



Stock Code: 2668



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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INTRODUCTION

This environmental, social and governance report (the “**Report**”) demonstrates commitment and efforts on environmental, social and governance (“**ESG**”) issues of Pak Tak International Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**” or “**we**”). The Report outlines the Group’s sustainability strategies and management approaches to material topics, and also covers the Group’s sustainability performance, for the year from 1 January 2024 to 31 December 2024 (the “**Reporting Period**”).

ABOUT THE GROUP

The Group, headquartered in Hong Kong, is engaged in the supply chain business, hotel management and catering services, property investment, iron ore mining and milling and other businesses including leasing business, money lending business and securities investment. Its principal operating locations are Hong Kong and the People’s Republic of China (the “**PRC**”).

REPORTING SCOPE

Unless stated otherwise, the scope of this Report covers the Group’s ESG efforts and contributions regarding its principal businesses and operations in Hong Kong and the PRC. On 31 December 2024, the Group completed an acquisition of a business principally engaged in iron ore mining and milling, as part of its diversification strategy. As the acquisition was completed at the end of the Reporting Period, the environmental data has therefore not been included in this Report, however, the social data of the acquired business has been incorporated to reflect a holistic view of the Group.

REPORTING FRAMEWORKS

This Report has been prepared in accordance with the mandatory disclosure requirements and “comply or explain” provisions of the ESG Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Please refer to the Stock Exchange Content Index in this Report for information on the location of specific disclosures.

For information relating to the Group’s corporate governance practices, please refer to the section headed “Corporate Governance Report” in the Group’s Annual Report 2024 (“**Annual Report**”). Data and information used in this Report referenced our archived documents, records, statistics and research. Financial data is based on the Group’s audited financial statements for 2024.



REPORTING PRINCIPLES

The Group has applied the following reporting principles as stipulated in the ESG Reporting Guide in preparation of this Report:

Materiality	Materiality assessment has been conducted to identify material ESG issues, thereby adopting the confirmed material issues as the focus of this Report. The materiality of ESG issues was reviewed and confirmed by the Board and the designated personnel from various departments. Please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” for further details.
Quantitative	The standards and methodologies as well as the applicable assumptions used in the calculation of key performance indicators (“KPI”) in this Report were supplemented by explanatory notes.
Balance	This Report was prepared based on an objective and impartial manner to ensure that the information disclosed faithfully reflects the overall ESG performance of the Group.
Consistency	The statistical methodologies applied to this Report, unless otherwise specified, were substantially consistent with previous years to allow meaningful comparisons.



BOARD STATEMENT AND SUSTAINABILITY STRATEGY

The Group aspires to serve with integrity and excellence, safeguarding and improving the welfare of all stakeholders. It ensures its business is conducted under a holistic governance structure built upon a set of common principles and practices, with a view to avoiding environmental risks and impacts, realising opportunities, and promoting sustainable development. Corporate governance underpins the overall direction, effectiveness, supervision, and accountability of the Group, guiding its business units to act in the best interests of stakeholders.

BOARD STATEMENT

The board of directors (the “**Board**”) is committed to driving sustainable development in the Group’s business operations. The Board has overall responsibility for the Group’s ESG strategy and reporting, while both the members of the Board and senior management supervise the ESG issues of the Group. The Board continuously monitors and reviews the key risks and opportunities affecting the sustainability of the Group’s business. It also ensures the effectiveness of ESG risk management and internal control mechanism.

The risk management and internal control frameworks provide a structured approach for the Board to formulate policies and ensure effective execution. Where appropriate, external advisors would be engaged to provide expertise and professional advice for the ESG management process.

The Group’s ESG goals and targets were approved by the Board and the progress is reviewed by the representatives from business and functional departments annually. The Board strengthens transparency each year via supervision of the annual sustainability reporting.

Representatives from business and functional departments facilitates the Board’s oversight of ESG issues. They are responsible for collecting and analysing ESG data, monitoring and evaluating the Group’s ESG performance, ensuring compliance with ESG laws and regulations and preparing ESG reports.

Under supervision of the Board and senior management, various measures, as further described in this Report, are implemented to increase employee awareness of ESG issues and drive meaningful changes. The results are reported to the Board for review and continuous improvement.

The Group continuously communicates with its stakeholders to understand their concerns and expectations. In order to identify and assess the material concerns of the Group’s stakeholders, the Group has conducted materiality assessment surveys through stakeholder engagement. The assessment helped the Group determine the factors that have material impacts on the Group’s sustainable growth, which were incorporated into the development of its ESG strategies and targets.



OUR SUSTAINABILITY STRATEGY

We believe sustainability is crucial to our long-term success. Therefore, we have adopted the following sustainability strategies across all levels of the Group:

- To set environmental goals and targets;
- To establish long-term partnerships with suppliers and customers;
- To provide solutions and quality product to end-users;
- To respect human rights and uphold good employment practices for all staff;
- To engage with stakeholders through open dialogue; and
- To sustain local communities.

With the aim of striking a balance among business needs, social demands and environmental impacts, we will continue to enhance our ESG performance and develop a mutually beneficial relationship with our stakeholders in order to deliver greater value for the community.



STAKEHOLDER ENGAGEMENT

The Group recognises the significance of effective stakeholder engagement and collaboration. As the Group's operations involve a variety of stakeholder groups, their inputs allow the Group to respond promptly to sustainability challenges and opportunities. The feedback from stakeholders of different backgrounds also helps the Group understand the ever-changing market demands and global sustainability trends. This allows the Group to make informed decisions regarding its sustainability practices, initiatives, and disclosures.

