



中國鼎益豐控股有限公司

CHINA DING YI FENG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 00612

Environmental, Social and Governance Report

2020



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THE REPORT

China Ding Yi Feng Holdings Limited and its subsidiaries (together, the “Group” or “we”) are pleased to present our Environmental, Social and Governance Report (“ESG Report”). The report presents the Group’s concern to environmental and social impacts, policies and initiatives of the Group to demonstrate our long-term commitment to ensure that our activities, at all levels, are economically, socially and environmentally sustainable development to stakeholders. Additional information in relation to the Group’s corporate governance and financial performance can be referred to our annual report for the year ended December 31, 2020.

1.1 Scope and Reporting Boundary

The scope of the ESG Report covers the environmental and social performances of the Group’s principal operating as an investment holding company. The Group principally engaged in investing in listed and unlisted securities, mainly conducting businesses in Hong Kong. The “Reporting Period” or “FY2020” is spanning over the period from January 1, 2020 to December 31, 2020.

While we seek to establish a consistent boundary for reporting ESG aspects across the Group’s structure, the reporting boundary of the ESG Report is hence established based on the criteria that all operations and entities reported are substantially owned by the Group and are under our management. As a result, we do not report entities which are outside of the Group’s structure, where we do not own the assets and do not directly engage or employ the workforce, and where we do not operate the asset under a contractual obligation. In addition, we do not report entities which were sold or acquired during the Reporting Period.

Part of the content may look back upon the performance of the Group in past years with a view to presenting the report in a more informative and comparable manner. The reporting boundary includes the operation entities in Hong Kong.

1.2 Reporting Guidelines

The “Environmental, Social and Governance Reporting Guide” (“ESG Reporting Guide”) which is set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “HKEX”) serves as the reporting guidelines of this report.

1.3 Reporting Principles

The reporting principles of this ESG Report are governed by “materiality” and “quantitative”. With respect to “materiality”, we ensure that ESG issues discussed in this report are sufficiently important and material to investors and stakeholders including clients, communities, employees, institutions, governments, non-governmental organizations, shareholders, subcontractors, suppliers and industry associations. With respect to “quantitative”, Key Performance Indicators (“KPI”) required by the ESG Reporting Guide are measurable such that the effectiveness of our ESG policies and management systems can be evaluated and validated continuously.

The Group is determined to be a responsible enterprise and is committed to perfecting its business and improving the local community. In order to determine what issues are relevant and material to our business with respect to sustainability, the Group is aware that the key is to understand what issues that our stakeholders concerned most. We define our stakeholders as people who affect our business or who are affected by our business. In our daily business, we actively exchange information with our stakeholders through our transparent platform while we are devoted to continuous improvement of our communication system. In addition, we are committed to maintaining a long-term partnership with our stakeholders and are actively engaged in addressing their concerns with timely follow-up actions. The Group is working to create a sustainable growth for the benefit of all our stakeholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1.4 Reporting Framework

With reference to the ESG Reporting Guide and the Group's business operation, the presentation of our ESG Report divides the relevant aspects and KPI, which are considered to be relevant and material to the Group, into four subject areas: Environmental Protection, Employment and Labour Practices, Operating Practices and Community Investments.

A complete index in compliance with the ESG Reporting Guide is also available at the end of this report for reference. Except for provisions that the Group considers are inapplicable to its operations, for which explanations have been given on the rightmost column in the said index, this report is compliant with all the "comply or explain" provisions set out in the ESG Reporting Guide.

1.5 Data Collection

Data in this report are extracted from the Group's internal management system and statistics, and part of the data collected in previous years. Unless otherwise stated, HKD is used in this report as its functional currency.

1.6 Report Availability

In addition to inclusion in the Group's Annual Report, this report is also accessible in electronic version from <http://www.dyf.com.hk>.

1.7 Contact

We welcome all sorts of comments and suggestions from our stakeholders with respect to this ESG Report or our sustainability performance. Comments or views can be sent to info@dyf.com.hk.

2. NAVIGATING THROUGH THE COVID-19 PANDEMIC

In early 2020, the outbreak of the novel coronavirus epidemic (COVID-19) has brought exceptional challenges to the world. The pandemic has resulted in unprecedented public health measures across all geographies, with business shutdowns and stay-at-home policies disrupting the global economy at a scale never seen in our lifetime. The effects of the COVID-19 crisis on the various industries are far-reaching and complex: the crisis has limited the operations of many businesses and has had implications for employees, supply chains, cash flows and investor return.

While multiple industries are preparing to adapt to the slumps in demand and production, as part of the "new normal", the health and well-being of all our clients and employees, as well as their families and friends, is our utmost priority in these challenging times. We successfully navigated through disturbances together with our employees, suppliers, clients, and local communities by putting people first, and contributing to communities, nation, and humanity. Capitalizing on our knowledge, experience and strengths, we will continue to ensure the safety and well-being of our employees, suppliers and support our consumers, stakeholders and communities in the battle to overcome the COVID-19 pandemic. On the other hand, we are dedicating human and financial resources to help those in need and help us, as a society, emerge stronger on the other side.

In order to combat the spread of COVID-19 together with the community, the Group has been strictly following the latest health advice and regulations issued by the government and has undertaken prompt actions and adopted various preventive and hygiene measures for employees and clients since early January 2020.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.1 Employee Health and Safety

The foremost priority for the Group is to provide our employees with a safe and healthy working environment during the COVID-19 pandemic, maintaining a firm grasp of all applicable obligations (whether mandated or voluntary). The Group has taken the following precautionary measures at our workplaces to minimise the risk of transmission of COVID-19.

