KINGKEY FINANCIAL INTERNATIONAL

Kingkey Financial International (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1468

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2025

Contents

About this Report

Introduction to the Report

This Environmental, Social and Governance Report (the "Report") provides an overview of the initiatives, plans and performance of Kingkey Financial International Holdings Limited (the "Kingkey Financial International", the "Company", the "Group" or "We", together with its subsidiaries) in Environmental, Social and Governance ("ESG") and demonstrates its commitment to sustainable development.

Reporting Period

This Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 March 2025 (the "Reporting Period", "Year", "2025").

Reporting Scope

This Report focuses primarily on the Group's ESG performance within its subsidiaries in Hong Kong, PRC and Constituent part of the Kingdom of Denmark ("Denmark") of the Group, which is the major operating revenue activity controlled directly by our management. Kingkey Financial International's formwork business principally includes (i) securities brokerage and related services, (ii) fur breeding, farming and sales, (iii) money lending, (iv) insurance brokerage services, and (v) fund and asset management.

Reporting Framework

This Report has been prepared in accordance with the ESG Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Reporting Principles

During the preparation of this ESG Report, the Group has applied the Reporting principles stipulated in the ESG Reporting Guide as follows:

Materiality	A materiality assessment was conducted to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of this ESG Report. The materiality of the issues was reviewed and confirmed by the Board.
Quantitative	Supplementary notes are added along with quantitative data disclosed in this ESG Report to explain any standards, methodologies, and source of conversion factors used during the calculation of environmental KPI.
Balance	This Report aims to provide a holistic and fair view of the sustainability performance of the Group and has not omitted any information related to material ESG topics.
Consistency	The approach adopted for the preparation of this ESG Report was substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

Forward-looking Statements

This ESG Report contains forward-looking statements which are based on the current expectations, estimations, projections, beliefs, and assumptions of the Group about the business and the markets in which it operates. These forward-looking statements are not guarantees of future performance and are subject to market risks, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes may differ from the assumptions made and the statements contained in this ESG Report.

Confirmation and Approval

This Report was endorsed by the ESG Taskforce and approved by the Board in June 2025.

Contact Us

Your feedback is valuable to our continuous improvement, and we welcome any comments and suggestions you may have on this Report or our future ESG strategy in general. Please share any comments or suggestions regarding the Group's ESG performance at admin@kkgroup.com.hk.

Our ESG Governance Structure and Board Statement

Board of Directors

- Evaluate ESG-related risks and opportunities
- Formulate ESG management approaches, strategies, priorities and goals
- Review the disclosures in the ESG Report
- Oversee all ESG issues

ESG Taskforce

- Oversee the development of ESG-related strategies, goals, policies and practices
- Identify the Group's ESG-related issues and risks
- Flag emerging ESG-related risks and opportunities
- Implement sustainability policies, procedures and initiatives
- Collect ESG information and data for ESG disclosures

Board Statement

The Board is responsible for overseeing the Group's ESG issues, including its management approach, strategy, and policies. To ensure effective monitoring of ESG performance and the identification of potential risks, the Board conducts materiality assessments as needed, with support from the ESG Taskforce. These assessments help evaluate and prioritise key ESG-related issues, incorporating stakeholder input. Additionally, the Board reviews progress against ESG goals and targets, ensuring their alignment with the issuer's business operations.

ESG Taskforce

Kingkey Financial International has established an ESG Taskforce comprising key personnel from various departments to support the Board's oversight of environmental, social, and governance matters. At the executive level, the Taskforce is responsible for collecting and analyzing ESG data, monitoring performance, ensuring regulatory compliance, and preparing ESG reports.

The Taskforce holds regular meetings to review current policies, assess their effectiveness, and develop strategies to improve ESG performance. Discussions focus on current and future sustainability goals, risk mitigation, and reducing the Group's environmental impact through clear targets and indicators.

By integrating ESG practices into its operations, the Group demonstrates its commitment to sustainable development and corporate responsibility. The Taskforce reports regularly to the Board, providing updates on goal progress, internal control measures, and the effectiveness of ESG initiatives.

The Board confirmed that it had reviewed and approved this ESG Report. To the best of its knowledge, this Report will fairly address the identified material issues and report on the Group's ESG approach and performance.

Stakeholder Engagement

Kingkey Financial International is dedicated to fostering a sustainable approach within its ESG strategies to enhance performance in environmental protection and social responsibility. Valuing input from stakeholders, the Group actively seeks to understand, respond to, and address the primary concerns of various stakeholders through close communication. To facilitate effective communication and incorporate stakeholder feedback into sustainable management and ESG strategy development, a wide array of communication channels has been established.

When formulating operational and ESG strategies, Kingkey Financial International considers stakeholders' expectations through diverse engagement methods and communication channels. These methods and channels are outlined below:

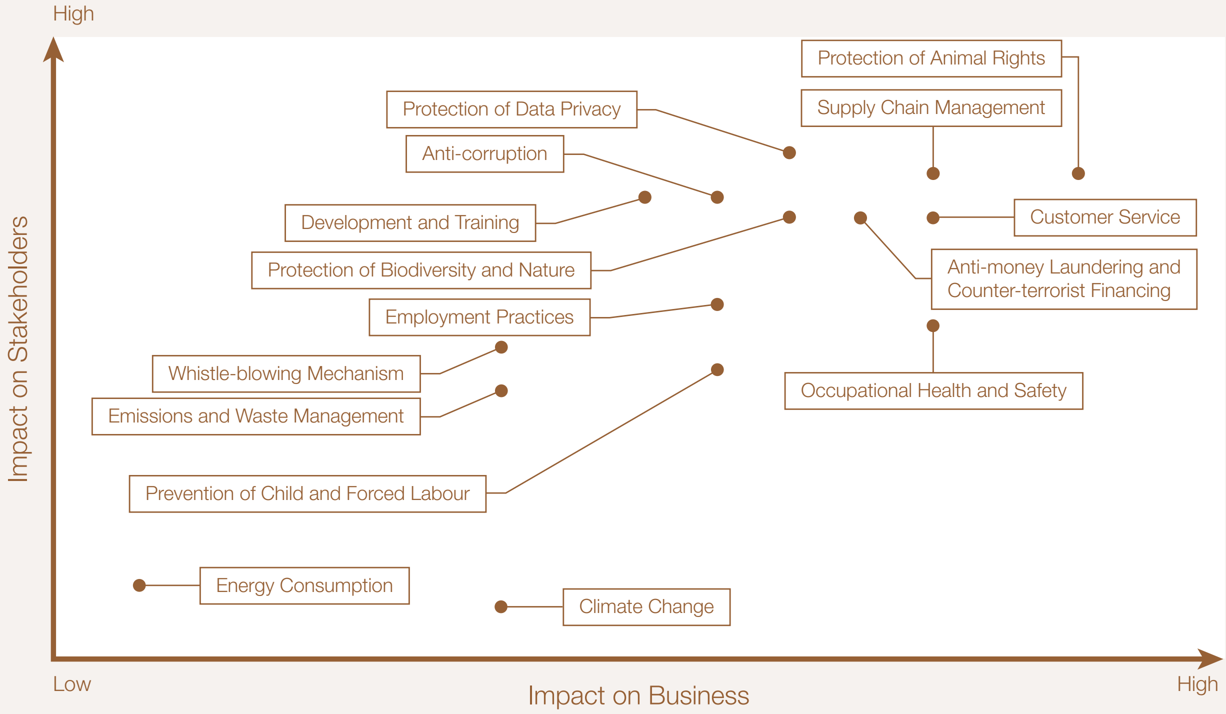
Stakeholders	Possible Issue of Concern	Communication Channels
Government/ Regulatory Authorities	• Compliance with policies and regulations • Operational compliance	• Routine reporting and disclosure • Announcements • Press releases
Customers	• Products and service quality • Delivery time	• Company website • Phone and email communication • Communication with staff • Customer comment cards
Suppliers	• Supplier management • Customer service	• Supplier assessment • Site visits
Employees	• Rights and benefits • Remuneration and compensation • Career development and training • Working hours • Occupational health and safety • Working environment	• Employee training • Employee communication meetings • Performance reviews • Employee handbook
Stakeholders and Investors	• Corporate governance • Business strategies and performance • Corporate transparency and reputation	• Annual/Extraordinary general meetings • Annual reports and announcements • Company website and email
Community	• Community environment • Employment and community development • Social welfare	• Community activities • Employee voluntary activities • Community welfare subsidies • Charitable donations

Materiality Assessment

Material issues in this Report refer to what may have a significant impact on the Group's business operations, or those that have an actual impact on stakeholders. To identify and prioritise these issues, the Group conducts a materiality assessment survey every year, presenting the findings in the form of a materiality matrix.

The following matrix is a summary of the Group's material ESG issues:

Materiality Matrix of the Group

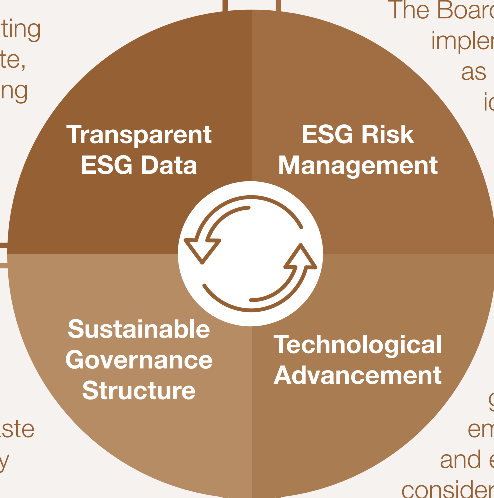


Our Approach to Sustainable Development

At our core, we prioritise sustainable development, recognising that long-term value for shareholders hinges on responsible utilisation of natural resources, waste and pollution reduction, and investments in our people and communities. Our business strategy and ESG policies are inherently intertwined with sustainability, reflecting our commitment to fostering a better future.

Establish a procedure for collecting data on carbon emissions, waste, and water consumption, including checks for abnormalities.

The Board oversees the design and implementation of risk management, as the ESG Taskforce assists in identifying specific risks, proposing policies, and reporting results.



Our Board formulates ESG-related targets and strategies in climate change waste reduction, staff care, community development etc.

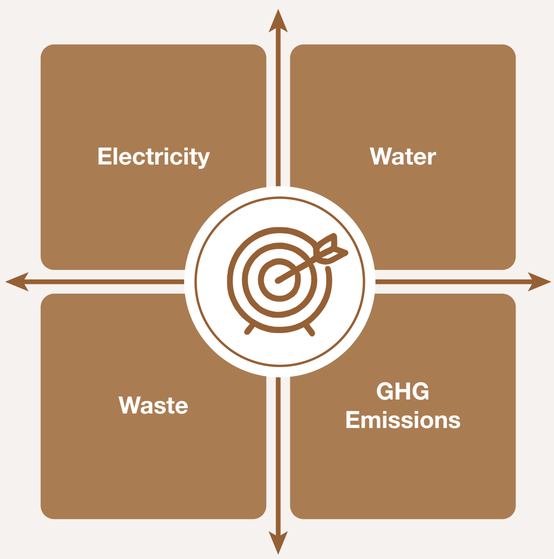
We work and invest in innovative technologies to gradually achieve net zero emissions. We choose low-carbon and energy-efficient products and is considering the introduction of renewable energy sources.

Environmental

Kingkey Financial International prioritises environmental management as a key part of its social responsibility. To support sustainability, the Group implements targeted measures to control greenhouse gas emissions and waste, aiming to reduce its carbon footprint and protect the environment. These initiatives reinforce its long-term commitment to a greener future.

Our Environmental Targets

By leveraging sustainable development goals, we foster collaboration among our operating companies to collectively pursue shared objectives. Our focus on enhancing standards, efficiency, and innovation enables us to proactively mitigate operational risks and cultivate long-term resilience across our businesses.



Our Priority Areas	Our Commitments
	10% Reduction in Scope 1 and Scope 2 GHG emissions intensity by 2030
	10% Reduction in intensity of waste generation by 2030
	5% Reduction in water consumption intensity by 2030
	4% Reduction in electricity consumption intensity by 2030

Emission

Kingkey Financial International's vehicle fleet is the primary source of air emissions. The exhaust gas emitted by the Group consists of nitrogen oxides ("NO_x"), sulphur oxides ("SO_x"), and particulate matter ("PM"). These emissions contribute to the overall air quality impact associated with the Group's operations.

Types of Air Emissions	Unit	FY2025	FY2024
Nitrogen Oxides (NO_x)	kg	5.77	5.98
Sulphur Oxides (SO_x)	kg	0.02	0.02
Particulate Matter (PM)	kg	0.54	0.56

The Group prioritizes local suppliers and contractors to minimize transportation-related exhaust gas and greenhouse gas emissions. Also, we utilises environmentally friendly unleaded petrol that meets the latest emissions standards.

During this Reporting Period, the Group was not aware of any material non-compliance with environmental-related laws and regulations in relation to air and greenhouse gases ("GHG"), emissions, discharges into water and land discharges, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

Emissions Control

Kingkey Financial International recognises its obligation to address both direct and indirect environmental impacts stemming from its business operations. Demonstrating a commitment to corporate social responsibility, the Group upholds principles of sound environmental management to safeguard the environment. To mitigate the adverse effects associated with our operations, we have established an ESG Taskforce dedicated to coordinating and implementing environmental protection measures and objectives, as well as addressing pertinent environmental concerns. Guided by our ESG policies, we direct and execute initiatives aimed at environmental protection. Moreover, the Group remains steadfast in its dedication to raising employee awareness regarding environmental preservation.

GHG Emissions

Indicators	Unit	FY2025	FY2024
Direct GHG Emissions (Scope 1)			
– Diesel Consumption	tCO_2e	10.02	3.60
Energy Indirect GHG Emissions (Scope 2)			
– Electricity Consumption	tCO_2e	108.70	137.55
Total GHG Emissions (Scope 1 and Scope 2)	tCO_2e	118.72	141.15
Intensity	tCO_2e/employee	1.83	1.41

Notes:

1. GHG emissions data is presented in tonnes of carbon dioxide equivalent and was in reference to, including but not limited to, the reporting requirements of the "GHG Protocol Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX, the "Sustainability Report 2024" published by the Hong Kong Electric Investments Limited, the "2024 Sustainability Report" published by the CLP Power Hong Kong, and the "Key Figures – Denmark-2023" issued by the Danish Energy Agency.

2. As of 31 March 2025, the Group had a total of 65 full-time employees (2024: 100 full-time employees). The data is also used for calculating other intensity data.

Kingkey Financial International's primary source of greenhouse gas (GHG) emissions stems from purchased electricity, falling under Scope 2 emissions. The increase in Scope 1 GHG emissions was primarily due to a higher consumption of diesel fuel in the yacht engine. The Group proactively adopts energy conservation measures, which will be further detailed in the "Use of Resources – Energy Management" section. While striving to achieve the 2030 target, the Group places emphasis on enhancing employee awareness of environmental protection in their daily work practices. Additionally, the Group actively implements environmental protection measures to minimise its carbon footprint, aligning with its commitment to sustainability.

Sewage Discharge

Due to the nature of its operations, Kingkey Financial International does not generate substantial discharge. The majority of its water supply and wastewater management are overseen by the property management company. The Group ensures that all wastewater is efficiently directed through the municipal sewage network to local treatment plants for proper processing.

Waste Management

The Group actively advocates the importance of environmental management, strictly controls the generation of waste, continuously optimises management and monitoring, meeting the requirements of national and local environmental standards. Additionally, the Group ensures that the generated waste will be collected, source separated, and recycled as much as possible before proper disposal.

Hazardous Waste

Due to the nature of its business, the Group did not generate any hazardous waste during the Reporting Period. However, the Group has also formulated guidelines for the management and disposal of hazardous waste. If any hazardous waste is generated, the Group must engage qualified chemical waste collectors to treat such waste and comply with relevant environmental laws and regulations.

Non-hazardous Waste

Due to the nature of its operations, the non-hazardous waste generated by the Group's operations is mainly office paper. The significant drop in office paper usage during the Reporting Period can be attributed to the digitalization of operations and shifting the generation of insurance brokerage business from house advisors to distribution channels. Additionally, litigation cases that occurred in FY2024 initially created a heightened demand for printing.

Indicators	Unit	FY2025	FY2024
Non-hazardous Waste Produced			
– Office Paper	Tonnes	1.12	17.45
Intensity	Tonnes/employee	0.02	0.17

We are committed to optimising resource use across our operations and have implemented a range of waste reduction initiatives throughout the Group. To reduce paper consumption, we promote a paperless workplace by encouraging double-sided printing and using electronic document circulation.

Our offices are equipped with recycling facilities, and staff are regularly reminded to sort waste properly through "Green Message" prompts. We aim to minimize waste generation and actively promote paper reuse and recycling. Where possible, we also prioritize virtual meetings to reduce environmental impact.

As part of our broader sustainability efforts, we focus on responsible use of office supplies. We reuse and refurbish items such as file boxes, plastic binding rings, and paper clips. Additionally, we prefer refillable pens and correction tape over single-use products, helping to reduce waste and promote a more sustainable workspace.

Use of Resources

Kingkey Financial International is committed to transforming into a resource-saving and environmentally friendly enterprise. We consistently introduce resource efficiency and eco-friendly measures across all our operations, striving to optimise resource utilisation throughout our business practices. To guide our efforts, the Group has established policies that govern the efficient and responsible use of resources. These policies are designed to enhance energy efficiency, minimise unnecessary resource usage, and drive sustainable practices within our organisation.

Energy Management

The primary sources of energy consumption in our daily operations are diesel used by trucks at the Danish farm, engine in the yacht and electricity consumed in our office. To enhance energy efficiency performance, the Group has implemented a comprehensive range of energy-saving measures. These measures include, but are not limited to:

- Encourage employees to turn off idle equipment, computers and lighting, when not in use or after working hours;
- Utilise natural light where possible;
- Adopt power-saving features for office equipment and computers;
- Purchase energy-efficient appliances to replace old appliances or due to new business needs.

Indicators	Unit	FY2025	FY2024
Direct Energy Consumption			
– Diesel	kWh	40,619	14,343
Indirect Energy Consumption			
– Purchased Electricity	kWh	301,826	324,051
Total Energy Consumption	kWh	342,445	338,415
Intensity	kWh/employee	5,268	3,384

Water Consumption

Kingkey Financial International's financial service operations do not entail significant water consumption due to the nature of its business. Water usage primarily revolves around basic cleaning and sanitisation purposes. As the water bill for the majority of Hong Kong offices is covered by the estate management fee, specific data on water consumption is unavailable. Nonetheless, the Group actively encourages all employees to cultivate a conscious habit of water conservation. Environmental messages promoting water conservation are prominently displayed in pantries and toilets, serving as reminders for employees.

Continual enhancement of water conservation measures remains a priority for the Group. Notably, the recorded water usage is primarily attributed to the mink farms in Denmark and our Office. Given the Group's business nature and predominant operational focus in Hong Kong, the issue of sourcing water suitable for specific purposes is not a pertinent concern.

During the Reporting Period, the Group did not encounter any issue in sourcing water that was fit for purpose due to its geographic location that its operation located.

Indicators	Unit	FY2025	FY2024
Water Consumption	m^3	17,228*	4,132
Intensity	m^3/employee	265	41.32

* Since the Group has included data of drinking distilled water this Year, the amount of water usage has increased significantly.

Use of Packaging Materials

Due to Kingkey Financial International's business nature, it does not consume a significant amount of packaging materials, and thus the use of packaging materials is immaterial.

The Environment and Natural Resources

Kingkey Financial International is committed to minimising the environmental impact of its operations by adopting the industry's best practices. These efforts focus on reducing resource consumption and managing emissions responsibly. The Group conducts regular assessments to identify environmental risks and implement preventive measures. It also ensures strict compliance with all relevant environmental laws and regulations.

While the fur trading and securities businesses of the Group have a limited environmental impact, the Group remains steadfast in its commitment to upholding corporate social responsibility. Recognising its responsibility, the Group strives to minimise any negative environmental impact resulting from its business operations.

Protection of Biodiversity and Nature

Kingkey Financial International maintains an approach that prioritises environmental respect within its fur farming operations. Habitat conservation efforts are actively pursued on the Group's business to create suitable environments for the minks.

During the procurement process, the Group ensures the wide procurement of minks with different colours and sexes. Reputable mink suppliers are carefully selected, providing transparent information regarding their cultivation processes. This ensures that minks are not sourced from untraceable or questionable origins, including any involvement in poaching activities.

Furthermore, the by-products generated from fur farming are converted into useful products. For instance, animal fats from minks are utilised in the production of biodiesel, while the remains of minks are fully utilised and transformed into fertilisers for crop cultivation and cement production.

The Group's efforts in mink farming involve significant endeavours to conserve natural resources and establish a sustainable production chain. In the future, the Group may explore conducting research on animal behaviour, genetics, or habitat restoration techniques, if feasible. Such research can contribute to a greater understanding of biodiversity and inform conservation efforts.

Climate Change

In recent years, weather patterns have become increasingly unpredictable because of climate change. The Group acknowledges the significant threat posed by climate change and takes proactive measures to address it by offsetting its carbon footprint. Recognising the importance of identifying and mitigating climate-related issues, the Group maintains a close watch on the potential impacts of climate change on its business and operations. It remains committed to effectively managing any potential climate-related risks that could affect the Group's business activities. By actively monitoring and addressing these risks, the Group demonstrates its dedication to environmental sustainability and responsible business practices in the face of climate change.

Climate-related Management

Our Board oversees the implementation of climate-related governance, strategies and climate risk management to realise carbon neutrality.

Governance

- The Board is briefed by ESG Taskforce on climate-related issues and our performance against our decarbonisation targets.
- To provide additional oversight and direction, the ESG Taskforce reports periodically to the Board and leadership team on sustainability matters.

Strategy

- We have identified short-term, medium-term, and long-term climate-related risks and opportunities.
- The ESG Taskforce discusses how climate-related risks and opportunities affect the Group's strategies, finances, and business.

Risk Management

- An assessment has been conducted to identify the sensitivity and adaptability of developments under the potential impacts of climate change. Assessing system robustness includes considering existing flood prevention systems, system redundancy such as the capacity of water supply, and susceptibility to extreme weather.
- Sustainability criteria are integrated into the Group's assessment of risk for new acquisitions, such as adaptation and resilience to climate change, flood risk assessment, energy efficiency, and carbon emissions reduction.

According to the reporting framework established by IFRS S2, climate-related risks can be categorised into two main types: physical risks and transition risks. The Group recognises the significance of these risks and their potential impact on its operations.

Physical Risks

Kingkey Financial International acknowledges that the rising frequency and severity of extreme weather events, including typhoons, storms, heavy rains, extreme cold, and extreme heat, pose acute and chronic risks of physical damage to its business. These events can lead to property damage, disruptions in operations, and potential financial losses. To mitigate these risks, the Group implements robust risk management strategies, such as evaluating and strengthening the resilience of its infrastructure, facilities, and supply chains to withstand the impacts of climate-related events.

	Description
Acute • Flooding • Drought • Wildfire • Tropical cyclones	• Increased spending to enhance our assets' adaptive capability and mitigate adverse effects
Chronic • Heat stress • Water stress	• Lower productivity due to extreme heat • Greater expenditure on cooling and an increase in water efficiency

To minimise the potential hazards, the Group has upgraded flood protection measures and mitigation plans, including flexible working arrangements during typhoons and black rainstorms. Additionally, the Group has put in place corresponding policies such as health & safety policies and energy efficiency policies in order to take appropriate caution.

Transition Risks

The Group anticipates that climate change will lead to changes in the regulatory, technological, and market landscape, including tightening national policies, environmental taxes, and shifting customers' preferences towards eco-friendly business practices to achieve its global vision of carbon neutrality.

	Description
Policy regulations	• Tighter national policies and regulations • The emergence of environmentally related taxes • More ambitious national decarbonisation plans
Technology innovations	• Increased use of green and low-carbon technologies • Using renewable energy more often
Markets	• Greener products and processes are more popular among customers
Reputational damage	• Greenwash accusations

The Group constantly monitors any changes in laws or regulations and global trends on climate change to avoid cost increments, non-compliance fines or reputational risks due to delayed response. The Group will explore emergency plans to further enhance business stability.

Social

Employment

The Group considers its employees its most valuable asset, recognising their expertise, capabilities, loyalty, and contributions as essential to its success. To uphold clear guidelines and expectations, the Group has developed a comprehensive Employee Handbook, covering key areas such as recruitment, compensation, promotion, working hours, rest periods, dismissals, diversity, and equal opportunity. These policies and employment practices are regularly reviewed to ensure continuous improvement, maintain high employment standards, and remain competitive within the industry.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group.

Recruitment, Promotion and Dismissal

Kingkey Financial International values a diverse and skilled workforce and is committed to fostering an inclusive and collaborative workplace where all employees can thrive. The Group ensures an open and transparent hiring process, standardising recruitment procedures to uphold fairness and equality. All candidates are granted equal opportunities, regardless of gender, race, age, or other demographic characteristics.

Employees receive competitive remuneration based on their performance and experience. Promotions are reviewed annually through an objective performance evaluation system, with supervisors engaging in two-way discussions to facilitate career growth. Rewards are offered to encourage continuous improvement.

The Group maintains a zero-tolerance policy for unfair dismissals, ensuring all termination procedures are fair and transparent. Dismissal conditions and protocols are clearly outlined in the Employee Handbook, and any employment termination is based on reasonable and lawful grounds.

Working Hours and Rest Periods

Kingkey Financial International recognises the significance of maintaining a healthy lifestyle and promoting work life balance among its employees. Policies have been formulated to determine working hours and rest periods in accordance with local employment laws. The Group emphasises a culture that discourages excessive overtime work. Employees who choose to work overtime are provided with appropriate overtime allowances as per regulations and company policies.

To foster employee engagement and a sense of community, the Group actively organises activities such as employee bonding events, outings, volunteering opportunities, and charity events. Furthermore, the Group acknowledges the importance of cultural and festive celebrations. On such occasions, employees are allowed to leave work early to participate in and celebrate festivals.

Equal Opportunity, Diversity and Anti-discrimination

Kingkey Financial International is committed to strict compliance with all national and local governmental laws and regulations. We uphold a fair, equitable, and transparent recruitment process, establishing policies that prevent discrimination in recruitment. Our aim is to ensure that no individual experiences discrimination based on race, social status, religion, nationality, disability, age, marital status, gender, pregnancy, sexual orientation, trade union membership, or political association. We strive to provide equal and fair treatment to all employees, encompassing areas such as recruitment, remuneration, training, promotion, dismissal, retirement, and other aspects of employment.

If an employee faces intimidation, humiliation, bullying, or harassment, including sexual harassment, they are encouraged to report the matter to their designated employee representative or directly to the general manager. The Group takes such complaints seriously and will employ appropriate measures to address and resolve these issues promptly upon receipt of the complaint.

Compensation and Benefits

The Group actively seeks out and attracts talented individuals, recognising their value to the organisation. To ensure fair and competitive compensation, the Group references market practices when determining employees' salaries and year-end bonuses. Factors such as qualifications, work performance, performance appraisal results, and market trends are taken into account in determining the remuneration package.

The remuneration package provided by the Group includes various benefits such as holidays, annual leave, medical benefits, and discretionary bonuses. These benefits contribute to the overall well-being and satisfaction of employees.