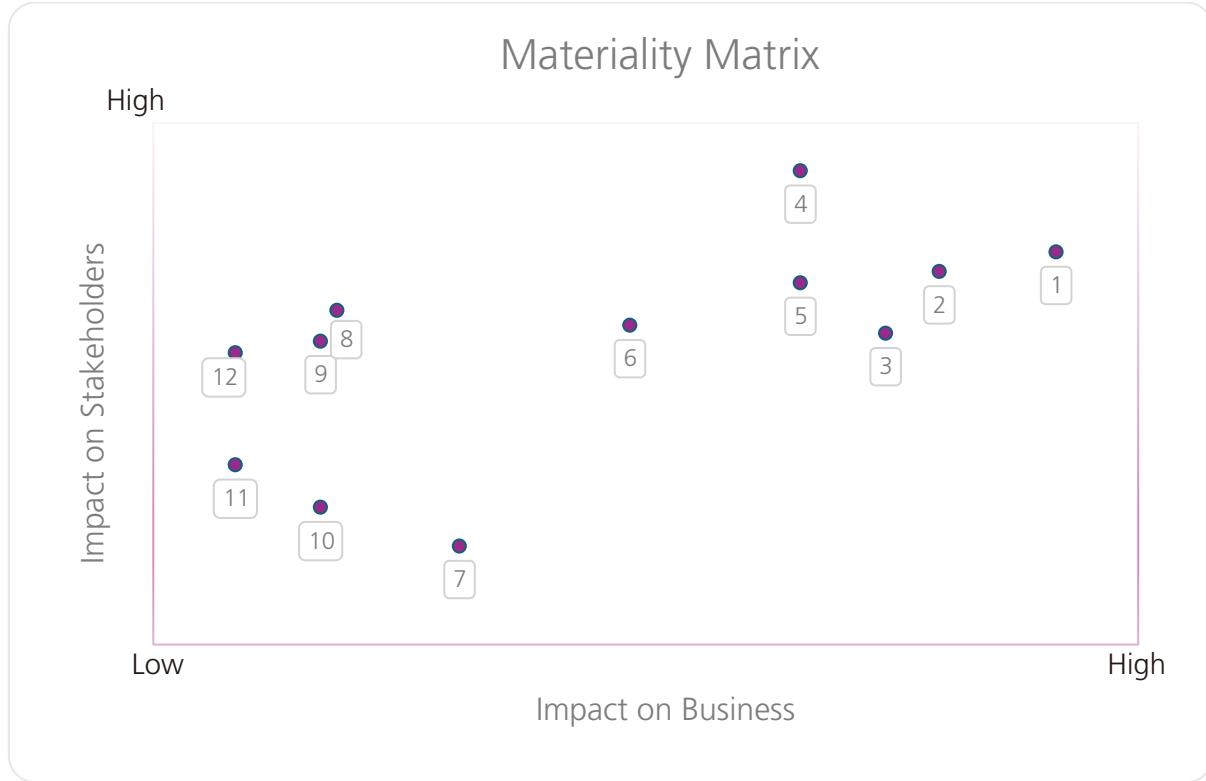
The Group has multiple feedback and communication channels to understand the views of key stakeholders who have a significant impact on or have a close relationship with the Group's business. The following are the communication channels established between the Group and stakeholders, and stakeholders' main concerns.

Stakeholders	Communication Channels	Expectations and Concerns
Regulatory authorities and government bodies	<ul style="list-style-type: none"> • Interactions and visits • Government inspections • Tax returns and other information • Official website • Announcements • Meetings • Emails and telephone calls 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Prevention of tax evasion • Timely and accurate announcements • Social welfare
Shareholders and investors	<ul style="list-style-type: none"> • Shareholders' meetings • Financial reports 	<ul style="list-style-type: none"> • Corporate governance system • Business strategies and performance • Investment returns
Employees	<ul style="list-style-type: none"> • Staff appraisals • Regular meetings • Emails and telephone calls • Employee handbooks • Customized training • Anonymous communication channels 	<ul style="list-style-type: none"> • Rights and benefits • Employee compensation • Training and development • Working hours • Working environment • Labor protection • Work safety
Suppliers	<ul style="list-style-type: none"> • Emails and telephone calls • Site visits • Surveys • Appraisals 	<ul style="list-style-type: none"> • Payment schedule • Stable demand
Customers	<ul style="list-style-type: none"> • Customer service hotline • Emails and telephone calls • Customer meetings • Site visits 	<ul style="list-style-type: none"> • Product quality • Delivery times • Reasonable prices • Service value • After-sales services
Media, non-governmental organizations and the public	<ul style="list-style-type: none"> • Newsletters on official website • ESG reports • Press releases and announcements • Financial reports 	<ul style="list-style-type: none"> • Corporate governance • Environmental protection • Human rights



MATERIALITY ASSESSMENT

The Group's material ESG matters are summarized in the matrix below:



No.	Key Issues	No.	Key Issues
1	Employment practices	7	Supply chain management
2	Service quality and standards	8	Environmental impact management
3	Employee development and training	9	Waste and emissions control
4	Anti-corruption	10	Preventing child and forced labor
5	Employee health and safety	11	Water management
6	Corporate social responsibility	12	Energy management

During the Reporting Period, the Group confirms that it has established appropriate and effective management policies and monitoring systems relating to ESG issues, and that contents disclosed in this Report comply with the requirements of the ESG Reporting Guide.

CONTACT US

The Group welcomes comments and suggestions from stakeholders. You may provide your opinions on this Report or the Group's sustainability performance by emailing info@paktakintl.com.



A. ENVIRONMENTAL

A1. EMISSIONS

The Group strives to ensure long-term sustainability in the environment and community where the Group operates. We recognize our responsibilities towards the potential environmental impacts associated with our business operations and integrate environmental considerations into our decision-making process. We are committed to providing the best products and fine experiences to its customers while gradually transforming into low-carbon operations.

The culture of environmental protection is widely adopted within the Group. We understand that our business operations will inevitably affect the environment. Therefore, we have formulated the Environmental, Social and Governance Policy ("**ESG Policy**") to promote sustainability in our operations. Environmental protection and emissions reduction are our top priorities, and we have implemented measures to reduce our waste and emissions on various fronts. Within our policy framework, we continuously look for different opportunities to drive ESG initiatives and enhance our ESG performance by reducing energy consumption and the use of other resources.

