



ZHIDAO INTERNATIONAL (HOLDINGS) LIMITED  
志道國際(控股)有限公司\*

*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 1220)

2023

Environmental, Social and  
Governance Report

\* For identification purpose only



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

### Report Profile

Zhidao International (Holdings) Limited (hereafter, the “**Company**”, “**we**” or “**us**”) and its subsidiaries (collectively known as the “**Group**”) are pleased to present our Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”). The content of this ESG Report herein focuses on providing an overview of the ESG performance of our major operations from 1 April 2022 to 31 March 2023 (the “**Reporting Period**”).

The principal activity of the Group is investments holding. The Group is principally engaged in (i) trading of aluminum products, (ii) supply of aluminum products in construction projects and the provision of construction and engineering services during the year; and (iii) money lending.

### Reporting Scope

The ESG Report covers the overall environmental and social performances of the core businesses of the Group in Hong Kong, Macau, and the People’s Republic of China (the “**PRC**”) during the Reporting Period, and has no changes compared to previous reporting period except the ceased operation of PRC office after December 2022. The key Business Units are:

- ❖ Head office located in Wan Chai, Hong Kong
- ❖ I Tong Engineering Company Limited located in Macau
- ❖ 怡東建築工程(珠海)有限公司 located in Zhuhai, PRC<sup>1</sup>

### Reporting Framework

The ESG Report has been prepared in accordance with the ESG Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and complies with all provisions of “Comply or Explain” as well as the principles of materiality, quantitative, balance and consistency. In preparing the ESG Report, we have adopted the international standards and emission factors specified in the guidance materials on ESG issued by the Stock Exchange for computing the Key Performance Indicators (“**KPIs**”), and there is no change from previous year in the way the Report has been prepared. The application of materiality is detailed in the section headed “Materiality Analysis”. The two ESG subject areas, namely Environmental and Social, are disclosed separately, highlighting the impacts of the operations of the Group in Hong Kong, Macau and the PRC in the Reporting Period. In order to have a thorough performance review, we have compared the data in the Reporting Period to the data during the year ended 31 March 2022.

We have also provided the ESG content index that includes the KPIs for the ESG Reporting Guide and it is set out in page 17 to 22 of this ESG Report.

<sup>1</sup> The office in Zhuhai has ceased operation after December 2022.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Information and Feedback

For detailed information regarding the financial performance and corporate governance of the Group during the Reporting Period, please visit our official website (<http://www.zdihl.com/en-us/circulars.php>) and our annual report. Your opinion is highly valued, should you have any suggestions or comments, please email us at [info@zdihl.com](mailto:info@zdihl.com) or post to our head office in Hong Kong.

## Board Approval

The board of directors (the “**Board**”) of the Group approved the ESG Report on 17 August 2023.

## STAKEHOLDER ENGAGEMENT

As stakeholders play a crucial role in sustaining the success of our business, we make use of various communication channels to understand our stakeholders. The following table provides an overview of the Group’s key stakeholders and various approaches adopted by the Group to communicate with different key stakeholders:

| Stakeholders   | Possible incidental issues   | Communication and response   |
|----------------|--|--|
| Stock Exchange | Compliance with the Listing Rules, publishing announcements in a timely and accurate manner.                             | Meetings, trainings, seminars, updating website and announcements.   |
| Governments    | Compliance with laws and regulations, social welfare, and prevention of tax evasion.                                     | Interaction and visits, government inspections, tax returns and other information.   |
| Suppliers      | Payment schedule and supply stability.   | Site visits.   |
| Investors      | Corporate governance system, business strategies and performance, and investment return.                                 | Organization and participation of general meetings, issue financial reports or business updates for investors, press and analysts. |
| Media          | Corporate governance, environmental protection, and human rights.  | Issue newsletters one company website.   |
| Customers      | Product/service quality, fair and reasonable pricing, value of service, protection for the labour force and work safety. | Site visits and after-sale services.   |
| Employees      | Rights and benefits, employee compensation, training and development, working hours and working environment.             | Conducting team activities, training, interviews, issue staff manual and internal memorandum.                                      |
| Community      | Community environment, employment and community development, and social welfare services.                                | Employees volunteering activities and community welfare services.  |



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

To facilitate an effective management of the ESG issues, the Group has established a governance structure. The Board has an overall responsibility for overseeing the Group's ESG-related risks and opportunities, establishing and adopting the ESG-related strategies and targets of the Group including setting KPI for environmental-related issues and setting higher standards of energy efficient measures and waste treatment, reviewing the Group's performance annually against the ESG-related targets, and revising the ESG-related strategies as appropriate if significant variance from the ESG-related target is identified. The Group has set up an ESG working group which includes Company Secretary, Accountant, and administrative staff to support the Board in implementing ESG-related strategies and target, and promoting the implementation of measures in relation to the ESG issues identified.

Base on the set goals and targets, the Board will continue to review the Group's process in relation to ESG goals and targets in order to build a more sustainable business and bring greater benefits for the society as a whole.

### Board

- The Board is responsible for the overall decision-making process and overseeing the formulation, administration, and assessment of the ESG system.

### ESG Working Group

- The ESG Working Group is responsible for assisting the Board in managing and monitoring the ESG matters on a daily basis.

