



德林控股
DL HOLDINGS

DL HOLDINGS GROUP LIMITED
德林控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1709

2023/2024

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) AND REPORTING

DL Holdings Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) are pleased to present this ESG report (the “**ESG Report**”), which summarises the ESG policies, initiatives, and performance of the Group, in accordance with the requirement of the Appendix C2 Environmental, Social and Governance Reporting Guide (“**ESG Guide**”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

GOVERNANCE STRUCTURE

The board of directors of the Company (the “**Board**”) is responsible for overseeing the ESG issues, evaluating and identifying ESG-related risks and ensuring the appropriateness and effectiveness of the Company’s ESG risk management policies and internal control systems for ESG issues are in place. The management of the Group verified that the policies and systems in place were effective for the year ended 31 March 2024, and the Board confirmed the information disclosed in the ESG Report complies with ESG Guide.

The Group has a clear business development strategy. The value of the Group is derived from better utilization of resources and strong relationships with stakeholders. The Group recognizes the importance of operating business in a responsible manner to achieve sustainable development. Sustainable development is critical to the ability to obtain affordable funding and enhance long-term competitiveness. The Group is committed to operating responsibly by incorporating environmental and social factors into management considerations as long-term vision and strategy. The Group has established and implemented a set of policies to monitor and manage risks related to the environment, employment, product and service quality control and governance. Details of the management approaches to sustainable development of different areas are illustrated in the ESG Report.

ESG MANAGEMENT APPROACH

The Group is committed to achieving high standards of environmental, social and governance performance and meeting all applicable legal requirements in the markets where it operates. It considers this to be an important foundation for the Group to engage its stakeholders and grow the business responsibly and in a sustainable manner. In addition, the Group attaches great importance to employee development and environmental protection.

The Group’s ESG approach is to ensure that the Group continues to create long-term value for its stakeholders by retaining the economic and social advantages of its operations. It also takes the necessary steps to protect and support the communities.

The Group strives to address the potential risk and opportunities brought by sustainability issues by encouraging cross-departmental collaborations. The approach to tackle problems from multiple points of view is expected to provide more comprehensive solutions to problems that the society is facing today.

The Group understands that environmental conservation and community engagement is more than a moral imperative, it also makes good business sense. By upholding its commitment to corporate social responsibility, the Group strives to forge itself into an environmentally friendly enterprise that cares about its employees’ development and protects their rights and interests.

To provide additional oversight and direction, the Board was also involved with setting ESG-related targets, and were tasked to review progress made against them annually by comparing the ESG related data against those data in the previous reporting period and by comparing against the ESG related targets. The Board will also adjust the ESG related targets after considering the relevance of such ESG issues with the business of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING PRINCIPLES

The ESG Report is governed by mandatory disclosure requirements and “Comply or Explain” provisions. To present a fuller picture of our ESG performance and practices, the ESG Report was prepared by four core principles:

- **Materiality:** The ESG Report shall disclose any quantitative or qualitative ESG data that are sufficiently important to the stakeholders of the Group.
- **Quantitative:** The disclosures in this ESG Report have been organised and calculated in accordance with a range of internationally harmonised disclosure statistics. Key performance indicators relating to historical data can be measured. The Group has set targets for reducing individual impacts and the effectiveness of ESG policies and management systems can be assessed and verified. Quantitative information is accompanied by explanatory notes describing their purpose and impact and, where appropriate, comparative data is provided.
- **Balance:** To present the sustainable performance of the Group for the Reporting Period (as defined below) in an unbiased and objective manner, avoiding selections, omissions or formats of presentation that might improperly influence the decisions or judgements of the readers of the ESG Report.
- **Consistency:** This ESG Report uses consistent statistical methods and assumptions for the data and explains the methodology so that the ESG data can be meaningfully compared at a later date. Changes, if any, are stated clearly to allow meaningful comparison over time.

SCOPE OF REPORT

Unless stated otherwise, the ESG Report mainly includes the Group’s core business in sales of apparel products with the provision of supply chain management total solutions to customers (the “**Apparel Business**”) as well as its provision of financial services of licensed business including financial advisory services; securities research services, securities trading and brokerage services; margin financing services; referral services; insurance broking services; and investment management and advisory services and provision of money lending services, as well as provision of enterprise solutions services (the “**Financial Services Businesses**”).

The information stated in this ESG Report spans from 1 April 2023 to 31 March 2024 (the “**Reporting Period**”), and includes all subsidiaries of the Group during the Reporting Period. The information in this ESG Report was gathered and organized through various channels, including but not limited to the internal control policies of the Group, the factual evidence of the implementation of ESG, the key performance indicators (“**KPIs**”) listed according to the ESG Guide, and the annual performance quantitative data of the Group in business operation and ESG management.

This ESG Report covered the subject areas of environmental and social, which will be discussed by reference to different aspects of the relevant policies and laws as addressed by the ESG guide. Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report on page 23 of the annual report of the Company for the Reporting Period. The Group will continue to assess the major ESG aspects and determine the areas to be reported in the future ESG reports.

REPORTING FRAMEWORK

The ESG Report shall be published both in Chinese and English on the websites of the Stock Exchange and the Company. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

STAKEHOLDERS ENGAGEMENT

In order to define the Group’s current and future sustainable development strategies, it is necessary to ensure the understanding of the Group’s stakeholders’ perspectives and their expectations on the development and success of the Group, and this will help the Group to assess the potential impacts of the Group’s future business activities on environmental and social aspects.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholders and their feedback regarding the Group's business and ESG aspects are highly valued by the Group. To understand and address their main concerns, the Group has maintained close communication with its key stakeholders, including but not limited to employees, customers and suppliers, through different platforms such as meetings and surveys.

The Group also continues to enhance its performance, deliver products and services that address stakeholders' needs and creates greater value for the community on an ongoing basis.

The Group will continue to maintain effective communication with the major stakeholders in various ways in order to deal with their concerns and feedback in a timely manner. It is believed that it is necessary to consider the needs of all stakeholders, which is essential to maintaining a long-term friendly relationship with shareholders and investors, employees, customers and public bodies. The areas of concern considered by the stakeholders are listed below:

