PINE TECHNOLOGY HOLDINGS LIMITED
松景科技控股有限公司
(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)
Stock Code 股份代號：1079

# 2025
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
# 環境、社會及管治報告

僅供識別
* For identification purpose only

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## About this Report

PINE Technology Holdings Limited (hereafter referred to as the "**Company**" or "**PINE**") along with its subsidiaries (the "**Group**") is pleased to present its ninth standalone Environmental, Social and Governance ("**ESG**") Report (the "**Report**").

In addition to the Group's headquarter office in Hong Kong, the disclosed ESG practices and performance also cover our offices in Shenzhen and Shanxi in the People's Republic of China (the "**PRC**"). This Report covers the fiscal year from 1 July 2024 to 30 June 2025 (the "**Reporting Period**").

This Report is prepared in compliance with the "Mandatory Disclosure Requirements" and the "Comply or explain" Provisions of the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") under Appendix C2 of the Main Board Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**HKEX**"), and adheres to the following principles:

**Materiality**

Supported by a stakeholder engagement exercise and external materiality analysis, this Report is structured based on the materiality of ESG issues. For more information, please refer to subsections "Stakeholder Engagement" and "Materiality Assessment" under the section "Sustainability Approach".

**Quantitative**

This Report discloses quantitative key performance indicators ("**KPIs**") of the Group's headquarter office in Hong Kong and subsidiary offices in Shenzhen and Shanxi. Information on the standards, methodologies, assumptions, and calculations tools used are further disclosed where applicable.

**Balance**

With an aim to provide an unbiased picture of the Group's ESG performance, all information is prepared and published based on existing policies, practices, and official documents or reports in an accurate, genuine, and transparent manner.

**Consistency**

Any changes to the calculation scopes, methods, KPIs used, or any other relevant factors affecting a meaningful comparison shall be disclosed. The calculation scopes in this Report include the Group's offices in Hong Kong and the PRC (i.e., Shenzhen and Shanxi). The methodologies adopted are consistent with the previous reports, which allows for meaningful comparisons of ESG data over time.

We welcome your feedback on this Report and our approach to sustainability. If you have any comments or suggestions, please share with us by:

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**Post**: Unit B, 12/F, Central 88, 88-98 Des Voeux Road Central, Central, Hong Kong

# About PINE

## Company Profile

PINE has a respected and world-renowned presence in the computing industry. Since its establishment in 1989, we have endeavoured to make the unimaginable possible and spared no effort to push the envelope of computing device technology in order to meet and surpass the expectations within the ever-expanding computing industry. First listed on the Growth Enterprise Market in 1999, PINE transferred to the Main Board of the HKEX in 2010, which enabled the Company to continue to deliver the finest computing products to a larger global customer base.

During the Reporting Period, the Group's reportable and operating segments are as follows:

| | |
|---|---|
| **Group's brand products** | Manufacture and sales of market video graphics cards and other computer components under the Group's brand name |
| **Other brand products** | Distribution of other manufacturers' computer components and consumer electronic products and others |
| **Trading business** | Trading business in the PRC |
| **Computer software and hardware and system development service** | Provision of computer software and hardware and system development service in the PRC |

## Chairman's Message

On behalf of the board of directors (the "**Board**") of the Group, I am pleased to present our ninth standalone ESG Report, detailing our sustainability performance and commitments for the fiscal year ended 30 June 2025.

In an era defined by rapid technological advancement and increasing global sustainability challenges, PINE recognises that its responsibility extends beyond delivering high-quality computing products. It is integral to our corporate ethos to operate as a conscientious and forward-thinking company, ensuring that our growth is fundamentally aligned with the long-term well-being of our stakeholders, the community, society, and the environment.

Solid corporate governance is the foundation upon which our ESG efforts are built. Our Board maintains ultimate oversight of the Group's ESG matters, evaluating and prioritising material issues while setting targets and tracking our progress against them. In response to the evolving regulatory landscape, we have strategically aligned our climate disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"), enhancing both our strategic planning and regulatory compliance. Moreover, we have aligned the four pillars of our sustainability strategy with the United Nations Sustainable Development Goals ("**UN SDGs**"), ensuring our corporate growth brings positive impacts on society and the environment.

At PINE, we aspire to create a harmonious, safe, and inclusive workplace where every employee can thrive. We uphold strict principles of equal opportunity and non-discrimination in all aspects of employment. To this end, we continued to invest in our workforce through targeted training programmes on critical topics such as climate change, waste management, and anti-corruption, empowering our team to contribute to the UNSDGs. Remarkably, we have increased the average training hours per employee by 79%, as compared to last year, which showcases our dedication to nurturing our people and creating long-lasting value for the whole industry.

As a responsible corporate citizen, we are acutely aware of our environmental footprint. Aligning with global climate goals, we have established a formal Climate Change Policy and set ambitious targets to reduce our greenhouse gas emissions as well as resource consumption. This year, we are delighted to report that our targets related to waste management have been fulfilled and presented satisfactory results (e.g., our paper usage intensity by full-time employees ("FTE") dropped by 68% from 2024 to 2025). Meanwhile, our primary environmental impact stems from our office-based operations, and thus we have implemented comprehensive green office practices, from optimising energy efficiency with LED lighting to promoting waste reduction and recycling, which has already yielded positive results, including decreased operating expenditures. We understand that our environmental responsibility extends to our supply chain. Through our Sustainable Procurement Policy, we engage with suppliers who share our commitment to environmental and social standards, promoting the adoption of eco-friendly products and services. While our operational footprint is limited, we are nevertheless dedicated to continuous improvement and are exploring further ways to minimise our indirect emissions, aspiring to enhance our overall environmental performance.

I would like to thank all of our employees, shareholders, customers, suppliers, and partners who share this journey with us. Your collaboration and support are indispensable as we strive to build a more sustainable future and deliver lasting value to all our stakeholders.

**Zhang Sanhuo**
**CHAIRMAN**
**Hong Kong**

# Sustainability Approach

The development of the information technology industry is inextricably linked to sustainable development. They share part of the same visions and outcome – to establish an efficient and harmonious connection between people, products, society, and the environment that drives the globalisation of regional markets, as well as forging a responsible, inclusive, and efficient economy with greater communication. Information technology can be leveraged to facilitate transitions to sustainability so long as potential negative linkages are identified and addressed adequately.

At PINE, our ESG goals are beyond purely making and distributing high-quality electronic products. We actively identify each opportunity where we can integrate sustainable practices into our business and operations. We reinforce our sustainability approaches through comprehensive methods, with an aim to promote sustainable transformation within the IT industry and global market.

We have strengthened our ESG governance and strategy by using a variety of approaches, including gap analysis on ESG performances, environmental targets setting, and external materiality assessment. By adopting these strategies, we have been able to effectively identify areas for improvement and better position ourselves in our efforts to become a more sustainable company.

## ESG Governance

Our Board upholds the overall responsibility for the management of the Group's ESG matters, including evaluating and prioritising material ESG issues, as well as setting and tracking the Group's ESG-related targets. Having realised the overall expectations on ESG commitments and achievements are continually evolving, our Board adopts a set of approaches divided by three main timeframes (i.e. short-, medium- and long-term) and strives to address and respond to the most urgent ESG issues within these respective periods.

The Board's short-term approach mainly focuses on the alignment and compliance with the ESG Reporting Guide, which was announced by the HKEX in late 2019 and is effective from July 2020 onwards. We have discussed relevant ESG reporting matters and continue to minimise the gaps between our current performance and these new requirements. In response to the HKEX's New Climate Disclosure Requirements announced in April 2024, we have strategically restructured our "Addressing Climate Change" section to strengthen our regulatory compliance and reporting clarity. Furthermore, the Board commissioned an independent sustainability consultancy in 2021 to conduct an external materiality assessment on potential ESG issues and develop a list of environmental targets in 2024 to mitigate the Group's environmental impacts. For more information, please refer to the subsection "Metrics and Targets" under the section "Environmental Protection".