- We provide adequate amount of surgical mask to employees, while advising all staff members to maintain good personal hygiene and to avoid touching eyes, mouth and nose before cleaning hands;
- We provide 70–80% alcohol-based handrub to employees for hand sanitization;
- Employees are recommended to rub hands with liquid soap for at least 20 seconds when washing;
- Any person who accesses to the workplaces must wear a face mask and would be invited for a temperature screening procedure;
- Any person who has symptoms of fever, or other respiratory symptoms would be advised to seek medical advice and would be refrained from entering the workplaces;
- Commonly touched areas such as lift buttons and electronic products are disinfected regularly during day time;
- We follow the manufacturer's instructions for disinfecting electronic products. If no manufacturer guidance is available, we consider the use of alcohol-based wipes containing at least 70% alcohol;
- Staff-members are encouraged to stay inside the workplaces during lunch-break;
- Staff-members are required to perform a 14-day self-quarantine after traveling outside of Hong Kong or any confirmed case at their residential building;
- Friendly message of upkeeping personal and environmental hygiene, health and safety as individual's own responsibility are posted in the workplaces; and
- Maintain a register of staff-members who are on duty and their mandatory travel and health declaration, for possible public health action in case the employee is confirmed to be infected with COVID-19.

2.2 Adapted Management

- To increase social distancing, we implement flexible working hours to enable staff members to avoid peak hour travel;
- We review, update and modify crisis management plans, as needed, and ensure that employees follow these plans during the pandemic;
- We ensure that we comply with operational and monitoring requirements imposed by law, permit conditions and consent orders;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- We communicate regularly and frequently (e.g., through daily, weekly or biweekly check-ins) with key personnel;
- We ensure that key employees have access to and/or knowledge about critical records and recordkeeping requirements;
- We ensure that emergency and security protocols remain in place for shuttered facilities or those operating with reduced staff to ensure the health and safety of employees remaining on site and the nearby community; and
- We leverage pandemic update provided by the government such as daily active cases or percentage of positive cases, along with public health guidelines, to inform its level of permitted employee or customer contact.

We continue to monitor and assess the situation, keeping all employees and clients posted. The resolve, dedication, commitment and hard work of the Group and its all employees to fight this unprecedented threat to mankind is strong and undeterred. We will remain resilient, ensuring to maintain our operations as smoothly and efficiently as possible during these exceptionally challenging times.

3. OUR ESG MANAGEMENT AND STRATEGY

3.1 Our Board Statement

We, as part of the great community, are committed to dedicating our resources and our best thinking to build a sustainable business fit for the future and to build a better world for all stakeholders in different aspects. Our board statement of ESG management focused on the following principles:

Role of ESG Committee

The formation of the ESG committee comprising the Board-level committee members during the reporting period represents the Board's further determination and action to strengthen the Group's ESG management in the long run. The Board has the overall responsibility to define the Group's ESG strategy and approach, manage and assess the Group's ESG performance.

Decarbonization — Responding to Climate Change

Against the backdrop of accelerated climate change, we will strive to reduce our carbon footprint and always refresh our long-term goals as technologies advance and cost structure change to further reduce our impact on the planet, while tracking our progress against the global steps.

Promote Health & Well Being

We are determined to set ourselves in a good position to maintain a robust business performance and growth together with our employees, with an objective to uphold an open, fair, just and reasonable human resource policy. The Group is committed to a holistic approach to health and wellness, through a healthy, comfortable and safe working environment that support health and wellness for our employees.

Innovation

We are dedicating our unmatched innovative capacity to accomplish the long-term sustainability, offering a range of innovative and practical applications to help manage energy use in a greener and smarter way. As for our operations, we will continue replacing and enhancing our technical levels and processes to enable our business to

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

deliver improved results, leveraging innovation to facilitate our people in making better decisions. Going forward, we will continue being vigilant and keep strengthening our cyber resilience and enhancing the awareness of cyber security across the Group and our working partners.

Support the Community

We encourage giving back and strengthening the community through volunteerism and philanthropy. The Group employees contribute their time and talent to a variety of community organizations. In addition, many of our officers provide leadership by serving on non-profit organizations

Learning Through Diversity

The Group values diversity of experiences and backgrounds, and actively seeks to promote from within. Further, the Group is always seeking to improve and become better constituents to our community, our company, and our shareholders. Opportunity and growth occur when we draw from the strengths of our diverse leadership and background.

3.2 “Go Green”

While the impact of global sustainability issues like climate change, plastic pollution, ecological and ethical footprints is increasingly prominent, the Group is aware that consumers are gradually becoming more sensitive to those issues which start to influence the purchasing decisions of average consumers. Where once customer would rarely question how a product was made or what it was made of, corporates are now expected to clearly state where products come from and how the ESG policies inform their choice of processes, materials and deployment of human resources. The change of consumer mentality is progressively transforming the purchasing decisions.

As such, it has never been more important for the Group to implement good ESG practices into our business model. We are committed to instilling the consciousness of resources conservation, deeply indoctrinated the low-carbon concept and environmental protection into the work and life of every employee. We continue to seek business partners who share our philosophy, commitment to environment conservation and compliance with the applicable environmental laws and regulations. We firmly believe that our commitment to environmental protection will become a part of our competitiveness, leading the Group to a greater success in the future and fulfil our responsibilities as a member of the community we all live in.