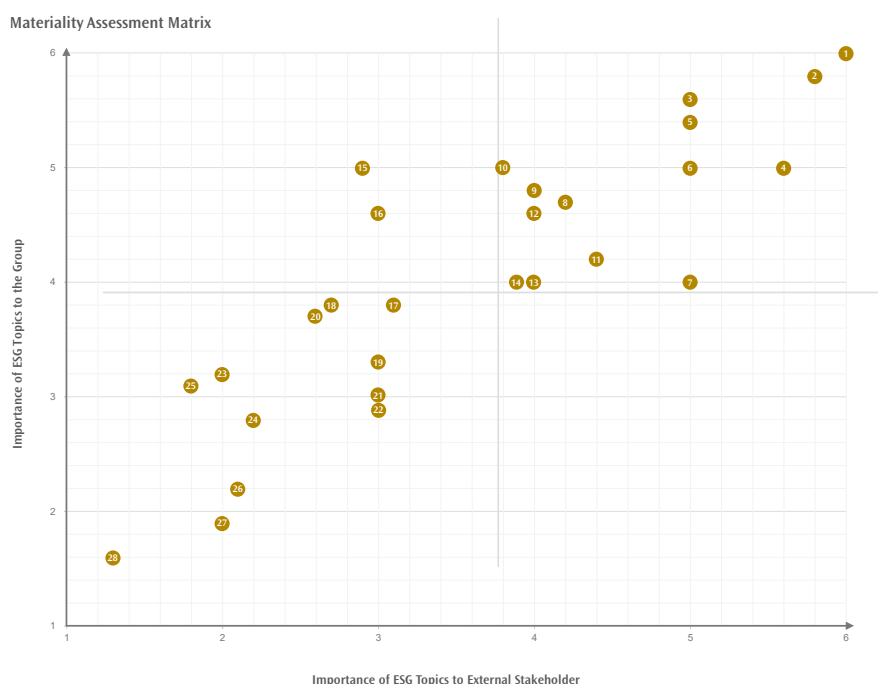
Major Stakeholder Engaged	Major Communication Channels	Major Concerns
Shareholders and investors	<ul style="list-style-type: none"> Press Release, Corporate Announcements and Circulars Annual and Interim Reports General Meetings 	<ul style="list-style-type: none"> Business Development Plan Financial and Business Stability Information Disclosure and Transparency Profitability
Employees	<ul style="list-style-type: none"> Trainings and Team Building Activities Business Meetings and Briefings Performance Appraisals 	<ul style="list-style-type: none"> Career Development and Training Opportunities Compensation and Benefits Occupational Health and Safety Personal Data Protection and Security
Public Community	<ul style="list-style-type: none"> Charitable and Volunteering Activities Community Interactions Marketing 	<ul style="list-style-type: none"> Corporate Social Responsibilities Community Investment and Charitable Activities
Government and Supervisory Institutions	<ul style="list-style-type: none"> Compliance Report Major Meeting and Policy Consultation Information Disclosures Examinations and Inspections 	<ul style="list-style-type: none"> Compliance Operation Corporate Governance Environmental Protection
Local Users of Natural Resources	<ul style="list-style-type: none"> ESG Reporting 	<ul style="list-style-type: none"> Energy Saving and Emission Reduction Mitigation Measures
Customers	<ul style="list-style-type: none"> Business Communication Customer Feedback 	<ul style="list-style-type: none"> Information Security Product and Services Quality

MATERIALITY ASSESSMENT

The Group undertook an annual review by engaging its stakeholders in a materiality assessment survey during the Reporting Period in order to identify their main concerns and material interest of ESG issues. The Group selected a group of stakeholders that have impacted our business the most and invited them to share their views on the Group's current ESG's performance in an online survey. Based on their feedback and comparison with major ESG issues from peer companies, we have evaluated and determined the key ESG issues for our Group to further develop our sustainable business strategy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The result of the materiality assessment is shown below:



Item	ESG Topic	Item	ESG Topic
1.	Customer satisfaction	15.	Occupational health and safety
2.	Customer information and privacy	16.	Climate change
3.	Number of concluded legal cases regarding corrupt practices, e.g. bribery, extortion, fraud and money laundering	17.	Product and service labelling
4.	Observing and protecting intellectual property rights	18.	Environmental risks (e.g. pollution) and social risks (e.g. monopoly) of the suppliers
5.	Anti-corruption policies and whistle-blowing procedure	19.	Non-hazardous waste production
6.	Marketing communications (e.g. advertisement)	20.	Product health and safety
7.	Employee development and training	21.	Environmentally preferable products and services
8.	Diversity and equal opportunity of employees	22.	Energy use (e.g. electricity, gas, fuel)
9.	Cultivation of local employment	23.	Hazardous waste production
10.	Selection and monitoring of suppliers	24.	Use of materials (e.g. paper, packaging, raw materials)
11.	Anti-corruption training provided to directors and staff	25.	Greenhouse gas emissions
12.	Employee remuneration, benefits and rights (e.g. working hours, rest periods, working conditions)	26.	Mitigation measures to protect environment and natural resources
13.	Community support (e.g. donation, volunteering)	27.	Water use
14.	Preventing child and forced labour	28.	Air emissions

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group, through various communication channels, understands that the major ESG concerns for major stakeholders include customer satisfaction, customer information and privacy, number of concluded legal cases regarding corrupt practices, observing and protecting intellectual property rights, and anti-corruption policies and whistle-blowing procedure. These constitute the major ESG management priorities and objectives of the Group. After taking into account the results of the materiality assessment and the priorities and objectives of the Group, the ESG strategies of the Group were to incorporate ESG philosophy into its corporate governance and increase community involvement.

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on its ESG approach and performance. You are welcomed to provide your suggestions or share your views with the Group through any channel below to help the Group improve its ESG performance:

Email: info@dl-holdings.com

Website: <https://www.dl-holdings.com/>

Address: 29/F Vertical Square, 28 Heung Yip Road, Wong Chuk Hang, Hong Kong

Phone: +852 3188 5552

The following sections provide more information about the Group's practices in the areas of the environment, employees' engagement and development, good operating practices and the Group's contribution to the community.

ENVIRONMENTAL

Environmental protection is one of the aspects of sustainable development. The Group is committed to contributing to environmental protection in order to achieve sustainable development. In order to address environmental issues and mitigate their impact on our operations, the Group has established a set of environmental protection management policies, mechanisms and measures to ensure the sustainable development and operation of the Group in order to pursue the sustainable development of the environment and the community. The Group is becoming more and more cautious in controlling its emissions and resources consumption and the Group has, and continues to, strictly abide by the relevant environmental laws and regulations of different countries where it has daily operations.

In order to mitigate the environmental impact derived from the Group's business activities, the Group has adopted and implemented the above-mentioned environmentally friendly policies and these policies mainly apply to all subsidiaries of the Group. These policies adopt the waste management principle of "Reduce, Reuse, Recycle and Replace" as well as the principle of emission reduction. The purpose is to minimise the adverse impact of business activities on the environment and ensure that waste and exhaust emissions have been properly disposed of. The Group uses its best endeavours to establish and implement environmental protection policies and improve its environmental performance by reducing energy consumption and the use of other resources. The Group is committed to purchasing environmental protection equipment, energy-saving equipment etc., and adopts practical measures and policies to protect the environment. In the office, the Group implements green office, promotes internal paperless communication, encourages the use of renewable paper, and advocates staff to save water and electricity.

As the Group is principally engaged in the provision of the Apparel Business and the Financial Services Businesses during the Reporting Period, the Group is not aware of any relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste which has a significant impact on the Group.