The Group strictly complies with the related environmental protection laws and regulations. During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations that might have a significant impact on the Group relating to exhaust gas and greenhouse gas emissions ("**GHG emissions**"), discharges into water and land, and generation of hazardous and non-hazardous waste. Such laws and regulations include, but are not limited to, the Environmental Protection Law of the PRC and Waste Disposal Ordinance of Hong Kong.

Emissions Control

Air Emissions

The Group's air emissions, which include nitrogen oxides ("**NO_x**"), sulphur oxides ("**SO_x**") and particulate matter ("**PM**"), are mainly generated from fuel consumption by vehicles and activities relating to hotel management and catering services.

The Group's air emissions¹ during the Reporting Period are presented below:

Type of Air Emissions	Unit	2024	2023
Nitrogen oxides (NO _x)	kg	5.40	4.49
Sulphur oxides (SO _x)	kg	0.06	0.07
Particulate matter (" PM ")	kg	0.40	0.33

Note:

1. The air emissions calculations are based on the emissions factors in "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by Stock Exchange.



We have taken the following emissions reduction measures to reduce the adverse impacts of emissions and air pollution on the environment and the community:

- Educate employees to turn off idling vehicle engines;
- Encourage the use of public transportation for commuting to work and meetings;
- Encourage telephone calls and video conferences to replace unnecessary travels; and
- Actively take other emissions reduction measures, as described in the section headed “GHG Emissions”.

As the Group does not have a significant amount of air emissions, no air emissions targets were in place during the Reporting Period. Looking ahead, we will continuously monitor our emissions performance so that any negative environmental impact may be detected and remedial actions may be taken on a timely basis.

GHG emissions

The Group’s GHG emissions mainly consist of direct GHG emissions generated from the use of fuel by company vehicles fuel used in the hotel management and catering services (Scope 1), energy indirect GHG emissions generated from purchased electricity (Scope 2), and other indirect GHG emissions generated from paper waste disposal (Scope 3). The Group has set a target of maintaining or reducing the total GHG emission intensity in 2025, using approximately 3.42 tonnes of carbon dioxide equivalent (“tCO₂e”)/revenue in million in 2024 as the baseline. To achieve the target, the Group adopts energy-saving measures to reduce GHG emissions, including strict control on the use of electrical appliances. The Group will also replace face-to-face meetings with telephone calls and video conferences to reduce emissions from travels. Specific measures will be further described in the section headed “Energy Management” in aspect A2.

Most of the GHG emissions of the Group was generated from hotel management and catering services segment. During the Reporting Period, the Group’s total GHG emissions intensity has decreased mainly due to an increase in revenue from the supply chain business without a significant corresponding increase in electricity or fuel consumption.

The table below summarizes the Group’s GHG emissions performance:

Type of Air Emissions	Unit	2024	2023
Direct GHG emissions (Scope 1)	tCO ₂ e	524.40	547.31
Energy indirect GHG emissions (Scope 2)	tCO ₂ e	1,772.42	1,780.89
Other indirect GHG emissions (Scope 3)	tCO ₂ e	9.03	8.40
Total GHG emissions (Scope 1 & 2)	tCO ₂ e	2,305.85	2,336.60
GHG emission intensity	tCO ₂ e/revenue in million	3.42	5.53

Notes:

1. GHG emissions data is 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, “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, the “Notice on Carrying out Work in Reporting and Management of Greenhouse Gas Emissions of Enterprises in the Power Generation Industry from 2023 to 2025” issued by the Ministry of Ecological Environment of the PRC, “Global Warming Potential Values” from the IPCC Fifth Assessment Report and the Sustainability Report 2023 published by HK Electric Investments Limited.
2. During the Reporting Period, the Group recorded a revenue of approximately HKD674.8 million (2023: approximately HKD422.5 million). The data is also used for calculating other intensity data.



A. ENVIRONMENTAL

Sewage Discharge

The Group's business activities do not consume a significant amount of water or generate a large amount of sewage. Sewage is discharged into the municipal sewage pipe network to the regional water purification plant, and the water consumed by the Group is considered equivalent to sewage discharged.

Waste Management

The Group is committed to proper handling and disposal of all waste generated. We strongly support the principles of reduce, replace, reuse and recycle. In addition, we encourage our employees to use double-sided printing and recycle used cans and plastic bottles, in order to reduce the burden on waste disposal. The Group has placed collection boxes and assigned designated personnel to handle recycled waste in a timely manner. Collection boxes are regularly monitored to maintain hygiene. All our waste management practices comply with relevant environmental laws and regulations.

Hazardous Waste

Due to the Group's business nature, it did not generate a significant amount of hazardous waste during the Reporting Period. However, the Group is committed to waste reduction and has established guidelines on the disposal of hazardous waste. If any hazardous waste is generated, the Group must engage qualified chemical waste collectors to dispose of the waste in accordance with relevant environmental laws and regulations.

Non-hazardous Waste

Non-hazardous waste generated by the Group mainly composed of paper. To minimize the environmental impacts of non-hazardous waste generated in our business operations, various measures have been implemented to handle relevant waste. Furthermore, the Group is committed to educating employees on the importance of sustainable development. Training is introduced to enhance their knowledge on environmental protection.

The Group has set a target of maintaining or reducing the total non-hazardous waste intensity in 2025, using approximately 2.79 kg/revenue in million in 2024 as the baseline. To achieve the target, the Group has adopted the following practices to reduce the production of non-hazardous waste:

- Adopt good practices for inventory management to avoid purchasing unnecessary materials;
- Uphold the principles of reduce, replace, reuse and recycle;
- Encourage hotel guests to reduce food waste;
- Place recycling bins and appropriate signages at the Group's hotel to encourage recycling; and
- Use double-sided printing and photocopying where appropriate.

In addition, the Group has adopted the separation method in domestic waste management. Non-hazardous waste is carefully sorted to ensure recyclable waste can be separated and cleaned for recycling. The Group also encourages employees to bring their lunch boxes to reduce food waste and food packaging.

During the Reporting Period, the Group's total non-hazardous waste intensity reduced due to an increase in revenue from the supply chain business without a significant corresponding increase in paper consumption.



The table below summarizes the Group's non-hazardous waste disposal:

Type of Air Emissions	Unit	2024	2023
Total non-hazardous waste	kg	1,881.75	1,750.00
Non-hazardous waste intensity	kg/revenue in million	2.79	4.10

A2. USE OF RESOURCES

The Group attaches great importance to resource optimization and has implemented a series of eco-friendly approaches in its operations to promote resource efficiency. The Group has also formulated an ESG Policy to govern energy consumption and manage any negative environmental impacts on natural resources from its operations.

Energy Management

Recognising energy consumption as the Group's major source of GHG emissions, the Group actively identifies areas to systematically manage and optimise energy use. Electricity is the major type of energy use in the operations. In addition to reducing electricity use, the Group also actively manages lighting facilities and other electrical appliances to improve energy-saving. It has set a target of maintaining or reducing the total energy consumption intensity in 2025, using approximately 8.42 MWh/revenue in million in 2024 as the baseline.

The Group has also implemented the following energy-saving measures:

- Turn off electrical equipment after work or when appropriate;
- Use energy-saving appliances and equipment, such as energy-saving light bulbs in the offices;
- Set air conditioners in the offices at about 25°C; and
- Set office computers to power-saving mode when idle.

Responsible personnel perform daily checking of the air-conditioning system, lighting, and other appliances to ensure optimal energy consumption. Unexpected high consumption of energy will be investigated to find out the root cause and preventative measures will be taken. During the Reporting Period, the Group's total energy consumption intensity mainly because of an increase in revenue from the supply chain business without a significant corresponding increase in energy consumption.



A. ENVIRONMENTAL

The table below summarizes the Group's energy consumption performances:

Types of Energy Consumption ¹	Unit	2024	2023
Direct energy consumption:	MWh	2,575.40	2,691.93
• Diesel			
• Petrol			
• Natural gas			
Indirect energy consumption:	MWh	3,103.31	3,121.59
• Purchased electricity			
Total energy consumption	MWh	5,678.70	5,813.52
Energy consumption intensity	MWh/revenue in million	8.42	13.76

Note:

1. The unit conversion calculation was based on the conversion factors in "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

Water Management

As extreme weather events such as drought and flooding continue to increase in frequency and magnitude, it becomes crucial for businesses to adopt sustainable practices on the use of water. The Group strives to use water more efficiently and to help strengthen the resilience of ecosystems in which it operates. To mitigate the impacts on local water sources, the Group ensures that its water discharges are safe by complying with local regulatory requirements. The Group does not have any operations that use freshwater in water-stressed areas, and it does not experience difficulties in sourcing water fit for its purpose.

The Group has set a target of maintaining or reducing the total water consumption intensity in 2025, using approximately 57.98 m³/revenue in million in 2024 as the baseline. To achieve the target, the Group proactively implements water-saving measures and encourages its employees to be aware of water conservation. The following measures are implemented:

- Use water-efficient faucets and showerheads;
- Repair leaking appliances in time;
- Post water-saving reminders; and
- Turn off the faucet when applying the hand sanitizer.



During the Reporting Period, the Group's total water consumption intensity reduced due to an increase in revenue from the supply chain business without a significant corresponding increase in water consumption.

Index	Unit	2024	2023
Total water consumption	m ³	39,123.00	37,944.00
Water consumption intensity	m ³ /revenue in million	57.98	89.81

Use of Packaging Materials

Due to the Group's business nature, the use of packaging material is not considered to be a material ESG aspect to the Group. Relevant disclosures are therefore not applicable.

A3. ENVIRONMENT AND NATURAL RESOURCES

Environmental Impact Management

The Group is aware of the potential environmental risks of its business and the impact of the Group's business on the environment and natural resources. The Group has formulated the ESG Policy to strike a balance between economic development and social and environmental development. To achieve sustainability, all aspects should be considered thoroughly without compromising each other, and that all parties, including suppliers, customers, and different stakeholders should work hand in hand towards this long-term goal.

The Group adopts the industry's best practices and regularly assesses the environmental risks of its business, implements preventive measures to reduce potential risks, and ensures compliance with relevant laws and regulations. Looking forward, we will continue to monitor our impacts on the environment so that any meaningful acts can be taken to sustain not only our operations but also our beautiful environment.

A4. CLIMATE CHANGE

Climate Crisis

Extreme weather conditions are increasingly frequent. Their devastating effects are affecting more and more people across the globe. Complexity and interrelatedness of the modern world imply that climate disasters do not only result in consequences for isolated parts or regions – they affect all lives on earth. These drastic climate impacts entail urgent actions on decarbonisation.

In response to the global concern on climate change, the Group has formulated the Climate Change Policy, which outlines the Group's management approach on climate issues and commitment to climate mitigation and adaptation across its operations and along the value chain. The Group has further identified the below physical and transition risks:



A. ENVIRONMENTAL

Physical Risks

The increasing frequency and severity of extreme weather events, such as extreme cold or heat, storms, rainstorms and typhoons, may lead to an increased risk of power shortages, interrupt operations and damage the Group's assets. Taking into account the risk of business disruptions related to extreme weather events, the Group will take precautions to ensure stable supply along its value chain, protect employee safety, and maintain the continuity of its services in event of climate events.

Transition Risks

The Group expects tightened requirements and regulations on energy efficiency and green standards, and will remain alert of any policy changes. The technological and market landscape will continue to evolve due to climate change, presenting risks to the Group particularly on its speed to respond and adaption. The Group will remain aware of any new technological applications and adopt green technology when appropriate. Under the threat of climate change, the public is having higher environmental awareness. As a result, consumer may have increased expectation on corporates to provide the greener products and services. The Group will actively engage stakeholders including government authorities, non-profit organizations and professional institutes to understand their expectations in key sustainability areas.



B1. EMPLOYMENT

The Group firmly believes that its success lies in the devotion of its employees. Talents are our important assets and also the foundation of innovation and development. We value the contribution and dedication of our employees, and we stay firm to protect their legitimate interests. To enhance their well-being, we have created a harmonious and joyous working environment and offered competitive packages and fringe benefits. Furthermore, we have formulated the Employee Handbook to govern employment, dismissal, workplace health and safety and other employee rights.

During the Reporting Period, the Group was not aware of any non-compliance with all relevant laws and regulations that would have a material impact on the Group with respect to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Such laws and regulations include but are not limited to the Labor Contract Law of the PRC, the Labor Law of the PRC and the Employment Ordinance of Hong Kong.

Employment Practices

Recruitment, Promotion and Dismissal

The Group is committed to providing fair opportunities to all candidates in order to attract and retain talents. Its fair hiring practices ensure recruitment is merit-based, without unconscious bias of any kind. Factors such as capabilities, academic qualification, practical working requirements, functional knowledge and language proficiency are considered recruitment standards under a transparent and friendly recruitment process. The recruitment process is supported by the Recruitment Management Policy that details the recruitment process and sets out the responsibilities of respective personnel in ensuring that the selection process is just and standardized.

To motivate employees to enhance personal growth and strive for excellence, the management regularly conducts assessments and discussions with employees on their work performance. Outstanding employees are eligible for promotion upon satisfactory performance. Besides, the Group does not tolerate the dismissal of employees on any unreasonable basis. Any termination of the employment contract would be based on reasonable and lawful grounds supported by internal policies of the Group.

Diversity, Equal Opportunities, and Anti-discrimination

The Group puts an emphasis on non-discrimination in the workplace. Employees are welcome to report any discrimination to the Group's officers, department heads, or even the management directly. The management will investigate the issue immediately and follow-up actions will be taken if necessary. The identity of the whistle-blower will be protected, and anonymous reporting is also encouraged.

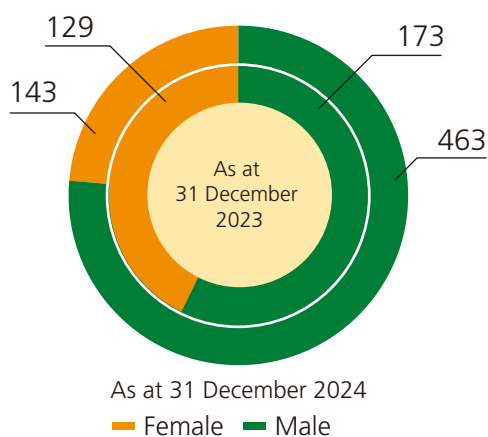


B. SOCIAL

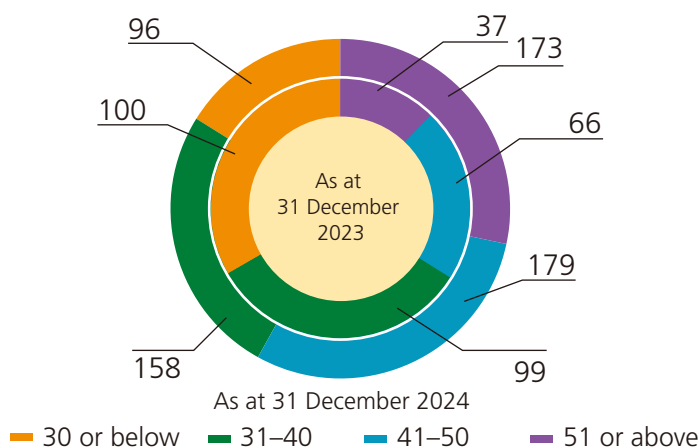
Employee Profile

The Group respects individuals of different culture and background. The below table illustrates the Group's workforce diversity. As at 31 December 2024, the Group had 606 employees (as at 31 December 2023: 302 employees), all of which are full-time employees. The increase in the number of employees is mainly due to the acquisition of the iron ore mining and milling business being completed at the end of the Reporting Period.

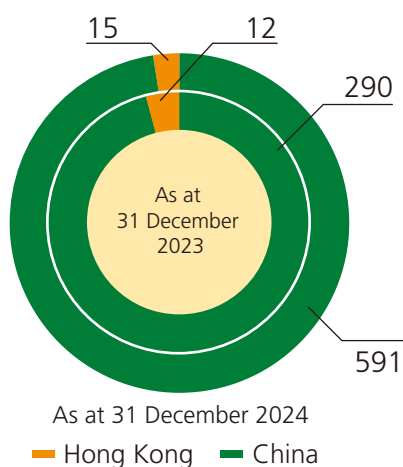
Employee by Gender



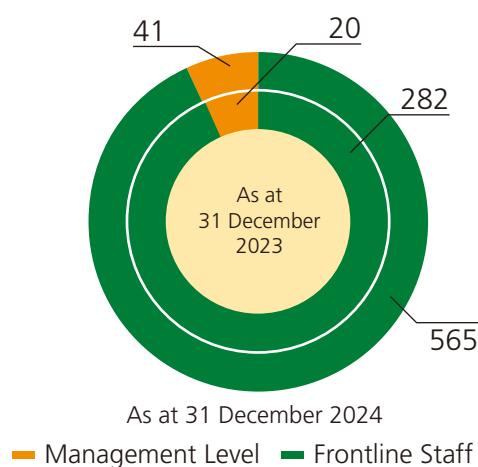
Employee by Age Group



Employee by Geographic Region



Employee by Employment Type



Remuneration and Benefits

Equitable remuneration and benefits contribute to employee satisfaction, team morale and overall performance. The Group has adopted a Remuneration Policy which is documented in the Employee Handbook and has established a fair, reasonable and competitive compensation system for employees based on their capabilities, achievements, performance, as well as economic trends and industry benchmarks. Employee compensation included, but are not limited to, basic salary, on-the-job training, year-end bonus, medical insurance and employees' compensation insurance.



In the Hong Kong office, we abided closely with the Labor Department and bought employees' compensation insurance with sufficient coverage for all employees and pay for their mandatory provident fund. In the Group's operating sites in the PRC, we monitored the number of headcounts regularly and made contributions to social insurance and housing provident fund for all employees. In addition, the Group provided a wide range of leaves other than statutory holidays, such as marital leave, maternity leave, paternity leave, breastfeeding leave, and compassionate leave, to its employees for satisfying their family and social needs.

With a strong people-oriented culture supported by good employment practices, the Group has noted an increase in employee morale, as well as better employee retention. During the Reporting Period, the employee turnover was 32.38% (2023: 64.85%).

Categories	2024 (%)	2023 (%)
Overall Turnover Rate¹	32.38	64.85
By Gender²		
Female	44.12	63.77
Male	27.36	65.71
By Age Group²		
30 or below	91.84	79.79
31–40	20.23	46.53
41–50	15.51	68.83
51 or above	11.43	67.57
By Geographical Region²		
China	33.14	65.47
Hong Kong	7.41	9.52

Notes:

1. Overall turnover rate = (the total number of employees left in the year ÷ the average number of employees in the year) × 100%.
2. Employee turnover rate by category = (the number of employees left in the category in the year ÷ the average number of employees in the category in the year) × 100%.

Employee Engagement

The Group recognises the importance of engaging employees by listening to their voices and concerns. It offers various effective communication channels to shape an open work environment that encourages idea sharing, promotes interactions, and inspires innovation. Employees are free to voice out their ideas or register their complaints through a variety of communication channels, including internal mailbox, emails and surveys. Communication mechanisms are regularly evaluated to ensure their effectiveness.

To further connect with our employees and enhance their sense of belongingness, we have organized various events, such as the Spring Festival Gala Dinner and offered cash or coupons as birthday gifts for our PRC employees during the Reporting Period.



B. SOCIAL

B2. HEALTH AND SAFETY

Employee Health and Safety

The Group has prioritised health and safety on its agenda. We are committed to providing employees with a healthy, safe, and comfortable working environment, and have formulated relevant safety management systems and procedures to minimize potential health and safety hazards in the workplace. Detailed escape route and layout of the Group's operating sites are posted in a noticeable area to enhance employees' preparedness during emergencies. Our operating sites are equipped with adequate fire-fighting equipment and first-aid boxes, which are checked regularly to ensure functionality. The management is responsible for monitoring the relevant safety management systems and procedures in the workplace.

During the Reporting Period, the Group has not recorded any lost days due to work injury (2023: Nil). There were no work-related fatalities that occurred in each of the past three years including 2024. Furthermore, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Occupational Safety and Health Act of the PRC and the Occupational Safety and Health Ordinance of Hong Kong.

B3. DEVELOPMENT AND TRAINING

Employee Development and Training

Investing in future leaders is essential for ensuring the Group's long-term success and resilience. The Group intends to nurture its talent pipeline to retain high-performers and be equipped with leaders for tomorrow. In view of this, the Group has included a training-related section in the Employee Handbook to manage employee training. It aims to provide employees with the right tools and an environment in which they can grow professionally.

Structured skills development programmes are in place across the Group for all employees, who play an integral role in operations. Induction training is provided to all newly recruited employees, while regular on-the-job training is provided to all employees of the Group. The Group also encourages its employees to attend external vocational trainings and enrich themselves through acquiring higher professional skills and qualifications.



During the Reporting Period, 37.29% of the Group's employees received training (2023: 96.03%), with an average training hours of 5.35 hours (2023: 15.61 hours).

Categories	2024		2023	
	Percentage of Employee Trained ¹ (%)	Average Training Hours per Employee ² (hours)	Percentage of Employee Trained ¹ (%)	Average Training Hours per Employee ² (hours)
Overall	37.29	5.35	96.03	15.61
By Gender				
Female	68.53	9.07	97.67	14.05
Male	27.65	4.20	94.80	16.78
By Employment Type				
Management level	14.63	2.20	40.00	8.40
Frontline staff	38.94	5.58	88.65	16.70

Notes:

1. The percentage of employees trained by category = (the number of employees trained in the category in the year ÷ the number of employees in the category at the end of the year) × 100%.
2. The average training hours per employee by category = the training hours of employees in the category in the year ÷ the number of employees in the category at the end of the year.

B4. LABOR STANDARDS

Prevention of Child Labor and Forced Labor

Child labor and forced labor are strictly prohibited during the recruitment process as defined by laws and regulations. The Group strictly complies with local laws and prohibits any child and forced labor employment. The Human Resources Department is responsible for monitoring and ensuring compliance with the latest laws and regulations that prohibit child labor and forced labor.

We have developed and implemented relevant policies to ensure the control procedures for recruitment processes are sufficient for preventing the recruitment of child labor and forced labor. The Human Resources Department checks the applicants' identification documents and other supporting documents such as academic certificates and reference letters from previous employers to prevent potential child labor. If any child labor is discovered, our employees are encouraged to voice out immediately, and the management will take prompt investigations of the suspected cases and follow-up actions will be carried out immediately.

Furthermore, the Group encourages employees to complete their work duties within the working hours, and discourages overtime work unless it is absolutely necessary. In case the employees need to work overtime, the Group will provide overtime meal and disbursement on travel and relevant expenses. The Group also prohibits any punitive measures, management methods, and behaviors including, but not limited to, verbal abuse, physical punishment, violence, mental oppression, or sexual harassment against its employees for any reason. At the same time, the Group also refrains from engaging with suppliers and contractors who are aware of any child labor or forced labor in their operations.



B. SOCIAL

During the Reporting Period, the Group was not aware of any material non-compliance with labor-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Labor Law of the PRC, the Underage Workers Special Protection Provisions and the Provisions on the Prohibition of Using Child Labor of the PRC and the Employment Ordinance of Hong Kong.

B5. SUPPLY CHAIN MANAGEMENT

The Group extends its effective governance to its supply chain, and strives to maintain a close business relationship with its suppliers and business partners. Our suppliers are mainly providers of non-ferrous metals, construction materials and suppliers of food and beverages. During the Reporting Period, we have engaged approximately 370 suppliers and all of them were located in the PRC (2023: approximately 250 suppliers). The increase in the number of suppliers was mainly due to the inclusion of suppliers from the newly acquired iron ore mining and milling business.

Supplier Screening and Assessments

The Group is aware that the selection of suppliers can have a significant impact on its business operations. The Group has therefore established a comprehensive screening and assessment system to select its suppliers. We choose our suppliers based on a number of factors, including product quality, ability to deliver on time, and price. The Group has also formulated relevant policies and procedures to ensure that the quotation process is conducted in a transparent, fair and just manner, and shall not differentiate or discriminate any particular supplier. The Group has delegated its Purchase Department to monitor the performance of suppliers and the management is responsible for reviewing the supplier's performance based on their product quality, ability to deliver on time and price, among other factors. Underperforming suppliers will be excluded from our approved vendor list.

We also take measures to prevent all kinds of business bribery and conflict of interest, such as avoiding the use of suppliers which are owned by employees directly or indirectly. We will only select suppliers and partners who have a good track record in the past and those who do not have any material violations or breaches of relevant laws and regulations and business ethics.

The Group considers its suppliers' performance on environmental and social standards, and all of its suppliers are expected to comply with ESG-related laws and regulations. While the Group continuously evaluates the environmental and social performance of its suppliers, it may terminate contracts if the suppliers refuse to comply with the any environmental and social laws and regulations. The Group gives priority to suppliers who have established a sound environmental management system. It may terminate contracts with its suppliers, if they refuse to address situations that seriously harm the environment.



B6. PRODUCT RESPONSIBILITY

The Group believes that its success is defined by its ability to provide high-quality products and services, and build strong, lasting customer relationships. As customer expectations grow higher, the Group will strive to deliver the best in keeping customers satisfied. The Group has adopted policies, including the Product Quality Inspection Procedure, to control and monitor the processes of operations, as well as the quality of its products and services.

During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. Such laws and regulations include, but are not limited to, the Law of the PRC on the Protection of Consumer Rights and Interests, the Law of the PRC on Product Quality, the Trademark Law of the PRC, the Patent Law of the PRC, the Copyright Law of the PRC and the Personal Data (Privacy) Ordinance of Hong Kong. All of the complaints were handled promptly with internal reviews to identify room for improvement.

Product Quality and Safety

All our products strictly comply with the requirements stipulated in the relevant laws and regulations in the PRC, such as the State Environmental Protection Administration of the PRC. The Group has also established the Product Quality Inspection Procedure to govern and standardize the quality assurance process so as to ensure products delivered to clients are of the highest standards. The Group does not manufacture its products. The products sold by the Group are sourced from different suppliers. In event of quality issues, the Group will liaise with the relevant customers and suppliers, assist the investigation of the quality issues, and facilitate recall of the defective products if necessary. During the Reporting Period, there was no product recalls for safety and health reasons (2023: Nil).

Protection of Intellectual Property Rights

Fair and unbiased information is being emphasized in all marketing publications. To prevent infringement and infringement upon, the Group follows patents and licensing restrictions. If any infringement is discovered, the relevant personnel may be subject to disciplinary actions. The Group will also apply for patents for all inventions, creations, technical innovations, products or formulas to safeguard its intellectual property rights.

Customer Services

The Group is committed to providing excellent services to its customers. To understand customers' needs and expectations, the Group maintains ongoing communication with its customers by utilizing various channels including, but not limited to, online platforms, emails and hotlines. Besides, the operations department is responsible for responding to inquiries and complaints, and carry out follow-up actions if necessary. During the Reporting Period, the Group received 116 complaints related to its products and services (2023: 122). All complaints have been resolved by relevant departments and reviewed thoroughly. With regard to customer comments on the food and service quality provided by the Group's hotel, the Group has responded positively and made required remedies as needed.



B. SOCIAL

Privacy Protection

The Group is aware of the large amount of valuable information in its possession, and is committed to ensuring data protection and effective control of cyber security risks. The Group's comprehensive governance structure safeguards digital information and protects the Group against the risk of human error, cyberattacks, and other threats. The Group strives to protect confidential data by controlling the number of need-to-know employees to the fewest. In addition, our employees are required to sign a non-disclosure agreement. They will be strictly penalized if they disclosed confidential information directly or indirectly to any third parties without proper authorization from the owner of the information. During the Reporting Period, the Group was not aware of any cases of unauthorized use or access to confidential information (2023: Nil). Relevant personnel regularly review the effectiveness of the Group's practices to protect its customers' data and privacy.

Advertising and Labelling

As the Group's operational process does not involve advertising and labelling practices, the disclosure of information relating to advertising and labelling does not apply to the Group.

B7. ANTI-CORRUPTION

The Group sets a tone of zero tolerance towards bribery, extortion, fraud, corruption and money laundering. We uphold integrity, honesty, and fairness in the way we conduct business while expecting all employees to comply with relevant laws and regulations.

