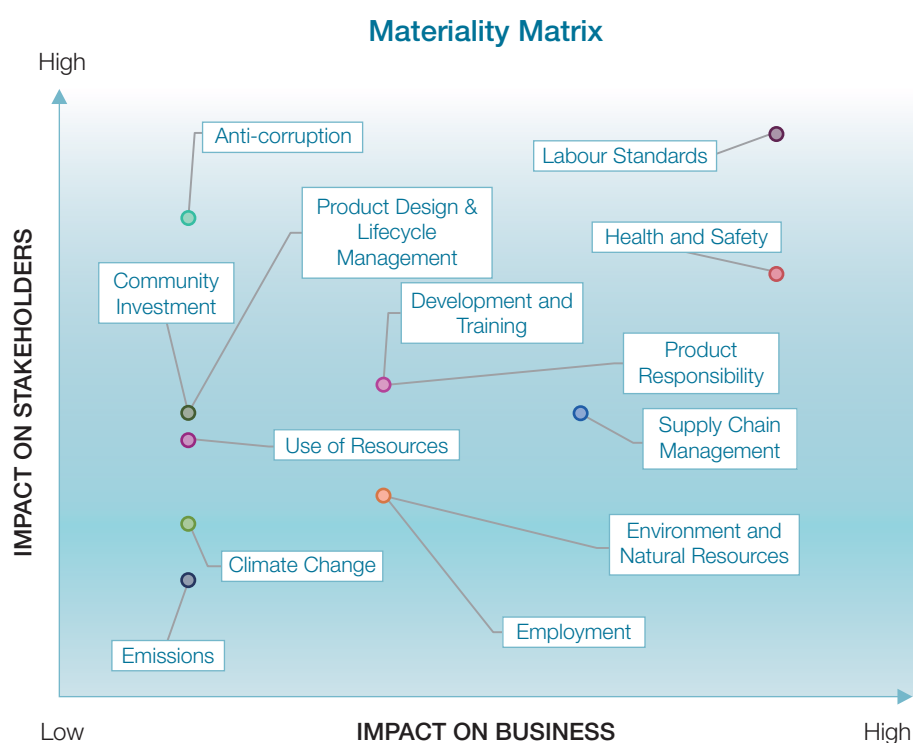
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Stakeholders	Expectation	Engagement Channels	Measures
Employees	<ul style="list-style-type: none"> – Education and training – Career development opportunities – Healthy and safe working environment – Safeguard the rights and interests of employees 	<ul style="list-style-type: none"> – Employee communication – Training, seminars and briefing sessions – Intranet and emails 	<ul style="list-style-type: none"> – Provided healthy and safe working conditions and environment – Provided training to employees – Provided attractive remuneration packages
Customers	<ul style="list-style-type: none"> – Provide safe and high-quality products – Stable business relationship – Business ethics 	<ul style="list-style-type: none"> – Company's website, brochures and annual reports – Email and customer service hotline – Complaint handling mechanism – Regular meetings – Sale representatives' visits 	<ul style="list-style-type: none"> – Provided prompt, quality and customized services – Maintained transparent and open communication channels between the Company and the customers
Suppliers	<ul style="list-style-type: none"> – Long-term cooperation – Strong business relationship 	<ul style="list-style-type: none"> – Suppliers' reviews and assessments – Regular meetings 	<ul style="list-style-type: none"> – Performed contractual obligations according to agreements – Enhanced daily communication and established long-term cooperation with quality suppliers and contractors
Public and communities	<ul style="list-style-type: none"> – Discharge social responsibilities – Community involvement 	<ul style="list-style-type: none"> – Charity and social investment – Annual report 	<ul style="list-style-type: none"> – Maintained transparent and open communication channels between the Company and the communities

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V. MATERIALITY ASSESSMENT

After assessing the feedback from internal and external stakeholders through the online survey, the Group has reviewed sustainability strategies, practices and measures undertaken in FY2024 and highlighted material and relevant aspects throughout this Report so as to align with the stakeholders' expectations. With reference to the ESG Reporting Guide, we incorporated their feedback on the identified material ESG aspects into the process of identifying the material topics, which serves as the foundation for formulating long-term ESG strategies as well as a reference to this Report. Based on the analysis and summary of the results of the materiality assessment, we have formed the following matrix to illustrate the significance of various issues to our stakeholders and business:



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VI. ENVIRONMENTAL SUSTAINABILITY

The Group is committed to the long-term sustainability of the environment and community in which it engages. The Group stringently controls the emissions and complies with environmental laws and ordinances in Hong Kong and the PRC during the daily operation. All offices and construction sites of the Group should implement effective energy conservation measures to reduce emissions and resources consumption. To maintain a balance between efficient operation and environmental protection, we will establish a set of comprehensive environmental protection policies to cover air and greenhouse gas emission reduction, energy efficiency, water conservation, and hazardous and non-hazardous waste management. We have formulated corresponding indicators and various measures to manage natural resources.

This section will primarily disclose the policies and practices on the emissions, use of resources and environmental and natural resources of the Group during FY2024.

A.1. Emissions

The Group advocates emission reduction, and is committed to achieving sustainable operations and compliance with emission requirements permitted by the local authorities. To this end, we have set management and control targets by 2028 in reducing the intensity of air pollutant emissions, greenhouse gas ("GHG") emissions, and waste production by 3%, with 2023 as the baseline year. The Group actively implements the air pollutants control plan, electricity-saving plan, material-saving plan and measures to reduce the intensity of waste production and relevant gas emissions. The Group continuously reviews and monitors the progress and explores opportunities for various environmental protection goals. In the future, we will consider setting more specific quantitative environmental goals to nurture the environment and cherish natural resources. Moreover, we are investing more resources in recycling to help the development of circular economy.