During the Reporting Period, the Group found no violations of Hong Kong or PRC's environmental laws and regulations, and it has strictly complied with relevant laws and regulations on air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste. The Group aims to minimise the negative impact on the environment, encourages low-carbon travel, and is committed to contributing to environmental protection.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A.1. Emissions

Air Emissions

Due to the nature of the Group's business, the Group is not involved in any combustion, industrial production or any factory facilities, which will directly pollute the atmosphere. Therefore, the Group's business activities have no substantial impact on the air in the environment. In view of the daily business activities of the Group, air emissions mainly come from the daily use of business vehicles' fuel combustion. During the Reporting Period, the air emissions of sulphur oxides ("SOx"), nitrogen oxides ("NOx") and particulate matter ("PM") were 0.04 kg, 2.82 kg and 0.21 kg respectively (2023: 0.04 kg, 2.82 kg and 0.21 kg respectively), and the data values are insignificant to cause great pollution to the environment since the provision of the Apparel Business and the Financial Services Businesses have minimal direct impact to the environment.

In addition, the Group also actively encourages employees to use green travel, taking public transportation or carpooling when going out, so as to reduce the emission of pollutants caused by office travel.

Greenhouse gas emissions

The Group emits minimal amount of greenhouse gas ("GHG") in its operation, mainly arising from the consumption of petrol in business vehicles, electricity consumption of the office, and occasional business air travel. For the year ended 31 March 2024, the Group's total GHG emissions amounted to approximately 95 tonnes (2023: 93 tonnes) carbon dioxide equivalent ("tCO₂e") and the GHG emissions intensity was approximately 1.1 tCO₂e per employee (2023: 1.4 tCO₂e per employee). The reduction in GHG emissions is mainly due to a reduction in business air travel by employees.

Overall, the Group has relatively low energy consumption and raw materials usage. The Group did not generate any hazardous waste during the Reporting Period (2023: none). As such, the Group's main carbon footprint comes from indirect GHG emissions of electricity consumption, primarily due to the use of office equipment. The Group also actively encourages employees to use green travel by taking public transportation or carpooling when going out, so as to reduce the emission of pollutants caused by office travel.

The detailed summary of the GHG emissions is shown in the table below:

GHG Performance Summary ^(Note 1)	Unit	For the year ended 31 March 2024	For the year ended 31 March 2023
Direct GHG emissions (Scope 1) – petrol consumption	tCO ₂ e	7	7
Energy indirect GHG emissions (Scope 2) – electricity consumption	tCO ₂ e	58	75
Other indirect emissions (Scope 3) – Business air travel	tCO ₂ e	30	10
Total GHG emissions (Scope 1, Scope 2 and Scope 3)	tCO ₂ e	95	93
Intensity of GHG emissions ^(Note 2)	tCO ₂ e per number of employees	1.1	1.4

Notes:

- GHG emission data is presented in terms of tCO₂e and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development; "How to prepare an ESG Report-Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange; and "Global Warming Potential Values" from the Intergovernmental Panel on Climate Change Fifth Assessment Report, the "Sustainability Report 2023" published by the CLP Group and the "Sustainability Report 2023" published by the HK Electric Investments.
- The intensity data in the ESG Report was calculated based on the total number of full-time employees employed by the Group as at 31 March 2024 and 2023, which was a total of 83 and 67 employees respectively.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Since electricity consumption is the main source of the Group's GHG emissions, the Group has adopted green measures in the office to enhance its operational efficiency and to reduce the GHG emissions by keeping energy consumption to minimal. The Group has set the emission target of the Group to be in line with Hong Kong's Climate Action Plan 2050 as published by the Government of Hong Kong Special Administrative Region (the "**Hong Kong's Climate Action Plan 2050**") with the major decarbonisation strategies of net-zero electricity generation, and energy saving. In order to achieve such emission target, the Group would continue to adopt the green measures in the office and these measures are stated at the "Achieving High Energy Efficiency" section of aspect A.2 in this ESG Report in detail.

To summarise, the GHG emissions of the Group for the year ended 31 March 2024 increased by approximately 2.15% due to the increasing needs of business travel after resume to normalcy. However, the intensity (calculated based on total GHG emissions per employee) achieved a 21.43% decrease compared to the year ended 31 March 2023. Since the Group has no industrial production or any factory facilities, the Group did not produce significant direct air emissions.

Discharges into Water

For the year ended 31 March 2024, the amount of water consumed by the Group in conducting its business activities is relatively insignificant, and therefore it did not generate material discharge into water. The wastewater discharged by the Group is appropriately treated and discharged into the sewage system maintained by the Drainage Services Department.

The amount of water consumption of the Group represents the wastewater discharge volume. The details of water consumption will be presented in the "Water Consumption and Use of Packaging Materials" section in aspect A.2 in this ESG Report.

Waste Management and Minimisation

Hazardous Wastes Handling Method

Although the Group did not generate any hazardous waste for the years ended 31 March 2024 and 2023, the Group has established guidelines of governing the management and disposal of hazardous waste which set out that in case there are any hazardous waste produced, the Group must engage a qualified chemical waste collector to handle such waste in compliance with the relevant environmental laws and regulations.

Non-hazardous Wastes Handling Method

The Group's environmental policies (the "**Environmental Policies**") emphasise on carbon and waste reduction based on the principle of "Reduce, Reuse, Recycle and Replace" to minimise consumption and wastage of environmental resources.

With the purpose to minimise the impact on the environment, the Group has implemented appropriate measures to handle non-hazardous waste generated from its business operations and launched different waste reduction initiatives.

The volume of non-hazardous wastes generated by the Group is shown as below:

Non-hazardous waste category	Unit	For the year ended 31 March 2024	For the year ended 31 March 2023
Paper ^(Note 3)	Tonnes	1.36	1.37
Intensity – Paper used per employee	Tonnes per employee	0.02	0.02

Note:

- Paper consumption in 2024 and 2023 were equivalent to approximately 107 boxes and 112 boxes of paper respectively.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group regularly monitors the volume of paper consumed and has implemented a number of waste reduction measures. The Group also maintains high standard in reduction of waste and has educated its employees about the importance of sustainable development. During the Reporting Period, the Group contracted out wastepaper to qualified third parties for recycling.

During the Reporting Period, the Group's total paper consumption decreased slightly compared to the year ended 31 March 2023, with an approximately 0.73% decrease. The Group will continue to strengthen its control measures and strive to set a reduction target of approximately 2% on total paper consumption before 2029 from 2024 baseline.

To protect forest and reduce desertification, the Group started with saving paper. The Group is committed to adopting the paperless office mode to reduce consumption of paper, and advocates the staff to save paper and understand the importance of sustainable development. The reduction target would be achieving the Hong Kong's Climate Action Plan 2050 with the major decarbonisation strategies namely green buildings, and waste reduction.

