



**IMAGI INTERNATIONAL HOLDINGS LIMITED**  
**意馬國際控股有限公司\***

*(incorporated in Bermuda with limited liability)*  
**(Stock Code: 585)**

**Environmental, Social and Governance Report**  
**For the year ended 31 December 2021**

Imagi International Holdings Limited (“the “Company”, “We”, or together with its subsidiaries as the “Group”) presents this Environmental, Social and Governance (“ESG”) Report for the year ended 31 December 2021 (the “Reporting Period”). The report covers the sustainable development direction, strategy and performance of the Group, outlining strategies implemented and summarizes the performance for the year, with a view to elaborate on the efforts we uphold and the long-term value we create for our stakeholders.

**Reporting Standard**

The report is prepared in accordance with Appendix 27 – Environmental, Social and Governance Reporting Guide (“ESG Guide”) of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (“Listing Rules”).

**Reporting Scope**

This ESG Report covers the Group’s principal businesses in integrated financial services business, investment holdings, computer graphics imaging and entertainment business. The integrated financial services were composed of the provision of securities brokerage and related financial services, margin financing services, asset management services, money lending services, securities investments and proprietary trading. The report is prepared in accordance with the ESG Guide, and includes material ESG issues as identified by the Group’s ESG working group and stakeholders.

**Reporting Principles**

The report is in line with four principles, namely materiality, quantitative, balance and consistency, and determined the presentation methods of the contents to ensure that the report is accurate, true, and informative to the readers. The principles are elaborated below:

**Materiality:** Important and relevant information pertaining to environmental and social issues are identified through the stakeholder materiality assessment and disclosed in this report.

\* *For identification purpose only*

**Quantitative:** Quantitative information with comparative data, where appropriate, are provided and discussed to enable an objective assessment of the Company's ESG performance.

**Balance:** ESG performance of the Company is reported in a fair and objective manner.

**Consistency:** Consistent methodologies are adopted in preparation of ESG data and comparison of data to past year results where appropriate.

### Sustainable development mission

The Group understands and agrees with the growing importance of and demand for sustainability. We aim to stay committed to the development of the Group's main business investments and operations, and integrate economic, environment, and social sustainability into all dimensions of our investment and management practices. We aim to change towards a positive future, which starts from incorporating sustainability into all dimensions of our businesses, while delivering attractive returns, building shareholder value, and maintaining disciplined resource management.

As such, we have implemented a stringent management system to assist us in achieving the mission and improving the ESG governance.

### ESG Performance Highlights

Despite a rapidly changing business environment and the prolonged effects from COVID-19 pandemic, the Group has continued to show improvements in ESG performance in different aspects. The Group achieved the following ESG results in the Reporting Period:

<b>Energy Consumption</b> <ul style="list-style-type: none"><li>• Reduction in greenhouse gas (GHG) emissions from electricity consumption by <b>9%</b></li></ul>
<b>Waste Disposal and Management</b> <ul style="list-style-type: none"><li>• Reduction in waste disposal by <b>27%</b> through effective green operations mechanisms</li></ul>
<b>Staff Development and Training</b> <ul style="list-style-type: none"><li>• Focus on personal and professional development of staff by:</li><li>• Increasing average number of training hours per trained employee to <b>10 hours</b></li><li>• Increasing average number of courses taken per trained employee to <b>6 courses</b></li></ul>

The Group strives to sustain a high level of performance in these ESG aspects. The following targets are set to ensure continuous development towards better environmental, social and governance culture within the Group:

- Enhancement of energy conservation by adopting a “need-only” basis for energy usage, thereby to reduce energy consumption;
- Further utilization on digital platforms for business delivery to minimise office consumables, so as to reduce non-hazardous waste disposals; and
- Ascertainment of timeliness in handling ESG issues and matters through semi-annually ESG working group meetings.

### **ESG Working Group**

The board of directors (“the Board”) of the Group has the overall responsibility for the Group’s ESG strategy and reporting. The Board actively manages the Group’s ESG performance through the setup of an ESG management and monitoring framework, in which a selected working group is dedicated to managing ESG matters, including but not limited to sustainability, environmental protection, occupational safety and compliance. The working group is comprised of the executive director, general manager, company secretary, assistant financial controller, and responsible officer from administrative team (collectively known as the “ESG working group”).

The ESG working group assumes the following responsibilities:

- Managing resource consumption and overuse;
- Promoting green work and awareness;
- Providing employees with sufficient training and development;
- Providing a safe working environment; and
- Ensuring the compliance with labour laws and regulations to protect employees’ rights and interests.

The ESG working group monitors issues that are material to the Group’s operations, and assists the Group by providing advice to management on implementing sustainability policies, action plans and goals. The ESG working group schedules semi-annual meetings to discuss performance and progress, and helps the Group to incorporate ESG-related elements into the Group’s business approach, so as to improve the management of the Group’s strategic goals in sustainable development. In addition, the ESG working group also comes together to evaluate the impact, efficiency and effectiveness of policies that are already in place, and take actions for remedies if the ESG policies are not properly implemented. If progress is found unsatisfactory to the Group’s standards, or that material risk is discovered in business operations, the ESG working group would report to the Board and follow up in a timely manner.

As part of the Group’s risk management and internal control systems, a professional consultant has been engaged for annual assessment of the Group’s internal controls so as to identify potential risk and control deficiencies and recommend on necessary improvements accordingly. Responsive measures are planned for identified risks. The Group also envisions our sustainability policy to align with our internal control and risk management systems, with an aim to achieve a fully aligned business strategy that integrates sustainable development. The Group’s Audit Committee will continuously review the Group’s internal control and risk management procedures, to ensure an effective internal control monitoring system is in place. The Board regularly monitors the ESG working group regarding the Group’s ESG performance and provides directions for ESG development.

## **Stakeholder Engagement**

In order to achieve long-term success and sustainable development, it is crucial to understand the expectations, interests and information needs from our stakeholders and to maintain this engagement on an on-going basis.

Hence, the identification of such expectations and the related material ESG issues are conducted through our stakeholder engagement process. Our internal and external stakeholders include employees, clients, investors and shareholders, suppliers and business partners, government and supervising authorities, social groups and public, and media. We have been actively engaging and providing them with updates on our recent business developments through various engagement methods as follows:

### **Stakeholder Groups**

### **Engagement Channels**

Employees

- Internal Emails and Publications
- Meetings and briefings
- Trainings
- Employee Activities
- Corporate Website

Clients

- Corporate Website
- Emails, Facsimile and Phone Contacts
- Conferences

Investors and Shareholders

- Corporate Website
- Annual General Meeting
- Annual and Interim Report
- Press Release and Announcements
- Emails, Facsimile and Phone Contacts