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Environmental aspects	Targets	Steps taken to achieve the targets
Air Pollutant Emissions	Reduce the intensity of air pollutant emissions by 3% by 2028, with 2023 as the baseline year	<ul style="list-style-type: none"> – Carrying out regular maintenance of vehicles with good condition for operational efficiency – Encouraging the use of public transportations
GHG Emissions	Reduce the intensity of GHG emissions by 3% by 2028, with 2023 as the baseline year	<ul style="list-style-type: none"> – Adopting LED lighting in some offices – Setting the temperature of air-conditioning system in 24°C – Switching off lights and unnecessary energy-consuming devices when they are not in use – Promoting environmental protection such as saving water and electricity by means of slogan or poster in office
Waste Production	Reduce the intensity of waste production by 3% by 2028, with 2023 as the baseline year	<ul style="list-style-type: none"> – Operating waste and living waste are collected in bags and collected by the local sanitation department – 100% of recyclable waste, such as paper scraps, paper skins, waste documents, etc., are handed over to renewable resources for recycling – Adopting energy-saving and environmental-protection building materials to reduce unnecessary waste generation – Building temporary septic tank on the construction site for preliminary wastewater treatment – Reducing the use of paper by printing or photocopying on both sides of paper, where applicable. Electronic media is recommended for circulation/communication purposes, to minimize using paper

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Besides, the results of the environmental targets for air pollutant emissions, GHG emissions and waste production as at the end of the Reporting Period are as follows:

Environmental KPI	Targets	2024 vs. 2023 (baseline year)	Status
Intensity of air pollutant emissions	Reduce the intensity of air pollutant emissions by 3% by 2028	Maintained the same level	In progress
Intensity of GHG emissions	Reduce the intensity of GHG emissions by 3% by 2028	Decrease by 75%	In progress
Intensity of waste production	Reduce the intensity of waste production by 3% by 2028	Maintained the same level	In progress

During the Reporting Period, most of nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM) were emitted from vehicle fleet.

Set out below are the air pollutant emissions generated from the operation of the Group during FY2024 and the corresponding period in 2023:

Type of Air Pollutant ^{1,2}	Unit	2024	2023
Nitrogen Oxides (NO _x)	kg	0.82	0.82
Intensity	kg/m²	0.0003	0.0003
Sulphur Oxides (SO _x)	kg	0.27	0.29
Intensity	kg/m²	0.0001	0.0001
Particulate Matter (PM)	kg	0.15	0.15
Intensity	kg/m²	0.0001	0.0001

Note:

- The air pollutant emissions mainly include the Sulphur Oxides, Nitrogen Oxides and Particulate Matter generated by the combustion of petrol in vehicles.
- The emissions data of Sulphur Oxides, Nitrogen Oxides and Particulate Matter are based on “the Preparation of Air Pollutants Emission Inventory for Road Vehicles (Trial)” * (《道路機動車大氣污染物排放清單編製技術指南(試行)》), “How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange.

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Set out below are the GHG emissions generated from the operation of the Group during FY2024 and the corresponding period in 2023:

Scope of GHG Emissions ¹	Unit ²	2024	2023
Scope 1 Direct emissions			
– Emissions from Vehicle Petrol Consumption	tCO ₂ e	8.33	8.88
Scope 2 Energy indirect emissions			
– Emissions from Electricity Consumption ³	tCO ₂ e	670.63	2,814.77
Scope 3 Other indirect emissions			
– Emissions from Processing Scrap Paper	tCO ₂ e	0.10	0.10
– Emissions from Processing Sewage	tCO ₂ e	6.92	7.70
Total GHG emissions	tCO₂e	685.98	2,831.45
Total GHG emissions intensity	tCO₂e/m²	0.27	1.10

Note:

- The calculation of the greenhouse gas emissions generated during the Reporting Period is mainly referenced from:
 - “How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange;
 - Guidance for Accounting and Reporting of Greenhouse Gas Emissions of Land Transport Enterprises* (《陸上交通運輸企業—溫室氣體排放核算方法與報告指南》) issued by the National Development and Reform Commission of the PRC;
 - Announcement on the Release of 2022 Electricity Carbon Dioxide Emission Factor *(《關於發佈2022年電力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment of the PRC* (中華人民共和國生態環境部).
- tCO₂e is defined as tonnes of carbon dioxide equivalent.
- The decrease in emissions from electricity consumption under Scope 2 during the Reporting Period is mainly attributed to decreased operational activities following the completion of the Shanwei Projects in early 2024 and the suspension of the Gold Coast Project during the Reporting Period.

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The Group strictly adheres to relevant laws and regulations including but not limited to the Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》), the Prevention and Control of Atmospheric Pollution of the PRC* (《中華人民共和國大氣污染防治法》), the Water Pollution Prevention and Control Law of the PRC* (《中華人民共和國水污染防治法》), Construction Law of the PRC* (《中華人民共和國建築法》), the Waste Disposal Ordinance of Hong Kong and the Product Eco-responsibility Ordinance of Hong Kong. The major environmental emissions of the Group include GHG generated indirectly from property electricity consumption, wastewater, solid waste and noise. During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations related to environmental protection, GHG emission, discharges into water and land, and generation of hazardous and non-hazardous waste.

Understanding that the GHG emission is positively correlated to the electricity consumption, the Group has tried to reduce the electricity consumption in its daily operation. The specific measures it takes will be explained in A2 Use of Resources.

There's no material hazardous waste or toxic chemical produced by us. The primary non-hazardous waste generated from our operation processes are sewage, solid wastes and commercial waste respectively. During the Reporting Period, the Group did not generate/consume significant hazardous and non-hazardous waste due to its business nature.

The Group keeps regular quantitative sewage discharge statistics and built temporary septic tank on the construction site for preliminary wastewater treatment. The effluent is qualified to be discharged to the municipal sewage pipe network.

The solid waste generated from the construction site by the Group, which mainly includes land excavation waste, broken bricks, mortar and concrete. To reduce the solid waste emission, the Group uses the land excavation waste to backfill where in need. The broken bricks, mortar and concrete are collected by professional company for reproduction. The Group also adopts energy-saving and environmental-protection building materials to reduce unnecessary waste generation and energy consumption.

Set out below are the hazardous and non-hazardous waste generated from the operation of the Group during FY2024 and the corresponding period in 2023:

Types of waste	Unit	2024	2023
Hazardous waste	ton	–	–
Non-hazardous waste	ton	5.02	5.02
Hazardous wastes intensity	ton/m²	–	–
Non-hazardous wastes intensity	ton/m²	0.002	0.002

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The Group has taken necessary measures to prevent noise pollution and never receives any complains about noise nuisance from the surrounding residents and gets along with the local community very well all the time. The specific measures are listed as below:

- The Group conducts real-time monitoring and control of noise in the construction site to ensure the noise emission is up to the national standard;
- The Group requires using equipment of low noise and low vibration; and
- The Group takes measures of noise insulation and vibration isolation around the construction site.

A.2. Use of Resources

The Group complies with relevant laws and regulations in the use of resources including but not limited to Energy Conservation Law of the PRC* (《中華人民共和國節約能源法》), Provisions on the Management of Water Conservation in Cities* (《城市節約用水管理規定》), Construction Law of the PRC* (《中華人民共和國建築法》) and Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong). Resources used by the Group mainly include electricity, water and construction raw materials. Due to the nature of our business operations, packaging materials are not utilized in our operations.