The Group consumes paper for the business operations, and we have taken a number of measures to reduce paper consumption, including but not limited to the following:

- utilisation of "paperless communication" where applicable such as e-leave system for employees, and e-brochures for distributing to customers;
- promoting the use of recycled paper and toner or other eco-friendly materials;
- using high performance all-in-one "multi-function printers" that incorporate printer, scanner and copier functions into a single device. This can be shared among different departments in order to reduce the total number of different kinds of devices so as to minimise power consumption and carbon footprint as well as follow-up maintenance;
- installation of recycling bins for recyclable materials, including paper, aluminium cans and plastic; and
- environmental messages posted in the workplace to reinforce staff to reduce hazardous and non-hazardous waste.

Through the implemented measures, the staff are well-educated and are aware of their responsibilities in the workplace's waste management and a sense of minimising resource wastage has been fostered.

In addition to different means of reducing different consumption, the Group's business travels also contributed to certain carbon footprint. The Group has encouraged its employees to actively use video conference and call system platforms and email discussions to replace unnecessary business travels to reduce emissions. The Group will continue to take steps in further reducing the use of fuels and air emissions by using more public transport and reduce the frequency of air travel.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A.2. Use of Resources

The Group continues its initiatives to endorse resource efficiency and eco-friendly measures in the Group's operations, and is committed to optimising the allocation of resources in all of its business operations. The Group has laid out relevant policies and procedures in governing the use of resources, with reference to the objectives of attaining high energy efficiency and reducing unnecessary use of materials.

Achieving High Energy Efficiency

Energy policies, which are one of the Group's fundamental policies, have been developed to optimise energy conservation. All employees must enforce the adopted measures, including the purchase of energy-efficient products and services, and assume responsibility for the Group's overall energy efficiency. By setting up an energy management system, the Group develops and regularly updates its energy targets to continuously enhance the Group's energy performance. Unusually high consumption of electricity will be investigated to find out the root cause and preventive measures will be taken.

Saving resources is the common responsibility of the whole society. The Group is also committed to participating in water and electricity conservation and thereby contributing to the society.

The Group actively seeks ways to improve its operational efficiency while reducing resource usage. This will help protect the earth and achieve environmental sustainability. The resources used by the Group mainly come from water and electricity consumption in the office. The Group has adopted a green office approach to minimise the consumption of natural resources and the impact on the environment. In addition to controlling energy consumption, the Group is committed to enhancing the awareness of water conservation among employees and other stakeholders.

The energy consumption volume of the Group is shown as below:

Contents	Unit	For the year ended 31 March 2024	For the year ended 31 March 2023
Petrol	kWh	24,383	24,383
Intensity – Petrol consumption per employee	kWh per employee	293.77	363.93
Electricity	kWh	110,431	174,186
Intensity – Electricity consumption per employee	kWh per employee	1,330.49	2,599.80
Water	m ³	30	66
Intensity – Water consumption per employee	m ³ per employee	0.36	0.99

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Petrol and Electricity

The Group's petrol consumption is solely used for business vehicles, which has been discussed above in "A1. Emission". The petrol energy consumption was 24,383 kWh in the Reporting Period (2023: 24,383 kWh). The Group will continue to strengthen the control of petrol use in the near future.

During the Reporting Period, the electricity consumption and its intensity decreased compared to the year ended 31 March 2023. The electricity consumption decreased by approximately 37%, and the intensity decreased by approximately 49%. The decrease in electricity consumption and intensity is primarily attributed to the closure of one of the office locations in August 2023. Furthermore, the staff's sense of environmental protection and emission mitigation has been continuously fostered and there is increased awareness of their responsibilities in achieving energy conservation in the workplace.

The Group has set the long-term energy target to achieve the Hong Kong's Climate Action Plan 2050 with the major decarbonisation strategy of energy saving. In order to achieve higher energy efficiency and to achieve the energy efficiency target, the Group has adopted measures during the Reporting Period, some of which are listed out as follows:

- Promoting the concept of electricity conservation, the Group consciously develops good habits of power consumption among its employees and timely discourages the behaviour of wasting electricity;
- Using energy efficient LED lighting to replace energy-inefficient light bulbs by phases;
- Adopting higher energy-efficient office equipment in the workplace;
- Encouraging staff to utilise teleconferences and video conferences in reducing air and carbon emissions related to transportation needed for meetings;
- Turning off unused appliances, computers, lighting and air conditioning during non-office hours or when away from the workplace to reduce indirect greenhouse gas emissions from electricity use;
- Encouraging staff to set the cooling temperature to no less than 25 degrees Celsius during office hours;
- Installing timing devices in certain equipment for automatic shutdown during non-office hours to avoid unnecessary energy consumption;
- Monitoring the energy usage on a monthly basis, along with investigating any significant variance in usage;
- Arranging regular examination of the business vehicles on petrol consumption;
- Testing the level of air pollutant emissions from mobile combustion in vehicles and from standby generators to ensure compliance with relevant statutory standards; and
- Encouraging staff to participate in campaigns or activities relating to the promotion of green environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water Consumption and Use of Packaging Materials

In addition to controlling energy consumption, the Group is committed to raising awareness of water conservation among its staff and other stakeholders. As the Group does not operate in a water-intensive industry, it does not use a lot of potable water and water stress poses relatively little threat to its business. The Group has not encountered difficulties in water sourcing. However, the Group has set water efficiency targets to achieve the Hong Kong's Climate Action Plan 2050, with green buildings and waste reduction as the main carbon reduction strategies. To achieve these targets, policies implemented by the Group include but are not limited to posting water conservation notices next to water supply facilities to remind staff of the importance of water conservation. Staff are also required to turn off water taps after use to eliminate unnecessary use of water. In addition, automatic water stop taps were installed where applicable to enhance water efficiency. In the coming year, the Group will continue to encourage and monitor employees to implement water conservation measures.

During the Reporting Period, the Group consumed 30 m³ (2023: 66 m³) of water resources and the water consumption per employee was approximately 0.36 m³ (2023: 0.99 m³). The water consumption of the Group has seen a decrease by approximately 55% and its intensity (calculated by water consumption per employee) decreased by approximately 64% for in the Reporting Period compared to the year ended 31 March 2023. The decrease in water consumption and intensity is primarily attributed to the closure of one of the office locations in August 2023. Also, the Group did not have physical products for sale and therefore there was no packaging materials used for the year ended 31 March 2024 (2023: Nil).

Energy Use Efficiency Initiatives

The above measures were implemented during the Reporting Period to achieve higher energy efficiency, improve energy efficiency and reduce energy consumption by preserving natural resources and reducing GHG emissions.

A.3. The environment and natural resources

Managing Other Environmental Impact

The Group aspires to be a leader in environmental protection among companies in its industry, with a particular focus on the impact of its business operations on the environment and natural resources. The Group has implemented environmental protection policies as a responsible business and complies with all national and regional environmental laws, legislation and regulations as well as industry standards, and incorporates environmental concepts into its internal management and daily operations with the objective of minimising adverse impacts on the environment and natural resources. The Group strives to conserve resources in order to reduce its environmental impact and save operating expenses. The Group cooperates with government agencies and supports the activities of environmental organisations to build a "green" society.