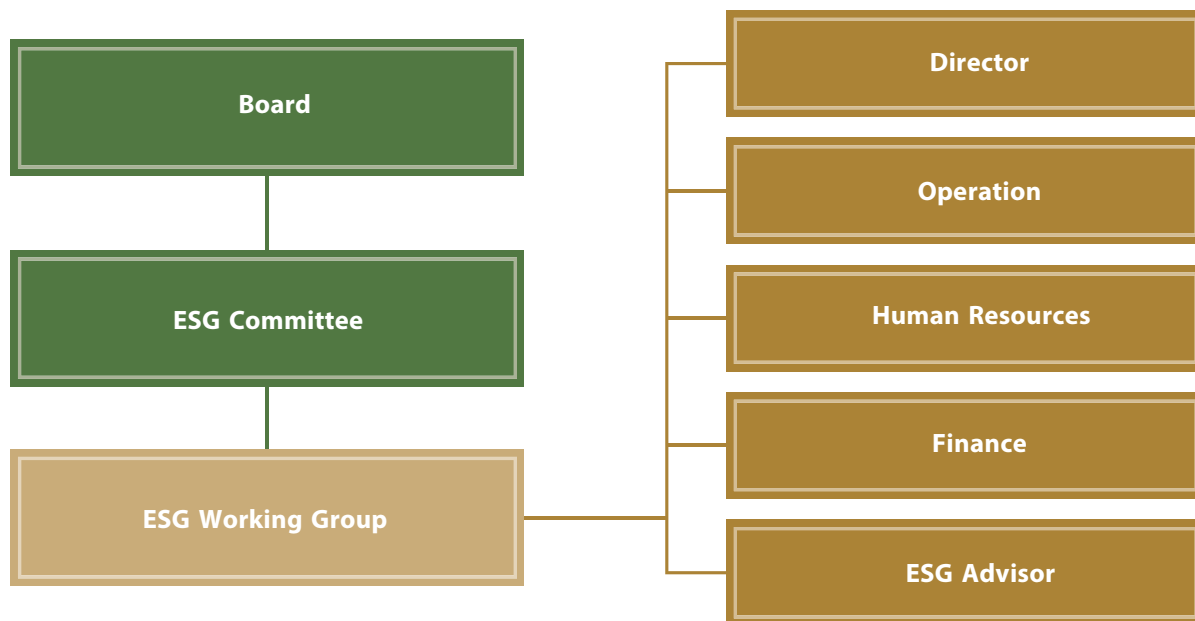
Although change is always difficult and requires careful management, we believe that these initiatives will become part of our competitiveness and are capable to reflect our commitment to offering our clients the best quality of services with the least adverse impact on our planet, building a greener and healthier environment together with all the members of the community.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.3 ESG Committee

The Group is aware that a sound ESG management system requires a combined effort of an effective and organized governance structure that comprises the decision-making level and execution level. While everyone of the Group has a duty to contribute to our ESG performance, our governance structure assigns key responsibilities to individuals across all levels of the organisation. The Board of Directors and Senior Management holds accountable for the responsibility of the Group's ESG performance.

To address the issues of ESG management, the Group was determined to set up the ESG Committee in addition to the existing audit, remuneration and nomination committees. The ESG committee consists of five members, including a director, an external ESG advisor and three department heads of operation, finance and human resources. The ESG Committee is delegated to review and monitor the Group's ESG policies and performance regularly, identify risks and opportunities of ESG aspects, ensure the Group's compliance with the relevant legal and regulatory requirements, monitor and respond to emerging ESG issues and make recommendations to the Board to improve the Group's ESG performance. During the Reporting Period, the ESG Committee organized meetings to review the Group's ESG policy including, carbon footprint reduction, professional development for employees and engagement with the community.



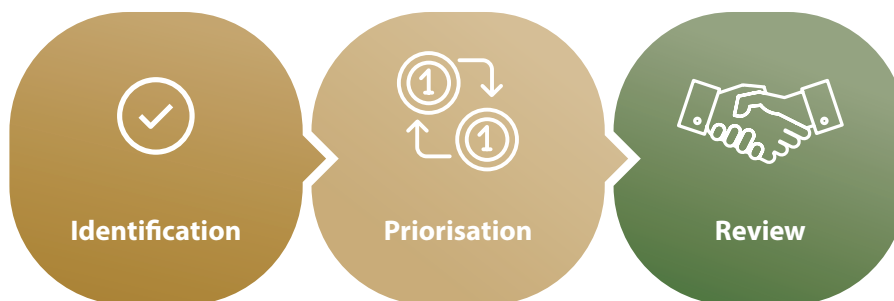
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.4 Materiality Assessment

To better understand stakeholders' opinions and expectations on the Group's ESG performance, we carried out a materiality assessment with stakeholders which enables the Group to identify and prioritise sustainability issues effectively. An issue is considered "material" when it may substantially affect our long term commercial and operational viability.



Our materiality assessment involves the following procedures.



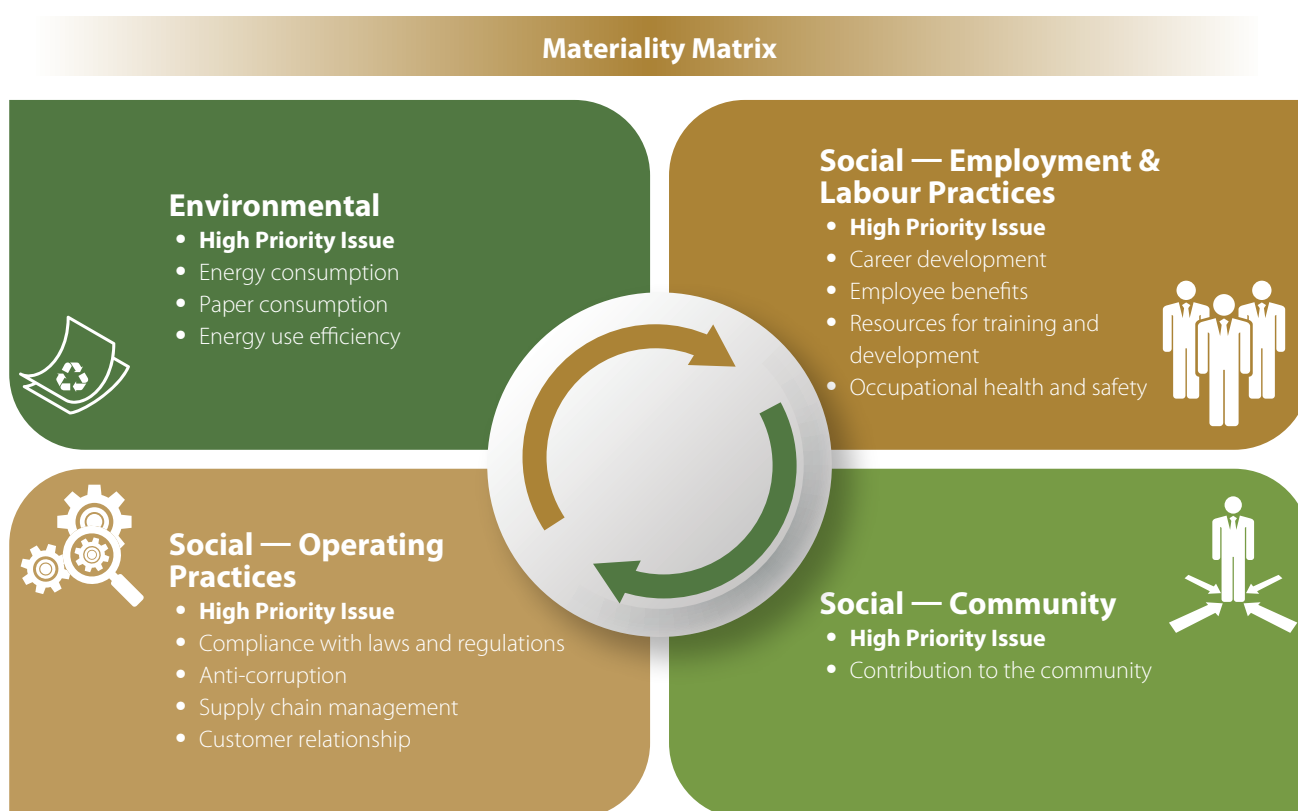
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Identification: The Group's ESG working committee initially identified sustainability topics which may be considered important and relevant for disclosure in accordance with the ESG Guide.