The Group advocates energy and resources saving, and is committed to achieving sustainable operations and compliance with emission requirements by local authorities. To this end, we have set management and control targets by 2028 in reducing the intensity of energy consumption and water consumption by 3%, with 2023 as the baseline year. The Group actively implements the electricity-saving plan, water-saving plan and measures to reduce the intensity of energy consumption and water consumption. The Group continuously reviews and monitors the progress and explores opportunities for various environmental protection goals. In the future, we will consider setting more specific quantitative environmental goals to nurture the environment and cherish natural resources. Moreover, we are investing more resources in recycling to help the development of circular economy.

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Environmental aspects	Targets	Steps taken to achieve the targets
Energy Conservation	Reduce the intensity of energy consumption by 3% by 2028, with 2023 as the baseline year	<ul style="list-style-type: none"> – Replacing the traditional bulbs by adopting LED lighting in some offices – Arranging education on saving electricity among the employees – Putting up signs next to the switches, computers and air conditioners to remind employees to turn them off when possible – Adopting more energy-saving and electricity-saving mechanical equipment – Setting the temperature of air-conditioning system in 24°C – Switching off lights and unnecessary energy-consuming devices when they are not in use
Water Conservation	Reduce the intensity of water consumption by 3% by 2028, with 2023 as the baseline year	<ul style="list-style-type: none"> – Arranging education on saving water among the employees – Adopting water-saving equipment instead of traditional one – Using groundwater or spring as greening water and road cleaning water – Using rain or spring for construction and maintenance in the construction site – Promoting environmental protection such as saving water and electricity by slogan or poster in office – Regularly inspecting the water supply network to prevent leaks. – Reviewing water bills to detect abnormal consumption

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Besides, the results of the environmental targets for energy conservation and water conservation as at the end of Reporting Period are as follows:

Environmental KPI	Targets	2024 vs. 2023 (baseline year)	Status
Intensity of energy conservation	Reduce the intensity of energy consumption by 3% by 2028	Decreased by 74%	In progress
Intensity of water conservation	Reduce the intensity of water consumption by 3% by 2028	Decreased by 10%	In progress

Raw material consumed by the Group include steel, concrete, masonry materials, stone, water supply and drainage pipelines, electrical pipelines, etc. To save raw materials and improve its utilization efficiency, the Group has conducted the following practices:

- Use aerated blocks to reduce the weight of the wall;
- Adopt new polymer waterproofing membrane to prevent water penetration;
- Use hollow glass tiles for insulation;
- Optimize construction plan and construction techniques to improve material utilization; and
- Establish the material management system to limit picking materials, excess materials should be applied and approved by relevant department heads.

Set out below are the energy consumption by the Group during FY2024 and the corresponding period in 2023:

Type of energy ¹	Unit	2024	2023
Direct energy consumption: Unleaded petrol	kWh in 000's	35.18	37.51
Indirect energy consumption: Purchased electricity ²	kWh in 000's	1,249.78	4,935.60
Total	kWh in 000's	1,284.96	4,973.11
Intensity	kWh in 000's/m²	0.50	1.94

Note:

- The calculation of energy consumption is referenced from the methods, assumptions and guidelines set out in the following Guidance and Standards:
 - Appendix II: Reporting Guidance on Environmental KPIs in “How to prepare an ESG Report” issued by the Stock Exchange.
- The decrease in energy consumption from purchased electricity during the Reporting Period is mainly attributed to decreased operational activities following the completion of the Shanwei Projects in early 2024 and the suspension of the Gold Coast Project during the Reporting Period.

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The Group did not encounter any problems in sourcing water that is fit for purpose during the Reporting Period. Set out below are the water consumption by the Group during FY2024 and the corresponding period in 2023:

Water Consumption	Unit	2024	2023
Running water consumed	m ³	4,526.00	5,034.00
Total	m³	4,526.00	5,034.00
Intensity	m³/m²	1.76	1.96

A.3. The Environment and Natural Resources

The Group is in strict compliance with the relevant laws and regulations including Law of the PRC on Circular Economy Promotion* (《中華人民共和國循環經濟促進法》), Environmental Impact Assessment Law of the PRC* (《中華人民共和國環境影響評價法》) and Regulations on Environmental Protection of Construction Projects* (《建設專案環境保護管理條例》).

The Group closely links its concept of green building to the construction projects as below:

- Adopt the green building design concept in the construction phase;
- Adhere to the Green Construction Guidelines* (《綠色施工導則》) for housing and urban and rural construction during construction;
- Achieve “four environmental protection” *(「四節一環保」) measures under the premise of quality and safety;
- Establish a green construction management system in the project management; and
- Control planning, purchasing, site construction, acceptance and other stages.

The Group raises staff's awareness on environmental issues through education and training and enlist employees' support in improving the Group's performance, promote environmental awareness amongst the customers, business partners and shareholders and support community activities in relation to environmental protection and sustainability and evaluate regularly and monitor regularly the impact of past and present business activities regarding health, safety and environmental matters, with the integration of policies mentioned in sections “Emissions” and “Use of Resource”, the Group strives to minimise the impacts to the environment and natural resources. The principal business activities of the Group do not have a significant impact on the environment and natural resources.

Furthermore, the Group values the greening within the scope of operation and carefully designs and adopts landscaping in the property scope. The total green area in the community reaches 15,000 square meters with 30% net green rate.

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A.4. Climate Change

Climate change has caused frequent extreme weather and has a major impact on business operations. Therefore, the Group has formulated working mechanisms and contingency plan to identify, prevent and mitigate climate change issues that may have a significant impact. A list of potential climate-related risk and opportunities pertinent to our business operations has been identified. The Group's management and operating departments identify material risks via self-assessment questionnaires annually. Regarding the material risks identified, the Group organizes and develops prevention and control measures. The operating departments would then organize the supervision of material risks prevention and control, and report the material risks to the management. Relevant operating departments arrange the implementation of the material risks prevention and control measures, continuously monitor the implementation, and timely report the progress or any issues encountered to the management. At the same time, we would adjust the use of resources and energy. In response to disasters and accidents that are easily induced by extreme weather, we always enhance the capability to the disaster response.