During the Reporting Period, the major environmental impact of the business was non-hazardous waste such as paper, and the Group will continue to implement the measures of reduce, reuse, recycle and replace as far as possible and as set out in our environmental policies and practices. During the Reporting Period, the Group did not receive any warnings or complaints from any government environmental authorities, customers or business partners regarding any violations of environmental regulations, pollution of the environment, etc. Going forward, the Group will continue to achieve its goal of zero complaints and zero pollution and is preparing to launch a number of sustainable development activities to achieve our goal of conserving natural resources and protecting the environment.

In view of the increasing concern in carbon emissions by local governments and the international community, the Group will act in accordance with the ESG provisions prescribed by the Stock Exchange. The Group will continue to present environmental key performance indicators and information and social information in accordance with these provisions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A.4. Climate Change

Climate change and global warming, which are driven by GHG emissions, are becoming major environmental issues in the world. The Group is not involved in large-scale manufacturing industry and is relatively less affected by the climate. However, we should not underestimate the risks brought about by climate change, such as operational risks, profit risks, and so on.

In order to reduce those risks stemming from extreme weather and natural disasters, the Group has put in place emergency response procedures and safeguards to minimise loss of office equipment and facilities, business impact, and harm to employee safety. The relevant procedures and measures are as follows:

- The Group regularly publicises the information on natural disaster prevention and raises the awareness of safety protection among the Group's employees.
- The Group has strengthened its attention to climate change through early identification of hidden dangers, the taking of practical preventive and control measures, and strive to reduce the losses caused by natural disasters.
- The Group regularly makes complete backups and off-site backups of the data in its office systems to provide support for resuming important business operations.

SOCIAL

B.1. Employment

Human resources are not only the most important asset of the Group but also the cornerstone of the Group's development. The Group has set up relevant policies to maintain a happy and productive working environment for employees. The policies covered areas such as recruitment, compensation, promotion, working hours and rest periods, diversity, and equal opportunity. As at 31 March 2024, the Group has total 83 employees. The following tables set forth the details of the Group total workforce and employee turnover rate by gender, age group, employment type, and geographical region:

Number of Employee of the Group	As at 31 March 2024	As at 31 March 2023
By Gender		
Male	47	38
Female	36	29
By Employment Type		
Full time	70	66
Part time	13	1
By Age		
Below 30	20	5
30-50	45	34
Above 50	18	28
By Geographical Location		
Hong Kong	81	65
Singapore	2	2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employee Turnover Rate	As at 31 March 2024 <small>(Note 4)</small>	As at 31 March 2023
Overall Turnover Rate	27%	31%
By Gender		
Male	24%	39%
Female	37%	21%
By Age		
Below 30	56%	53%
30–50	35%	26%
Above 50	4%	21%
By Geographical Location		
Hong Kong	30%	32%
Singapore	–	–

Note:

- The employee turnover rate of the Reporting Period is calculated by dividing the number of turnovers by the average number of employees of that category in the current and previous year.

The Group has not identified any material non-compliance with relevant laws and regulations that have a significant impact on the Group for the Reporting Period relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits including but not limited to Employment Ordinance (Cap 57 of the Laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Cap 485 of the Laws of Hong Kong), Minimum Wage Ordinance (Cap 608 of the Laws of Hong Kong), Sex Discrimination Ordinance (Cap 480 of the Laws of Hong Kong), Disability Discrimination Ordinance (Cap 487 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Cap 527 of the Laws of Hong Kong), Race Discrimination Ordinance (Cap 602 of the Laws of Hong Kong). With the aim of ensuring fair and equal protection for all employees, the Group has zero tolerance on sexual harassment or abuse in the workplace.

The Group is committed to providing a discrimination-free working environment to employees. Such principle covers all aspects of human resources including recruitment, transfer, promotion, training, salary and welfare. As an equal opportunity employer, the Group is dedicated to maintaining a workplace that is free from discrimination against any individual on the basis of ethnic group, gender, age, religion, nationality, disability and sexual orientation. The Group adopts transparent and fair selection processes and selects the best candidates based on their performance, experience and skills. The Group conducts regular review for the employee promotions. The Group has also established objective performance indicators for annual performance evaluation.

The Group aims to offer competitive salary and other benefits in order to retain and motivate talents. Remuneration is determined with reference to the prevailing market condition as well as the competency, qualifications and experience of individual employee. Remuneration packages include holidays, annual leaves, medical scheme, group insurance, mandatory provident fund, flexible leave arrangement, year-end double pay and discretionary bonus. Employees' wages and related benefits satisfy the Hong Kong Government's minimum requirements.

There were no non-compliance cases noted in relation to employment laws and regulations during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B.2. Health and Safety

The Group is committed to providing a comfortable and safe working environment for all our employees, and with the philosophy of “Safety First”, the health, peace of mind and physical and mental well-being of our employees are always our top priority. The Group also outlines the health and safety standards for our employees in our Health and Safety Policy and Code of Conduct, establishes standard procedures such as special and routine inspections to identify safety risks and provides guidance on appropriate health and safety practices in the workplace to prevent potential accidents. The Group focuses on major areas to minimise occupational hazards, and health and safety risks:

- Smoking is strictly prohibited in the office area.
- Employees should carefully check the electric switches, door and window locks, etc. before going off duty to eliminate the hidden dangers.
- No one is allowed to repair electrical appliances or other office equipment without proper training.
- Employees who continue to act in an unsafe manner will face disciplinary action.
- Employees must strive to improve the sanitary environment in the workplace and comply with healthcare and sanitation measures.

The Group considers the maintaining of a healthy and safe working environment to be of utmost importance. The Group strictly complies with the occupational health and safety guidelines recommended by the Labour Department and the Occupational Safety and Health Council.

The human resources and administration department of the Group (“**HRA**”) is responsible for occupational health and safety related matters and takes a series of measures to ensure the health and safety of employees, including but not limited to:

- monitoring and reviewing the health and safety policies regularly;
- conducting regular inspections in the office;
- preparing first-aid kit in a conspicuous place and checking it periodically;
- organizing fire drills every year;
- formulating guidelines for work arrangements in typhoon and rainstorm days;
- providing comprehensive health care coverage for employees;
- temperature checking for employees and visitors before entering into office;
- allowing for flexible working hours to avoid commuting crowds; and
- encourage telephone conferences instead of face-to-face meetings.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Furthermore, the Group is also equipped with smoke detectors, fire extinguishers, and regular ventilation, temperature, and dust checks to ensure a safe working environment. A fire evacuation drill is held at least once a year to improve employees' ability to deal with potential fire hazards. First-aid boxes are located in easily accessible areas throughout the office. The HRA is in charge of making sure the supplies in the first-aid boxes are up to date and in working order. The Group has also established a clear work schedule for typhoon and rainstorm warnings.

Employees are also covered by a comprehensive health-care plan provided by the Group. Employees are given health and safety guidelines in order to raise awareness of occupational health and safety issues.

The Group has not identified any material non-compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that would have a significant impact on the Group for the Reporting Period. The relevant laws and regulations include, but are not limited to, the Occupational Safety and Health Ordinance (Cap 509 of the Laws of Hong Kong).