### Functional Departments

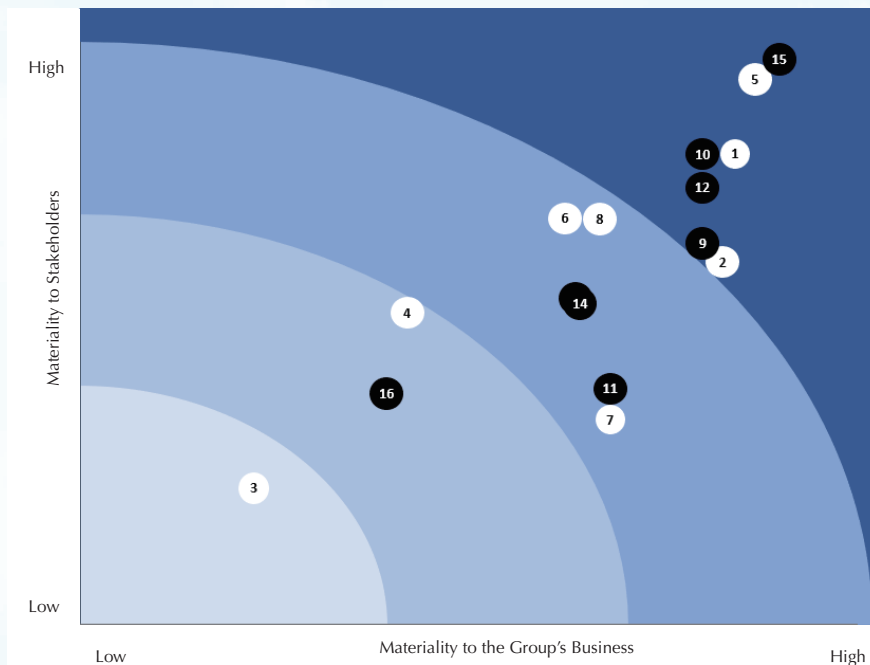
- Functional departments are responsible for the execution of measures to achieve the preset ESG-related strategies and targets.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MATERIALITY ANALYSIS

In order to ensure that this Report has fully covered and responded to the major issues of concern to stakeholders, in addition to regular communication with stakeholders, the Group has also referred to certain information such as the matters covered in the previous ESG reports, the Company's internal policies, industrial trends and the materiality map of the Sustainability Accounting Standards Board<sup>2</sup> to identify issues that have potential or actual impact on the sustainable development of the Group. The ESG issues have been analysed with reference to an array of factors, including the Group's overall strategy, development, and goals and targets.

The following matrix summarizes the Group's material ESG issues as set out in ESG report:



○ ENVIRONMENTAL MATTERS

● SOCIAL AND GOVERNANCE MATTERS

- 1 Air Emissions
- 2 Greenhouse Gas Emissions
- 3 Hazardous Waste
- 4 Non-hazardous Waste
- 5 Energy Use
- 6 Use of Water Resources
- 7 Environment & Natural Resources
- 8 Climate Change

- 9 Employment
- 10 Health and Safety
- 11 Development and Training
- 12 Labor Standards
- 13 Supply Chain Management
- 14 Product Responsibility
- 15 Anti-corruption
- 16 Social Responsibility

<sup>2</sup> Sustainability Accounting Standards Board's Materiality Map, <https://materiality.sasb.org/>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE GROUP AND THE ENVIRONMENT

### Overview

The Group acknowledges that a healthy environment is crucial to the well-being of our society, people and business. Our commitment to environmental stewardship and sustainability encompasses each of our businesses. We are dedicated to maintaining a low level of energy consumption and emission in every single step. We also strive to enhance operational efficiency and carry out measures to reduce the impacts of our daily operations on the environment.

### Emissions

#### Air Emissions

The Group mainly operates its businesses in the office and its business activities do not generate significant amount of air pollutant emissions. In this case, no data with regard to emissions of air pollutants was recorded during the Reporting Period.

#### Greenhouse Gas Emissions

Greenhouse gas (“GHG”) emissions arise primarily from the consumption of purchased electricity for our office operations. The statistics of GHG emissions recorded during the current and previous Reporting Periods are detailed below.

| Scope of GHG Emission  | Unit   | 2022/23 | 2021/22 |
|--|--|---------|---------|
| Scope 1<br>Direct Emission   | Tonnes CO <sub>2</sub> e                     | 0.84    | 2.09    |
| Scope 2<br>Indirect Emission (“Purchase Electricity”) <sup>3</sup> | Tonnes CO <sub>2</sub> e                     | 10.67   | 12.86   |
| Scope 3<br>Indirect Emission (“Paper consumption”)                 | Tonnes CO <sub>2</sub> e                     | 0.68    | 0.44    |
| Total Scopes 1, 2 and 3 GHG emissions                              | Tonnes CO <sub>2</sub> e                     | 12.19   | 15.39   |
| Total GHG emission per floor area                                  | Tonnes of CO <sub>2</sub> /sqm. <sup>4</sup> | 0.033   | 0.041   |

The Group endeavors to reduce energy consumption and emissions, which are closely related to GHG emissions. In light of reducing GHG emissions, the Group adopts green practices in its daily operations. For the details of energy efficient practices, please refer to the section “Energy Consumption” and “Waste Management and” of this report.

During this Reporting Period, both the total GHG emissions and the respective intensity per floor area in square meter decreased, which could be attributed to the ceased operation of Zhuhai office after December 2022. The Group have been keeping on track with the set target from previous year. The Group is dedicated to the conservation of energy and minimization of pollutant emission, aim the total greenhouse gas emission intensity between 90% to 120% of the level of baseline year ended 31 March 2023 in the next reporting period.

<sup>3</sup> For Scope 2 GHG emission, we refer to the Sustainability Reports published by HK Electric, the CO<sub>2</sub>e emissions intensity of electricity is 0.68 in 2022 and 0.71 in 2021. For data in relation to Macau’s operation, we refer to Sustainability Report published by Companhia de Electricidade de Macau (“CEM”), the CO<sub>2</sub>e emissions intensity of electricity is 0.82 in both 2022 and 2021. For data in relation to the PRC’s operation, we refer to the emission factors published by the PRC Ministry of Ecology and Environment, the CO<sub>2</sub>e emissions intensity is 0.5703 in 2022 and 0.5819 in 2021.