To ensure there are appropriate precautions towards the emerging ESG risks in the medium and long-term, all potential ESG risks covering financial, operational, compliance and governance aspects are identified and discussed by the Board and the audit committee on a regular basis. In order to better monitor the Group's ESG performances and effectively adjust its management approaches, the Board may designate an ESG committee in the near future, which is considered one of the long-term strategies. The ESG committee would be responsible for the management of ESG issues, including but not limited to launching ESG-related initiatives. The ESG committee may also be responsible for evaluating the materiality of potential ESG issues to the Group on an annual basis and reviewing the effectiveness of the Group's ESG management and risk control systems on an ongoing basis.

## ESG Strategy

The Group's sustainable development is driven by a holistic ESG strategy, where it focuses on the key ESG topics and the main challenges for the coming three to five years, including regulations and standards compliance, stakeholder relationship management, as well as product and service quality improvement. In order to overcome these challenges and improve the synergy between our ESG goals, management approaches, as well as the direction for business development, the Board has reviewed this strategy in 2023. During our daily operations, the Group aims to fulfil the following principles:

- Maintain higher environmental and social standards to ensure the sustainable development of its business
- Comply with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment, and the environment
- Encourage employees, customers, suppliers, and other stakeholders to participate in environmental and social activities that benefit society as a whole
- Maintain strong relationships with its employees, enhance cooperation with its suppliers and provide high-quality products and services to its customers, so as to ensure sustainable development

## Stakeholder Engagement

Stakeholders' interests, expectations and concerns intertwine with the Group's overall performance. During the Reporting Period, by consulting various departments, the Group identified seven different stakeholder groups whose actions are highly intertwined with the Group's daily operations and business development. Through the following communication channels, the Group is committed to constructing a favourable, transparent, and sincere connection with each stakeholder group.

| Stakeholder Group | Communication Channel |
|---|---|
| Shareholders/Investors | ● Annual general meetings<br>● Press releases<br>● Annual and interim reports<br>● Announcements and notices |
| Employees | ● Surveys<br>● New hire orientation programmes<br>● Training and development<br>● Comment boxes |
| Customers | ● Customer visits<br>● Surveys<br>● Meetings and correspondences |
| Suppliers | ● Assessment surveys<br>● Site visits<br>● Supplier audits |
| Community Groups | ● Charity activities<br>● Volunteering activities |
| Media | ● Press releases<br>● Meetings and correspondences |
| Regulatory Bodies | ● Site visits<br>● (Non-) compliance reports<br>● Meetings and correspondences |

## Materiality Assessment

The Group values its stakeholders' opinions and recognises there are many intersections between stakeholders and the Group's interests. A materiality assessment was conducted in 2021 by an independent sustainability consultancy to identify and evaluate ESG issues deemed important to our stakeholders and the Group. Through the process of engaging our stakeholders, we were also able to carry out further adjustments and improvements to our sustainability agenda. We are committed to performing this exercise regularly to ensure our existing priorities, strategies and policies align with stakeholders' expectations.[1] The below steps were undertaken to assess the materiality of ESG issues:

**Step 1: Identification**

A list of potential material issues was identified with reference to the following sources:

- Previous ESG reports from PINE
- External industry benchmarking

The criteria for the selection of material ESG issues include whether the issue has a substantial impact on the assessments and decisions of stakeholders, and whether it reflects the Group's significant environmental and social impacts. By considering these criteria, 17 material issues were identified and defined.

**Step 2: Prioritisation**

Different stakeholder groups were selected and engaged based on their influence on the Group. A standard questionnaire was distributed to stakeholders to ensure a consistent and systematic evaluation of material issues. They were tasked to rate the relative importance of the identified ESG issues.

- Four members of the Board and senior management (the "**Management**") ranked the importance of material issues towards the Group's sustainable development.
- 12 members from different stakeholder groups, which include employees, customers, as well as suppliers and contractors ranked the importance of material issues based on their own preferences and expectations.

**Step 3: Validation and Review**

The Group's Management confirmed and validated the list of material issues for disclosure in this Report. The Board reviewed the identified material issues and the results to ensure appropriate relevance and materiality to PINE.

Based on the questionnaire responses, a materiality matrix was created in accordance with international practices in prioritising material issues based on their importance to the sustainable development at PINE (represented by the Board and Management) versus its stakeholders (represented by employees, customers, suppliers and contractors).

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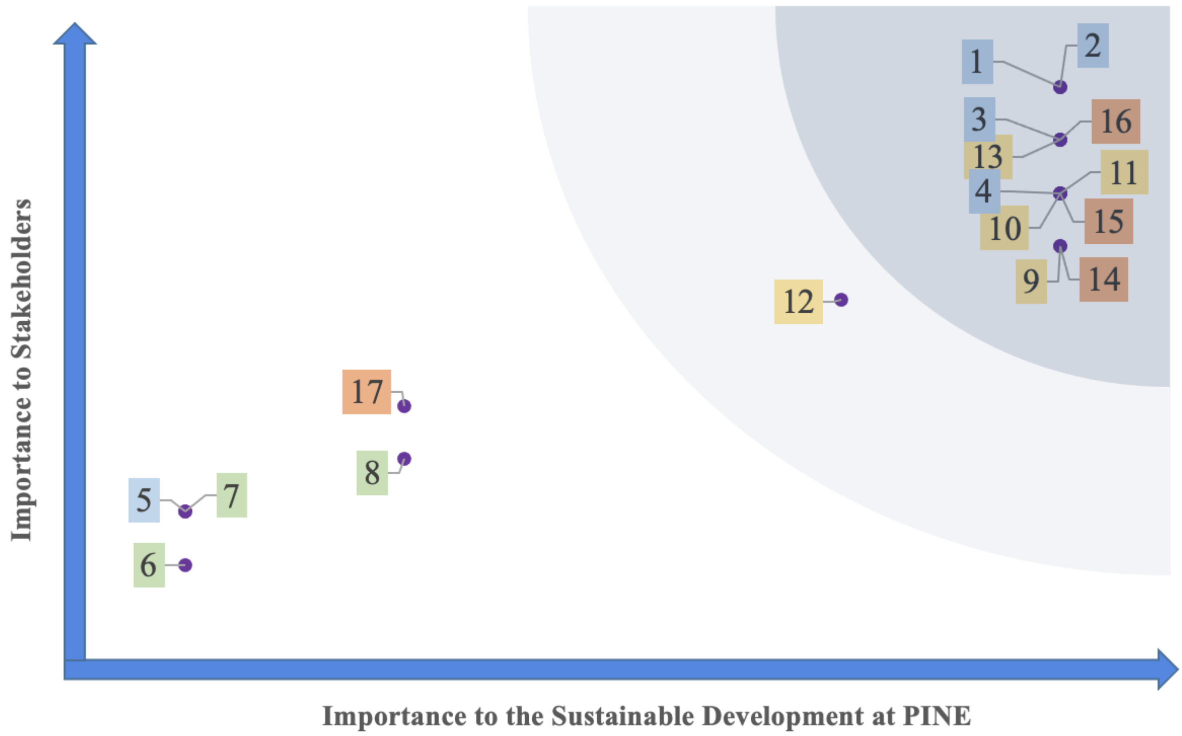
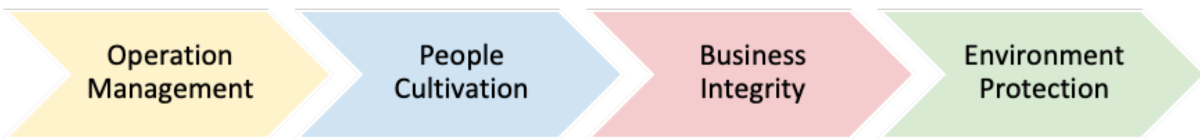
[1] Following a review by six members of the Board and the Management, the Group determined that its ESG practices showed no material changes during the Reporting Period when compared to the previous reporting periods. Therefore, a new materiality assessment was not conducted, and the results from the 2021 materiality assessment continue to be adopted for this Report.




| | |
|---|---|
| **People Cultivation**<br>1. Workplace Diversity and Inclusion<br>2. Employee Compensation and Benefits<br>3. Occupational Health and Safety<br>4. Employee Training and Development<br>5. Community and Charity Engagement | **Environment Protection**<br>6. Environmental Resource Optimisation<br>7. Air and Waste Emissions Reduction<br>8. Climate-Related Risk Identification |
| **Operation Management**<br>9. Product Quality and Innovation<br>10. Customer Relationship<br>11. Marketing Responsibility<br>12. Supply Chain Risk Mitigation<br>13. Green Procurement | **Business Integrity**<br>14. Anti-Corruption<br>15. Intellectual Property<br>16. Privacy and Confidentiality<br>17. Anti-Child and Forced Labour |