During the Reporting Period, the Group did not violate any health and safety laws and regulations. There is no number of reportable work injuries (2023: nil) and no lost days due to work injuries (2023: nil) during the Reporting Period.

The Group also did not record any work-related fatalities in each of the past three years including the Reporting Period.

B.3. Development and Training

The coupling of globalisation and geopolitics has made markets more unpredictable. The professional competence and development of the Group's people is a key factor in making us more resilient to these challenges. We also believe that investment in our people is essential, and that development and training are vital to developing our talent and helping us to prosper further. The Group therefore provides a full range of training for our staff to enhance their expertise and motivation in order to drive our business breakthroughs. Apart from the above, we provide opportunities for employees to develop their relevant knowledge and skills through various seminars, in-house workshops and on-the-job training organised by third parties. The Group aims to create an environment of continuous improvement and encourages employees to strive for excellence in their work and career development, and continuously reviews the learning needs of employees and encourages them to attend job-related training courses for personal growth and professional development through the provision of education allowances at the end of their probationary period.

In order to motivate its employees, the Group stipulates that internal promotion will be considered first before employing any external personnel. The selection criteria are based on candidates' performance rather than seniority.

During the Reporting Period, a total of 262 hours of training were completed by 83 employees. The percentage of employees trained, and the average training hours completed per employee by gender and employment category are as follows:

Number of Employee of the Group	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Percentage of employee trained	Average training hours completed	Percentage of employee trained	Average training hours completed
Total Work force	100%	3	100%	4
By Gender				
Male	84%	4	57%	4
Female	16%	2	43%	4
By Employment Category				
Senior management	27%	4	25%	4
Middle management	19%	5	21%	4
Frontline and other employees	37%	2	54%	4

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B.4. Labor Standards

Child and forced labour are strictly prohibited during the recruitment process of the Group. The Group strictly adheres to local laws and conducts recruitment including and not limited to the Employment Ordinance (Cap 57 of the Laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Cap 485 of the Laws of Hong Kong) and Minimum Wage Ordinance (Cap 608 of the Laws of Hong Kong). Personal information is collected throughout the process to aid in the selection of suitable candidates in compliance with relevant laws and regulations and to verify the personal information of those candidates. The HRA also ensures that all identification documents are thoroughly examined. All work should be done voluntarily and not under threat of punishment or coercion. Labour contract must be signed by both employees and the Group to guarantee no forced labour are employed. The Group monitors the recruitment process frequently to prevent the occurrence of illegal conduct. If there is any violation of the abovementioned laws, it will be dealt with according to the circumstances as outlined in the Group's "Staff Handbook", which was adopted on 11 May 2015 and was last reviewed on 26 June 2023.

Furthermore, we will eliminate any incidents of child labour and forced labour in accordance with the relevant legislation and regulations in the regions in which we operate. The Group has not identified any material noncompliance with the relevant laws and regulations that have a significant impact on the Group relating to preventing child or forced labour for the Reporting Period.

B.5. Supply Chain Management

The Group's major suppliers, which include apparel product suppliers, have maintained long-term and stable relationships with the Group. The risk level of existing suppliers is carefully assessed on a regular basis and are continuously monitored. Prior to formal engagement, the Group will perform background checks on the potential suppliers through conducting interviews in which the environmental and social risk levels of these potential candidates will be assessed. The assessment areas include, but are not limited to, a review of the supplier's basic information, tax compliance, product and service quality and pricing, to ascertain the legitimacy of the suppliers and their respective social risk level. If no material risk is identified during such process, the Group will then proceed to formal engagement.

Given society's growing concern on the environment, the Group recognised the importance of managing environmental and social risks in its supply chain. The Group follows the "Green Procurement" principle. In most cases, the factories of the Group's apparel product suppliers must comply with the environmental requirements of the Group's international clients, which require strict compliance with environmental standards such as the "Business Social Compliance Initiative" published by the AMFORI in reducing air, noise, and solid waste pollution, as well as energy and water consumption. In terms of environmental and social standards, the Group will continue to monitor its supply chain.

The Group abides by the principle of transparency in supply chain management and realises the values of integrity, honesty and fairness. The Group establishes procurement procedures and a supplier code of conduct (the "**Supplier Code of Conduct**") on 11 May 2015, which was last reviewed on 26 June 2023, to provide direction and guidance for the supplier selection and assessment process to ensure that business partners are sound in the legal, financial and technical aspects. In addition, the Group's existing core suppliers are subject to annual reviews to assess their scores and areas of continuous improvement, and only continues to cooperate with those suppliers who achieve a passing score. Furthermore, the Group has implemented the "Reuse, Reduce, and Recycle" (the "**3R Principle**") throughout its apparel product supply chain for all its apparel products suppliers to demonstrate its commitment to a cleaner environment and to be a good corporate citizen. The Group's Supplier Code of Conduct is based on the 3R Principle and requires its apparel suppliers, when applicable:

- to utilise energy efficient processing equipment;
- to use non-toxic chemicals in their production processes;
- to adopt clean production in their production plants; and
- to eliminate unnecessary packaging.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Furthermore, the Group's Supplier Code of Conduct requires its suppliers to follow applicable local labour laws and regulations on minimum wage, child labour, forced labour, and discrimination.

The Group's other suppliers include professional services providers, and the Group has established rules in the Supplier Code of Conduct to ensure its suppliers' ethical standards. All of its suppliers must follow strict ethical guidelines and must not engage in any form of corruption, extortion, bribery, fraud, false declarations, counterfeiting, or insider trading. Suppliers must also be open about their policies, processes, and standards that govern their operations and are related to their adherence to the Supplier Code of Conduct.

The number of suppliers by geographical region is listed as below:

Region	For the year ended 31 March 2024	For the year ended 31 March 2023
Hong Kong	26	26

All of the above supplies are subject to relevant supply chain policies and practices relating to engaging suppliers mentioned above.

B.6. Product Responsibility

Quality Control

Product quality is one of the key elements in maintaining the competitiveness of an enterprise. Only by upholding consistent standards through quality control can the Group obtain the loyalty and increase satisfaction of its customers, thus expanding the economic and social benefits of the Group. The Group's quality control measures are mainly reflected in the Apparel Business and the Financial Services Businesses. The quality control of the Group in respect of the Apparel Business is mainly conducted by its staff in the merchandising department during the production stage. The quality control in respect of the Financial Services Businesses is mainly conducted by the employees of the compliance function.

Customer satisfaction is critical to the Group's long-term success. The Group is convinced that the success of its clients is the success of the Group, and it has emphasised the customer-centric business philosophy in all of its operations. As a result, it strives to optimise and improve the quality of its products and services in response to customer requests.

During the Reporting Period, the Group has not identified any material non-compliance with laws and regulations that have a significant impact on the Group in the areas of health and safety, advertising, labelling, or privacy. The Supply of Services (Implied Terms) Ordinance (Cap 457 of the Laws of Hong Kong) and the Personal Data (Privacy) Ordinance (Cap 486 of the Laws of Hong Kong) are two of the relevant laws and regulations.