<sup>4</sup> Total floor areas of the Group is same as last year, 373.22 sqm.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Waste Management

During the Reporting Period, the Group does not generate any hazardous waste or consume any packaging materials because of its business nature. For non-hazardous waste, the major source is office waste and paper waste generated from daily operations. The details of non-hazardous waste generated during the Reporting Period are as follows:

| Hazardous and non-hazardous waste | Unit                       | 2022/23 | 2021/22 |
|-----------------------------------|----------------------------|---------|---------|
| Total non-hazardous waste         | Tonnes                     | 2.80    | 3.08    |
| Intensity                         | Tonnes/sqm. <sup>2</sup>   | 0.0075  | 0.0083  |
| Intensity                         | Tonnes/number of employees | 0.19    | 0.21    |

During the Reporting Period, total non-hazardous waste had decreased by approximately 9% due to the Group's effort in resources minimization, which has been keeping on track with the set target from previous year. In order to adhere to the principle of sustainable development, the Group is committed to reducing or maintaining the total non-hazardous waste intensity between 90% to 120% of the level of baseline year ended 31 March 2023 in the next reporting period.

In response to environmental protection, the Group strongly advocates the 4Rs principles of reduce, reuse, recycle and replace. We separate all recyclable paper waste from the waste source so that the cleaning contractor can conduct garbage sorting and recycling more easily. For the used papers, confidential documents are destroyed with a shredder while general documents are put in paper recycling boxes at the offices. Moreover, we minimize the use of disposable and non-recyclable, and encourage the use of reusable products instead of disposable items. Our staff use recycled toner cartridges and recycled repositionable notes, and reuse office supplies such as document files, clips and envelopes until worn out. In addition, we frequently evaluate the usage of office supplies to avoid overstock and fully utilize them.

To reduce the paper consumption, we reduce the use of copier paper for administrative work. The followings are the measures adopted during our daily operations:

- Double-sided printing is set as the default setting on computers, single-sided printing has to be manually selected;
- For any papers that have been used for single-sided printing, they should be reused when there is no confidential information on the printed side of the paper; and
- Staff members are encouraged to circulate documents through electronic means such as email or encrypted universal serial bus ("USB").

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Use of Resources

Environmental protection is a key focus of the Group. We are committed to upholding high environmental standards to fulfil requirements under relevant laws and ordinances in our daily operations. The Group also understands the importance of efficient utilization of resources whilst delivering safe and quality services to its consumers.

## Energy Consumption

The Group's energy consumption resulted from fuel consumption for vehicles and electricity consumption for office operations. The following shows the comparative figures of energy consumption between the current and previous Reporting Periods.

| Energy consumption and intensity | Unit                    | 2022/23   | 2021/22 <sup>5</sup> |
|----------------------------------|-------------------------|-----------|----------------------|
| Fuel consumption                 | kWh                     | 2,448.04  | 6,118.55             |
| Electricity consumption          | kWh                     | 14,138.00 | 17,181.00            |
| Total energy consumption         | kWh                     | 16,586.04 | 23,299.55            |
| Intensity                        | kWh/sqm. <sup>2</sup>   | 44.44     | 62.43                |
| Intensity                        | kWh/number of employees | 1,105.74  | 1,553.30             |

With an aim to reduce energy consumption and emissions, the Group has implemented various energy-saving measures in its offices, and encouraged our staff members to save electricity at workplace. We have informed our staff members to turn off the lights during lunch hours and after office hours. Moreover, the electrical appliances should be turned off when they are not in use. Written notices such as "Save Energy" are put on the walls at workplace to remind our staff members on building a healthier environment. The indoor temperature is maintained at 24 degrees Celsius or above to reduce the unnecessary use of energy.

The energy intensity/number of employees has decreased by 28.82% and keeping on track with the set target from previous year, it was mainly attributed to the ceased operation of Zhuhai office after December 2022 thus decrease in operation days during the Reporting Period. The Group will continue its efforts to achieve the goal of maintaining or reducing the total electricity consumption intensity between 90% to 120% of the level of baseline year ended 31 March 2023.

## Water Usage

As our daily operations do not involve manufacturing production, the water usage is relatively low compared to the manufacturing companies. The existing water supply meets our daily operational needs so there is no issue in sourcing water. As our businesses operate in office premises where the water supply is centrally managed by its respective property management and there is no separate meter for individual office unit, it is not feasible for us to provide relevant water usage data.

Though there is no recorded data, the Group still make every effort to conserve water by adopting a wide range of measures. We regular check on water taps and pipes to avoid unnecessary leakage, install water-efficient fittings, and promote and educate to raise awareness of issues among our employees towards water scarcity.

<sup>5</sup> Since fuel consumption by vehicles is considered material starting from the Reporting Period, relevant figures are included in the calculation of energy consumption and might vary from figures previously disclosed.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## The Environment and Natural Resources

The Group was not involved in any manufacturing activities and our primary business activities do not have significant impact on the environment and natural resources. Notwithstanding, the Group strives to enhance environmental sustainability and environmental awareness of its employees. We will continue to review our environmental policies and green practices from time to time.

## Climate Change

In response to the global concern on climate change, the Group has included climate change-related risks in its annual risk assessment, and made relevant disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures. The ESG Working Group regularly analyzes the potential risks brought by climate change, and evaluates and reviews its response strategies at least once a year and reports to the Board.