Significant Climate-related Issues

During the Reporting Period, the significant climate-related physical risks and transition risks, which have impacted and/or may impact our Group's business and strategy in (i) operations, products and services, (ii) supply chain and value chain, (iii) adaptation and mitigation activities, (iv) investment in research and development, and (v) financial planning, as well as the steps taken to manage these risks, are as follows:

Climate-related risks description	Financial Impact	Steps taken to manage the risks
Physical Risk		
Acute physical risk		
<ul style="list-style-type: none">Increased severity and frequency of extreme weather events such as storms, typhoon and floods resulting in the potential to cause both idiosyncratic and systemic risks, resulting in potential damage to office equipment.	<ul style="list-style-type: none">Operating cost and repairing expense increase	<ul style="list-style-type: none">Paid attention to the climate change of relevant regions of the business and assist with implementing fast-response measures.Planned to establish a natural disasters emergency plan.Strengthened emergency preparedness and various good practices to sufficiently secure materials and temporary structures to prevent losses and incidents.Planned to devise an action plan to articulate the goals and targets of the reductions in GHG emission and energy consumption.Outlined the plan to achieving those targets and defined responsibilities.

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Climate-related risks description	Financial Impact	Steps taken to manage the risks
Chronic physical risk		
<ul style="list-style-type: none"> Changes in precipitation patterns and extreme variability in weather patterns. Frequent extreme weather events and rising in sea levels are likely to pose disruptions to communities across the region over the long term, affecting economic output and business productivity. Governments that have been pushing for new regulation to reduce GHG emission will pose a threat to financial performance of a business and increase regulatory risk. The extremely hot weather may increase the chances of getting heatstroke for employees, increase turnover rate and work-related injuries. The demand for cooling for the working environment will increase. 	<ul style="list-style-type: none"> Revenue decrease Operating cost increases 	<ul style="list-style-type: none"> Planned improvements, retrofits, relocations, or other changes to facilities that may reduce their vulnerability to climate impacts, and increases climate resilience in long term. Recorded the energy consumption to identify peaks in usage, thus significant savings could be determined. Engaged with local or national governments and local stakeholders on local resilience. Kept a first-aid kit in a convenient location. Kept cold water available 24 hours a day.

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Climate-related risks description	Financial Impact	Steps taken to manage the risks
Transitional Risk		
Policy risk		
<ul style="list-style-type: none"> Potential new regulations and policies. 	<ul style="list-style-type: none"> Operating cost increases 	<ul style="list-style-type: none"> Monitored the updates of the relevant environmental laws and regulations against existing products and services, to avoid the unnecessary increase in cost and expenditure due to non-compliance.
Legal risk		
<ul style="list-style-type: none"> Exposure to litigation risk. We have to adapt the tightened law and regulations imposed by the government due to climate change, as well as bear the risk of potential litigation once we fail to obligate the new regulations. Enhanced air pollutant emissions-reporting obligations for local government, and we may have to spend more time on fulfilling the ESG reporting standards to comply with the updating Hong Kong Listing Rules. 	<ul style="list-style-type: none"> Operating cost increases 	<ul style="list-style-type: none"> Monitored the updates of environmental laws and regulations and implemented GHG emissions calculations in advance. Continued monitoring of the ESG reporting standards of the Hong Kong Listing Rules.
Technology risk		
<ul style="list-style-type: none"> Low-carbon, energy-saving technologies are produced. Lagging behind of technology advancement may weaken our competitive edges. 	<ul style="list-style-type: none"> Capital investment increases 	<ul style="list-style-type: none"> Kept abreast of and take the latest environmentally-friendly IT components and equipment into consideration. Planned to invest in the innovations of energy saving products. Examined the feasibility and benefits of applying the latest low-carbon and energy-saving technologies into our operation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related risks description	Financial Impact	Steps taken to manage the risks
Market risk		
<ul style="list-style-type: none"> • More customers are concerned about climate-related risks and opportunities, which may lead to changes in customer preference. • Inability to attract co-financiers and/or investors due to uncertain risks related to the climate. 	<ul style="list-style-type: none"> • Revenue decreases • Operating cost increases • Production cost increases 	<ul style="list-style-type: none"> • Fulfilled the climate-related regulations by the government. • Prioritized the climate change as a high concern in the market decisions to show to the clients that the company is concerned about the problem of climate change. • Monitored the environmental performance of suppliers by regularly reviewing their published environmental report.
Reputational risk		
<ul style="list-style-type: none"> • Risk of stigmatization of our business sector, as there will be more stakeholder concern or negative stakeholder feedback on our Group. • Negative press coverage related to support of our Group's business projects or activities with negative impacts on the climate (e.g., GHG emissions and energy conservation), which may affect our reputation and image. 	<ul style="list-style-type: none"> • Revenue decreases • Operating costs increases 	<ul style="list-style-type: none"> • Fulfilled the social responsibility by organizing more public relation activities to show how our Group places importance on climate change. • Reviewed the business projects to ensure the production and the projects are environmental-friendly.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the primary climate-related opportunities and the corresponding financial impacts were as follows:

Detailed description of climate-related opportunities	Financial Impact
Resource efficiency <ul style="list-style-type: none"> • Use of more efficient modes of transport • Use of recycling • Reduce water consumption 	<ul style="list-style-type: none"> • Operating cost reduces through efficiency gains and cost reductions
Energy source <ul style="list-style-type: none"> • Use of lower-emission sources of energy • Use of supportive policy incentives • Use of new technologies • Shift toward decentralized energy generation 	<ul style="list-style-type: none"> • Operating cost reduces through use of lowest cost abatement • Returns on investment in low-emission technology increases
Markets <ul style="list-style-type: none"> • Access to new markets 	<ul style="list-style-type: none"> • Revenue increases through access to new and emerging markets
Resilience <ul style="list-style-type: none"> • Participation in renewable energy programs and adoption of energy-efficiency measures • Resource substitution or diversification 	<ul style="list-style-type: none"> • Market valuation increases through resilience planning (the proactive measures taken by the Group to mitigate potential risks and challenges), such as planning of the research in the use of electric vehicles to achieve cost savings and environmental sustainability • Reliability of supply chain and ability to operate under various condition increases