Quality Control of Apparel Services

The Group implements strict quality assurance and monitoring measures for manufacturers and suppliers. Manufacturers and suppliers need to be screened and selected, for example, based on apparel experience, reputation, technical capacity, financial strength, production capacity, effectiveness of quality control and ethical practice, to ensure that production and quality comply with local regulations and international guidelines.

Materials to be used in the production for apparels are usually sourced by the Group's third-party manufacturers. Our longstanding relationships with established apparel manufacturers give us a negotiating edge, which ensures that competitive pricing does not come at the cost of compromising quality. When providing product specifications to third-party manufacturers, the Group will specify to them the required materials and quality. The third-party manufacturers shall obtain materials of appropriate quantity and quality from their own sources or the sources provided by the Group. Any materials used in the production of salesman samples, pre-production samples and final products, are checked by the Group to ensure that they meet customer's requirements. Any materials that do not meet customer's requirements are not approved for pre-production or bulk production.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

At the beginning of pre-production and bulk production, the merchandising employee in charge of quality control will regularly visit the site of third-party manufacturer to ensure the quality of apparel products. The Group requires sales personnel to continuously monitor and inspect apparel products throughout the production process. Senior employees inspect the final product before delivery to customers. Any specifications that are not met are notified to the third-party manufacturers for rectification. A final quality control inspection report is prepared which will cover the number of pieces inspected, labelling requirements, packaging requirements. The Group will specify major and minor defects that may not be acceptable to customers.

Customers are advised to count and inspect apparels immediately when shipments are received. Products with defects or incorrect quantity are allowed to be returned or discounted. Once customer feedback or complaint is received, the Group will discuss with customers to find out the responsible party. If the defect is caused by the Group's manufacturer, the Group will contact the customer and the manufacturer for compromise solutions such as returns or discounts. During the Reporting Period, the Group has not been notified of any violation of law regarding product or service responsibility. During the Reporting Period, the Group did not receive any complaints related to the Apparel Business, nor were there any product recalls or returns involving safety and health reasons.

Quality Control of Financial Services

The financial services provided by the Group include financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services; insurance brokerage services; and provision of money lending services.

To ensure that the Group's products and services meet the requirements, the Group has established internal procedures and manuals such as "Business Plan and Internal Control Manual" (the "**Business Plan and Internal Control Manual**"), which was adopted on 11 May 2015 and was last reviewed on 26 June 2023. The Group has established "Conflict of Interest Policy" in the Business Plan and Internal Control Manual, which was also adopted on 11 May 2015 and was last reviewed on 26 June 2023, to ensure that the Group's clients are treated fairly and with the highest level of integrity, and that their interests are protected at all times. The content includes the following:

- the Group should take all reasonable steps to execute promptly client orders in accordance with clients' instructions;
- the Group should act honestly, fairly, and in the best interests of its clients and the integrity of the market;
- the Group should ensure that transactions executed on behalf of clients are promptly and fairly allocated to the accounts of the clients on whose behalf the transactions were executed;
- the Group should try to avoid conflicts of interest, and when they cannot be avoided, should ensure that its clients are fairly treated;
- the Group should make adequate disclosure of relevant material information in its dealings with its clients; and
- the senior management should bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures by the Company.

In performing customer due diligence and risk assessment procedures in relation to its clients, the Group follows the regulators' guidelines on "Anti-Money Laundering ("**AML**") and Counter Financing of Terrorism". The Group can better understand and evaluate its clients' financial background, trading experience, and risk tolerance level by conducting "Know Your Clients" ("**KYC**") procedures and assessments before providing them with the type of financial services or products that suit their needs.

During the Reporting Period, the Group did not receive any complaints related to the Financial Services Businesses, nor were there any product recalls or returns involving safety and health reasons.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Intellectual Property

All licenses on software and information have been purchased or renewed. The Group will observe and protect all relevant intellectual property rights.

Data Privacy

Data privacy is crucial to the sustainable development of the Group since it will affect the level of trust the Group's customers have in us. In order to protect the privacy of customers, the Group takes all practical steps and measures to ensure that the personal data collected in the course of its business are protected. The Group strictly complies with but not limited to the Personal Data (Privacy) Ordinance (Cap 486 of the Laws of Hong Kong) in the process of collecting, summarising, holding and processing personal data and information.

The Group's Business Plan and Internal Control Manual contains relevant provisions on the handling of confidential information, including:

- all employees must keep all trade secrets and confidential information, whether written or not, obtained in the course of employment absolutely confidential; and
- all employees are not allowed to use or allow the use of such information to conduct any securities transactions in any market.

These apply to information about customers and other counterparties, as well as information about companies, activities, techniques and work practices, which may be financial, personal, technical or operational. These confidentiality requirements are ongoing obligations that remain effective after the employee leaves the Group.

The Group adopts a series of control measures related to authorisation and operation of a discretionary account, in accordance with the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission. The Group maintains separate accounts to keep customers' assets. The Group should not execute a transaction for a client unless (i) the client, or a person designated in writing by the client, has specifically authorised the transaction; or (ii) the client has authorised in writing the Group or any person employed by the Group to effect transactions for the client without the client's specific authorisation. The Group has sufficient audit work records to conduct investigations in case of suspected violations. Regular compliance audits and reviews are conducted to find any non-compliance with regulatory requirements. Any violations should be reported to the Group management immediately.

During the Reporting Period, the Group was not aware of any non-compliance with laws and regulations having a significant impact on the Group relating to privacy matters.

Advertising and labelling

At present, the Group only conducts limited promotional activities on businesses related to the sales of apparel products and financial services, and provides customers with the overall solution of supply chain management. Therefore, the risks associated with advertising and labelling of materials will not be involved in its business operation.

On the other hand, the Group has set standards for advertising and sales materials. Advertisements should not contain information that is false, disparaging, misleading or deceptive. The Group also prohibits the use of false, misleading or inaccurate statements in any form of communication. During the Reporting Period, the Group did not receive any complaints related to the services provided.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B.7. Anti-Corruption

A system with moral integrity and anti-corruption mechanism is the cornerstone for a sustainable and healthy development of the Group. The Group strictly forbids any form of corruption, bribery, fraud, extortion, money laundering, and all other acts against professional ethics. To promote integrity in the workplace, the Group has formulated the Code of Conduct and Business Ethics (the “**Code of Conduct and Business Ethics**”) on 11 May 2015, and was last reviewed on 26 June 2023, relating to anti-corruption based on the Prevention of Bribery Ordinance (Cap 201 of the Laws of Hong Kong), and requires all employees to comply with it. The Code of Conduct and Business Ethics includes, but is not limited to, relevant provisions on the following topics:

- handling conflict of interests;
- accepting advantages;
- fraudulent financial statements;
- leakage of confidential information; and
- embezzlement of the Group’s assets in one’s position.