The Group's analysis of potential financial risks brought by climate change and response strategies are as follows:

| Risk Type        | Risks   | Potential Financial Impact  | Short (current reporting period) | Medium (one to three years) | Long (four to ten years) | Mitigation Strategy  |
|------------------|---|---|----------------------------------|-----------------------------|--------------------------|--|
| Physical Risks   | <ul style="list-style-type: none"> <li><b>Acute</b><br/>Increased frequency and severity of extreme weather events.</li> </ul>          | <ul style="list-style-type: none"> <li>Reduction in revenue due to business disruptions</li> </ul>  | ✓                                | ✓                           |                          | <ul style="list-style-type: none"> <li>Formulated adverse weather contingency plans</li> </ul>   |
|                  | <ul style="list-style-type: none"> <li><b>Chronic</b><br/>Sustained elevated temperature</li> </ul>                                     | <ul style="list-style-type: none"> <li>Loss of assets due to damage to properties</li> <li>Increase in operating costs due to rising needs for cooling</li> </ul> |                                  |                             |                          | <ul style="list-style-type: none"> <li>Adopted energy conservation measures</li> </ul>   |
| Transition Risks | <ul style="list-style-type: none"> <li><b>Legal risks</b><br/>More stringent laws and regulations related to climate change</li> </ul>  | <ul style="list-style-type: none"> <li>Increase in operating expenses to comply with regulation or adopt to new practices/ technologies</li> </ul>                |                                  | ✓                           | ✓                        | <ul style="list-style-type: none"> <li>Continuous monitoring of changes in regulatory environment and market trends to sure our products and services meet the requirements and expectations of the regulatory bodies and customers</li> </ul> |
|                  | <ul style="list-style-type: none"> <li><b>Market risks</b><br/>Customers shift towards demand of green building technologies</li> </ul> |   |                                  |                             |                          | <ul style="list-style-type: none"> <li>Adopted energy conservation measures</li> </ul>   |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE GROUP AND THE SOCIETY

### Employment

During the Reporting Period, the Group strictly complied with all relevant employment laws and regulations, including but not limited to “Employment Ordinance”, “Minimum Wage Ordinance”, “Employees’ Compensation Ordinance”, and “Mandatory Provident Fund Schemes Ordinance” of Hong Kong, and “Labour Law”, “Labour Contract Law”, “Social Insurance Law of the PRC” and “Law of the PRC on Work Safety” of the PRC, and “Labour Relations Law” of Macau.

We see our employees as the most valuable assets of the Group, and focus our efforts on providing them a safe and enjoyable working environment. The objective of Human Resources Department is to reward and recognize outstanding employees by providing competitive remuneration packages with basic salary, and to promote career development and progression within the Group via providing adequate rewards, training and opportunities.

As at 31 March 2023, the employee profiles by gender, age, employment type, employment category, and geographical location are shown as follows:

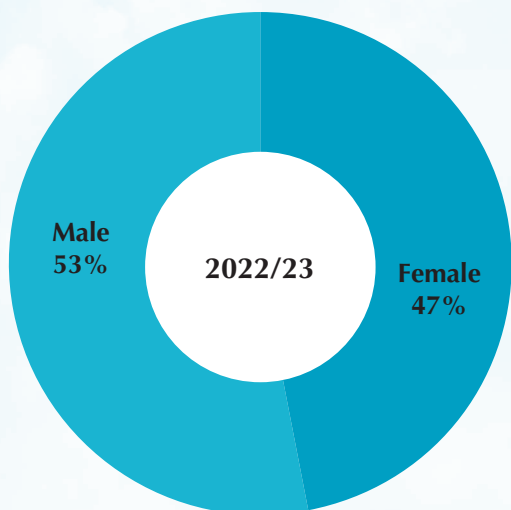
|  | 2022/23 |
|--|---------|
| <b>Total workforce</b>                     | 15      |
| <b>Type of employment</b>                  |         |
| Full Time                                  | 15      |
| Part Time                                  | –       |
| <b>Breakdowns by gender</b>                |         |
| Male                                       | 8       |
| Female                                     | 7       |
| <b>Breakdowns by age</b>                   |         |
| < 25                                       | 0       |
| 25–29                                      | 1       |
| 30–39                                      | 8       |
| 40–49                                      | 3       |
| > 50                                       | 3       |
| <b>Breakdowns by employee category</b>     |         |
| Top management                             | 2       |
| Middle management                          | 4       |
| General staff                              | 9       |
| <b>Breakdowns by geographical location</b> |         |
| Hong Kong                                  | 7       |
| PRC <sup>6</sup>                           | 0       |
| Macau                                      | 8       |

<sup>6</sup> As aforementioned, the office in Zhuhai ceased operation in December 2022. Therefore, as at 31 March 2023, employee data with regard to PRC will be presented as 0.