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

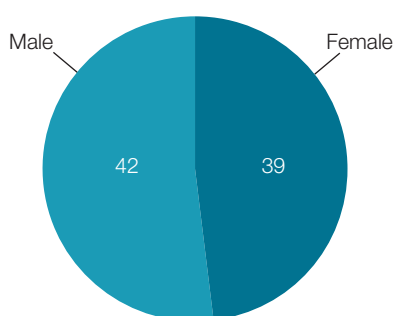
VII. SOCIAL SUSTAINABILITY EMPLOYMENT AND LABOUR PRACTICES

B.1. Employment

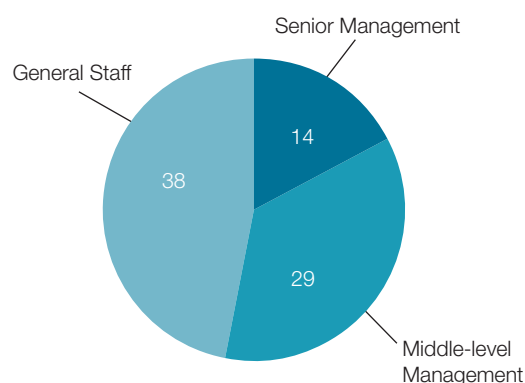
Staff Composition

As at 31 December 2024, the Group had a total of 81 employees in Hong Kong and the PRC within the reporting scope, the employee compositions by gender, employee category, age group, geographical region and employment type are as follows:

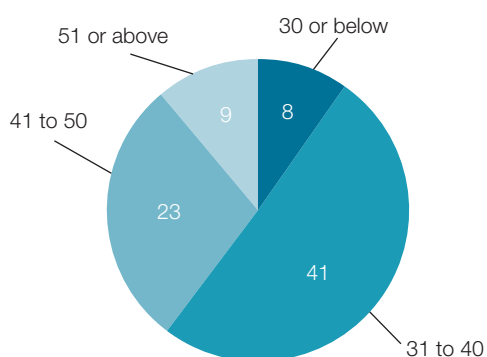
By Gender



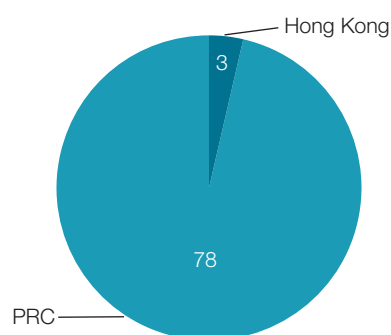
By Employment Category



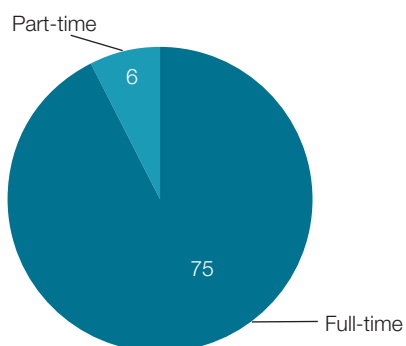
By Age Group



By Geographical Region



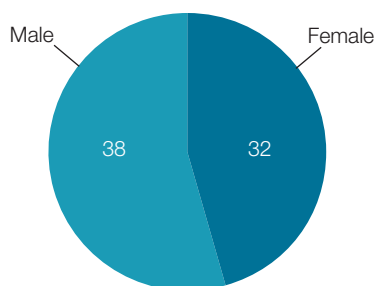
By Employment Type



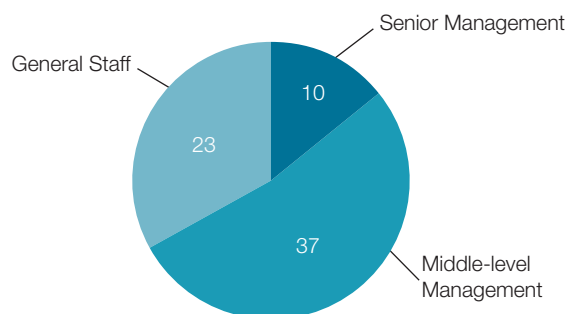
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As at 31 December 2023, the Group had a total of 70 employees in Hong Kong and the PRC within the reporting scope, the employee compositions by gender, employee category, age group, geographical region and employment type are as follows:

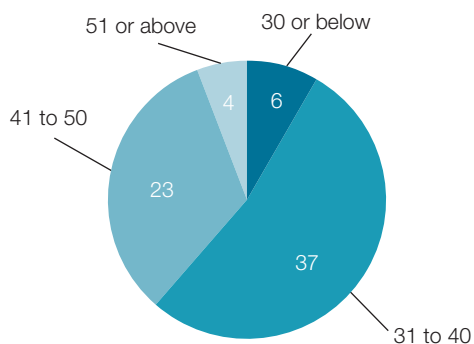
By Gender



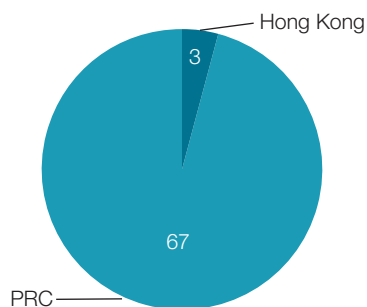
By Employment Category



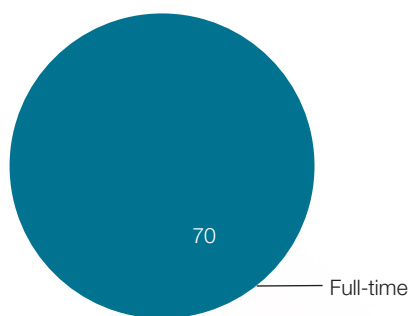
By Age Group



By Geographical Region



By Employment Type



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Staff Turnover

The employee turnover rate within the reporting scope during FY2024 and the corresponding period in 2023 by gender, age group and geographical region are as follows:

	Employee Turnover in 2024		Employee Turnover in 2023	
	No. of People	Turnover Rate ¹	No. of People	Turnover Rate ¹
By Gender				
Male	18	45.00%	5	14.49%
Female	4	11.27%	5	17.54%
By Age Group				
30 or below	2	28.57%	4	53.33%
31 to 40	12	30.77%	4	12.70%
41 to 50	7	30.43%	2	9.76%
51 or above	1	15.38%	–	–
By Geographical Region				
Hong Kong	–	–	–	–
PRC	22	30.34%	10	16.67%
Overall	22	29.14%	10	15.87%

Note:

1. Turnover rate for employees in the relevant categories = $L(x)/E(x) \times 100\%$, $L(x)$ = Number of employees leave employment in the specified category, $E(x)$ = (Number of total employees in the specified category at the beginning of the Reporting Period + number of total employees in the specified category at the end of the Reporting Period)/2.

The Group treasures talent as it is the most valuable asset and key for driving the success and maintaining sustainability of the corporation. The Group is striving to provide them with a safety and suitable platform for developing career professionalism and advancement.