To combat corruption and regulate conflicts of interest, the Group has during the Reporting Period, through the distribution of an updated staff handbook which includes the Group’s anti-bribery measures to its directors and employees, provided anti-corruption training to its directors and staff. In addition, except as approved by senior management in advance, employees are not allowed to offer or receive any gifts, gratuities, favours, benefits or excessive hospitality that do not conform to the Code of Conduct and Business Ethics. Violators are subject to disciplinary action, including termination of employment if necessary.

In order to govern AML and KYC procedures, the Group has also established its policy and guidelines in accordance with the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism issued by the Securities and Futures Commission on 11 May 2015, and the relevant policy and guidelines were last reviewed on 26 June 2023, including the basic procedures for customer identification, customer risk assessment, due diligence, suspicious transaction reporting and record keeping. In addition to the above policies, the Group also provides on-the-job training to ensure that every employee is fully aware of these policies. During the Reporting Period, the Group also conducted anti-corruption training for employees to enhance anti-corruption awareness and business ethics, and through relevant training, case studies were provided to guide each employee in handling different situations, from senior management to general staff, with anti-corruption awareness. The Group will continue to review and improve our anti-corruption policies and training on a regular basis in order to eliminate any irregularities.

The audit committee of the Company (the “**Audit Committee**”) is responsible for continuously evaluating the effectiveness of the Group’s internal control, identifying potential deficiencies and improving areas. If there are any areas of improvement, the responsible department will be issued an internal audit report for timely remediation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board and the Audit Committee periodically monitor the implementation and effectiveness of the whistleblowing policy. The reporting policy allows employees and independent third parties who have contact with any employee (such as customers, suppliers, subcontractors, creditors, and debtors) to anonymously report to the Board or the Audit Committee any misconduct or irregularities that may exist in financial reporting, internal controls or other aspects. Reports and complaints received will be dealt with in a timely and fair manner. This policy also aims to protect whistleblowers from unfair dismissal, persecution and unreasonable disciplinary actions. The identity of whistleblowers will be kept as confidential as possible. Any person found persecuting or retaliating against a whistleblower who raises a concern under this policy will be subject to disciplinary action. If necessary, the Group also reserves the right to refer the case to the relevant authorities.

During the Reporting Period, the Group was in compliance with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud or money laundering, and there were no legal cases regarding corrupt practices brought against the Company or its employees.

B.8. Community Investment

As part of its strategic development, the Group is committed to supporting the public through social participation and contribution. Our ongoing efforts in the areas of animal protection, women's rights and youth development, as well as nurturing the corporate culture and practices of corporate citizens in daily work life throughout the Group. The Group adopted policies that it will incorporate corporate social responsibility into its strategic development and will look into social initiatives where it can contribute human capital and resources. All of the Group's employees are encouraged to help and support their local communities and neighbours on their own initiative.

To support the Hong Kong catering industry in the post-pandemic era, the Group donated a total of HK\$15,600 to the Institution of Dining Art Foundation. The Institution of Dining Art Foundation is dedicated to professional and academic development in the industry and provides ongoing professional management training for the industry.

Additionally, as part of our commitment to youth development, the Group donated a total of HK\$600,600 to Eastside College Preparatory School located in East Palo Alto, USA through the "Journey to the East" cultural exchange program. Eastside College Preparatory is dedicated to helping students from low-income families prepare for and access higher education. The student population is highly diverse, with 79% of the students are Latino, 14% are African American, and 7% are Pacific Islanders/Filipinos. Almost all of these students come from families where members who have never received a college education. By attending Eastside College Preparatory School, they gain opportunities to access international programs such as "Journey to the East", and the admission rate of students to "California UC system" colleges is as high as 92%.

Recognising the importance of contributing to the local community, the Group will continue to strive to give back to the community by building close relationships with charities and other organisations in order to build a more economically sustainable environment. Looking forward, we will continue to support the communities in which we operate and actively give back to the community to create a more conducive and sustainable environment for the community and our business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG REPORTING GUIDE CONTENT INDEX

Aspects, General disclosures and KPI	Description	2024 ESG Report
A. Environmental		
Aspect A1: Emissions		
General Disclosure	<p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	This ESG Report – A. Environmental, pages 5-8
KPI A1.1	The types of emissions and respective emissions data.	This ESG Report – A. Environmental, page 6
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	This ESG Report – A. Environmental, pages 6-7
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable to the Group's business.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	This ESG Report – A. Environmental, page 7
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	This ESG Report – A. Environmental, page 5
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	This ESG Report – A. Environmental, page 7

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General disclosures and KPI	Description	2024 ESG Report
Aspect A2: Use of Resources		
General Disclosures	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	This ESG Report – A. Environmental, pages 9-11
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	This ESG Report – A. Environmental, page 9
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	This ESG Report – A. Environmental, page 11
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	This ESG Report – A. Environmental, pages 9-11
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	This ESG Report – A. Environmental, page 11
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group's business.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	This ESG Report – A. Environmental, page 11
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	This ESG Report – A. Environmental, page 11
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.	This ESG Report – A. Environmental, page 12
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.	This ESG Report – A. Environmental, page 12

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General disclosures and KPI	Description	2024 ESG Report
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	This ESG Report – B. Social, pages 12-13
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	This ESG Report – B. Social, page 12
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	This ESG Report – B. Social, page 13
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.	This ESG Report – B. Social, pages 14-15
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	This ESG Report – B. Social, pages 14-15
KPI B2.2	Lost days due to work injury.	This ESG Report – B. Social, pages 14-15
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	This ESG Report – B. Social, pages 14-15
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	This ESG Report – B. Social, page 15
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	This ESG Report – B. Social, page 15
KPI B3.2	The average training hours completed per employee by gender and employee category.	This ESG Report – B. Social, page 15

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General disclosures and KPI	Description	2024 ESG Report
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.	This ESG Report – B. Social, page 16
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	This ESG Report – B. Social, page 16
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	This ESG Report – B. Social, page 16
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	This ESG Report – B. Social, pages 16-17
KPI B5.1	Number of suppliers by geographical region.	This ESG Report – B. Social, pages 16-17
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.	This ESG Report – B. Social, pages 16-17
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	This ESG Report – B. Social, pages 16-17
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	This ESG Report – B. Social, pages 16-17

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General disclosures and KPI	Description	2024 ESG Report
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.	This ESG Report – B. Social, page 17
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's business.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	This ESG Report – B. Social, page 18
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	This ESG Report – B. Social, page 19
KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable to the Group's business.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	This ESG Report – B. Social, page 19
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.	This ESG Report – B. Social, pages 20-21
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.	This ESG Report – B. Social, pages 20-21
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	This ESG Report – B. Social, pages 20-21
KPI B7.3	Description of anti-corruption training provided to directors and staff.	This ESG Report – B. Social, pages 20-21
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.	This ESG Report – B. Social, page 21
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	This ESG Report – B. Social, page 21
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	This ESG Report – B. Social, page 21