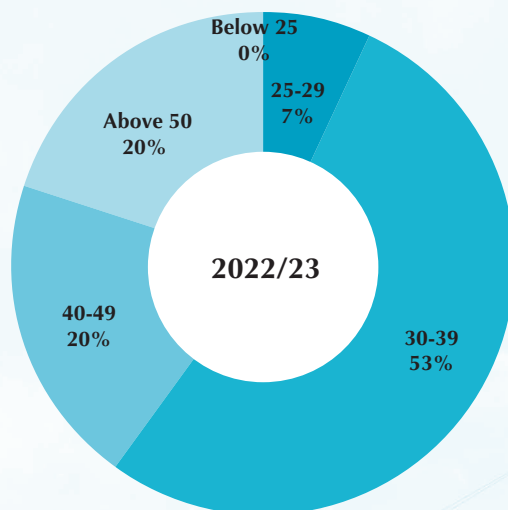


# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

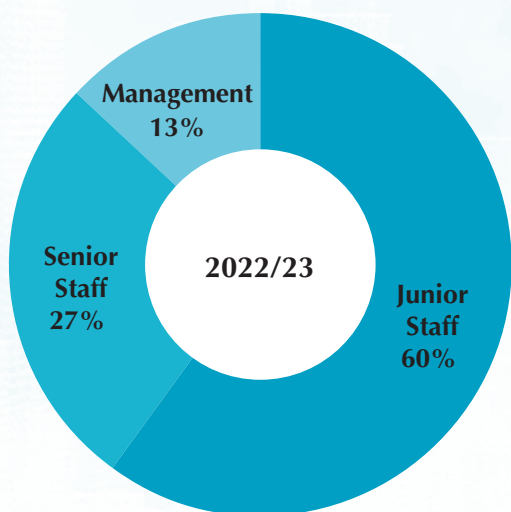
BY GENDER



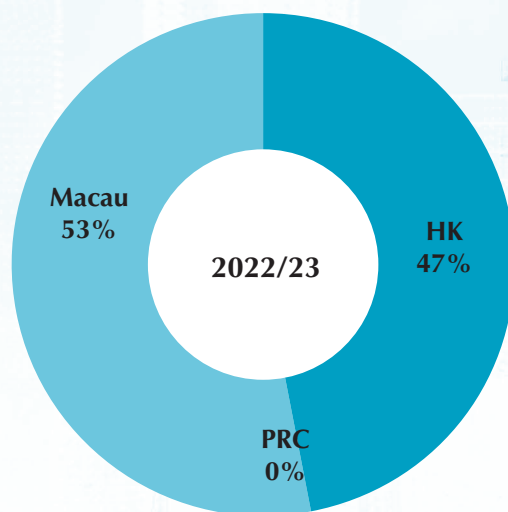
BY AGE



BY RANK



BY GEOGRAPHICAL LOCATION



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Details of the staff turnover rate by gender, age and geographical location during the current Reporting Period are shown as follows:

|   | 2022/23 |
|---|---------|
| <b>Employee Turnover Rate<sup>7</sup></b> | 33%     |
| <b>By Gender</b>                          |         |
| Male                                      | 13%     |
| Female                                    | 57%     |
| <b>By Age</b>                             |         |
| <25                                       | 0%      |
| 25–29                                     | 100%    |
| 30–39                                     | 38%     |
| 40–49                                     | 0%      |
| >50                                       | 33%     |
| <b>By Region</b>                          |         |
| HK  | 14%     |
| PRC <sup>8</sup>                          | 0%      |
| Macau                                     | 25%     |

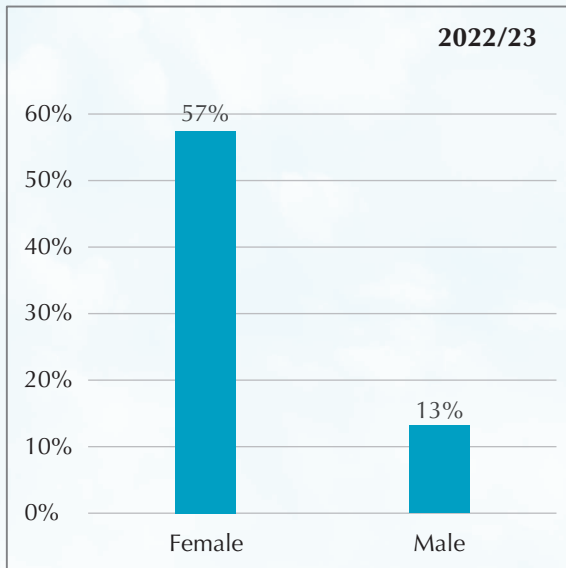
<sup>7</sup> The turnover rates by gender, age and geographical location are calculated according to Appendix 3 of the Reporting Guideline on Social KPI.

<sup>8</sup> As aforementioned, the office in Zhuhai ceased operation in December 2022. Therefore, as at 31 March 2023, employee turnover data with regard to PRC will be presented as 0%.