The human resources policies strictly adhere to the applicable employment laws and regulations in Hong Kong and PRC, including the Employment Ordinance of Hong Kong, Mandatory Provident Fund Schemes Ordinance of Hong Kong, Employees' Compensation Ordinance of Hong Kong, Minimum Wage Ordinance of Hong Kong, Labour Law of the PRC* (《中華人民共和國勞動法》) and Labour Contract Law of the PRC* (《中華人民共和國勞動合同法》). The Group also complies with the employees' social security schemes that are enforced by the local government to provide employee benefits. The Human Resources and Administration Department reviews and updates the relevant company policies such as Staff Handbook regularly in accordance with the latest laws and regulations. The Group also attached the compliance on regulations for minimum wages and working hours in local operating regions. During the Reporting Period, the Group was not aware of any material breach of or non-compliance with the applicable laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have a significant impact on the Group.

* For identification purpose only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To attract high-caliber workforce, the Group offers competitive and fair remuneration and benefits based on individuals' past performance, personal attributes, job experiences and career aspiration. The Group also makes reference to market benchmarks. Talent acquisition is vital to its business future development. In order to retain talents, the Group constantly reviews its compensation package and performs probationary and regular evaluations according to the overall market environment, profitability of the Group and employee performance in the past to determine the staff salary adjustment. This ensures that employees are recognised by the Group appropriately with regard to their working efforts and contributions. Meanwhile, any termination of employment contract would be based on reasonable and lawful grounds. The Group strictly prohibits any kinds of unfair or unreasonable dismissals.

The Group determines working hours and rest period for employees in line with local employment laws and employment contracts with employees. In addition to statutory holidays stipulated by the employment law of the local government such as the basic paid annual leave, employees may also be entitled to additional leave entitlements such as marriage leave, maternity leave and compassionate leave.

As an equal opportunity employer, the Group is committed to create a fair, respectful and diverse working environment by promoting anti-discrimination and equal opportunity in terms of all human resources and employment decisions, for instance, training and promotion opportunities, dismissals and retirement policies irrespective of their age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality, religion or any other non-job related factors in all business units. The equal opportunities policy enforces zero tolerance to any workplace discrimination, harassment or vilification in accordance to local ordinances and regulations such as Hong Kong's Disability Discrimination Ordinance and Sex Discrimination Ordinance. The Group has set up the reporting mechanism and equal opportunities policies in the Staff Handbook to promote a diversity environment in the working place and the Human Resources and Administration Department is fully responsible for strictly complying with national and corporate regulations on assessing, dealing with, recording and taking disciplinary actions on such events.

In terms of internal coaching and communication, effective two-way communication between general staff and managerial staff is highly encouraged. Employees maintain timely and smooth communication with the management, colleagues and partners of the companies within the Group through email, training, social networks and meetings. The interactive communication benefits the Group's decision-making process and results a barrier-free employer-employee relationship. In addition, the Group hosted a series of activities for its employees in FY2024 such as monthly birthday parties, festival gatherings and banquets. These events helped employees to relieve stress, and served to exemplify the Group's corporate culture of the spirit of solidarity and cohesion among its employees.

B.2. Health and Safety

To provide and maintain a good working condition and a safe and healthy working environment, safety and health policies are in line with various laws and regulations stipulated by the Government of Hong Kong and PRC, including Occupational Safety and Health Ordinance and Employees' Compensation Ordinance of Hong Kong, Occupational Disease Prevention Law in PRC* (《中華人民共和國職業病防治法》), the Fire Control Law of the PRC* (《中華人民共和國消防法》) and Regulation on Work-Related Injury Insurance* (《工傷保險條例》). The Group was not aware of any material non-compliance with the relevant laws and regulations.

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The Group has established a comprehensive mechanism in committing the workplace safety by incorporating a range of occupational health and safety measures for all of its employees in the offices and construction sites. The Group prohibits smoking and drinking liquor in workplace, adjust moderate indoor temperature, carries out the disinfection treatment of carpets, carries out the health check for employees, conducts emergency response drill and safety inspection at regular intervals in the offices and construction sites with an aim to maintain a clean, tidy, smoke-free, non-toxic, nonhazardous, healthy and safe working environment in the offices and construction sites. Besides, the Group held occupational health trainings to enhance the employees' health awareness. The Group targets to achieve accident-free workplace environment.

During the Reporting Period, the Group did not record any lost days and cases of work-related injuries or fatalities. The Group did not have any incidents of work-related injuries and fatalities for the latest 3 financial years, including the Reporting Period.

B.3. Development and Training

The Group offers different training and development opportunities to staff in order to strengthen work-related skills and knowledge and improve operational efficiency through the OA system. For new hired employees, the Group provides comprehensive orientation training to understand corporate history and culture, Group's internal policies and business development. For experienced staff, the Group provides relevant training with regard to their roles and positions such as taxation updates, implementation on operating systems, risk control management and business compliance updates.

The Group implements structured training programs to enhance workforce competencies and ensure alignment with operational and governance standards:

- **New Employee Onboarding:** Face-to-face sessions offer comprehensive guidance on company policies and code of conduct, equipping new hires with foundational knowledge and position training.
- **Financial Training:** Regular professional training programs are provided to financial personnel to enhance their expertise in core areas such as financial analysis, regulatory compliance, and industry practices.
- **Guidelines on Legal Correspondence Procedures:** Specialized training in legal document handling (e.g., formal letters, contracts) is delivered, focusing on compliance with legal requirements and risk mitigation in external communications.

The Group aims to foster a learning culture that could strengthen employees' professional knowledge, and meanwhile, benefiting the Group as employees expect to achieve better working performance after receiving appropriate training. Besides, the Group also encourages employees to attend external training for enhancing their competitiveness and expanding their capacity through continuous learning. The Group may offer sponsorship to eligible employees for attending job-related training/development programs or academic programs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The percentages of employees trained by gender and employee category within the reporting scope during FY2024 and the corresponding period in 2023 are set out as below.

	2024 % of total	2023 % of total
Employee trained by gender		
Male	50.75	37.50
Female	49.25	62.50
Total	100.00	100.00
Employee trained by employee category		
Senior Management	19.40	6.25
Middle-level Management	40.30	65.63
General Staff	40.30	28.12
Total	100.00	100.00

Note:

- The calculation is referenced from the methods, assumptions and guidelines set out in the following Guidance and Standards:
 - Appendix 3: Reporting Guidance on Social KPIs in “How to prepare an ESG Report” issued by the Stock Exchange to calculate percentage of employees trained. Percentage of employees trained in the relevant categories = $T(x)/T \times 100$, $T(x)$ = Number of employees who took part in training in the specified category, T = Number of total employees who took part in training.