In order to finalise a report structure that balances stakeholders' views, an average score was used to assess the relative importance of the four aspects. The recommended report structure for this Reporting Period was confirmed and approved by the Board, as shown below:



Demonstrating its commitment to the 2030 global sustainability agenda, PINE has formally mapped its sustainability strategy to the UNSDGs. This practice ensures our corporate growth is intrinsically linked to creating positive societal and environmental impact. The table below details our strategic focus on the 7 most relevant UNSDGs, aligning our operations with the global movement to protect the planet and improve living standards:

| Pillars | Aligned SDGs |
| --- | --- |
| **Operation Management** | • SDG 9 – Industry, innovation and infrastructure<br>• SDG 12 – Responsible consumption and production<br>• SDG 13 – Climate action |
| **People Cultivation** | • SDG 3 – Good health and well-being<br>• SDG 8 – Decent work and economic growth<br>• SDG 11 – Sustainable cities and communities |
| **Business Integrity** | • SDG 16 – Peace, justice and strong institutions |
| **Environment Protection** | • SDG 12 – Responsible consumption and production<br>• SDG 13 – Climate action |

## Operation Management


With the rapid development in information technology, artificial intelligence and automation, and their increasing significance in our daily lives, there is an ever-increasing demand for computer components, computer software and electronic products. As such, companies operating in this realm must be conscious of the amount of electronic waste ("**e-waste**") produced, which leads to local and global environmental issues and acts as a direct contradiction to the Group's values on sustainability. Conducting such trade business in the global market requires PINE to develop holistic operation management that can ensure product quality and lifespan. Through our responsible service and customer relationship strategy, rigorous quality assurance and control system, as well as supply chain optimisation practices, we strive to source and distribute eco-friendly and sustainable products that aim to lessen the Group's impact on the environment.

### Service Responsibility and Customer Relationship

The Group upholds a prudent attitude towards sales services and customer engagement. We adhere to the sales order procedures to ensure a smooth process of our trading activities. Upon a detailed quality assurance and control process, we will arrange reliable express services to avoid potential damage to products during the shipment to customers. Customers are granted legal titles and statutory property rights of the products after successfully receiving the items or their control permission. We have the responsibility to handle any unexpected situations regarding product quality before successful delivery, ensuring customers will not assume any unfulfilled obligations that may affect the products they have accepted.

The Group is dedicated to forging customer relationships that can guarantee their satisfaction. We treat each customer with due care to retain their loyalty. Sales to our existing customers are normally made with credit terms of 90 to 180 days. For new customers, deposits or cash on delivery may be required, as per contractual agreement. As part of our after-sales service, we welcome customer feedback on communication, price competitiveness, product quality and service level. If any feedback or complaint is received, relevant departments will conduct a review within two business days. Investigations and corrective actions will be taken where needed, with updates provided to customers. Outcomes of the complaints will be reported to the management team in a timely manner.

During the Reporting Period, there were no laws and regulations relating to the health and safety matters of products and services that had a significant impact on the Group. The Group was neither aware of any non-compliance with relevant laws and regulations, nor received any material complaints relating to its products and services.

## Product Quality Assurance

The Group directly sources computer components and electronic products from its suppliers, and thereby the manufacturing process is not included in its direct operations. By carrying out the following dual inspections, (i) carrying out stringent quality inspection procedures prior to shipment and delivery; and (ii) adopting corrective and preventive control procedures whilst analysing the causes of known incidents and potential risks and product non-conformity, we ensure that all purchased products are of the finest quality before being shipped to customers. In the unlikely event that a substandard product is found, we will carry out recall and disposal procedures. A reason analysis report is subsequently generated and promptly circulated to the management team to prevent such event from reoccurring. During the Reporting Period, there were no reported cases of product recalls and returns, including those due to safety and health reasons.

## Supply Chain Optimisation

The Group's suppliers are located across multiple cities of the PRC, including but not limited to Beijing, Shenzhen, Shanghai and Chongqing, who mainly provide electronic parts for our resale. It remains our goal to optimise our supply chain and enhance its sustainability. We closely communicate with existing suppliers to ensure that they understand our expectations on quality management, occupational health and safety, as well as environmental standards, whilst actively collaborating with prospective suppliers that are capable of providing environmentally friendly products and services.

Our supplier management process serves as a cornerstone that facilitates supplier engagement in an unbiased manner. When engaging prospective and retaining suppliers, we strictly follow the established selection and evaluation procedures. Different assessment methods, include but are not limited to site inspections and supplier audits, shall be conducted to assess various aspects of suppliers' performance such as delivery efficiency, service quality and reliability, management systems and procedural controls. In 2022, the Group developed the Sustainable Procurement Policy to record the Group's existing list of approved suppliers and specify its general approach to green procurement. It amplifies our commitment to sustainable development and is a positive step towards fulfilling our corporate responsibility to manage our overall impact on the environment, society, and local economy.

With an aim to identify and manage ESG risks along our supply chain, we adopt a detailed assessment to review suppliers' environmental and social policies. Aspects such as environmental performance, occupational health and safety, human rights and ethics are considered within the assessment. In order to monitor their ESG performance, we require suppliers to draft a guideline regarding their environmental and social commitment and review their achievements on an annual basis. For particular suppliers, we will help them formulate relevant policies and procedures to improve their environmental and social responsibilities in the long run.

During the Reporting Period, the Group engaged with 30 suppliers, all of which have complied with the aforementioned requirements proposed by the Group. For more information regarding the number of suppliers by geographical region, please refer to the subsection "Social KPIs" under the section "KPIs Summary". In order to promote environmentally friendly products and services within our supply chain, we actively choose responsible suppliers that can help us enhance our green office practices. Electronic appliances with energy-saving labels and green decorative accessories have been purchased from relevant suppliers. Moving forward, the Group will continuously explore applicable environmentally friendly products as well as services, whilst maintaining strong connections with these responsible suppliers in order to fully incorporate sustainable considerations into our supply chain.

## People Cultivation


PINE aims to foster a harmonious working environment where its employees and the surrounding community can thrive together, create a hazard-free workplace with the utmost safety in each operational stage, and build a platform for employees to achieve their personal growth and career goals. We believe that these efforts will cultivate and incentivise our people to wholeheartedly pursue their careers whilst sustaining the Group's long-term business growth.

### Workplace Harmony

**Recruitment, Promotion and Dismissal**

Both our headquarter office and offices in the PRC adhere to an unbiased recruitment principle, which is solely based on criteria such as professional knowledge, work experience, personal skills, and abilities. Upon the assessment conducted by the human resource ("**HR**") Department and other relevant departments, only qualified candidates will be employed. During employment, employees with outstanding work performance may receive promotion opportunities whenever applicable. If employees' performance fail to meet our requirements, or on the occasion that the Group needs to adjust its employment structure due to business development, employees may be dismissed with a one-month notification in advance.

**Compensation, Benefits and Welfare**

The Group ensures that its employees are remunerated according to the prevailing manpower market conditions and their individual performance, qualification, and experience. We review our remuneration policies on a regular basis and make necessary changes in a timely manner. Apart from statutory benefits such as monthly salary, medical coverage, rest time, mandatory provident fund, social insurance, holiday leave, and annual leave, we also provide discretionary bonuses and a variety of allowances, including but not limited to phone bill reimbursement, overtime compensation, training courses, meals, and business trip subsidies.

**Equal Opportunity, Diversity and Anti-Discrimination**

We strive to foster a non-discriminatory workplace with inclusivity, respect, and diversity. Our Employee Handbook covers the operation at the Group level and is implemented and continually monitored by the HR Department. Stipulated in the Employee Handbook, any form of discrimination in any employment decisions, including but not limited to race, religion, nationality, age, disability, sex, pregnancy, sexual orientation, are strictly prohibited. If employees encounter any form of harassment, they should immediately report this to their superior or the HR Department. We will provide necessary assistance and initiate corresponding investigations after receiving the complaint. In the unlikely event that such cases arise, the offender will be subject to disciplinary actions, including but not limited to summary dismissal.

The Group strives to construct a harmonious workplace. During the Reporting Period, there were no laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that had a significant impact on the Group. There were no reported cases of non-compliance that compromised the Group's performance on workplace harmony.

**Social Contribution and Community Investment**

Our IT subsidiary is committed to social contribution and community investment through various corporate initiatives and employee engagement. For example, we encourage employees to participate in local community events and provide pro bono IT support to non-profit organisations, enhancing their operational capabilities. Additionally, our IT subsidiary engages in stakeholder dialogue to identify community needs, ensuring that our business practices align with the values and expectations of the communities we serve. Through these initiatives, we aim to create a positive impact and build long-term relationships within our community. Moving forward, the Group will continue to understand the needs and interests of the community where it operates and shall consider investing in efforts to engage with them directly.

## Workplace Safety

**Cyber Safety**

As part of the operations of our subsidiaries are based online, the Group pays great attention to the network system in the office. We actively employ the highest levels of cyber security in the workplace and strive to forge a stable and reliable online operation to avoid potential risk and possible loss. Any third-party software must pass an antivirus test to ensure its safety and reliability prior to installation and use.

**Fire Safety**

During the Reporting Period, we have conducted a fire drill to ensure our employees are well-equipped to respond to emergency situations. The Group has an operational guideline and emergency response procedure to ensure fire safety. In our daily operations, employees are required to abide by the following rules:

- Comply with operating procedures and pay attention to fire prevention
- Prohibit from smoking in places with no-smoking notices
- Report to the department manager in a timely manner if anyone notices any electrical equipment with potential fire hazards
- Become familiar with the locations of fire extinguishing equipment

When encountering a fire accident, employees are expected to minimise safety risk through the following emergency response procedure:

- Keep calm and ask colleagues for assistance
- Inform related personnel including the department manager, property security, fire brigade, and emergency aid centre
- Cut off the power supply and close all doors and windows near the fire scene
- Do not use water or foam to extinguish the fire caused by electricity
- Use nearby fire extinguishing equipment to extinguish the fire
- Follow the instructions to evacuate the fire scene in an orderly manner

**Extreme Weather Safety**

We have also formulated safety instructions to guide employees to avoid any potential hazards related to extreme weather conditions. For example, within the operations in Hong Kong, we observe the Hong Kong Labour Department's Code of Practice in Times of Typhoons and Rainstorms as a guidance material when formulating the Group's work arrangements under extreme weather. For more information, please refer to the subsection "Addressing Climate Change" under the section "Environmental Protection".

During the Reporting Period, there were no material relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that had a significant impact on the Group, and the Group was not aware of any non-compliance with relevant laws and regulations. Furthermore, there were no work-related fatalities or injuries that occurred in the workplace, which includes the past three years and current reporting year.

## Workplace Training

The Group's training policy has been developed by the management team based on the latest industry practices as well as the requirements from various departments and employees, with an aim to improve the technical and professional skill sets of employees, our product quality, and market competitiveness, as well as ensure the Group's continuous business growth and expansion.

During the Reporting Period, the Group has organised the following internal training for its employees. We always encourage our employees to implement actionable practices at work and during their everyday lives to induce behavioural change and promote sustainable lifestyles.

| Training Topic | Training Objective | Training Content |
|---|---|---|
| Climate Change and Its Impact | Raise awareness of climate change and its implications for the business and society | ● Overview of climate change science<br>● Global and local environmental impacts, and relevance to the business operations |
| Waste Management and Recycling Practices | Promote sustainable waste practices within the workplace | ● Proper segregation of waste<br>● Recycling procedures<br>● Reduction of general waste<br>● Initiatives for circular economy practices |
| Introduction to Greenhouse Gas ("**GHG**") Emissions | Understand the basics of GHG emissions and their impact on climate change | ● Types and sources of GHG emissions<br>● GHG measurement methods<br>● Corporate reporting standards and requirements |
| GHG Emissions Mitigation Strategies | Explore various strategies for reducing GHG emissions | ● Energy efficiency improvements (lighting, HVAC, etc.)<br>● Sustainable resource management<br>● Carbon reduction initiatives<br>● Alignment with corporate ESG targets |

Furthermore, we encourage employees to undertake external training programmes that enhance their professional skills and knowledge. Subject to the management's approval, employees can be reimbursed up to 80% of course fees upon the completion of each training programme.

For more information regarding employee training KPIs, please refer to the subsection "Social KPIs" under the section "KPIs Summary".

# Business Integrity

PINE endeavours to deliver the finest electronic products and IT services whilst upholding strong business integrity to its customers, distributors, and other business partners. As a trading company, we firmly believe that maintaining ethical business conduct is a cornerstone that establishes a trustworthy commercial network. The Group has formulated concrete approaches to prudently regulate business ethics issues such as data privacy, intellectual property, anti-corruption, and labour standards. Moving forward, we shall continue to maintain the highest business standards and aim to maintain our success.

## Data Privacy and Intellectual Property

The Group spares no effort to protect the private interests and intellectual property rights of each stakeholder. As communicated in the Employee Handbook, any inventions used or created by any employees whilst carrying out their duties to invent, innovate, design, compose or create shall be deemed as a property of the Group, regardless of whether any patents or copyrights have been registered. Third parties' know-how and designs in the design, development, product production and other relevant processes, along with the Group's customer information, trading records, business strategies and decisions are all deemed as part of the Group's confidential data. Unless permission is obtained, employees shall not download, store, send to external parties or delete any company information, data, files, or materials. Breaching or pirating such information may lead to employment termination.

During the Reporting Period, there were no laws and regulations relating to the advertising, labelling and privacy matters of products and services that had a significant impact on the Group, and the Group was not aware of any non-compliance with relevant laws and regulations.

## Anti-Corruption

The Group has established a Whistleblowing Policy to define appropriate responses for handling bribery, extortion, fraud, and money laundering. As communicated in the Employee Handbook, employees are forbidden to receive benefits from any party that has a business relationship with the Group. When assessing suppliers, handling sensitive confidential information, and communicating with suppliers and customers, we prohibit any material or monetary exchange in pursuit of personal interests.

We have set up designated officers and bodies, including the financial controller as well as the audit committee, and reporting channels such as phone calls, in-person meetings, email, and posts to receive complaints about business ethics raised by stakeholders and handle any potential non-compliance cases. Throughout the whistleblowing process, the identity of the whistleblower will be concealed to ensure they will not be discriminated against. Relevant officers will evaluate the complaint and determine corresponding remediation solutions, including legal action against any corruption that is in breach of the relevant laws. We also conducted a moral risk assessment for each position to determine which positions may be easily exposed to moral issues. For high-risk positions, we provide relevant employees with specific training to increase their awareness. During the Reporting Period, 3 directors and 2 general staff from the Hong Kong office undertook the anti-corruption training. The training was delivered using workshops, e-learning, and case studies, focusing on topics including anti-bribery laws, the company Code of Conduct, corruption risk identification, reporting procedures, and ethical decision-making. Upon completion, employees demonstrated an improved understanding of anti-corruption knowledge, which was assessed via quizzes and surveys, and effective application of such learning in daily operations. During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group and its employees. We ensure our compliance by providing anti-corruption training for the Board and employees on a regular basis. For more information, please refer to the subsection “Workplace Training” under the section “People Cultivation”.

## Anti-Child and Anti-Forced Labour

The Group strives to create an anti-child and anti-forced labour workplace that can showcase its commitments towards labour standards. Abiding by relevant laws and regulations in Hong Kong and the PRC, hiring workers below 16 years old is strictly prohibited at PINE. In order to prevent child labour recruitment from occurring, we established a monitoring procedure informing applicants of our policy against child labour during the recruitment process. We closely examine their identity documents and verify the information through interviews and, if necessary, governmental information channels. The recruitment process will begin only after the respective applicant’s identity has been verified.

We encourage work-life balance among employees and stipulate their working hours in the Employee Handbook. If employees are required to work overtime due to work needs, the amount of extra time shall not violate the requirements of local laws and regulations. Overtime allowances such as transportation and meal subsidies will be provided. At our offices in the PRC, a separation of duties policy is adopted. Unless otherwise specified, employees solely need to be responsible for their own duty. In order to ensure that all employees have sufficient rest time, approval from the management is required prior to any overtime work.

In the unlikely event that child or forced labour is found in the workplace, the Group will strictly take the following mitigation actions accordingly:

- Dismiss the illegal worker
- Report to the local labour authority and provide medical checks for the relevant personnel. If any occupational disease is discovered, medical treatment should be arranged, and the expense is covered by the Group
- Report to the Board and carry out discussion to prevent similar cases from reoccurring
- Review the recruitment process and hold the recruitment agency accountable

During the Reporting Period, there were no laws and regulations relating to preventing child and forced labour that had a significant impact on the Group, and the Group was not aware of any non-compliance with relevant laws and regulations.

## Environmental Protection

PINE aligns its business development with the urgent need for environmental protection. We closely examine our operation to determine the importance and urgency of each environmental issue towards the Group's business. Through the external materiality assessment, we realised climate change issues are our primary concerns in the upcoming future and thereby have established a Climate Change Policy and a preliminary response strategy. Furthermore, we also formulate green office practices and establish targets in order to minimise our emissions and the use of resources, with an aim to protect our environment in a comprehensive and consistent manner. During the Reporting Period, there were no laws and regulations relating to emissions and environmental protection that had a significant impact on the Group, and the Group was not aware of any non-compliance with relevant laws and regulations.

### Addressing Climate Change

PINE is committed to the protection of the environment and pursuing sustainable development across its business and value chain in order to support local and international climate goals. Establishing the Climate Change Policy has helped the Group to set out its commitment to monitoring and managing climate-related risks and opportunities, as well as reducing GHG emissions and other environmental impacts along the value chain. In response to the increasingly stringent regulations on climate change, especially the New Climate Disclosure Requirement mandated by the HKEX in 2024, PINE reacted swiftly by adopting the **TCFD**'s recommended structure (i.e., Governance, Strategy, Risk Management, and Metrics and Targets), aiming to enhance its strategic planning and regulatory compliance. Moving forward, PINE looks forward to working with its partners and stakeholders to contribute to the transition towards a low-carbon economy.

**Governance**

Effective governance forms the foundation of our strategic approach to climate-related risks and opportunities. As a result, PINE has established a multi-tiered governance structure that ensures robust Board-level oversight, clear management accountability, and organisation-wide engagement to integrate climate considerations into its core decision-making processes and long-term strategy.

The Board maintains the ultimate oversight of PINE's climate-related risks and opportunities. This responsibility is integrated into the Board's mandate to guide corporate strategy and risk management. The Board reviews and approves the Company's overarching ESG strategy, ensuring it aligns with PINE's long-term business objectives and the global transition to a low-carbon economy. Particularly, the Board focuses on regulatory compliance, energy use, waste reduction, and sustainable practices. Climate change and ESG topics are discussed at least annually at Board meetings.

Accountability for the execution of PINE's climate strategy is assigned to the management level, who is responsible for the day-to-day management and integration of climate-related considerations into our operational and strategic planning processes. Their specific duties include (i) conducting an annual review of climate-related risks as an integral component of the Company's strategic planning and enterprise risk management cycle; (ii) incorporating energy efficiency and sustainability into office operations and procurement decisions; (iii) tracking and measuring energy use, recycling, and sustainability initiatives, (iv) preparing ESG and climate-related updates for the Board's review annually. Furthermore, fostering a culture of sustainability is critical to our success. All PINE employees are encouraged to attend general ESG and sustainability training to enhance their awareness and understanding, and periodically report ESG progress updates to the management level.

**Strategy**

PINE has proactively integrated climate-related risks and opportunities into its core strategic decision-making processes. Through an assessment of their impact on our business model, financials, and value chain, we have built a resilient strategy that not only mitigates climate-related risks but also secures our capacity to thrive in the transition to a low-carbon future.

I. Climate-related Risks and Opportunities

PINE has conducted a systematic assessment of climate-related risks and opportunities, evaluating them across short-term (0-2 years), medium-term (2-4 years), and long-term (beyond 4 years) horizons. This evaluation aligns with our business planning cycles and integrates insights from the ESG practices of industry peers, internal staff engagement, and regulatory trend analysis. By assessing both the likelihood and potential financial impact of these climate-related risks and opportunities, particularly their influence on operational disruption and office operating expenses, we have identified the most material issues specific to our operations and value chain.

The physical risks of climate change vary based on different geographical regions around the world. They include chronic risks such as extreme heat and water shortage, as well as acute risks such as wildfires, hurricanes, droughts and flooding. Most of our offices are located in Hong Kong and Shenzhen, which are along the southern coast of the PRC. The typhoon season typically lasts between July and September each year. A potentially longer and more extreme typhoon season may disrupt the Group's daily operations. Hence, tropical cyclones and typhoons are deemed as the primary acute physical risk in our climate-related risk identification.

As outlined in the Employee Handbook, the Hong Kong headquarter office established special working arrangements in the event of typhoons and rainstorms. Abiding by the relevant regulations of the Labour Department of Hong Kong, all employees are not required to report for duty under different levels of extreme weather. In order to protect the safety of employees and properties, our offices in the PRC require employees to obey the instructions of the department managers and ensure safe operation under extreme weather conditions.

A transition to a low-carbon economy may present significant risks relating to policies, market, technology and reputation. For PINE, regulatory compliance and value chain transition are deemed as material transition risks. As the Group engages with distributors and contractors in the PRC, climate-induced transition risks along its supply chain must be considered during its climate-related risk identification and strategy formulation. The cost of GHG emissions and air pollution will increase in the foreseeable future. As a trading company, we realise that it is important to optimise our logistics operation, by identifying and minimising our Scope 3 indirect GHG emissions and avoiding carbon-intensive transportation methods that may increase our logistic cost. Over the long term, we remain attentive to potential regulatory changes and emerging ESG-related standards that may require further adaptation of our business model.

PINE has implemented a range of measures to mitigate its environmental impact and enhance climate resilience, including:

1) Emissions Mitigation

During the Reporting Period, the Group's emissions include indirect GHG emissions stemming from its purchased electricity. For detailed emissions data, please refer to the subsection "Environmental KPIs" under the section "KPIs Summary". Our operation is based on office scenarios, where the emissions impact on the environment is considered insignificant. Nevertheless, we strive to mitigate these emissions by complying with the green office practices, as described in the subsection "Green Office Practices" under this section.

2) Resource Consumption

The main resources consumed by the Group during the Reporting Period include electricity, water, and paper. For detailed consumption data, please refer to the subsection "Environmental KPIs" under the section "KPIs Summary". We purchased electricity and paper from local providers, and did not encounter any issues in sourcing these resources. The Group's water consumption is exclusively sourced from purchased water bottles instead of from local utility providers. We encourage employees to follow the established green office practices as discussed under the following subsection "Green Office Practices".

3) Green Office Practices

At PINE, green and sustainable office practices are considered the most significant cornerstone to advancing the Group's environmental performance. By thoroughly examining our daily operations, guided by our Green Office Policy, we identified several substantial aspects regarding energy and the use of resources, and created corresponding guidelines and regulations to integrate responsible consumption. Our comprehensive measures include using only energy-efficient LED, T5, or compact flouresecnt lamps and assigning staff to turn off lights when not in use. For heating, ventilation, and air conditioning, we employ zoning, adjust individual air-conditioners to suitable temperatures, and set general air temperature to above 25°C. Our waste reduction efforts focus on reusable solutions, such as providing glassware for visitors, reusable utensils for staff, and reusing festival decorations. We encourage employee awareness to prevent unnecessary use of appliances, print only when necessary, lower monitor brightness, reuse packaging materials, and attend ESG seminars. Further practices include the timely repair of leaks in water dispensers and taps, affixing water-saving posters in washrooms, and reducing paper consumption by adopting electronic systems, digitalising documents, and collecting single-sided paper for reuse.


*Save every kWh of electricity. Turn off the lights and save electricity.*


*Dear colleagues, please support the environment and save paper. Use double-sided photocopying where possible and re-use single-sided wastepaper. Thank you!*

The practices listed above have already made a big difference. The digitisation of paper use, and reuse and recycling of scrap paper have led to a significant reduction in paper usage. During the Reporting Period, both our Hong Kong headquarter office, Shenzhen office and Shanxi office achieved the set resource consumption target of reusing and recycling 80% of scrap paper. We continue to seek new ways to enhance our green and sustainable office practices moving forward.

Conversely, we have identified opportunities to improve efficiency and reduce costs through targeted climate-related actions. During the Reporting Period, we have found that the adoption of energy-efficient equipment yielded measurable reductions in utility expenditures, while waste reduction and recycling initiatives lowered disposal expenses. In the short term, we are focused on implementing office efficiency improvements to build on these gains. Looking ahead to the medium term, we intend to expand efforts into broader waste reduction programmes and supplier sustainability engagement, thereby reinforcing the resilience and environmental performance of our end-to-end value chain.

II. Impact on Business Model, Value Chain and Finance

PINE's business model, centred on office-based operations, faces minimal direct exposure to climate-related risks. However, climate action presents opportunities to enhance operational efficiency and embed sustainability into our corporate practices. Initiatives such as energy savings, waste reduction, and improved resource management contribute to both cost efficiency and enhanced environmental performance, aligning with evolving stakeholder expectations and reinforcing the resilience of our business model.

Climate-related risks are expected to have minimal direct impact on PINE's value chain, which remains resilient due to the Company's limited physical operational footprint. Climate-related risks are primarily concentrated in the Central district of Hong Kong, where costs arise from energy consumption from office equipment and lighting, waste disposal and recycling processes, and procurement practices for office materials. Opportunities for improvement are concentrated in areas such as sustainable procurement and strengthened supplier engagement. In terms of our capacity to adjust, PINE maintains significant flexibility to adapt its strategy and business model in response to climate-related developments. In the short-term (within 1 year), the operational budget allows for minor upgrades such as energy-efficient lighting and appliances. Mid-term (1-3 years) strategies include reallocating resources toward sustainability initiatives, waste reduction, and ESG training for staff. Long-term (beyond 3 years) adjustments will focus on gradual improvements in office sustainability practices, with no major financial or operational constraints anticipated. This adaptive capacity ensures PINE can respond proactively to regulatory changes and market expectations while maintaining operational and financial stability.

The current financial impact of the identified climate-related risks remains minimal due to the nature of our office-based operations. There has been no material effect on revenues, assets, liabilities, or capital structure. Yet, climate-related opportunities, including the adoption of energy efficiency equipment and waste reduction initiatives, have already contributed to reduced operating expenditures. Cost savings from these sustainability initiatives are tracked annually, though no significant adjustments to assets or liabilities are anticipated in the near term.

Over the short term (within 1 year), we anticipate minor expenditures related to energy-efficient office upgrades, such as LED lighting and high-efficiency appliances. In the medium term (1-3 years), continued investments in waste reduction, recycling programmes, and sustainable procurement are expected to affect our financial position. These investments will be funded from existing operational budgets, with no need for external financing or green loans.

In the long-term (beyond 3 years), financial impacts are also expected to be limited, given the office-based operational structure and absence of significant exposure to physical climate-related risks. Hence, our focus lies within incremental improvements in sustainability practices, with anticipated gradual reductions in operating costs and enhanced resource efficiency, benefitting from climate-related opportunities. No material effects on revenue or capital financing are projected.

In order to ensure the smoothness and efficiency of our supply chain, we shall also consider conducting risk analysis for our electronic product manufacturers in the PRC. For example, we shall preferably select manufacturers that align with the regulation of local carbon markets, rather than those that are prone to receive penalties based on China's Carbon Emission Trading System. Moving forward, the Group will consider identifying other aspects such as market and reputation risks and formulate corresponding adaptation strategies if necessary.

**Risk Management**

PINE’s approach to managing climate-related risks is integrated into its broader operational and strategic framework. While our office-based operations entail limited direct exposure to significant climate-related risks, we have established a structured process to identify, assess and manage climate issues in line with our commitment to sustainability and climate resilience.

Our identification and assessment process employs a multi-faceted approach involving (i) the regular review of industry peers’ ESG practices and policies to ensure alignment with evolving standards; (ii) internal staff engagement to identify energy and waste-related risks and opportunities, leveraging operational insights from across our offices; and (iii) ongoing monitoring of regulatory and sustainability trends to anticipate future requirements and market expectations.

Climate-related risks and opportunities are evaluated based on their potential financial impact and likelihood of occurrence, paying particular attention to operational disruptions and office operating expenses. This process allows us to focus on the most material issues relevant to PINE’s operations and value chain. Although no formal climate scenario analysis or quantitative risk scoring has been conducted due to our limited exposure, climate considerations are monitored as part of our general operational and ESG risk oversight.

Material climate-related risks and opportunities are then managed through (i) regular internal reviews of office energy usage, waste generation, and progress on ESG initiatives; (ii) periodic reporting to the management team on sustainability performance and improvement areas; (iii) implementation of targeted mitigation measures, including energy-efficient equipment upgrades, waste reduction and recycling programmes, and employee sustainability training; and (iv) climate-related responsibilities are assigned to existing staff, with resources allocated specifically for energy efficiency, waste reduction, and sustainable procurement initiatives.

Finally, this process is incorporated into PINE’s overall operational risk management approach. Findings from climate risk assessments are integrated into office policies and procedures, and long-term sustainability considerations are reflected in strategic planning and resource allocation. Regular updates on climate-related developments are provided to management, ensuring alignment with the Company’s business objectives.

**Metrics and Targets**

In 2024, the Group set a series of targets to be achieved by 2025 to 2027 to drive progress in its environmental performance and solidify the Group's commitment towards environmental stewardship and sustainable development. A target for water efficiency is omitted as it is considered to be immaterial to the Group's business operation.

| Environmental Aspects | Targets | Status | Relevant Initiatives |
|---|---|---|---|
| GHG | • By 2027, reduce absolute Scope 1-3 greenhouse gas emissions by 50%, compared to 2021 baseline | Ongoing | 1) Increased the frequency of virtual meetings to lower business travel emissions<br>2) Retrofitted major facilities with LED lighting<br>3) Launched an employee commuting programme to promote the choice of public transport |
| | • By 2027, request greenhouse gas emissions data from major supplier(s) for Scope 3 emissions data analysis | Postponed | N/A |
| Waste | • By 2025, establish a waste monitoring system for general waste | Completed | 1) Appointed facility management staff to record waste collection quantities<br>2) Introduced waste segregation stations with clear signage for general waste and recyclables |
| | • By 2025, provide recycling bins in offices for waste separation and recycling | Completed | 1) Installed recycling bins for paper, plastics, metals, and general waste<br>2) Created clear signage and employee guidelines to ensure correct waste separation |
| | • By 2027, maintain 100% scrap paper reuse and recycling rate | Postponed | N/A |
| Electricity | • By 2027, reduce absolute electricity usage by 50%, compared to 2021 baseline | Ongoing | 1) Replaced all office lighting with LED systems<br>2) Implemented an office-wide energy saving campaign (e.g., power-down policy for equipment)<br>3) Optimised air conditioning schedules<br>4) Launched "Switch Off" Campaign to encourage employees to reduce unnecessary usage |

| | | | |
|---|---|---|---|
| | • By 2027, provide at least one hour of training to employees on responsible energy consumption and climate change | Ongoing | 1) Developing a training module on responsible energy use, climate change, and the Company's reduction targets<br>2) Preparing for an annual "Green Office Week", including talks on climate change and energy efficiency |

## Laws and Regulations

During the Reporting Period, we have rigorously adhered to the following laws and regulations. Those with a significant impact on the Group's operation are further disclosed in the respective sections.

**Operation Management**

Hong Kong

- Consumer Goods Safety Ordinance (Cap. 456 of the Laws of Hong Kong)
- Sale of Goods Ordinance (Cap. 26 of the Laws of Hong Kong)
- Supply of Services (Implied Terms) Ordinance (Cap. 457 of the Laws of Hong Kong)
- Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong)

The PRC

- Government Procurement Law of the People's Republic of China
- Law of the People's Republic of China on Bid Invitation and Bidding
- Production Safety Law of the People's Republic of China

**People Cultivation**

Hong Kong

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong)
- Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong)
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)
- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)

The PRC

- Labour Contract Law of the People's Republic of China
- Labour Law of the People's Republic of China
- Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases
- Provisions on Minimum Wages
- Provisions on the Administration of Occupational Health at Workplaces
- Social Insurance Law of the People's Republic of China

**Business Integrity**

Hong Kong

- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong)
- Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
- Competition Ordinance (Cap. 619 of the Laws of Hong Kong)
- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)

The PRC

- Anti-Monopoly Law of the People’s Republic of China
- Cybersecurity Law of the People’s Republic of China
- Interim Provisions on Prohibition of Commercial Bribery
- Law of the People's Republic of China Against Unfair Competition
- Provisions on Protecting the Personal Information of Telecommunications and Internet Users

**Environmental Protection**

Hong Kong

- Product Eco-responsibility Ordinance (Cap. 603 of the Laws of Hong Kong)

The PRC

- Environmental Protection Law of the People’s Republic of China
- Law of the People’s Republic of China on Environmental Impact Assessment
- Law of the People’s Republic of China on Prevention and Control of Environmental Noise Pollution
- Law of the People’s Republic of China on Prevention and Control of Environment Pollution by Solid Waste
- Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution
- Water Pollution Prevention and Control Law of the People’s Republic of China

## KPIs Summary

### Environmental KPIs

| KPIs | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| **Air Emissions[2] (KPI A1.1)** | | | | |
| Nitrogen Oxides | kg | 0.45 | 0.22 | - |
| Sulphur Oxides | kg | 0.00 | 0.00 | - |
| Particulate Matter | kg | 0.03 | 0.02 | - |
| **GHG Emissions[3] (KPI A1.2)** | | | | |
| Scope 1 - Direct Emissions from Mobile Source[4] | tCO2e- | 0.56 | 0.21 | - |
| Scope 2 - Indirect Emissions from Purchased Electricity | tCO2e- | 1.46 | 6.93 | 38.87 |
| Scope 3 - All Other Indirect Emissions[5] | tCO2e- | 0.12 | 0.38 | 0.00 |
| Total GHG Emissions (Scope 1&2) | tCO2e- | 2.02 | 7.14 | 38.87 |
| Total GHG Emissions (Scope 1,2&3) | tCO2e- | 2.14 | 7.52 | 38.87 |
| Total GHG Emissions (Scope 1,2&3) Intensity by FTE[6] | tCO2e- /Person(s) | 0.07 | 0.28 | 2.05 |
| Total GHG Emissions (Scope 1,2&3) Intensity by Revenue[7] | tCO2e- /HK$'000 | 0.00001 | 0.00003 | 0.0008 |
| **Energy and Resource Consumption (KPI A2.1)[8]** | | | | |
| Electricity Usage | kWh | 2,572.80 | 9,860.60 | 49,094.00 |
| Petrol Usage[9] | litres | 210.92 | 80.00 | - |
| Total Energy Usage | MJ | 16,344.77 | 38,184.56 | 176,738.40 |
| Total Energy Usage Intensity by FTE | MJ/ Person(s) | 563.61 | 1,414.24 | 9,302.02 |
| Total Energy Usage Intensity by Revenue | MJ/ HK$'000 | 0.05 | 0.16 | 3.76 |
| Paper Usage | kg | 32.43 | 94.18 | 159.67 |
| Paper Usage Intensity by FTE | kg/ Person(s) | 1.12 | 3.49 | 8.40 |
| Paper Usage Intensity by Revenue | kg/ HK$'000 | 0.00 | 0.0004 | 0.003 |

[2] The Group did not have access to any vehicles in 2023, and hence it did not emit air emissions.
[3] The GHG quantification methodology is based on following standards:

- The "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" issued by the Environmental Protection Department and the Electrical and Mechanical Services Department in Hong Kong
- The "China Regional Power Grids Carbon Dioxide Emission Factors (2023)"

[4] The Group did not have access to any vehicles in 2023, and hence it did not emit Scope 1 GHG emissions.
[5] Scope 3 emissions include waste generated in operations (specifically paper in landfill). Whereas, Scope 3 emissions from purchased goods and services (specifically water supply) are excluded since water is not purchased from the local utility provider, and hence the associated emissions are not applicable to the Group. Historical data has been recalculated to reflect this change and align our methodology with the local reporting guidance.
[6] FTE refers to the total number of full-time employees at the end of the Reporting Period.
[7] The Group's total revenue was HK$303,427,000.00 in 2025.
[8] Water-related consumption data is no longer disclosed since the Group does not purchase water from the local utility provider and exclusively sources bottled drinking water from suppliers. Hence, the Group does not use water as part of its operating activities.
[9] The Group did not have access to any vehicles in 2023, and hence it did not have a record of petrol usage.

## Social KPIs

| KPIs | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| **Workforce (KPI B1.1)** | | | | |
| **Total Workforce** | | | | |
| Total Workforce | Person(s) | 29 | 27 | 19 |
| **Workforce by Gender** | | | | |
| Male | Person(s) | 23 | 22 | 14 |
| Female | Person(s) | 6 | 5 | 5 |
| **Workforce by Age Group** | | | | |
| <30 | Person(s) | 3 | 5 | 2 |
| 30-40 | Person(s) | 5 | 4 | 8 |
| 41-50 | Person(s) | 12 | 10 | 4 |
| >50 | Person(s) | 9 | 8 | 5 |
| **Workforce by Employment Type** | | | | |
| Management | Person(s) | 16 | 11 | 7 |
| Administration, Accounting and Finance | Person(s) | 9 | 9 | 7 |
| Sales and Marketing | Person(s) | 4 | 4 | 1 |
| Procurement, Warehousing and Logistics | Person(s) | 0 | 0 | 2 |
| Technical and Maintenance | Person(s) | 0 | 1 | 2 |
| Operators | Person(s) | 0 | 2 | 0 |
| **Workforce by Geographical Location** | | | | |
| Hong Kong | Person(s) | 25 | 9 | 10 |
| The PRC | Person(s) | 4 | 18 | 9 |
| **Turnover Rate (KPI B1.2)** | | | | |
| **Total Turnover Rate** | | | | |
| Total Turnover Rate | % | 10.71 | 21.74 | 134.96 |
| **Turnover Rate by Gender** | | | | |
| Male | % | 13.33 | 27.78 | 141.94 |
| Female | % | 0.00 | 0.00 | 113.33 |
| **Turnover Rate by Age Group** | | | | |
| <30 | % | 50.00 | 0.00 | 105.56 |
| 30-40 | % | 0.00 | 66.67 | 191.30 |
| 41-50 | % | 9.09 | 0.00 | 136.00 |
| >50 | % | 0.00 | 15.38 | 37.50 |
| **Turnover Rate by Geographical Location** | | | | |
| Hong Kong | % | 0.00 | 0.00 | 16.67 |
| The PRC | % | 27.27 | 37.04 | 163.64 |
| **Occupational Health and Safety (KPI B2.1 & B2.2)** | | | | |
| Work-Related Fatalities | Case(s) | 0 | 0 | 0 |
| Lost Days Due to Work Injury | Day(s) | 0 | 0 | 0 |
| **Development and Training (KPI B3.1 & B3.2)** | | | | |
| **Percentage of Employees Trained** | | | | |
| Total Percentage of Employees Trained | % | 17.24 | 18.52 | 26.32 |