Prioritisation: The identified topics were ranked by stakeholders to reflect the level of interest and importance to the Group through various stakeholder engagements. A list of prioritised material topics was consequently generated with respect to the results from stakeholder engagements.

Review: The Group's ESG working committee reviewed and validated the material sustainability topics to ensure that they are relevant and material to the Group for disclosure.

Based on the stakeholder engagement exercise, business knowledge and management review, we identified the material topics and the stakeholder groups most significantly impacted by the topics summarized in the form of materiality matrix below, in the context of own business and day-to-day operation. The materiality matrix generally demonstrates that all issues raised were important to both primary and secondary stakeholders, albeit to differing degrees of importance to stakeholders and to the Group.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.5 Our Recent ESG Achievement

The Group contemplates that ESG is integral part of our principal business and also our ability to succeed in a relentlessly competitive market. As such, the Group continuously spends remarkable efforts to address various aspects of ESG, including greenhouse gas reduction, environmental compliance, health and safe work environment for employees, development and training opportunities for employees and community investments.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4. PROTECTING THE ENVIRONMENT

4.1 Corporate Environmental Policy

With growing concerns of climate change and environmental degradation, sustainable environment protection has become a strategic priority for various industries globally. The Group is committed to upholding the high environmental standards to fulfil relevant requirements throughout our operation, and will continue to devote human and financial resources for environmental conservation, reduction of carbon footprint and environmental compliance as required under applicable laws and ordinances.

The Group formulated relevant rules and regulations for a sound and effective management of energy consumption, Greenhouse Gas ("GHG") emission, as well as discharge of waste and sewage and other pollutants, highlighted as below.

- To comply with applicable environmental protection laws and regulations;
- To integrate environmental considerations in the operations;
- To define appropriate objectives and targets on a regular basis for our ESG management approach;
- To continuously improve the ESG management system to set and maintain rigorous standards;
- To prevent pollution and to protect the environment by conserving natural resources and minimizing waste;
- To promote environmental awareness among the workforce with regular communication; and
- To communicate our environmental performance to stakeholders and seek their involvement wherever applicable.

During the Reporting Period, the Group complied with environmental protection laws and regulations in relation to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. The Group did not violate any environmental protection laws or regulations of the region where we operate, nor was it subject to significant fines, non-monetary penalties and litigation relating to environmental protection.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4.2 Climate Change Mitigation

Given our Group's business by nature, we do not generate a significant amount of exhaust gas and GHG directly throughout our operation. However, our daily operation and office administration inevitably involve consumption of fossil fuel directly or indirectly, which releases Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Carbon Dioxide (CO₂) into the air. The Group is highly aware that such GHG emission is one of the major sources of global warming. Therefore, we strive to reduce our carbon and ecological footprint and adopt practices that are sustainable to the environment and minimize our impact on the environment. The sustainable measures adopted by the Group includes:

- Maintaining indoor temperature at an optimal level for comfort;
- Providing on-off and zoning control of lighting and ventilation system in the workplace according to the operation schedule;
- Encouraging employees to switch off machines and devices, such as computers and monitors when not in use;
- Procuring energy efficient electrical appliances (such as those with Grade 1 energy labels, fridge with door) and systems to reduce indirect GHG emission whenever practical;
- Encouraging employees to make the best use of modern telecommunication system to avoid unnecessary travel arrangement;
- Placing "Green Message" reminders on office equipment and workplace to further enhance employees' environmental awareness; and
- Organizing training session including case studies to improve energy efficiency and GHG saving awareness and engage staff to adopt the energy saving practices together.

The Group believes that the adoption of the above mitigation measures will help change the behaviour of the use of energy in the workplace and finally achieve the goal of reducing the GHG emission and protecting our environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4.3 Exhaust Gas and GHG Emissions

Our Group's business inevitably involves consumption of fossil fuel, which directly or indirectly, releases Nitrogen Oxides (NO_x), Sulphur Oxides (SO_x), and Carbon Dioxide (CO₂) into the air. In accordance with the ESG Reporting Guide set out by HKEX, our environmental performance of "Emissions" during the Reporting Period is tabulated below.

Table 1 — Emissions

	Unit	FY2019	FY2019 Intensity	FY2020	FY2020 Intensity
GHG Emissions	CO ₂ e (kg)	57,448	2,127.7	72,901	2,803.9
Nitrogen Oxides	g	353,421	13,089.7	442,829	17,031.9
Sulphur Oxides	g	220	8.1	281	10.8
Particulate Matter	g	26,022	963.8	32,605	1,254.0

4.4 Waste Management

Waste Management Policy

Waste reduction is the focus of our emission control efforts. The Group's principal waste management policy endeavors to achieve a green and paperless operation and a minimal generation of waste during our operation wherever possible and practical. The Group, through the following measures and objectives, strives to achieve the target of reducing the amount of waste generated and aims at waste management from the source.