The average training hours completed per employee by gender and employee category within the reporting scope during FY2024 and the corresponding period in 2023 are set out as below:

	2024 Average training hours per employee	2023 Average training hours per employee
Average training hour by gender		
Male	2.55	3.21
Female	3.21	1.56
Average training hour by employee category		
Senior Management	3.36	0.20
Middle-level Management	2.31	0.70
General Staff	3.11	6.26
Overall	2.86	2.46

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B.4. Labour Standards

The Group strictly abides by the Employment Ordinance of Hong Kong, Labour Law of the PRC* (《中華人民共和國勞動法》), Labour Contract Law of the PRC* (《中華人民共和國勞動合同法》), the Provisions on Prohibition of Child Labour of the PRC* (《禁止使用童工規定》) and other related labour laws and regulations in operating regions to prohibit any child and forced labour employment. During the Reporting Period, no violation regarding the age of employment and labor dispute has occurred between the Group and employees.

The Group has established comprehensive recruitment procedures to check the background of candidates in order to prevent any child labour or forced labour in operation. To combat against illegal employment on child labour, underage workers and forced labour, prior to confirmation of employment, the Group's human resources staff requires job applicants to provide valid identity documents to ensure that the applicants are lawfully employable. We protect the right of our employees to freely choose employment and ensure that all employment relationships are voluntary. The Group and its employees may terminate the employment contract for personal reasons or other reasons, and need to give an appropriate notice period or payment in lieu of notice. In case of non-compliance, the Group will take immediate corrective action, terminate the contract with the respective employee and report to the relevant authorities if necessary. The Human Resources and Administration Department is responsible for monitoring and ensuring compliance of latest and relevant laws and regulations that prohibits child labour and forced labour. The Legal Department shall supervise the enforcement of these procedures.

OPERATING PRACTICES

B.5. Supply Chain Management

As a socially responsible enterprise, it is critical and vital to maintain and manage a sustainable and reliable supply chain. Each of the operating subsidiaries monitors the quality of suppliers and supply chain practice on a strict and continuous basis. The Group regularly reviews the updates of policies and laws related to the supply chain and communicates with internal and external stakeholders to understand and identify potential environmental and social risks within its supply chain. We believe there are no significant environmental and social risks for our management decision on supply chain management during the Reporting Period.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For property development and investment business, the Group generally outsources construction work to independent construction companies that specialise in different aspects of property development. Policies and procedures for selection and evaluation of subcontractors and suppliers are established for staff to follow. The project company of the Group oversees the procurement of construction materials and services and is responsible for sourcing relevant suppliers through existing supplier list, online media, referral, industry publications and public tendering. The Group performs site inspection to assess the potential contractor's reputation for quality and price, equipment and management status, whether the technical capacity meets the standards and specifications required for each development project and their social and environmental responsibility which includes the prohibition on the recruitment of child and forced labour, eliminating discrimination to employees, providing a safe working environment, considering if the products and services provided are beneficial to environmental protection and fulfilling the Group's internal environmental requirement while minimizing the negative impact to natural environment, so as to minimize environmental and social risk that may be encountered, and strictly obeying the law. We also conduct annual evaluations on our suppliers and subcontractors. Any suppliers or subcontractors with inferior past records of material environmental or social accidents, such as exploitation of workers, will be removed from the approved subcontractors and suppliers list. Once the eligible tender has been selected, the project company works closely with the selected contractors in the execution of the development plans and closely monitor each phase of the construction to oversee the quality and timetable of completion of each project and to control costs. In addition, the Group requires construction companies to comply with PRC laws and regulations relating to the quality of construction as well as its own standards and specifications. We had over 10 (2023: 7) subcontractors and suppliers located in PRC during the Reporting Period. All of the suppliers and subcontractors are required to comply with the internal policies and standards of the Group as mentioned above. In addition, we have signed cooperation agreements and other documents requiring suppliers to comply with integrity measures over the prevention of bribery, fraud and extortion. The Group attaches great importance to the environmental and social risks within its supply chain.

The suppliers are also subject to the Group's quality control procedures, including the examination on quality of materials and supplies, monitoring supply capacity and understanding the financial position of the suppliers to ensure the stability of supply chain. The Group maintains good and long-term relationship with selected suppliers by establishing mutual trust and understanding.

During the Reporting Period, the Group is not aware of any major suppliers and subcontractors having any significant impact on business ethics, environmental protection, human rights and labour practices, nor did any of them have any material non compliances in respect of human rights issues.

B.6. Product Responsibility

As a property developer, the business activities of the Group are extensively regulated by the policies and other laws and regulations of the PRC Government including but not limited to The Administrative Regulations on the Work Safety of Construction Projects* (《建設工程安全生產管理條例》), Construction Law of the PRC* (《中華人民共和國建築法》), Law of the PRC on the Protection of Production Safety* (《中華人民共和國安全生產法》), Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》) and Law of the PRC on the Prevention and Control of Ambient Noise Pollution* (《中華人民共和國環境噪聲污染防治法》).

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has a profound understanding of the significance of product design and lifecycle management for energy efficiency and sustainable development. The Group has been making continuous efforts in the research and development of green building and actively fulfilling its environmental responsibility as a corporate citizen. We continue to promote initiatives such as green construction, green operation and environment-friendly workplace, and promote harmonious coexistence between people and cities, and between cities and nature.

Achieving and maintaining high quality standards for projects are utmost important for sustainable growth of the Group. The Group believes completing works that meet or exceed customers' requirements is crucial not only for building safety, but also for job reference and future business opportunities.

The Group sets up the product quality targets and formulates the corresponding technical standards and construction plans in the project planning. We ensure that each project is completed in accordance with the specifications set out for the project. Our project department closely monitor the progress of each project to ensure that our services (i) meet our customers' requirements; (ii) are completed within the time stipulated in the contract and the budget allocated for the project; (iii) comply with all relevant rules and regulations; and (iv) meet high quality and sustainable requirements. Besides, the project department shall regularly check whether the progress of the construction is in line with the project plan. When a material deviation is found, decisive measures shall be taken to adjust and coordinate the construction plan immediately. During the Reporting Period, there are no product sold subject to recall for safety and health reasons.