| KPIs | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| **Percentage of Employees Trained by Gender** | | | | |
| Male | % | 21.74 | 18.18 | 35.71 |
| Female | % | 0.00 | 20.00 | 0.00 |
| **Percentage of Employees Trained by Employment Category** | | | | |
| Management | % | 18.75 | 18.18 | 14.29 |
| Administration, Accounting and Finance | % | 0.00 | 0.00 | 28.57 |
| Sales and Marketing | % | 50.00 | 75.00 | 100.00 |
| Procurement, Warehousing and Logistics | % | - | - | 50.00 |
| Technical and Maintenance | % | - | 0.00 | 0.00 |
| Operators | % | - | 0.00 | 0.00 |
| **Average Training Hours** | | | | |
| Total Training Hours | Hour(s)/ Person | 0.34 | 0.19 | 0.53 |
| **Average Training Hours by Gender** | | | | |
| Male | Hour(s)/ Person | 0.43 | 0.18 | 0.71 |
| Female | Hour(s)/ Person | 0.00 | 0.20 | 0.00 |
| **Average Training Hours by Employment Category** | | | | |
| Management | Hour(s)/ Person | 0.38 | 0.18 | 0.29 |
| Administration, Accounting and Finance | Hour(s)/ Person | 0.00 | 0.00 | 0.57 |
| Sales and Marketing | Hour(s)/ Person | 1.00 | 0.75 | 2.00 |
| Procurement, Warehousing and Logistics | Hour(s)/ Person | - | - | 1.00 |
| Technical and Maintenance | Hour(s)/ Person | - | 0.00 | 0.00 |
| Operators | Hour(s)/ Person | - | 0.00 | - |
| **Supply Chain (KPI B5.1)** | | | | |
| **Suppliers by Geographical Region** | | | | |
| The PRC | No. | 30 | 20 | 31 |
| **Product and Service (KPI B6.1 & B6.2)** | | | | |
| Product Recall Rate for Safety and Health Reasons | % | 0 | 0 | 0 |
| Product and Service-related Complaints | Case(s) | 0 | 0 | 0 |
| **Anti-corruption (KPI B7.1)** | | | | |
| Concluded Legal Cases regarding Corrupt Practices | Case(s) | 0 | 0 | 0 |

## ESG Reporting Guide Content Index

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
|---|---|---|
| **Mandatory Disclosure Requirements** | | |
| **Governance Structure** | | |
| | A statement from the board containing the following elements:<br>i) a disclosure of the board's oversight of ESG issues;<br>ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and<br>iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. | **Sustainability Approach**<br>- ESG Governance<br>- ESG Strategy |
| **Reporting Principles** | | |
| | A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report:<br><br>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.<br><br>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be discussed.<br><br>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. | **About this Report**<br><br>**Sustainability Approach**<br>- Stakeholder Engagement<br>- Materiality Assessment<br><br>**KPIs Summary** |
| **Reporting Boundary** | | |
| | A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change. | **About this Report** |

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
|---|---|---|
| **"Comply or explain" Provisions** | | |
| **A. Environmental** | | |
| **Aspect A1: Emissions** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(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 | **Environmental Protection**<br>- Addressing Climate Change<br><br>**Laws and Regulations** |
| KPI A1.1 | The types of emissions and respective emissions data. | **Environmental Protection**<br>- Addressing Climate Change<br><br>**KPIs Summary**<br>- Environmental KPIs |
| 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). | **KPIs Summary**<br>- Environmental KPIs |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | As the Group did not generate any hazardous waste, this disclosure is considered to be immaterial. |
| KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | The Group's non-hazardous waste documentary system is under development and relevant information is not available. We shall record and disclose relevant data in future ESG reports. |
| KPI A1.5 | Description of emissions target(s) set and steps taken to achieve them. | **Environmental Protection**<br>- Addressing Climate Change |
| 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. | As hazardous waste is immaterial to the Group, the Group only formulated general mitigation steps for non-hazardous waste. |
| **Aspect A2: Use of Resources** | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | **Environmental Protection**<br>- Addressing Climate Change |
| 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). | **KPIs Summary**<br>- Environmental KPIs |

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
| --- | --- | --- |
| KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | The Group's water consumption is derived from purchased water bottles exclusively instead of from local utility providers. Since water is not used as part of the Group's operating activities, it is deemed to be inapplicable to the Group. |
| KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | **Environmental Protection**<br>- Addressing Climate Change |
| KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | **Environmental Protection**<br>- Addressing Climate Change<br><br>The Group exclusively sources bottled drinking water from suppliers. |
| KPI A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | The Group's packaging material documentary system is under development and relevant information is not available. We shall record and disclose relevant data in future ESG reports. |
| **Aspect A3: The Environment and Natural Resources** | | |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | **Environment Protection**<br>- Addressing Climate Change |
| KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | **Environmental Protection**<br>- Addressing Climate Change |
| **Aspect A4: Climate Change** | | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | **Environmental Protection**<br>- Addressing Climate Change |
| KPI A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | **Environmental Protection**<br>- Addressing Climate Change |

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
|---|---|---|
| **B. Social** | | |
| **Employment and Labour Practices** | | |
| **Aspect B1: Employment** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(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 Cultivation**<br>- Workplace Harmony<br><br>**Laws and Regulations** |
| KPI B1.1 | Total workforce by gender, employment type, age group and geographical region. | **KPIs Summary**<br>- Social KPIs |
| KPI B1.2 | Employee turnover rate by gender, age group and geographical region. | **KPIs Summary**<br>- Social KPIs |
| **Aspect B2: Health and Safety** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(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 Cultivation**<br>- Workplace Safety<br><br>**Laws and Regulations** |
| KPI B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | **KPIs Summary**<br>- Social KPIs |
| KPI B2.2 | Lost days due to work injury. | **KPIs Summary**<br>- Social KPIs |
| KPI B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | **People Cultivation**<br>- Workplace Safety |
| **Aspect B3: Development and Training** | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | **People Cultivation**<br>- Workplace Training |
| KPI B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | **KPIs Summary**<br>- Social KPIs |
| KPI B3.2 | The average training hours completed per employee by gender and employee category. | **KPIs Summary**<br>- Social KPIs |

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
|---|---|---|
| **Aspect B4: Labour Standards** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | **Business Integrity**<br>- Anti-Child and Forced Labour<br><br>**Laws and Regulations** |
| KPI B4.1 | Description of measures to review employment practices to avoid child and forced labour. | **Business Integrity**<br>- Anti-Child and Forced Labour |
| KPI B4.2 | Description of steps taken to eliminate such practices when discovered. | **Business Integrity**<br>- Anti-Child and Forced Labour |
| **Operating Practices** | | |
| **Aspect B5: Supply Chain Management** | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | **Operation Management**<br>- Supply Chain Optimisation |
| KPI B5.1 | Number of suppliers by geographical region. | **KPIs Summary**<br>- Social KPIs |
| KPI B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | **Operation Management**<br>- Supply Chain Optimisation |
| KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | **Operation Management**<br>- Supply Chain Optimisation |
| KPI B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | **Operation Management**<br>- Supply Chain Optimisation |

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
|---|---|---|
| **Aspect B6: Product Responsibility** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(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. | **Operation Management**<br>- Service Responsibility and Customer Relationship<br>- Product Quality Assurance<br><br>**Business Integrity**<br>- Data Privacy and Intellectual Property<br><br>**Laws and Regulations** |
| KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | **Operation Management**<br>- Product Quality Assurance<br><br>**KPIs Summary**<br>- Social KPIs |
| KPI B6.2 | Number of products and service-related complaints received and how they are dealt with. | **Operation Management**<br>- Service Responsibility and Customer Relationship<br><br>**KPIs Summary**<br>- Social KPIs |
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights. | **Business Integrity**<br>Data Privacy and Intellectual Property |
| KPI B6.4 | Description of quality assurance process and recall procedures. | **Operation Management**<br>- Service Responsibility and Customer Relationship<br>Product Quality Assurance |
| KPI B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | **Business Integrity**<br>Data Privacy and Intellectual Property |
| **Aspect B7: Anti-corruption** | | |
| General Disclosure | Information on :<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | **Business Integrity**<br>- Anti-Corruption<br><br>**Laws and Regulations** |
| 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. | **Business Integrity**<br>- Anti-Corruption<br><br>**KPIs Summary**<br>- Social KPIs |

| Aspects, General Disclosures and KPIs | Description | Relevant Chapter or Explanation |
|---|---|---|
| KPI B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | **Business Integrity**<br>- Anti-Corruption |
| KPI B7.3 | Description of anti-corruption training provided to directors and staff. | **Business Integrity**<br>- Anti-Corruption |
| **Community** | | |
| **Aspect B8: Community Investment** | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | **People Cultivation**<br>- Workplace Harmony |
| KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | **People Cultivation**<br>- Workplace Harmony |
| KPI B8.2 | Resources contributed (e.g. money or time) to the focus area. | During the Reporting Period, the Group did not engage in any community activity and relevant information is not available. We shall consider gathering efforts to directly engage with local communities in the future. |