- We endorse the "4-R Principles — Reduce, Reuse, Replace and Recycle" as our key policy of waste management;
- We extend our commitment to using sustainable products into every aspect of the business — including the furniture;
- We encourage all employees to reduce paper usage through duplex printing, paper recycle and frequent use of electronic information systems for material sharing or internal administrative documents;
- We encourage an increased use of reusable product, such as envelopes, and better separation of waste streams for recycling;
- We maintain 100% recycling of used toner cartridges by collecting and returning all used cartridge to recycling agents;
- We encourage minimal consumption of paper towels in workplaces;
- We strengthen our employee's awareness in environmental management, waste reduction and waste recycle, encourage them to be equipped with appropriate skills and knowledge with respect to the practice of sustainable development; and
- We closely keep up with the latest government's initiatives and policies in relation to waste management, waste reduction and recycle campaigns in order to allocate resources and formulate strategy in a timely manner.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Hazardous Waste

Given our business nature, the Group does not directly produce hazardous waste throughout the operation. The Group endeavors to recycle electronic waste throughout our operation wherever practical, ultimately reducing both the monetary and environmental costs involved in disposal of these electrical parts that would otherwise be scrapped and treated as hazardous waste.

Non-hazardous Waste

The non-hazardous wastes generated by the Group are mainly domestic waste including stationery, packaging materials, paper from our operations, among which, recyclable wastes will be recycled for reuse.

Wastewater Discharge

The Group's operations do not consume a significant amount of water. Our main use of water is for sanitary purposes. Similarly, most of the wastewater discharged from our facilities is sanitary wastewater. The Group ensures all domestic sewage is properly discharged into the urban sewage pipe network for subsequent sewage treatment.

Table 2 — Waste Discharge

	Unit	FY2020
Domestic Waste	kg	5,655

4.5 Use of Resources

As natural resources are depleted, sustainability becomes essential throughout the entire process of business, so we are working to optimize and reduce the overall amount of natural resources we consume. As such, the Group initiated policies to raise the awareness of electricity conservation and taken energy saving measures throughout our daily operation as elaborated in the section of "Exhaust Gas and GHG Emissions".

Water Consumption

We strive to engage all employees to develop a habit of conserving water consciously. Pantry is posted with environmental messages to remind employee the importance and urgency of water conservation. The utility facilities are maintained regularly for service to ensure that water seepage or leaking pipelines are replaced or repaired on a timely basis. The Group also seeks to reduce water usage, reuse water and improve the quality of wastewater discharged from our working stations wherever possible.

Packaging Material

Given our business nature, the Group does not have manufacturing facilities and does not consume significant amount of packaging materials by our operation. However, we encourage our suppliers to use less packaging material.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental Performance

In accordance with the ESG Reporting Guide set out by HKEX, our environmental performance of “Energy and Resources Use” during the Reporting Period are tabulated below.

Table 3 — Energy and Resources Use

	Unit	FY2019	FY2019 Intensity	FY2020	FY2020 Intensity
Electricity	kWh	23,408	867.0	29,981	1,153.1
Purchased Gas	kg	n/a	n/a	n/a	n/a
Unleaded Petrol	L	14,968	554.4	19,091	734.3
Diesel	L	n/a	n/a	n/a	n/a
Paper	kg	452	16.7	483	18.6
Water	m ³	n/a	n/a	n/a	n/a

5. PEOPLE

5.1 Recruitment and Promotion

Considering that every employee has unique talents, competencies and the potential to become a driving force for our corporate development and long-term growth, the Group supports the development of competencies of our employees while proactively managing our talent pipeline and career development for them. The Group is determined to uphold an open, fair, just and reasonable recruitment and human resource policies, with respect to equal opportunities, diversity and anti-discrimination. We are committed to nurturing skills and capabilities in order to unlock the best in our employees, and therefore drive creativity and innovation that will contribute to our long-term sustainable growth.

The Group has formulated the recruitment policy with respect to equal opportunities, diversity and anti-discrimination. We encourage differences and individuality in employees, with the philosophy that diversity can bring new ideas, dynamics and challenges to our operations. We discourage all forms of discrimination on gender, age, family status, sexual orientation, disability, race and religion. Our employment policy encourages hiring of talented people with physical or mental disabilities. We are committed to supporting our employees to maintain a family-friendly work environment because we respect their roles and responsibilities in their families. We strive to make sure employees and business partners comply with laws and regulations, follow ethical business practices and respect equal opportunity in employment. We bring in new recruits and equip them with necessary skill sets to develop a long-term rewarding career with us.

During the Reporting Period, we strictly observed the applicable laws and regulations and follow our employment policies relating to recruitment and promotion, compensation and dismissal, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, by providing competitive remuneration package, including internal promotion opportunities and performance-based bonus, so as to recruit and retain experienced employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5.2 Employment

The Group offers competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees. The Group decides the remunerations payable to its staff based on their duties, work experience and the prevailing market practices. Apart from basic remuneration, share options may be granted to eligible employees by reference to the performance of the Group and individual employees.

As at 31 December 2020, the Group had 26 full-time employees, of which 100% was based in Hong Kong. The Group complied with the Labour Law of Hong Kong and relevant employment laws and regulations throughout the Reporting Period, including the Mandatory Provident Fund Schemes Ordinance by participating in the Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) for our eligible employees, Minimum Wage Ordinance, Employment Ordinance (the “EO”) and Employees’ Compensation Ordinance (the “ECO”) by offering competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees.