The project company has the responsibility of safe management throughout the whole process of construction and operation. The Group sets up the reporting mechanism and contingency plan for public emergencies in construction sites to ensure that the safety incident reporting is efficiently and timely. Besides, the Group carries out the necessary safety protection measures for special personnel and on-site workers and regularly organizes workers for physical examination to ensure worker's health. In addition, the Group insures against liability for personal injuries that may occur to its employees during the construction of the Group's properties. The Group also purchases employee-related insurance, such as medical insurance and social welfare insurance, for its employees. The project responsible manager and professional engineer carry out engineering inspection and appraise the work of contractors on the quality of different phases in construction regularly. The safety and quality of the Group's properties are monitored at all stages of construction to ensure they meet the high standards and stringent requirements in place.

The Group pays paramount importance to opinion from the customers/distributors. Group's customer services department is set up for collecting the comment from the market and providing immediate response for products' inquiries through placing the opinion box in office and setting up 24 hours hotline. Through the internal and external communication channels, the Group can obtain first hand and intimate knowledge from customers/distributors. With customers always in mind, the Group actively maintains communication with customers to meet their needs and takes corrective and preventive measures for unqualified products. During the Reporting Period, there were no significant disputes between our Group and our customers in respect of the quality of work performed by us or our subcontractors.

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The Group has issued internal guideline to ensure our marketing department are providing accurate and precise descriptions and information to customers who comply with the relevant laws and regulations for local operations such as the Advertising Law of the PRC* (《中華人民共和國廣告法》). Any misrepresentation or exaggeration of offerings made by our staff is strictly prohibited. The Group has legal counsel to prevent violations of our advertising and labelling practices.

The Group committed in abiding by the PRC's Consumer Protection Law* (《中華人民共和國消費者權益保護法》) and Hong Kong's Personal Data (Privacy) Ordinance to ensure customers' rights are strictly protected. Information collected from customers would only be used for the purpose for which it has been collected. The Group prohibits the provision of information to a third party without authorization. All collected personal data during the course of business are treated as confidential and kept securely, accessible by designated personnel only. The Group strives to ensure it is complying with the relevant laws and regulations in business operation.

The Group understands and complies with the intellectual property ("IP") rights related regulations. In order to better protect our intellectual property rights from third-party infringements, we have implemented various measures and strictly followed the relevant internal protocols and complied with the corresponding laws and regulations. During the Reporting Period, there was no material infringement of the IP rights and the Group is confident that all reasonable measures have been taken to prevent any infringement of its IP rights and the IP rights of third parties.

During the Reporting Period, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to health and safety, advertising, labelling, and privacy matters related to products and services provided.

B.7. Anti-corruption

To maintain a fair, ethical and efficient business and working environment, the Group strictly adheres to the local laws and regulations relating to anti-corruption and bribery irrespective of the area or country where the Group is conducting business such as Law of the PRC on Anti-money Laundering* (《中華人民共和國反洗錢法》) and Hong Kong's Prevention of Bribery Ordinance.

The Group has formulated comprehensive internal operating manuals and financial management policies. Also, the Group has strictly enforced the code of conduct which consists of policies related to bribery, illegal gifts, entertainment and commissions and anti-corruption. This code provides reporting channels and guidance for any suspected impropriety, misconduct or malpractice within the Group that it will not be tolerated any form of corruption. All employees are expected to discharge their duties with integrity and self-disciplined, and they are required to abstain from engaging in bribery, extortion, fraud and money laundering activities or any activities which might exploit their positions against the Group's interests and affect their business decision or independent judgment in the course of business operations. Commitment on Prevention of Commercial Bribery/ Integrity Cooperation Agreement* (預防商業賄賂承諾書／廉潔合作協定) is signed by employees, business units and individuals to further regulate the parties' behaviour and strengthen the honesty and integrity in the business transactions.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Whistle-blowers can report verbally or in writing to CEO or immediate supervisor for any suspected misconduct or malpractice with full details and supporting evidence. The management would conduct investigations against any suspicious or illegal behaviour to protect the Group's interests. The Group advocates a confidentiality mechanism to protect the whistle-blowers against unfair dismissal or victimisation. Where criminality is suspected, a report is made to the relevant regulators or law enforcement authorities when the management considers necessary.

During the Reporting Period, the Board participated in online training on anti-corruption to strengthen the relevant management on the prevention, implementation and oversight of anti-corruption measures in the Group, while staff within the reporting scope were not provided relevant training because we were in the process of determining and arranging appropriate resources in promoting such training within our organization. Looking ahead, we will invest more resources in our anti-corruption training and expand the scope of anti-corruption training data disclosure. Furthermore, the Group encourages its employees to report any suspected corruption, bribery or misconduct through the whistle-blowing mechanism established by the Group.

The Group has been in strict compliance with law and regulation related to anti-corruption. During the Reporting Period, there was no legal case regarding corrupt practices brought against the Group or its employees.

COMMUNITY

B.8. Community Investment

The Group aims to promote economic and social development and build a harmonious society with the enterprise development. Therefore, it positively returns to the community in various forms including organizing volunteering activities. The Group has all along concerned about various environmental and social issues in relation to the community, especially focusing on the economic and social development and trade cooperation. Donation and volunteering activities based on economic and social development will be at the core of the Group's community investment strategy.

The Group participates in and promotes various community and volunteer activities for helping the needy in the society, promoting environmental awareness, fostering and facilitating industry development, with an aim to contribute to the society and fulfill our corporate social responsibility. During the Reporting Period, the Group actively participated in multiple charity and volunteer activities, with a total of 28 (2023: 31) dedicated employees involved and a combined effort of 798 (2023: 682) hours devoted to these impactful endeavors. In addition, the Group donated a total sum of approximately RMB480,000 (2023: 480,000) to Shenzhen Huilai Chamber of Commerce* (深圳市惠來商會) in order to promote economic and social development and trade cooperation.

* For identification purpose only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REFERENCES TO THE ESG REPORTING GUIDE

Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (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.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
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).	Emissions
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	Emissions
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions
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.	Emissions
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note:</i> Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources
KPI A2.2	Water consumption in total and intensity.	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
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.	Use of Resources
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Use of Resources

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Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Emissions and Use of Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emissions, Use of Resources and The Environment and Natural Resources
Aspect 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 which may impact, the issuer, and the actions taken to manage them.	Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (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, antidiscrimination and other benefits and welfare.	Employment
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
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.	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, and how they are implemented and monitored.	Health and Safety

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Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	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
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Operating Practices		
Aspect 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, and 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

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Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) 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
Community		
Aspect 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, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment