S.A.S. Dragon Holdings Limited

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



44th Anniversary Since 1981

1994 1981 32nd LISTING 2026

2025 CARING COMPANY HKCSS

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S.A.S. Dragon Holdings Limited (the "Company") together with its subsidiaries (the "Group" or "we" or "our" or "us") is a leading ELECTRONIC SUPPLY CHAIN SERVICES PROVIDER in the Greater China region. The Group specializes in design, development, sourcing, quality assurance and logistics management of global proprietary electronic components and semiconductor products including chipset solutions, display panels, memory chips, power supply system solutions, multimedia system solutions, PEMCO, IoT home automation solutions, light-emitting diode ("LED") lighting solutions and other premier solutions for a wide range of applications for mobile, consumer electronics, computer and networking and telecommunication and LED lighting and display products. According to Gartner's data, in terms of revenue, the Group is ranked in between top 9 to 12 global semiconductor distributor and the top Hong Kong based semiconductor distributor during 2018 to 2025.

REPORTING PERIOD, FRAMEWORK, PRINCIPLES AND SCOPE

The board (the "Board") of directors (the "Director(s)") of the Group is pleased to present this environmental, social and governance report (the "Report") which sets out matters relating to the environmental, social and governance ("ESG") of the Group for the period from 1 January 2025 to 31 December 2025 (the "Reporting Period" or "2025").

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

This Report follows the reporting principles in the ESG Guide:

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

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

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

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

Unless otherwise specified, the environmental key performance indicators ("KPIs") of the Report covers the Group's operations in relation to (i) the sales of electronic components and semiconductors and (ii) distribution of business equipment and provision of related ancillary services in Hong Kong and Mainland China (the "Reporting Scope") as they contributed over 87% of the Group's revenue; while the social KPIs of the Report covers all subsidiaries of the Group.

COMMUNICATION WITH STAKEHOLDER

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

Stakeholders	Possible issues of concern	Communication channels
The Board	• Corporate governance • Regulatory compliance • Financial performance • Strategic development	• Board meetings • Committee meetings • Annual general meeting
Shareholders and investors	• Compliance with laws and regulations • Corporate governance system • Business strategies and performance • Investment returns	• Annual general meeting and other shareholder meetings • Financial reports • Press releases and circulars • Company website and email
Customers	• Good customer service • High-quality control • Customer's right • Business integrity and ethics	• Feedback from front-line employees • Interim and annual reports, corporate websites • Routine communications
Employees	• Remuneration and compensation • Career development • Health and safety	• Training activities and seminars • Employee notice boards • Staff appraisals
Suppliers	• Payment schedule • Stable demand • Fair and open tendering	• Emails • Regular assessment of suppliers' performance • Supplier management meetings and events • On-site visits • Tendering process
Regulatory bodies and government authorities	• Regulatory compliance • Prevention of tax evasion • Social welfare • Sustainable development • Occupational health and safety	• Interaction and visits • Company website
Media, community and the public	• Environmental protection • Employment and community development • Social welfare	• the Report • Media

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

MATERIALITY ASSESSMENT

In order to better understand the updated preferences of stakeholders, the Group solicited their opinions on the priorities on the reporting items in the ESG reports of the Company by means of questionnaire survey. A stakeholder engagement exercise was performed during the period from October to December 2025 and more than 20 major stakeholders of the Group were successfully consulted. The stakeholders included suppliers, customers, employees and a shareholder of the Group. The questionnaires set out twelve aspects of the ESG scope, and the stakeholders were asked to rank three aspects that concerned them most in terms of priorities and provide their reasoning. The rankings were assigned with designated scores for calculating and reflecting the pressing ESG issues regarding the Group those stakeholders were concerned. The results show that "Supply Chain Management", "Product Responsibility", "Health and Safety" and "Use of Resources" are the top priorities. The Group aims to continue improving these areas to satisfy the stakeholders' concerns.

In addition to the stakeholders' concern, the sustainability-related risks and opportunities that are most likely to affect the financial situation vary by industry. According to the Materiality Finder formulated by Sustainability Accounting Standards Board, the financially material ESG issues for the Group are "Employee Health and Safety", "Labour Practices", "Water & Wastewater Management, "Waste & Hazardous Materials Management", "Materials Sourcing & Efficiency" and "Product Design & Lifecycle Management". For sustainability, the Company will pay more attention to these issues in the long run.

GOVERNANCE STRUCTURE

While the Group is committed to creating value for its shareholders, it also strives to fulfil its corporate social responsibility. The Board is ultimately responsible for overseeing the Group's corporate governance and overall ESG management approach. The Board plays a supervisory role in collecting data, drafting and reviewing the Report. Information on the Group's governance structure is set out in the corporate governance report attached in the Annual Report 2025.

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

A. ENVIRONMENTAL

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

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

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

A1. Emissions

Air emissions

The Group's major sources of exhaust gas emissions were originated from petrol and diesel consumed by vehicles. Thus, the Group has developed clear guidelines in relation to daily vehicular operation. The Group periodically records and monitors the fuel consumed, educates employees to turn off engines for idling vehicles, and conducts regular vehicle inspections and maintenance to enhance vehicle efficiency. With more efficient use of vehicles, the air emissions intensity has decreased by 10.28% from FY2024. The air emissions performances were as follows:

Types of exhaust gases	Unit	2025	2024
Nitrogen Oxides (NOx)	g	338,189	328,962
Sulphur Oxides (SOx)	g	762	831
Particulate Matter (PM)	g	16,197	18,849
Total air emissions	**g**	**355,148**	**348,642**
Total air emissions intensity	**g**	**13.44**	**14.98**

Note:

1. During the Reporting Period, the Group's total revenue in respect to the Reporting Scope was approximately HK$26,420 million (2024: approximately HK$23,275.57 million). The data is also used for calculating other intensity data.

Greenhouse gas ("GHG") emissions

The major sources of the Group's GHG emissions were direct GHG emissions generated from petrol and diesel consumed by vehicles, as well as town gas cooking (Scope 1), and energy indirect GHG emissions generated from purchased electricity and town gas cooking (Scope 2). To reduce GHG emissions during operation, the Group has actively adopted energy conservation measures, which are described under aspect A2 of the Report. With more efficient use of resources, the GHG emissions intensity for the Reporting Period was decreased by approximately 23.65% from FY2024. The GHG emissions performances were as follows:

Indicator[1]	Unit	2025	2024
Direct GHG emissions (Scope 1)	tCO_2e	134	147
Indirect GHG emissions (Scope 2)	tCO_2e	137	167
Total GHG emissions (Scope 1 and 2)	tCO_2e	272	314
Total GHG emissions intensity	tCO_2e/million dollars revenue[2]	0.01	0.01

Note:

2. GHG emission data are presented in terms of carbon dioxide equivalent and are based on, including, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "Notice on the Management of Enterprise Greenhouse Gas Emissions Reporting by Power Generation Industry in 2023–2025" issued by the Ministry of Ecology and Environment of the PRC, the "Sustainability Report 2024" published by CLP Holdings Limited, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" and "Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework" issued by the Stock Exchange and "Global Warming Potential Values" from the IPCC Sixth Assessment Report (AR6).

The Group has achieved the target set in last year, which is to maintain the total GHG emission intensity level in 2025 as in 2022, due to a reduction in consumption of petrol and electricity. The Group has maintained the emission target to maintain the total GHG emission intensity level in 2025 as in 2024 (2024: approximately 0.01 tCO_2e per million dollar revenue). In order to achieve this emission target, the Group has implemented a number of energy-saving measures. For measures on energy conservation and emission reduction, please refer to the section headed "Use of Resources".

Waste Management

Non-hazardous solid wastes were generated in our office and warehouse during our operation. With the aim of minimising the environmental impacts of non-hazardous wastes generated from our business operations, the Group has implemented relevant measures to handle such waste and has launched different reduction initiatives. The Group encourages its employees to handle documents electronically. When the use of paper is required, documents are required to use double-sided printing. In addition, recycling bins are provided at our workplace with waste paper and used toner cartridges collected for recycling. Moreover, we arranged conference calls or video conferences instead of face-to-face meetings where possible. During the Reporting Period, the total non-hazardous wastes were amounted to about 24.87 tonnes (2024: approximately 28.12 tonnes), which approximates to 0.001 tonnes per million dollars revenue.

During the Reporting Period, the total of hazardous wastes were amounted to zero kg (2024: 30kg). The hazardous waste disposed mainly consist of failed personal computers and monitors. The abovementioned wastes were collected by a recycle shop. The Group will continue to work with licensed recycling companies, hands the hazardous electronic wastes for recycling and handling and comply with the relevant environmental laws and regulations.

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

During the Reporting Period, the Group has disposed 3.48 tonnes of paper, with an intensity of 0.00013 tonnes per million dollars revenue. The Group has achieved the target set in last year, which is to maintain the total paper disposal intensity level in 2025 as in 2022. The Group has maintained the target for waste generation to maintain the total paper disposal intensity level in 2025 as in 2024 (2024: approximately 0.0002 tonnes per million dollars revenue). In order to achieve this waste disposal target, the Group has adopted green office practices to reduce paper consumption. The Group has implemented an electronic office system to encourage the use of electronic forms for internal communication, such as business trip application and expense reimbursement application. In addition, the Group has set double-side printing as the default mode for printers.

A2. Use of Resources

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

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

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

Energy consumption and water consumption

Use of resources	Unit	2025	2024
Direct energy consumption			
Unleaded petrol	kWh	276,116	302,920
Diesel	kWh	227,920	247,001
Indirect energy consumption			
Purchased electricity	kWh	318,330	378,899
Total energy consumption	kWh	822,366	928,820
Total energy consumption intensity	kWh/million dollars revenue	31.13	39.91
Water consumption	Cubic meter	592	571
Water consumption intensity	Cubic meter/million dollars revenue	0.02	0.02

The Group has set an energy use efficiency target to maintain the total energy consumption intensity level in FY2025 as in FY2024 (2024: approximately 39.91 kWh per million dollars revenue). With above number of energy-saving measures, the total energy consumption intensity has decreased by approximately 22% from FY2024. The Group will continue to pursue to maintain the energy efficiency target in FY2026.

The Group has set a water use efficiency target to maintain the water consumption intensity level in FY2025 as in FY2024 (2024: approximately 0.02 m^3 per million dollars revenue). The Group has implemented the water-saving measures above in order to achieve this water use efficiency reduction target.

Sewage Discharge

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

Total packaging material used

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

A3. The Environment and Natural Resources

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

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

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

GREEN OFFICE POLICY

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

- Implement electronic file management, encouraging employees to process documents on computers and transmit information electronically as far as possible, and reducing the printing, transmission, sorting and archiving of paper files. The number of envelopes, portfolios and brochures issued by the Group is also subject to verification and control to minimise the demand for paper;

- Categorise waste, recycle and transfer recyclable resources to qualified recyclers, various collection bins have been placed in the office for the recycling of single-sided printed paper and printer cartridges;

- Put up "Save Water" reminders in appropriate places to remind employees to reduce water consumption in their daily operations and to close the taps immediately after use so as to reduce unnecessary waste; and

- Enhance daily maintenance and management of water equipment, including regular maintenance of water mains and pipes to reduce hidden leakage.

B. SOCIAL

B1. Employment

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

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

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

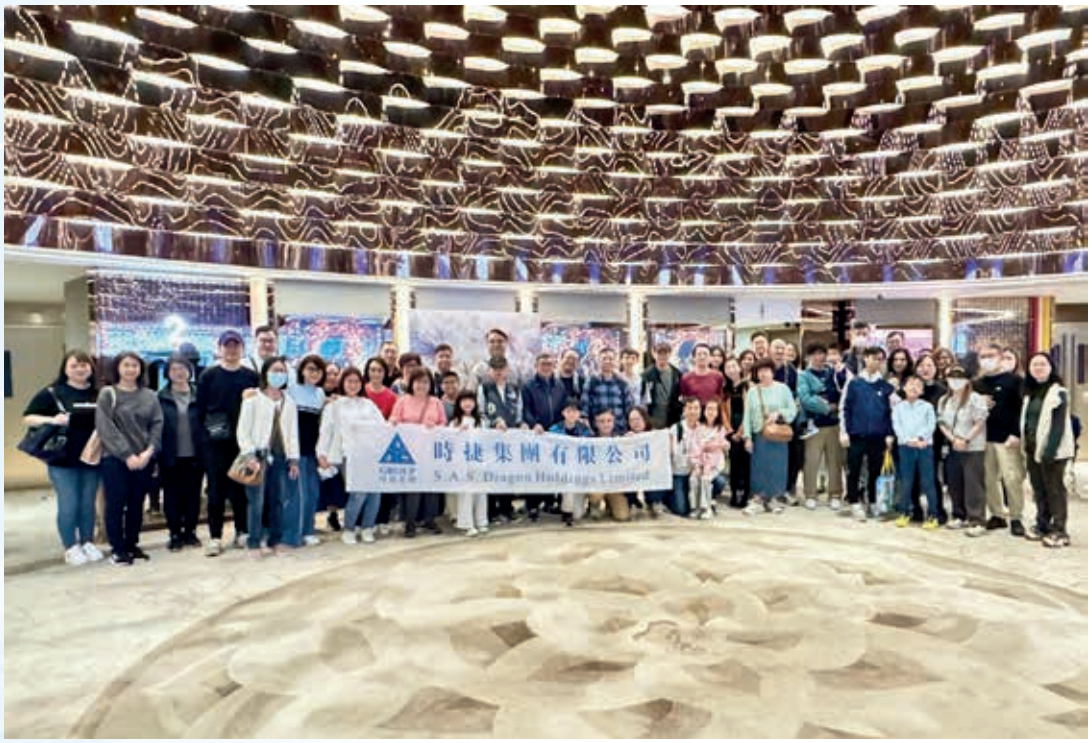
Tsuen Wan Dragon Boat Race 2025



S.A.S. Christmas Buffet 2025



S.A.S. Group sponsored colleagues to watch the "Ne Zha 2"



As at 31 December 2025, the Group had a total of 500 employees in the Greater China Region, and the distribution of employees within the Group were as follows:

Distribution of employees	**2025** %
By Gender	
Male	56
Female	44
By Employment Type	
Full-time	100
Part-time	0
By Age Group	
Below 30	10
30 to 50	68
Over 50	22
By Region	
PRC	50
Hong Kong	41
Taiwan	9

As at 31 December 2025, the overall employee turnover rate was 14%. The breakdown of turnover rate was as follows:

Employee Turnover Rate	**2025** %
By Gender	
Male	17
Female	11
By Age Group	
Below 30	18
30 to 50	16
Over 50	7
By Region	
PRC	12
Hong Kong	18
Taiwan	9

B2. Health and Safety

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

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

During the Reporting Period, the Group did not record any lost-days related to work injuries (2024: 150 lost-days). Also, the Group did not record any work-related fatalities occurred in the past three Reporting Periods.

B3. Development and Training

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

As at 31 December 2025, there is 206 employee trained. The percentage of employees trained by the Group's employees in the Greater China Region were as follows:

Percentage of employee trained	**2025** %
By Gender	
Male	46
Female	36
By Employee Category	
Senior management	4
Middle management	12
Junior employees	84

As at 31 December 2025, total training hours offered in 2025 was 5,209 hours, average 10.4 hours per employee (2024: 3,814 hours in total, average 7.5 hours per employee), which reflected our continuous commitment. the total training hours received by the Group's employees in the Greater China Region were as follows:

	2025
Total no. of hours of training received by employees	5,209
Average hours of training per employee	
By Gender	
Male	10
Female	10
By Employee Category	
Senior management	2
Middle management	6
Junior employees	12

B4. Labour Standards

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

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

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

B5. Supply Chain Management

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

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

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

Suppliers by Region	
China	1,045
Hong Kong	177
Taiwan	123
Other Asian Countries	41
Others	86
Total	**1,472**

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

B6. Product Responsibility

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

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

- a series of inspections upon the receipt of the products in our warehouse regarding, among others, their appearance, packaging, specification and brand logo, etc. on a sampling basis; and

- if any defects are identified, the relevant product will be returned to the supplier for replacement.

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

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

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

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

B7. Anti-corruption

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

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

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

To firmly reject the occurrence of corruption, frauds, etc., the Group has established whistle-blowing policy for employees and other stakeholders to report any suspected improper or illegal activities through any anonymous ways such as by mail, email, telephone, etc. The Group will investigate and handle the case once internal corruption-related information is received. The investigations are administered on a confidential basis and there will be no reprisal against employees. During the Reporting Period, the Group provided anti-corruption training to both Directors and employees, with approximately 9 hours and 3 hours were provided to 9 Directors and 3 employees respectively.

B8. Community Investment

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

S.A.S. continues to be appointed as "Safe City Ambassadors by the Hong Kong Police Force"

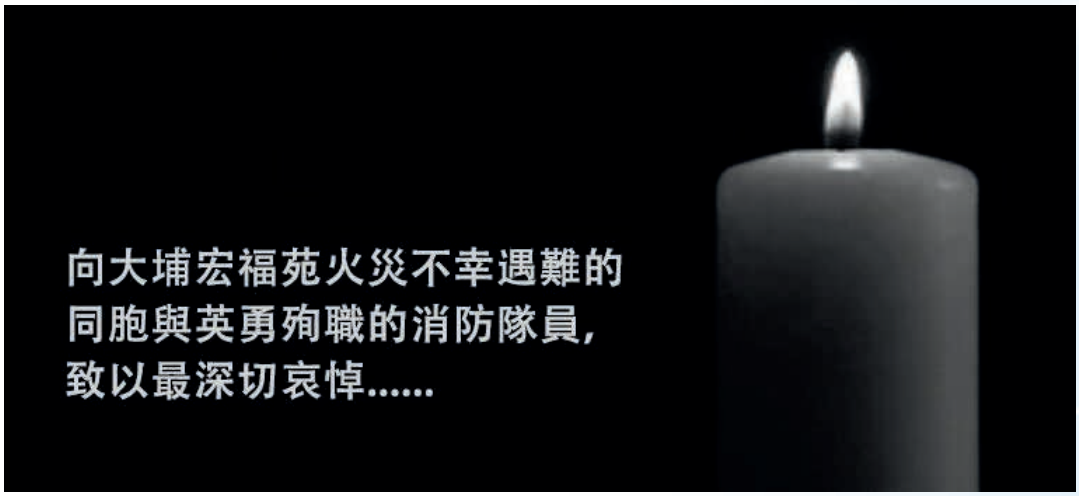


During the Reporting Period, the Group donated approximately HK$13,345,000 to charitable and other non-profit organisations in Hong Kong and China.

The Group donated supplies to the Kowloon Tsai Home Owners Association



S.A.S. Group donates HK$5 Million to Support Residents Affected by Tai Po Wang Fuk Court Fire



CLIMATE-RELATED DISCLOSURES

1. Governance

Board Oversight of Climate-Related Risks and Opportunities

The Board has ultimate responsibility for overseeing the Group's climate-related risks and opportunities. The Board plays a supervisory role in collecting data, drafting and reviewing the ESG Report, and is also responsible for ensuring the effectiveness of the Group's risk management and internal control mechanisms.

Management's Role

To develop a systematic management approach for climate and ESG issues, the Group has arranged designated personnel from various departments to manage ESG matters as a working group. The ESG Working Group is responsible for:

- Collecting relevant information on climate-related and ESG aspects for the preparation of the ESG Report
- Periodically reporting to the Board on climate-related matters
- Assisting in identifying and assessing the Group's climate-related and ESG risks
- Evaluating the implementation and effectiveness of the Group's internal control system to evaluate, prioritise and manage material climate-related issues
- Examining and reviewing the Group's climate and ESG performance against the Group's ESG-related goals and targets, including environmental targets

Climated-Related Remuneration

The Group currently does not formally factor climate-related considerations into its executive remuneration policy. The Group will continue to assess the feasibility of incorporating climate-related key performance indicators (KPIs) into future remuneration frameworks, as encouraged under Paragraph 35 of the ESG Code.

2. Strategy

Climate-Related Risks and Opportunities

The Group recognises that climate change has been affecting its stakeholders, business operations and communities in different aspects, and strives to enhance its ability to respond to climate impacts and mitigate the risks and impacts of climate change. As a leading electronic supply chain services provider in the Greater China region, the Group has identified the following climate-related risks and opportunities that could reasonably be expected to affect its cash flows, access to finance, or cost of capital over the short, medium or long term:

Physical Risks

Risk Type	Description	Time Horizon	Potential Impact
Acute physical risk	Extreme weather events such as typhoons and rainstorms may disrupt business operations, affecting warehouse activities and logistics	Short to medium term	Operational disruption; damage to inventory and infrastructure; employee safety risks
Acute physical risk	Extreme weather conditions may endanger the health and safety of employees	Short term	Increased absenteeism; potential work injuries; business continuity risks

Transition Risks

Risk Type	Description	Time Horizon	Potential Impact
Legal/regulatory risk	Laws and regulations related to climate change are expected to become more stringent, including the potential adoption of carbon taxes by local governments to manage national GHG emissions	Medium to long term	Higher operating costs to comply with regulatory changes; legal exposure
Market/technology risk	Increasing customer and stakeholder expectations for low-carbon supply chain services	Medium to long term	Potential loss of business if climate standards are not met

Climate-Related Opportunities

Opportunity Type	Description	Time Horizon
Resource efficiency	Energy conservation measures and adoption of LED lighting, efficient vehicle fleet management, and electronic office systems reduce operating costs	Short to medium term
Products and services	Growing demand for energy-efficient semiconductor and LED lighting solutions positions the Group to serve expanding markets for green technology	Medium to long term

Impact on Business Model and Value Chain

The Group's core business involves design, development, sourcing, quality assurance and logistics management of global proprietary electronic components and semiconductor products. Climate-related risks are concentrated primarily in the Group's warehouse and logistics operations in Hong Kong and Mainland China, where extreme weather events could disrupt distribution activities. Transition risks relate to the Group's full value chain, as potential carbon pricing or enhanced regulatory requirements may affect the cost of purchased energy and transportation fuel.

Strategy and Decision-Making (Transition Plan)

In response to climate-related risks and opportunities, the Group has taken the following strategic measures:

- **Energy conservation and emissions reduction:** The Group has actively adopted energy-saving measures including LED lamp installation for offices and warehouses, regular maintenance of air conditioning filters, default double-sided printing settings, and temperature control policies to maintain room temperature at 25° C during summer.
- **Fleet optimisation:** Clear guidelines for vehicular operations have been developed, including periodic monitoring of fuel consumption, educating employees to turn off idling engines, and conducting regular vehicle inspections to enhance efficiency.
- **Digitalisation and green office practices:** Implementation of electronic file management systems, electronic forms for internal communications (such as business trip applications and expense reimbursements), and preference for conference calls or video conferencing over face-to-face meetings to reduce travel-related emissions.
- **Waste management:** Adoption of the "Reduce, Reuse, Recycle and Replace" principle to minimise adverse environmental impacts and manage waste responsibly.

The Group has set and maintained targets to hold GHG emission intensity, energy consumption intensity, and waste disposal intensity at prior-year levels, demonstrating a commitment to continuous improvement.

Climate Resilience

Resilience assessment: The Group considers its business model and strategy to be reasonably resilient to climate-related risks in the short to medium term, given the nature of its operations as a supply chain services provider with limited direct manufacturing exposure. The Group's contingency measures for adverse weather conditions, flexible work arrangements during extreme weather events, and ongoing energy conservation initiatives provide a foundation for adapting to both physical and transition risks. However, the Group acknowledges areas of uncertainty, particularly around the timing and stringency of future carbon pricing mechanisms in Hong Kong and Mainland China.

Current and Anticipated Financial Effects

Current financial effects: During the Reporting Period, the Group did not identify material current financial effects arising from climate-related risks. However, the Group's energy cost savings from reduced fuel and electricity consumption contributed to lower operating costs.

Anticipated financial effects: Over the medium to long term, the Group anticipates that:

- Potential carbon taxes or enhanced emissions pricing in the PRC and Hong Kong could increase operating costs for vehicle fleet and energy consumption.
- More stringent climate-related regulations may require additional compliance expenditures, including investment in carbon accounting, monitoring systems and professional advisory services.
- Opportunities exist for revenue growth in energy-efficient and green technology solutions (LED lighting, IoT home automation) as markets shift toward sustainability.

3. Risk Management

Process for Identifying, Assessing and Managing Climate-Related Risks

The Group's climate risk management is integrated into its overall enterprise risk management framework. The process includes:

- **Identification:** The ESG Working Group identifies climate-related risks through regular monitoring of regulatory developments, stakeholder engagement, and assessment of the Group's operational exposure to physical and transition risks. The Group continuously monitors any changes in laws or regulations relevant to climate change.
- **Assessment:** Climate-related risks are assessed based on their nature, likelihood, and the magnitude of potential effects on the Group's operations and financial position. The Group considers both quantitative and qualitative factors.
- **Prioritisation and management:** Material climate-related risks are prioritised and reported periodically to the Board. The Working Group evaluates and manages these risks through implementation of mitigation measures such as energy conservation policies, contingency planning for extreme weather, and engagement of compliance advisory services.
- **Monitoring:** The Working Group examines and reviews the Group's climate and ESG performance against targets, including GHG emissions, energy and water consumption intensity targets.

Mitigation Measures for Physical Risks

To minimise disruptions from extreme weather caused by climate change, the Group has implemented:

- A set of contingency measures for adverse weather conditions
- Appropriate back-up of important information to minimise negative impact on business operations
- Comprehensive typhoon and rainstorm arrangements to protect employees' health and safety
- Flexible off-duty day schedules and real-time weather notifications via communication software and email
- Consideration of individual employee circumstances (residence, nearby roads, traffic conditions) under extreme weather

Mitigation Measures for Transition Risks

The Group has adopted a series of measures against possible legal and regulatory risks:

- Continuous monitoring of changes in climate-related laws and regulations
- Engagement of compliance advisory services to reduce legal risks
- Comprehensive environmental protection measures, including GHG emissions reduction initiatives, to exceed current compliance requirements and facilitate swift adaptation to future, more stringent regulations

Integration with Overall Risk Management

The Group's climate-related risk management processes are integrated into its overall enterprise risk management framework, ensuring that climate-related risks are considered alongside other business risks in strategic decision-making. During the Reporting Period, there were no material changes to the risk management processes compared with the previous reporting period.

4. Metrics and Targets

Greenhouse Gas (GHG) Emissions

Please refer to the A1 Air emissions for the Scope 1 and Scope 2 emissions and the targets.

As for Scope 3 emissions, the Group has started to quantify two types of the Scope 3 greenhouse gas emissions in 2025:

1. Paper waste disposed at landfills: 8.35 tCO_2e (half of the paper used are recycled).
2. Electricity used for processing fresh water and sewages in Hong Kong: 0.38 tCO_2e

Assets/business activities vulnerable to physical risks: The Group's warehouse and logistics facilities in Hong Kong and Southern China are exposed to acute physical risks from extreme weather events (typhoons, rainstorms). The Group maintains contingency and business continuity plans for these facilities.

Assets/business activities vulnerable to transition risks: The Group expects that its vehicle fleet operations and energy-intensive warehouse activities are most vulnerable to potential carbon pricing and regulatory changes. The Group will progressively quantify the proportion of assets and business activities exposed to transition risks as methodologies and data become available.

Assets/activities aligned with climate-related opportunities: The Group has invested in energy-efficient equipment (LED lighting, maintained air conditioning systems) and adopted online meeting practices to reduce emissions. The quantification of assets aligned with opportunities is under development.

Capital deployed toward climate-related risks and opportunities: The Group has invested in energy-efficient lighting (LED), electronic office systems, and vehicle fleet optimisation during the Reporting Period.

Internal Carbon Pricing: The Group has not yet adopted an internal carbon price for decision-making purposes. The Group will continue to evaluate the adoption of an internal carbon pricing mechanism to better quantify the financial implications of its carbon footprint and to support capital expenditure and strategic decisions, as encouraged under Paragraph 34 of the ESG Code.

5. Application of the Implementation Reliefs

The Group is currently in the foundational stage of its sustainability journey. While we are committed to enhancing our environmental transparency, we currently face limitations regarding the specialized technical capabilities and data infrastructure required for certain advanced disclosures.

Capabilities and Financial Effects Reliefs are applied. Due to current constraints in internal resources and the high degree of uncertainty in quantifying specific financial impacts, the Group has omitted the disclosure of current and anticipated quantitative financial effects of climate-related risks and opportunities.

Reasonable Information Relief is applied. Given the unavailability of high-quality primary data and the significant challenges in estimation, we have not included current and anticipated quantitative financial effects and climate-related scenario analysis in this report. These omissions are based on our assessment that such information cannot be obtained without undue cost or effort at this stage.

Looking forward, leveraging the experience and reasonable judgement of our ESG Working Group and the ongoing refinement of our internal monitoring systems, the Group is actively working to bridge these data gaps. We are committed to a process of continuous improvement and intend to progressively enhance our climate-related disclosures through iterative learning and the systematic strengthening of our sustainability framework.