Denmark's social security system is designed to provide comprehensive support to its citizens. Through a combination of taxes and contributions from employers and employees, Denmark offers a range of social benefits to ensure the well-being of its workforce. These benefits include unemployment benefits, healthcare coverage, maternity and paternity leave, and pension schemes. The Danish social security system aims to promote social equality and a high standard of living by providing a safety net that safeguards employees' financial security and provides access to essential services.

In Hong Kong, the Group also complies with the Mandatory Provident Fund Schemes Ordinance by providing mandatory provident fund contributions for employees. This ensures that employees in Hong Kong are covered by the mandatory retirement savings scheme.

Engaging with Employees

The Group recognises the importance of transparent and effective communication within the organisation. To facilitate this, the Group utilises various channels, including emails, employee questionnaires, internal meetings, and other appropriate means of communication.

Employees are encouraged to report any irregularities they come across to their supervisors or the Human Resources Department. The Group emphasises that all reported cases will be treated confidentially to ensure the privacy and protection of individuals involved. This confidentiality helps create a safe environment for employees to voice their concerns and ensures that reported issues are handled appropriately.

As of 31 March 2025, the Group's employee size breakdown was as below:

Breakdown of Employees	FY2025	FY2024
Total	**65**	**100**
By Gender		
Male	31	42
Female	34	58
By Age		
Below 30	9	24
30–50	45	65
Above 50	11	11
By Geographical Location		
Mainland China	23	24
Hong Kong	40	72
Demark	2	2
USA	0	1
Vietnam	0	1
By Employment Type		
Full-time	57	86
Part-time	8	14
By Employment Category		
Senior Management	11	12
Middle Management	16	24
General Staff	38	64

During the Reporting Period, the overall employee turnover rate was approximately 48%. The table below shows the employee turnover rate breakdown by gender, age group and region group:

Indicators (%)	FY2025	FY2024
By Gender		
Male	29	12
Female	71	22
By Age		
Below 30	33	17
30–50	64	17
Above 50	9	27
By Geographical Location		
Mainland China	78	4
Hong Kong	9	24
Denmark	0	0

Note:

3. The employee turnover rate was calculated by the number of employees left during the Reporting Period/Total number of employees × 100%.

Health and Safety

Kingkey Financial International prioritises the health and safety of its employees, providing a safe, healthy, and comfortable work environment. To uphold this commitment, the Group has developed a comprehensive Health and Safety Policy aimed at minimising occupational hazards.

A structured safety management system is in place to identify and mitigate potential risks effectively. This system supports the implementation of safety measures, regular inspections, and the provision of necessary training and resources for employees.

Over the past three years, the Group has maintained an impeccable safety record, reporting zero work-related fatalities and no lost working days due to injuries. During the Reporting Period, the Group remained fully compliant with health and safety regulations, with no material non-compliance issues that could significantly impact operations.

Safety Measures in Offices

Kingkey Financial International is committed to creating a safe and comfortable working environment that supports the mental and physical well-being of its employees. To achieve this, the Group regularly monitors and reviews its safety and security management practices.

To minimise fire risks and ensure employees are prepared for emergencies, the Group provides clear guidance on fire precautions. Office layouts and escape routes are prominently displayed to help staff familiarise themselves with evacuation procedures. Adequate firefighting equipment is installed to address potential fire hazards.

Regular inspections are conducted to ensure that escape routes remain unobstructed, and that fire equipment is in proper working condition. Additionally, the estate management office organises routine fire drills to reinforce emergency evacuation protocols.

Beyond fire safety, Kingkey Financial International also prioritises workplace comfort. Proper lighting and ventilation create a conducive atmosphere, while first aid boxes are readily available in accessible locations to ensure immediate medical assistance when needed. The Human Resources Department oversees the maintenance of these supplies, ensuring that all items remain functional and unexpired.

Development and Training

Kingkey Financial International regards its talent as the most important asset and resource. This is achieved through talent development, via a well-planned training strategy that creates value and caters to their needs. The Group understands that training and development programmes are indispensable to its talents in keeping abreast of the latest trends in the finance industry, as well as the dynamic pace of the current domestic market. Considering this, the Group holds regular training, development programmes and training sponsorships for its employees. Through a variety of training modes and courses, the Group has established its internal training system to meet the diverse needs of all types of employees at all levels. This includes induction training, generic skill development, professional development, and leadership development. Hence, employees' skills will be enhanced, while simultaneously being supported in their personal growth, allowing the Group to be able to develop sustainably.

During the Reporting Period, the Group has provided around 50 hours of training, with an average training period of approximately 0.8 hours per trained employee. The breakdown of the employees trained by gender and employment category is as follows:

Indicators	Average Training Hours	Percentage of Employees Trained (%)
By Gender		
Male	4	13
Female	3	9
By Employment Category		
Senior Management	1	9
Middle Management	3	19
General Staff	3	8

Labour Standards

The Group has zero tolerance and strictly prohibits the use of child labour and forced labour in our operations. The following measures have been taken to avoid these illegal employment practices.

Prevention of child labour	During the recruitment process, the Human Resources Department will verify the applicant's identity documents and ensure that they have reached the minimum age for employment.
Prohibition of forced labour	The Group specifies overtime compensation provisions in the Employee Handbook. The Group carefully monitors the employee working time and working schedule to ensure they work voluntarily and freely.

In case of any illegal labour practice discovered, the Group will cease their employment immediately. An investigation will be carried out subsequently, and the case will be reported to the relevant authorities.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group.

Supply Chain Management

The Group acknowledges the significance of supply chain management in addressing environmental and social risks. With a focus on green supply chain practices, the Group actively collaborates with 47 major suppliers, all of which are based in China, which demonstrate a commitment in incorporating environmental and social risk considerations within their supply chain management strategies.

Suppliers' Evaluation and Management

The Group has implemented standardised procedures for supplier selection to ensure long-term cooperative relationships that contribute to sustainable development and those which foster innovation. The Group adheres to principles of openness, fairness, and equitability in its procurement practices.

To maintain high standards, the Group has established a rigorous and standardised procurement system. This system incorporates a systematic supplier selection process that includes environmental and social risk control requirements. The Group imposes these requirements on suppliers to ensure responsible practices throughout the supply chain.

In line with the Group's commitment to safety, suppliers undergo regular safety performance evaluations. If a supplier fails to meet the required safety standards, they may be subject to suspension or removal from the approved supplier list.

Supply Chain of Fur Trading Business

Kingkey Financial International takes animal welfare and ethical sourcing seriously in its fur supply chain operations in both Hong Kong and Denmark. The Group only partners with reputable mink suppliers who provide fully traceable sources and meet strict ethical standards.

To ensure continued compliance, the Group regularly monitors and evaluates its suppliers based on contract terms, service standards, and quality requirements. Any supplier failing to meet these expectations will have their contract terminated.

Kingkey also adheres to the *Code of Practice for the Care and Health of Farmed Mink, Fitch, and Fox in Europe*, issued by the European Fur Breeders' Association, as well as all relevant Danish legislation. The Group pays particular attention to the methods used in the slaughter and auction processes, and any reports of mistreatment or unethical practices result in immediate termination of the partnership.

In addition to government inspections, farms undergo biannual audits by the European Fur Breeders' Association. The Group also complies with Hong Kong's *Protection of Endangered Species of Animals and Plants Ordinance*, ensuring full alignment with local and international regulations on animal welfare.

Green Sourcing

Kingkey Financial International is aware of the environmental and social practices of the suppliers and tries to engage suppliers with responsible acts to society in view of green sourcing. The Group is committed to selecting environmentally friendly products with competitive prices and good quality to safeguard customers' health and safety, prevent pollution and efficiently use natural resources. The Group requires all departments to consider environmental factors and search for products with higher recycled content, greater durability or greater water and energy efficiency. During the procurement process, the Group prioritises local suppliers and environmentally friendly products and services, hoping to reduce the carbon footprint caused by transportation, while supporting local economic development and creating employment opportunities for local communities. In addition to environmental factors, the Group will also adopt measures to monitor whether its suppliers or contractors comply with relevant environmental and social laws and regulations, or meet other standards in terms of health, safety, forced labour and child labour.

Product Responsibility

Kingkey Financial International places customer satisfaction at the heart of its sustainable development strategy. Committed to delivering exceptional service, the Group focuses on understanding and meeting the unique needs of each client. By offering customised, value-driven solutions, we aims to create long-term partnerships founded on trust, reliability, and mutual success.

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

Quality Assurance

The Group has implemented a comprehensive Quality Assurance Policy to ensure adherence to local laws and regulations. This includes a stringent quality assurance process that undergoes regular reviews and updates to align with the latest standards. To provide high-quality financial services to customers, the Group has obtained all the necessary licenses and permits that are essential for its operations in Hong Kong. These licenses include SFC type 1/4/9, licenses from the Insurance Authority, registered intermediaries for MPFA, and the Money Lending License. The Group proactively monitors the expiration dates of these licenses and initiates timely renewal processes to maintain compliance. Similarly, for the mink farm business, the farms have obtained the required permits to operate in accordance with relevant regulations.

Complaint Channel

Customer feedback is a valuable resource that drives continuous improvement. The Group takes a proactive approach, actively listening to customers and responding swiftly to their concerns and suggestions. In the event of a complaint, the compliance officer promptly investigates the matter, prepares a detailed report for management review, and ensures appropriate corrective measures are implemented. The Group is committed to handling complaints with care, ensuring timely and effective resolution. During the Reporting Period, the Group does not receive any complaints and product recall.

Safeguarding Customer Assets

The Group's subsidiaries are licensed corporations regulated by the Securities and Futures Commission (SFC) under licenses 1/4/9. As custodians of customer assets, the Group enforces stringent controls to ensure their proper handling and protection in compliance with applicable laws and regulations. To safeguard customer funds, segregated accounts are maintained, keeping them separate from the Group's own assets. Transactions are executed only with customer consent or when required to fulfill contractual obligations.

To ensure accountability and transparency, the Group maintains a comprehensive audit trail, facilitating effective oversight of asset management. Regular compliance reviews and audits are conducted to detect and resolve any regulatory non-compliance. Any irregularities or breaches are promptly reported to Management and the relevant authorities.

Protection of Consumers' Information and Data Privacy

Kingkey Financial International places great importance on the protection of customer personal data and confidential documents, adhering to the guidance provided by the Office of the Privacy Commissioner for Personal Data of Hong Kong. The Group has a robust privacy policy in place and is committed to not disclosing any personal information collected from clients to third parties without their explicit consent. Safeguarding customer privacy is a top priority for the Group, and it takes all necessary measures to maintain the security and confidentiality of customer data.

During the Reporting Period, the Group has not received any significant complaints regarding breaches of customer privacy.

Protection of Intellectual Property Rights

Intellectual Property Rights foster innovation and creativity, enhancing societal competitiveness and contributing to human well-being. The Group is committed to respecting these rights and has established procedures and guidelines to prevent intellectual property infringement at all levels of its operations.

Employees are strictly prohibited from disclosing confidential information including the Group's strategies, business interests, proprietary knowledge, inventions and intellectual property both during their employment and after leaving the company.

Advertising and Labelling

Kingkey Financial International enforces a strict policy on advertising content, ensuring that all statements are truthful and accurate. To uphold this standard, the Group has implemented procedures to guide the creation and distribution of its advertising materials. These measures are designed to guarantee that advertisements remain fair, reasonable and free from misleading elements.

The Group takes great care to provide customers with clear and reliable information. Every advertisement is carefully reviewed to ensure accuracy and transparency, reinforcing the Group's commitment to ethical and responsible advertising.

Anti-corruption

The Board upholds a zero-tolerance policy toward fraud and corruption. The Group's Employee Handbook outlines strict guidelines requiring employees to comply with all applicable regulations on conflicts of interest, insider trading, anti-competition, and anti-corruption. Employees must adhere to all relevant laws, rules, and regulations in every jurisdiction where the Group operates.

The Anti-corruption Policy provides guidance for employees on recognising and avoiding unethical behaviour in a range of business contexts, including procurement of goods and services, accepting and offering corporate gifts or hospitality, and making political or charitable contributions. Any solicitation or acceptance of an advantage, any form of bribery, extortion, fraud, or money laundering are strictly prohibited.

During the Reporting Period, the Group was not aware of any material non-compliance with related laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group. No concluded legal cases regarding corrupt practices have been brought against the Group or its employees during the Year.

Anti-corruption Training

Kingkey Financial International provides training to employees on its governance policies. New joiners will receive training as part of their induction programmes. During the Reporting Period, the directors and employees were provided with anti-money laundering and combating the financing of terrorism training for a total of 64 hours. 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.

Whistle-blowing Mechanism

The Group actively encourages employees and stakeholders, including customers and suppliers, to report suspected improprieties, misconduct, or malpractice. A confidential reporting channel is in place to ensure concerns are raised securely.

In accordance with the Whistle-blowing Policy, all reports are handled with the utmost confidentiality, and whistleblowers are protected from unfair dismissal, victimisation, or unwarranted disciplinary action. Any allegations related to fraud and corruption are thoroughly investigated to uphold integrity and transparency.

Community Investment

Community investment is a vital part of the Group's strategic development. Kingkey Financial International believes that fostering community engagement benefits both the Group and the society it serves. Our primary focus is supporting underprivileged individuals in their rehabilitation, helping improve their quality of life.

The Group has donated DKK2,150,000 (equivalent to HKD2,420,040) to S.P.E.S Charity to support its ongoing efforts in serving underprivileged children and youth. This donation will directly contribute to programs focused on education, personal development, and emotional support, helping young individuals break free from poverty and build a better future. By investing in practical resources and structured support systems, the Group aims to make a meaningful and lasting impact on the lives of those who need it most.

Additionally, we strive to inspire employees to engage in social welfare initiatives, fostering a sense of responsibility and positive values. By participating in community-focused activities, our staff can contribute meaningfully to society and become socially responsible citizens. The Group actively encourages employees to take part in voluntary work to assist those living in poverty within the community.

Major Applicable Laws and Regulations Related to the Group's Business

Aspect	Main Applicable Laws and Regulations
Emissions	• Air Pollution Control Ordinance • Water Pollution Control Ordinance • Waste Disposal Ordinance • The Environmental Protection Act of Denmark • Environmental Protection Law of the People's Republic of China • Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution • Law of the People's Republic of China on Prevention and Control of Water Pollution • Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution
Employment and Labour Standards	• Employment Ordinance • Employees' Compensation Ordinance • Sex Discrimination Ordinance • Disability Discrimination Ordinance • Family Status Discrimination Ordinance • Personal Data (Privacy) Ordinance • The Salaried Employees Act • The Children Act of Denmark • Labour Law of the People's Republic of China • Labour Contract Law of the People's Republic of China • Social Insurance Law of the People's Republic of China • Law of the People's Republic of China on the Protection of Minors
Health and Safety	• Occupational Safety and Health Ordinance • Fire Safety Ordinance • The Health Act of Denmark • Production Safety Law of the People's Republic of China • Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases • Regulation on Work-Related Injury Insurances of the People's Republic of China

Aspect	Main Applicable Laws and Regulations
Supply Chain Management	• The Protection of Endangered Species of Animals and Plants Ordinance of Hong Kong • The Code of Practice for the Care and Health of Farmed Mink, Fitch and Fox
Product Responsibility	• Trade Descriptions Ordinance • Personal Data (Privacy) Ordinance • Advertising Law of the People's Republic of China • Trademark Law of the People's Republic of China • Protection of Consumer Rights and Interests of the People's Republic of China
Anti-corruption	• Prevention of Bribery Ordinance • Anti-Money Laundering and Counter-Terrorist Financing Ordinance • The Danish Criminal Code • Criminal Law of the People's Republic of China • Anti-Money Laundering Law of the People's Republic of China • Anti-Unfair Competition Law of the People's Republic of China • Tendering and Bidding Law of the People's Republic of China

The ESG Reporting Guide Content Index of the Stock Exchange of Hong Kong Limited

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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 Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Control
KPI A1.1	The types of emissions and respective emissions data.	Emissions Control
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Emissions Control – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions Control – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions Control – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions Control – Our Environmental Targets
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions Control – Waste Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity.	Use of Resources – Water Consumption
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	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.	Use of Resources – Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources – Use of Packaging Materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The 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.	The Environment and Natural Resources – Protection of Biodiversity and the Nature
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 – Climate-related Management, Physical Risks, Transition Risks

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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, 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.	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

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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 – Suppliers' Evaluation and 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 – Green Sourcing
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 – Green Sourcing

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility – Quality Assurance
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility – Complaint Channel
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Assurance, Safeguarding Customer Assets
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Protection of Customer's Information and Data Privacy

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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 – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	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.	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