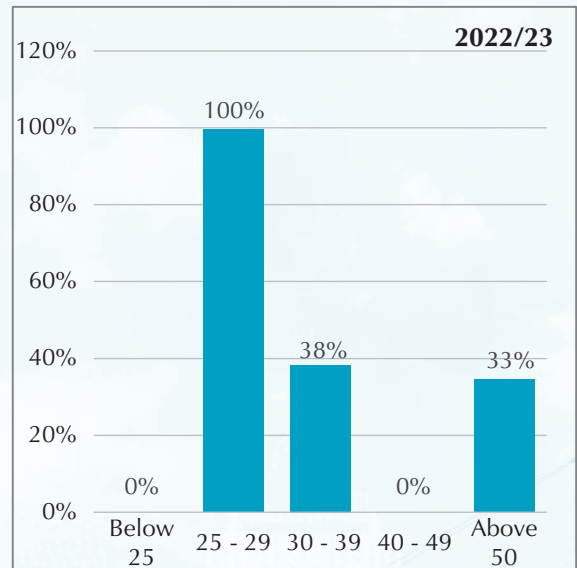


# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

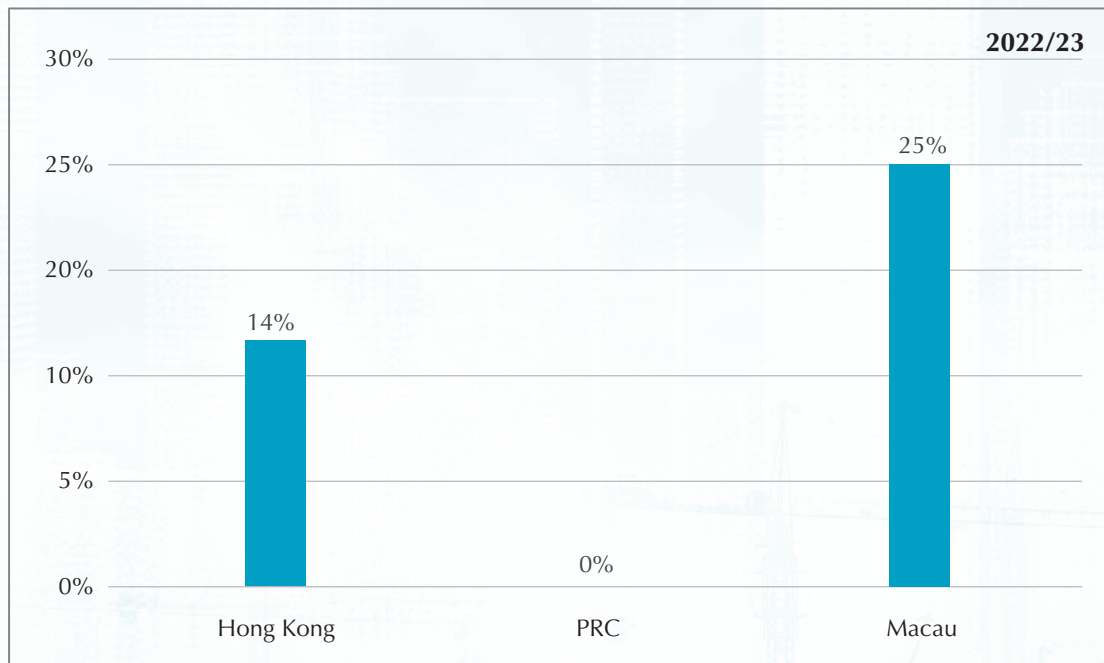
### BY GENDER



### BY AGE



### BY GEOGRAPHICAL LOCATION



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Compensation Package

Our employees are enrolled into the Mandatory Provident Fund (“MPF”) scheme of Hong Kong, the Social Insurance Schemes of the PRC, and the obligatory system to the Social Security Fund (“FSS”) of Macau; and scheduled to vacations and days off at weekends in accordance with relevant laws and regulations. Newly recruited employees are admitted as permanent employees after successful completion of a 3-month probation period, permanent employees are then provided with medical scheme, training subsidy and granted with a minimum 12-day annual leave which exceeds the minimum leave entitlement specified by the Hong Kong law. As for employees in the PRC and Macau, they are entitled to minimum 5-day annual leave and 6-day annual leave respectively after one year of service, which is in accordance with the respective local law. On top of that, the Group provides rather attractive remuneration packages through the internal employee incentive and remuneration adjustment mechanism. The Group offers the discretionary bonus along with a competitive salary package and allocates share options to provide incentives and rewards to excellent employees.

The Group is also committed to helping its employees in balancing their work and family responsibilities by implementing family-friendly employment practices. Our employees are entitled to 3-day paid marriage leave and 3-day paid compassionate leave.

These measures aim at establishing fair, reasonable and adequate recognition and rewards for employees to foster their sense of belonging and performance.

## Equal Opportunity, diversity and Anti-discrimination

The Group is committed to providing a diverse and inclusive workplace where all employees are treated with dignity and respect. All employees are assessed based on their ability, job performance and contribution, irrespective of their nationality, race, religion, disability, sexual orientation, political opinion, gender, age or family status. The Group reinforces the policies on prohibiting bullying, discrimination and harassment.

## Health and Safety

The Group places the health and safety of its employees as priority and strictly complies with the laws and regulations related to workplace health and safety of Hong Kong, the PRC and Macau. Our management ensures a safe working environment which protects the employees from occupational hazard, measures such as prohibiting smoking in the workplace and maintaining the condition of firefighting equipment are implemented. At the same time, we implement various insurance policies such as an accident insurance for employees’ compensation. Such insurance reduces employees’ liability arising from unintentional injuries.

The Group has implemented the following practices to ensure a comfortable and safe working environment for the employees:

- Precautionary measures have improved its operating environmental hygiene
- Providing adequate lighting in the workplace
- Ensure the proper use of personal protective equipment at work
- Conducting regular safety inspections



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In response to the outbreak of Coronavirus 2019 (“COVID-19”) pandemic in the first half of Reporting Period, the Group has implemented all practicable preventive and protective measures to minimize occupational risk, including but limited to employees’ health declaration, daily temperature checks, wearing of surgical mask, social distancing requirements, provision of alcohol sanitizers, cleaning of offices and constructions site. The Group will pay close attention to the latest development and regularly reviews the measures implemented to ensure the measures are effective.

During the last three reporting periods including the current Reporting Period, there was no work-related fatality or injury, and thus no lost days due to work injury were reported.

## Development and Training

Training plays an important role in providing employees comprehensive development to equip them with the ability to meet the demands of a dynamic market and achieve success of the Group. The Group provide onboarding sessions for new employees to deepen their understand of its corporate culture, regulatory requirements and operating procedures, aim to help them fit in more quickly. As the aforementioned trainings were on-the-job-trainings, no records were collected. The Group also encourages its staff to attend trainings and seminars on industry regulatory updates organized by professional bodies. These vocational trainings provide a learning opportunity for the employees to enhance their competence, job skills, and knowledge in discharging their duties. It also helps the employees in achieving their personal goals while aligning their personal development with company goals. The Group aims to keep track of the training records in coming reporting periods for a more comprehensive disclosure.

## Labour Standards

During the Reporting Period, we complied with all relevant laws and regulations such as “Employment Ordinance” of Hong Kong, “Labour Law of the People’s Republic of China” of the PRC and “Labour Relations Law” of Macau. The Group strictly prohibits any recruitment of child and forced labour. We ensure that the employment agreements signed with our employees are on a fair, equal, voluntary and mutually agreed basis.

The Group is well aware that child and forced labour violates fundamental human rights; therefore, it prohibits all forms of child or forced labour. In order to prevent such occurrence, the responsible staff members perform detailed screening procedures during the staff recruitment process. Original identify proof from each candidate will be collected and carefully scrutinized to verify the legitimacy of respective documents and ensure that their age meets the requirements stipulated in the Employment Ordinance. If any child and forced labour is discovered, we would immediately terminate the contract and investigate into the incident, and might take disciplinary actions against any staff members who are responsible for the causes of the incident.

During the Reporting Period, no case related to child or forced labour was found.

## Supply Chain Management

The Group had 4 suppliers in total as at 31 March 2023. As the principal business activities of the Group is in the Macau, thus all the suppliers of the Group is located in the Macau.