During the Reporting Period, there was no concluded legal case regarding corrupt practices brought against the Group or its employees (2023: Nil). The Group was also not aware of any non-compliance with the relevant laws and regulations concerning bribery, extortion, fraud and money laundering that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Criminal Law of the PRC, the Company Law of the PRC, the Tendering and Bidding Law of the PRC, the Anti-Unfair Competition Law of the PRC, the Interim Provisions on Banning Commercial Bribery of the PRC and the Prevention of Bribery Ordinance of Hong Kong.

Anti-corruption

Bribery and corruption are strictly prohibited as stated in the Group's Anti-Bribery and Corruption and Anti-money Laundry Policy, which applies to all employees at all levels. The Group has also clearly stated the circumstances in which the employee may accept said courtesies and gratuities. The Group provides anti-corruption training to employees, covering ethics and legal knowledge on anti-corruption in the workplace at least once every year.

Besides, the Group's employees and Directors are required to declare any conflicts of interest if necessary. A Whistleblowing Policy is in place to encourage our employees to report suspected misconduct of colleagues, subordinates, senior management, or even suppliers. Our employees are welcome to express their concerns through meetings, emails, or hotline. The management will investigate every single misconduct case and carry out follow-up actions if necessary. Depending on the nature and the seriousness of the misconduct, the case may be reported to local legal authorities, and the involved employee may face disciplinary actions, including termination of employment. The effectiveness of the Whistleblowing Policy will be monitored and reviewed regularly by relevant personnel.



The Group's commitment to anti-fraud and anti-corruption is also extended to its business partners and suppliers. The Group selects business partners or suppliers based on an assessment of factors including compliance status, qualification, and potential conflict of interest.

During the Reporting Period, the Group was unaware of any non-compliance with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering. There were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

B8. COMMUNITY INVESTMENT

Corporate Social Responsibility

The Group considers it as a privilege to have the ability to give back to the community. As part of its strategic development, the Group follows its ESG Policy to encourage and support its employees to participate in volunteer activities and help build a sustainable and harmonious society. Through community involvement, the Group can also foster its corporate culture, promote networking and offer employees a platform to positively impact the community.

A significant focus for the Group, as stated in its ESG Policy, has been on education, medical, health and elderly care. Supporting charitable causes often resonate with employees and have a lasting impact on the community. The invaluable outcomes will continue to drive the community initiatives of the Group.



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Mandatory Disclosure Requirements		Sections
Governance Structure		Board Statement and Sustainability Strategy – Board Statement
Reporting Principles		Introduction – Reporting Principles
Reporting Boundary		Introduction – Reporting Scope
Aspects, General Disclosures and KPIs	Description	Section/Statements
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A1. EMISSIONS
KPI A1.1	The types of emissions and respective emissions data.	A1. EMISSIONS – Air 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).	A1. EMISSIONS – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1. EMISSIONS – Hazardous Waste (Not applicable and explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1. EMISSIONS – Non-hazardous Waste
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	A1. EMISSIONS – Air Emissions; A1. EMISSIONS – GHG 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.	A1. EMISSIONS – Hazardous Waste; A1. EMISSIONS – Non-hazardous Waste



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Aspects, General Disclosures and KPIs	Description	Section/Statements
Aspect A2. Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	A2. USE OF RESOURCES
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	A2. USE OF RESOURCES – Energy Management
KPI A2.2	Water consumption in total and intensity.	A2. USE OF RESOURCES – Water Management
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	A2. USE OF RESOURCES – Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	A2. USE OF RESOURCES – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	A2. USE OF RESOURCES – Use of Packaging Materials (Not applicable and explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	A3. ENVIRONMENT AND NATURAL RESOURCES
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3. 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.	A4. 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.	A4. CLIMATE CHANGE – Physical Risks; A4. CLIMATE CHANGE – Transition Risks



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Aspects, General Disclosures and KPIs	Description	Section/Statements
B. Social		
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, anti-discrimination, and other benefits and welfare.	B1. EMPLOYMENT
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	B1. EMPLOYMENT – Employee Profile
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B1. EMPLOYMENT – Remuneration and Benefits
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.	B2. 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.	B2. HEALTH AND SAFETY
KPI B2.2	Lost days due to work injury.	B2. HEALTH AND SAFETY
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	B2. HEALTH AND SAFETY



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Aspects, General Disclosures and KPIs	Description	Section/Statements
Aspect B3. Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3. DEVELOPMENT AND TRAINING
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B3. DEVELOPMENT AND TRAINING
KPI B3.2	The average training hours completed per employee by gender and employee category.	B3. DEVELOPMENT AND TRAINING
Aspect B4. Labor 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 labor.	B4. LABOUR STANDARDS
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	B4. LABOUR STANDARDS
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4. LABOUR STANDARDS
Aspect B5. Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	B5. SUPPLY CHAIN MANAGEMENT
KPI B5.1	Number of suppliers by geographical region.	B5. SUPPLY CHAIN MANAGEMENT
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	B5. SUPPLY CHAIN MANAGEMENT – Supplier Screening and Assessments
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5. SUPPLY CHAIN MANAGEMENT – Supplier Screening and Assessments
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B5. SUPPLY CHAIN MANAGEMENT – Supplier Screening and Assessments



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Aspects, General Disclosures and KPIs	Description	Section/Statements
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, labelling and privacy matters relating to products and services provided and methods of redress.	B6. PRODUCT RESPONSIBILITY
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6. PRODUCT RESPONSIBILITY – Product Quality and Safety
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	B6. PRODUCT RESPONSIBILITY – Customer Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B6. PRODUCT RESPONSIBILITY – Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	B6. PRODUCT RESPONSIBILITY – Product Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	B6. PRODUCT RESPONSIBILITY – Privacy Protection



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Aspects, General Disclosures and KPIs	Description	Section/Statements
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.	B7. 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.	B7. ANTI-CORRUPTION
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	B7. ANTI-CORRUPTION – Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7. ANTI-CORRUPTION – Anti-corruption
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.	B8. COMMUNITY INVESTMENT
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	B8. COMMUNITY INVESTMENT
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B8. COMMUNITY INVESTMENT