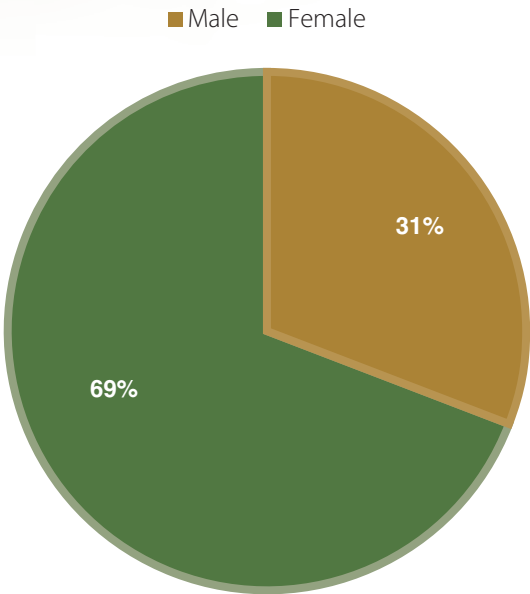
During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in respect of human resources. We strictly prohibit discrimination, harassment and bullying at all workplaces. In accordance with the ESG Reporting Guide set out by the HKEX, details of the Group’s workforce during the Reporting Period are tabulated as well as presented in charts below.

Table 4 — Our Workforce

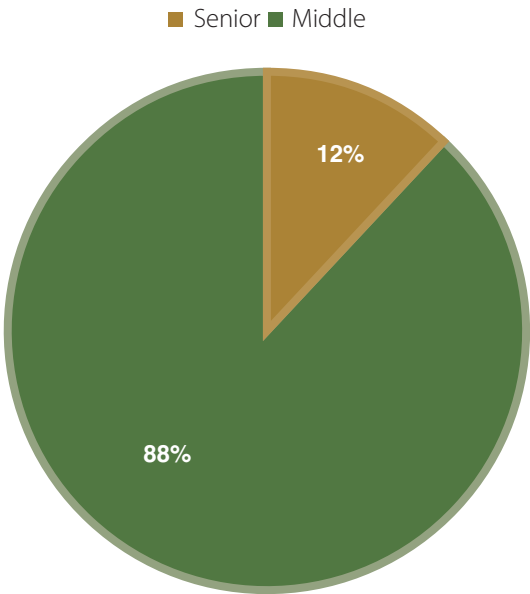
	FY2020
Total Number of Full-Time Employees	26
Turnover Rate by Gender	
Male	12.5%
Female	6.7%
Turnover Rate by Age	
Under 30 years old	0%
30–50 years old	0%
Over 50 years old	22.2%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

**Total Workforce by Gender
as of 31 December 2020**



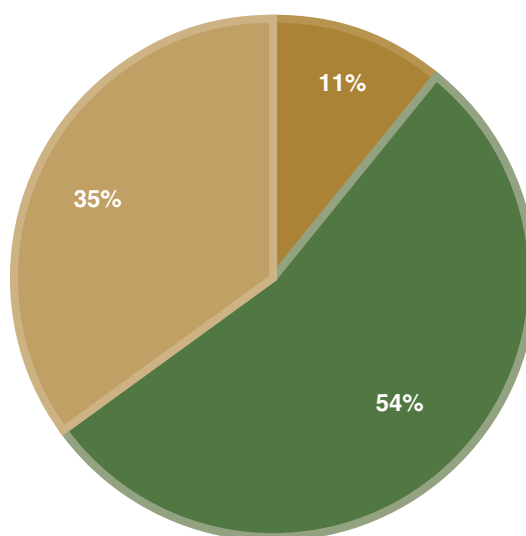
**Total Workforce by Employment Level
as of 20 December 2020**



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

**Total Workforce by Age Group
as of 31 December 2020**

■ Aged below 30 years old ■ Aged between 30 and 50 years old ■ Aged above 50 years old



5.3 Occupational Health and Safety

The Group is highly aware that employees' health and safety is of paramount importance to our operation. The goals of our Occupational Safety and Health ("OSH") policy are highlighted as below:

- Pursuit of a healthy, comfortable and safe working environment for our employees;
- Commitment of appropriate resources and leadership to the OSH management system;
- The OSH management system aims at identification, prevention and management of risks and hazards throughout the workplaces as well as follow-up actions for accidents or personal injuries;
- The OSH management system defines appropriate objectives and targets on a regular basis;
- Zero tolerance of accidents and injuries;
- Promotion of a safety culture among employees;
- Communication of our health and safety performance with stakeholders and seek their involvement wherever applicable;
- Regular review of the performance of various OSH measures so that their effectiveness and reliability can be maintained;
- Compliance with applicable laws and regulations in relation to occupational safety and health.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To achieve the goals of our OSH policy, the following measures are adopted.

- Formulation of emergency response plans, risk assessment and accident investigation mechanism so as to ensure legal compliance with OSH;
- Organization of fire drills and emergency evacuation simulations to raise the employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency;
- Promotion of safety culture among employees;
- Organization of induction programs and safety training programs to new employees such that they can be familiar with our corporate policies in relation to health and safety matters as quickly as they can;
- Provision of OSH training sessions to employees according to their roles and responsibilities to ensure awareness of job hazards and conformity to safety practices with respect to OSH;
- Provision of job-related training to existing staff-members to strengthen their professional knowledge and skills in daily operations and safety matters;
- Training courses and measures are reviewed and regularly reported to the management by the safety officer;
- Encourage contractors or sub-contractors to assist in the implementation of policies, procedures and practices related to OSH at work wherever practical;
- Prohibition of smoking and abuse of alcohol and drugs in workplaces;
- Provision of first aid kits and fire extinguishers in workplaces;
- Provision of clean and tidy rest area;
- Provision of adjustable chairs and monitors for eye protection;
- Installation of air purifiers in relatively crowded areas such as conference and meeting rooms; and
- Set up posters of proper working postures and lifting method accessible on the intranet and at appropriate locations in workplaces.

During the Reporting Period, the Group complied with the Occupational Safety and Health Ordinance, by ensuring that the employees are working in a safe environment in respect of health, hygiene, ventilation, fire evacuation plans, building structure and means of escape. During the Reporting Period, the Group did not record any accidents that resulted in death or serious physical injury. No material non-compliance with laws and regulations relevant to health and safety of employees were identified during the Reporting Period. Summary of work-related fatalities and injuries during the Reporting Period are shown in the table below.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Table 5 — Health and Safety

	FY2020
No. of Work-Related Fatalities	0
Rate of Work-Related Fatalities	0
No. of Injuries at Work	0
Lost Days due to Injury at Work	0

5.4 Development and Training

The Group envisions that empowering its people through development and training is the cornerstone of our success in the long-run. The Group listens and responds to our people, striving to create an environment of continuous learning, to facilitate development of careers and to provide knowledge and skills for better fulfilment of roles and responsibilities. Our training programmes are designed not only to enhance the sustainable development of the Group and to provide skillset required for the operation, but also for the benefit of society as a whole wherever possible.

During the Reporting Period, the Group organized a total of 60 hours of development and training. Each employee at all levels received, on average, 2.31 hours of development and training, including induction training, technical skills training, thematic courses such as anti-corruption, and pre-post training as summarized in Table 6 below.

We encourage directors and senior management to take part in professional training sessions and seminars with topics generally including occupational safety, corporate governance, business development and strategy in order for them to develop and refresh their knowledge and skills. We additionally provided the management with a series of thematic courses to strengthen and refresh their knowledge, leadership and management skills, which is expected to drive the team to grow for the best interest of the Group. We ensure that every new joiner receives proper orientation training and mentoring in order to help them adapt to the new working environment affirmatively and quickly. Continuous training is committed by the Group in different ways including internal training programs, comprehensive training for specific skill development, and courses for continuous professional development for relevant employees so as to ensure that they possess the appropriate qualities and skill-sets. Implementation of safety training and comprehensive risk assessments are also one of the most important tasks in the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Staff training in relation to anti-corruption

During the Reporting Period, details of the development and training programs provided by the Group is summarized as below.

Table 6 — Employee Training

	Unit	FY2020
Average hours of training received per employee	hours	2.31
Average hours of training per employee by ranking		
Senior Staff	hours	17
General Staff	hours	0.39
Average hours of training per employee by gender		
Male	hours	3.63
Female	hours	1.72
Percentage of employees trained by employment level		
Senior Staff	%	100
General Staff	%	39
Percentage of employees trained by gender		
Male	%	25.0
Female	%	55.6

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5.5 Harmonious Corporate Culture

The Group is strongly convinced that a harmonious corporate culture among the employees and management are always the key drivers to the Group's healthy and prosperous growth. To achieve this, we utilize a variety of channels, including:

- Open and honest communication platform for all employees and management to post and share multimedia news;
- Regular all-staff meetings to update on business performance and the development of key projects;
- Employee engagement such as annual employee survey which provides a confidential route for employee feedback. Follow up actions ensure that employees' voices are heard and responded to at both corporate and team levels; and
- Festive foods, such as mooncakes and fruit, were delivered to employees during certain traditional festivals (such as Lunar New Year and Mid-Autumn Festival) in recognition of their contributions and dedicated work to the Group. Regular and festival gatherings were organised during the Reporting Period to enhance the harmonious spirit of different levels of staff members throughout the Group.

The Group believes that such a corporate culture and harmonic working environment will naturally achieve a synergistic result to facilitate employee retention and to improve productivity.

5.6 Labour Standards

Being fully aware that exploitation of child and forced labour violates human rights and international labour conventions, the Group strictly prohibits the employment of any child labour and forced labour in any form. New employees are required to provide true and accurate personal data when they are onboard. Recruiters should strictly review the entry documents including medical examination certificates, academic certificates and identity cards. The Group constantly rejects to engage suppliers and contractors, that hire child labour or forced labour in their operations.

During the Reporting Period, the Group strictly complied with the relevant laws and regulations, including the Labour Law and the Employment Ordinance of Hong Kong. No material non-compliance with the laws and regulations related to the prevention of child labour or forced labour have been found by the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6. OPERATING RESPONSIBLY

In order to achieve our goal to be a responsible corporate in the Asia-Pacific region, we realize that we must operate in a sustainable fashion with a comprehensive ESG management approach and dissemination of pursuing sustainability into our core business. It is additionally essential for us to encourage all business partners to incorporate those sustainability practices and policies into their operation thoroughly in order to work together in our pursuit of sustainable development.

6.1 Supply Chain Management

The Group understands that the supply chain management is always one of the key aspects of the Group's operation. Our sustainable supply chain includes adoption of environmentally conscious operations in logistics, environmentally responsible sourcing of raw material, due diligence of material and product procurement, distribution and inventory management.

Our supply chain management team not only considers economic and commercial benefits during the tendering processes, but also evaluates the suppliers' and contractors' track record with respect to legal and regulatory compliance which include environmental, social and governance aspects.

We developed a vendor and supplier selection mechanism based on potential vendors' compliance with all applicable laws and regulations in relation to the safety, environment, forced labour, child labour and other social aspects. Products and services with environmentally friendly and socially responsible features will be given a higher technical score during our assessment process. Inspection and assessments may be conducted by the Group if deemed necessary. We are obliged to terminate the cooperation contract with suppliers if they fail to reach the applicable compliance standard. Every supplier is required to comply with our code of practice, which prohibits offering of gifts, loans, hospitality, services or favor in an improper manner.

In addition, the Group encourages our business partners to adopt the best environmental and social practices and to disseminate the pursuit of sustainability into the core business, through develop energy-saving and consumption-reducing policies. For example, we recommend the suppliers to be engaged with the strategy of sustainable transport and logistics solutions such as using online carbon calculator for route planning in order to reduce carbon footprint throughout their delivery process.

We believe that, through the above review process, we can minimize the potential environmental and social risks associated with the supply chain management. During the Reporting Period, suppliers of the Group were all located in the region where we operated.

6.2 Product Responsibility

To be a successful business, we are committed to the highest standards of services we deliver, maintaining continuous communication with our clients to ensure that we understand and fulfil their needs and expectations. Furthermore, we keep track of emerging trends and continue to develop and optimize services that offer the best plans to our clients.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group undertook a series of measures to ensure our financial product accountability during the Reporting Period. Every product will be planned, developed and supplied to meet all legal and regulations for its intended use and for circumstances of reasonably foreseeable misunderstanding. We ensured that every product is correctly labelled with sufficient information required by legislation and industry codes of practice. We also performed continuous and regular assessments of the product quality and review of opportunities for improvements and changes.