The Group emphasizes that a responsible supply chain management is vital to its businesses. We can minimize our impacts on the environment through selecting suppliers that provide environmentally- and socially-responsible products. We also continuously monitor and regularly review the performances of our suppliers, to ensure that the suppliers are performing in line with our business commitments and are complying with relevant legal and regulatory requirements.

The Group informs suppliers of the Group’s expectations and requirements that the suppliers must abide by. Moreover, the Group selects and monitors the performance of suppliers based on the various criterion, such as the quality of services and products, environmental and social responsibility and business ethics.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Product and Service Responsibility

### Quality Products and Services

Delivering quality products and services is key to sustainable development of the Group. The Group aims to achieve high standard for all its products and services. The Group has a quality management system in place and has been continuously improving it. For the construction business, our project managers had the responsibility to monitor the overall process and quality of work undertaken by us and our subcontractors in light of the contract works delegated to them. Supervisors discuss quality issues with our subcontractors and provide instructions to remedy any defects identified in their works.

During the Reporting Period, there were no products sold or shipped subject to recalls for safety and health reasons.

As for the money lending business, we complied with all relevant laws and regulations, including but not limited to, the “Money Lenders Ordinance” (Cap. 163) of Hong Kong. The Group conducts customer due diligence prior to accepting the customer and ensures that all transactions are subject to review and approval by management. We gain customers’ satisfaction and establish close ties with them through our professional services. The staff follow the formal procedures that are subject to the control by the administrative management. Our policies also prohibit any act prejudice to the customers’ interests, while protecting their personal information and privacy.

### Complaints Handling Procedures

The customer feedback, which is invaluable in the extremely competitive market, is solicited through multiple channels such as our company’s email and customer service hotline. These highly valued communication tools allow the efficient and effective handling of the customers’ comments, recommendations and complaints. As customer feedback and opinions help drive the Group’s continuous improvement and are essential to the pursuit of excellence.

The Group makes every effort to promptly investigate and resolve all disputes and complaints lodged by customers. During the reporting period, no complaints were received. To respond to the complaint, the Group actively engaging in dialogue and consultation with the customers, as well as keeping a detailed record of their feedback, uses the best endeavor to procure satisfaction of the customer.

### Protection of Customers’ Data

The Group places vast effort on protecting the privacy of its customers, partners and employees during the collection, process and use of personal data. The Group adheres to the relevant regulations, such as the “Personal Data (Privacy) Ordinance” (Cap. 486) of Hong Kong, the “Personal Information Protection Standard” in the PRC, and the “Personal Data Protection Act” in Macau; ensuring that customers’ personal data is securely kept and processed only for the purpose of which it has been collected.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with relevant regulations and codes concerning health and safety, advertising, labelling and privacy matters relating to the provision of the Group’s products and services. Simultaneously, received no complaint or litigation due to violation of any national or regional laws and regulations in relation to the provision of commercial services.

### Intellectual Property Rights

The Group always strictly abides by the relevant laws and regulations on intellectual property protection applicable in the place where it operates, and insists on maintaining and protecting the intellectual property rights of the Group from any infringement through close monitoring. Legal action may be taken in due course upon any identification of infringement.

During the Reporting Period, there were no cases regarding copyright infringement reported within the Group. The Group has strictly complied with the relevant laws and regulations.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Anti-corruption

The Group is committed to conducting its businesses with integrity and high ethical standards. We strictly complied with all relevant laws and regulations relating to bribery, extortion, fraud and money laundering, including but not limited to, “Prevention of Bribery Ordinance” of Hong Kong, “Anti-Unfair Competition Law” of the PRC, and “Prevention and Suppression of Bribery in the Private Sector” of Macau.

The Group prohibits all forms of bribery and corruption, and ensure its anti-corruption policy is clearly communicated to all its employees. No employees are permitted to solicit or accept any advantage for themselves directly or indirectly. Directors and staff should avoid any conflicts of interest, in which their private interest conflicts with the Group’s interest.

For whistleblowing, employees are encouraged to express concerns with their managers about any potential issues in the event of any suspicious occurrences in person, by letter, or by email. After a potential fraud case is being reported, investigation reports are handled by the Management of the Group, and they are treated confidentially to protect employees from retaliation. The corresponding penalties for the violation will be determined based on the nature, severity and evidence obtained in relation to the case.

Employee ethics, such as anti-corruption are also incorporated in the onboarding training for new employees. To encourage Directors to participate in continuous professional development activities, the Group will closely monitor the update of the ordinance and arranges relevant training for employees and Director when necessary.

During the Reporting Period, no corruption case was noted or reported.

## Community Investment

The Group is well aware of the responsibilities it owes to the community at large. In recognition of our social duty as a good corporate citizen, we endeavor to give back to the society and continue to explore different opportunities to incorporate environmental and social elements into our operations and investment decisions. We also encourage employees to take part in community services to foster sustainable harmony of a society.

During the Reporting Period, the Group has not organized any community and charity activities due to the COVID-19 pandemic. In light of the easing situation of the pandemic and relevant restrictions are lifted in societies, the Group will explore different opportunities in the coming reporting periods.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE GUIDE CONTENT INDEX

| Aspect                  | Description  | Chapter/Section          | Remarks  |
|-------------------------|--|--------------------------|--|
| <b>A. Environmental</b> |  |                          |  |
| <b>A1 Emissions</b>     |  |                          |  |
| General Disclosure      | Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</li> </ul> | Overview                 |  |
| KPI A1.1                | The types of emissions and respective emissions data.  | Air Emissions            | No significant impact on the issuer relating to air emissions          |
| KPI A1.2                | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | Greenhouse Gas Emissions |  |
| KPI A1.3                | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Waste Management         | No hazardous waste was produced during the ordinary course of business |
| KPI A1.4                | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Waste Management         |  |
| KPI A1.5                | Description of emission target(s) set and steps taken to achieve them.   | Energy Consumption       |  |
| 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.   | Waste Management         |  |



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Aspect  | Description  | Chapter/Section                       | Remarks  |
|---|--|---------------------------------------|--|
| <b>A2 Use of Resources</b>                      |  |                                       |  |
| General Disclosure                              | Policies on the efficient use of resources, including energy, water and other raw materials.   | Energy Consumption, Water Usage       |  |
| 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). | Energy Consumption                    |  |
| KPI A2.2  | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | Water Usage                           | Water supply provided by office building                   |
| KPI A2.3  | Description of energy use efficiency target(s) set and steps taken to achieve them.  | Energy Consumption                    |  |
| KPI A2.4  | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set taken to achieve them.                                 | Water Usage                           |  |
| KPI A2.5  | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | Waste Management                      | No packaging materials used                                |
| <b>A3 The Environment and Natural Resources</b> |  |                                       |  |
| General Disclosure                              | Policies on minimizing the issuer's significant impact on the environment and natural resources.   | The Environment and Natural Resources | No significant impact on environment and natural resources |
| KPI A3.1  | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.  |                                       |  |
| <b>A4 Climate Change</b>                        |  |                                       |  |
| General Disclosure                              | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.                               | Climate Change                        |  |
| KPI A4.1  | Description of the significant climate-related issues which have impacted, and those may impact, the issuer, and the actions taken to manage them.                         | Climate Change                        |  |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Aspect                      | Description  | Chapter/Section   | Remarks |
|-----------------------------|--|---|---------|
| <b>B. Social</b>            |  |   |         |
| <b>B1 Employment</b>        |  |   |         |
| General Disclosure          | Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(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.</li> </ul> | Employment;<br>Compensation<br>Package; and<br>Equal<br>Opportunity,<br>diversity and Anti-<br>discrimination |         |
| KPI B1.1                    | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.   | Employment  |         |
| KPI B1.2                    | Employee turnover rate by gender, age group and geographical region.   | Employment  |         |
| <b>B2 Health and Safety</b> |  |   |         |
| General Disclosure          | Information on: <ul style="list-style-type: none"> <li>1. the policies; and</li> <li>2. 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.</li> </ul>   | Health and Safety   |         |
| KPI B2.1                    | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.  | Health and Safety   |         |
| KPI B2.2                    | Lost days due to work injury.  | Health and Safety   |         |
| KPI B2.3                    | Description of occupational health and safety measures adopted, how they are implemented and monitored.  | Health and Safety   |         |



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Aspect                             | Description  | Chapter/Section          | Remarks |
|------------------------------------|--|--------------------------|---------|
| <b>B3 Development and Training</b> |  |                          |         |
| General Disclosure                 | Policies on improving employees' knowledge and skills for discharging duties at work.  | Development and Training |         |
| KPI B3.1                           | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).   | Development and Training |         |
| KPI B3.2                           | The average training hours completed per employee by gender and employee category.   | Development and Training |         |
| <b>B4 Labour Standards</b>         |  |                          |         |
| General Disclosure                 | Information on: <ol style="list-style-type: none"> <li>1. the policies; and</li> <li>2. compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.</li> </ol> | Labour Standards         |         |
| KPI B4.1                           | Description of measures to review employment practices to avoid child and forced labor.  | Labour Standards         |         |
| KPI B4.2                           | Description of steps taken to eliminate such practices when discovered.  | Labour Standards         |         |
| <b>B5 Supply Chain Management</b>  |  |                          |         |
| General Disclosure                 | Policies on managing environmental and social risks of the supply chain.   | Supply Chain Management  |         |
| KPI B5.1                           | Number of suppliers by geographical region.  | Supply Chain Management  |         |
| KPI B5.2                           | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.  | Supply Chain Management  |         |
| KPI B5.3                           | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.   | Supply Chain Management  |         |
| KPI B5.4                           | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.  | Supply Chain Management  |         |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Aspect                                       | Description  | Chapter/Section   | Remarks |
|--|--|---|---------|
| <b>B6 Product and Service Responsibility</b> |  |   |         |
| General Disclosure                           | Information on: <ol style="list-style-type: none"> <li>the policies; and</li> <li>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.</li> </ol> | Customer Services, Protection of Customers' Data                    |         |
| KPI B6.1                                     | Percentage of total products sold or shipped subject to recalls for safety and health reasons.   | Product and Service Responsibility — Quality Products and Services  |         |
| KPI B6.2                                     | Number of products and service-related complaints received and how they are dealt with.  | Product and Service Responsibility — Complaints Handling Procedures |         |
| KPI B6.3                                     | Description of practices relating to observing and protecting intellectual property rights.  | Product and Service Responsibility — Intellectual property rights   |         |
| KPI B6.4                                     | Description of quality assurance process and recall procedures.  | Product and Service Responsibility — Quality Products and Services  |         |
| KPI B6.5                                     | Description of consumer data protection and privacy policies, how they are implemented and monitored.  | Product and Service Responsibility — Protection of Customers' Data  |         |



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Aspect                         | Description   | Chapter/Section      | Remarks |
|--------------------------------|---|----------------------|---------|
| <b>B7 Anti- corruption</b>     |   |                      |         |
| General Disclosure             | Information on: <ol style="list-style-type: none"> <li>the policies; and</li> <li>compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</li> </ol> | Anti- corruption     |         |
| KPI B7.1                       | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.  | Anti- corruption     |         |
| KPI B7.2                       | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.  | Anti-Corruption      |         |
| KPI B7.3                       | Description of anti-corruption training provided to directors and staff.  | Anti-Corruption      |         |
| <b>B8 Community Investment</b> |   |                      |         |
| General Disclosure             | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.  | Community Investment |         |
| KPI B8.1                       | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).  | Community Investment |         |
| KPI B8.2                       | Resources contributed (e.g. money or time) to the focus area.   | Community Investment |         |