During the Reporting Period, our operation in Hong Kong complied with relevant laws and regulations, for instances, the Trade Description Ordinance. During the Reporting Period, the Group did not identify any material non-compliance of the laws and regulations related to the quality of products and services.

6.3 Client Feedback and Handling

Realizing that our customer needs and expectations should be well addressed, the Group pays attention to the level of satisfaction of clients and their feedback. Regular communication channels and feedback systems, such as telephone hotline, emails, social media and websites, are in place to collect information on satisfaction and suggestions for improvement from our diverse portfolio of clients.

The Group consolidated and comprehensively analysed the clients' feedback in order to identify the issues. Follow-up actions, including internal evaluation and modification of training programs for employees, will be taken to address the issues identified and to continuously improve our service delivered. Feedback will additionally be provided to the clients in a timely manner.

There were no cases of product recall nor complaints received against our services due to health and safety issues during the Reporting Period.

Table 7 — Product Recalls and Complaints

	FY2020
Percentage of complaints received about the products related to health and safety issues	n/a

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6.4 Privacy Protection

The Group undertakes to strictly comply with the requirements of the Personal Data (Privacy) Ordinance, to ensure that all data are securely kept in our internal system with access control. The Group sets out data privacy requirements in our corporate policies, under which customer and supplier data would be used exclusively for matters relating to the Group's operation only. We strive to ensure all collected data kept is free of unauthorized or accidental access, processing, erasure or other use.

6.5 Anti-Corruption

The Group makes every effort to uphold a high standard of business ethics and prohibition of any forms of bribery and corrupt practices. The Group has developed a series of policies and compiled code-of-conduct with respect to anti-fraud and anti-bribery, which apply to all staff-members. In general, we require our employees to declare any conflict of interest, to avoid any possible such conflict with sub-contractors or suppliers, organizing seminars in relation to anti-corruption and avoidance of conflict of interest for our employees. We also encourage our business-related parties, including suppliers to observe those principles of the policies and to proactively report any suspected misconduct issues to the Group.

During the Reporting Period, the Group observed with related laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, such as the "Prevention of Bribery Ordinance of Hong Kong" (Chapter 201 of the laws of Hong Kong). No cases of anti-corruption was concluded and the Audit Committee identified no complaint from employees during the Reporting Period.

6.6 Whistle-Blowing

In order to encourage our employees to report illegality, irregularity, malpractice, unethical acts or behaviors, inappropriate conducts or actions, which may damage the Group's interests, we established whistle-blowing policy and implement procedures for our employees to report improprieties via a confidential reporting channel to the extent that is made possible to all employees.

The Group is committed to addressing the "whistle-blowers" concerns in a fair and reasonable manner and to handling the reports with due care and conducting a comprehensive and independent investigation for each reasonably established report. All "whistle-blowers" who report in good faith are reasonably protected from retaliation or adverse consequence of their employment regardless of whether the allegation is substantiated.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

7. CONTRIBUTING TO OUR COMMUNITY

The Group is dedicated to making a better society through our active involvement and partnership with local non-profit organizations to organize and take part in a variety of charitable activities and actions such as health education and action, poverty action, children, elderly, underprivileged groups, animal welfare and environmental protection. We put the best effort and resources in helping the local communities and people in needs through multiple channels including community services, and sponsorship programs.

Community Services

During the Reporting Period, we participated in the charitable event organized by Ronald McDonald House Charities ("RMHC") in December 2020, as part of our community-care effort. RMHC is an independent registered non-profit organization in Hong Kong with a mission to provide a "home away from home" — accommodation for families such that they can stay close to their hospitalized children. We see this is in line with our belief that love and support of family is the most powerful medicine prescribed.



Our community engagement with the Ronald McDonald House Charities

Going forward, the Group will continue to foster the culture of active participation in community services, encouraging our staff members to be actively engaged in voluntary services and join hands together to disseminate the spirit of services in the community where we all depend on.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

8. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Protecting the Environment	
KPI A1.1	Types of emissions and respective emissions data	Protecting the Environment	
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Protecting the Environment	
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	n/a	The Group has not identified any hazardous waste was produced in our core business
KPI A1.4	Total non-hazardous waste produced and intensity	Protecting the Environment	
KPI A1.5	Description of measures to mitigate emissions and results achieved	Protecting the Environment	
KPI A1.6	Description of how hazardous and non-hazardous waste is handled, reduction initiatives and results achieved	Protecting the Environment	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
Aspect A2: Use of Resources			
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials	Protecting the Environment	
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Protecting the Environment	
KPI A2.2	Water consumption in total and intensity	Protecting the Environment	
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Protecting the Environment	
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	n/a	Defined to be irrelevant to the Group's operation
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	n/a	Use of packaging material is not applicable to the Group's core operation
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Protecting the Environment	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Protecting the Environment	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
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	People	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	People	
KPI B1.2	Employee turnover rate by gender, age group and geographical region	People	
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	People	
KPI B2.1	Number and rate of work-related fatalities	People	
KPI B2.2	Lost days due to work injury	People	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	People	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	People	
KPI B3.1	The percentage of employees trained by gender and employee category	People	
KPI B3.2	The average training hours completed per employee by gender and employee category	People	
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	People	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	People	
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	n/a	No such incidents were reported during the Reporting Period
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain	Operating Responsibly	
KPI B5.1	Number of suppliers by geographical region	Operating Responsibly	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
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	Operating Responsibly	
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	Operating Responsibly	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	n/a	Not applicable to the Group's core operation
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	Operating Responsibly	No products and service-related complaints received during the Reporting Period
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	n/a	The Group is working on this aspect
KPI B6.4	Description of quality assurance process and recall procedures	n/a	Not applicable to the Group's core operation
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Operating Responsibly	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
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	Operating Responsibly	
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	Operating Responsibly	No concluded legal cases regarding corrupt practices during the Reporting Period
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Operating Responsibly	
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 takes into consideration communities' interests	Contributing to Our Community	
KPI B8.1	Focus areas of contribution	Contributing to Our Community	
KPI B8.2	Resources contributed to the focus areas	Contributing to Our Community	