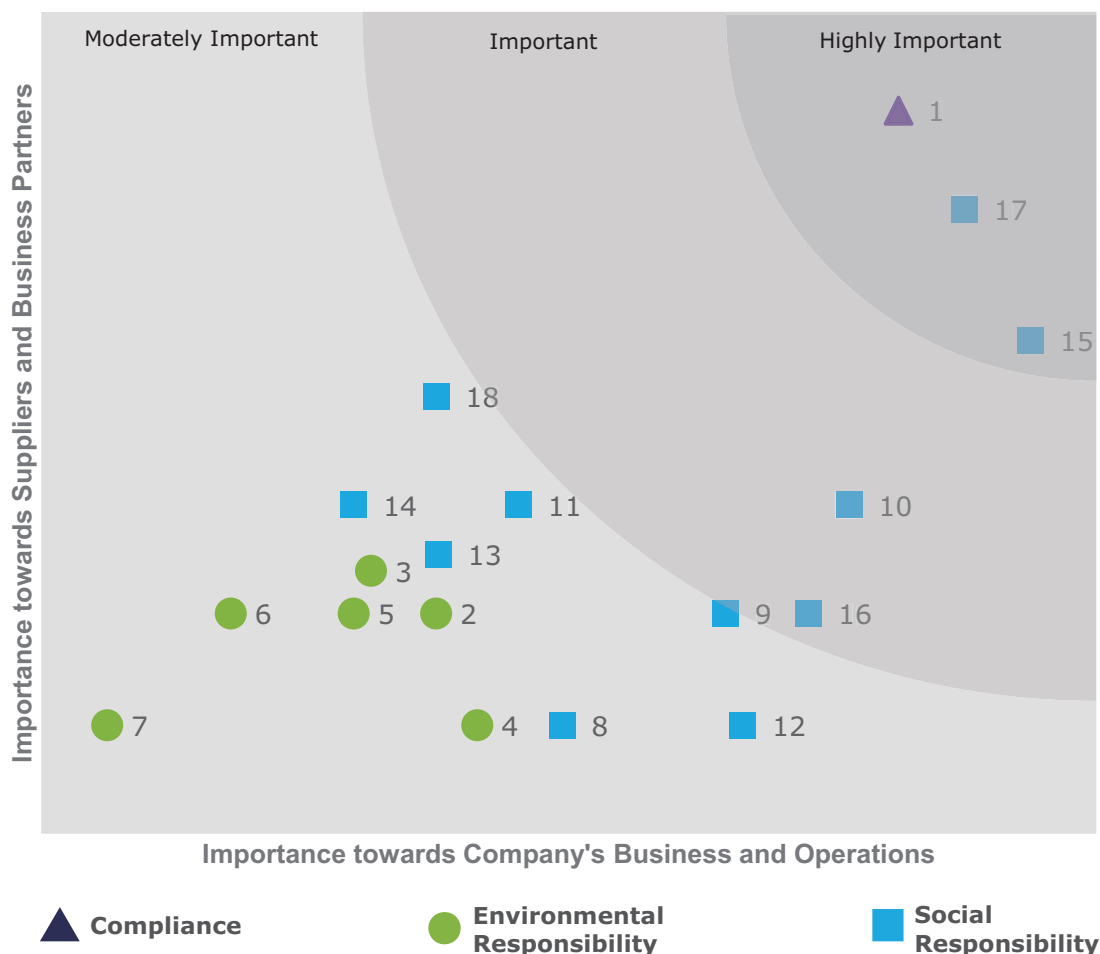
Suppliers and Business Partners	<ul style="list-style-type: none"> <li>• Corporate Website</li> <li>• Emails, Facsimile and Phone Contacts</li> <li>• Conference</li> <li>• Field Visitation</li> </ul>
Government and Supervising Authorities	<ul style="list-style-type: none"> <li>• Corporate Website</li> <li>• Press Release and Announcement</li> <li>• Emails, Facsimile and Phone Contacts</li> <li>• Cooperate With Government and Regulatory Authorities on Compliance Inspections</li> </ul>
Social Groups and Public	<ul style="list-style-type: none"> <li>• Corporate Website</li> <li>• Press Release and Announcement</li> <li>• Emails, Facsimile and Phone Contacts</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Corporate Website</li> <li>• Press Release and Announcements</li> <li>• Emails, Facsimile and Phone Contacts</li> </ul>

## Materiality Assessment

As issues of concern to stakeholders are constantly updated according to changes in the market and the environment, the Group has completed a materiality assessment through a stakeholder engagement process, with the aim to understand stakeholders' expectations and formulate tailor-made business strategies to align with market needs. The Group has adopted the following four-step procedures to conduct the materiality assessment:

- 1) **Identification of potential issues:** Screening of initial reference issues with reference to the ESG Guide, and benchmarking ideas against suitable peer companies to pinpoint material ESG issues.
- 2) **Stakeholder evaluation:** Internal and external stakeholders, who have significant influence and/or dependency on the Group, are invited to rank the importance of each ESG issue via questionnaires and interviews.
- 3) **Prioritization:** The results from issues identification and stakeholder evaluation are combined to generate ESG materiality ranking.
- 4) **Validation:** ESG working group of the Group validates and confirms the key material ESG issues, and how they link to the respective aspects and KPIs of the ESG Guide.

In accordance with the results from this stakeholder engagement exercise, we have structured the following list of material ESG issues identified by each stakeholder group, which are composed of issues directly affecting both internal and external stakeholders throughout the Group's operations. A total of 18 ESG issues were identified during the reporting period:



Item	Aspect in the ESG Guide	ESG Material Issue
1	General	Compliance
2	A1: Emissions	Waste Disposal and Management
3	A1: Emissions	Greenhouse Gas Emissions
4	A2: Use of Resources	Energy Usage
5	A2: Use of Resources	Water Usage and Other Matters
6	A3: The Environment and Natural Resources	Environmental Impacts from Investments

<b>Item</b>	<b>Aspect in the ESG Guide</b>	<b>ESG Material Issue</b>
7	A4: Climate Change	Climate Change
8	B1: Employment	Recruitment, Remuneration, Promotion, Dismissal and Employee Benefits
9	B1: Employment	Diversity and Equal Opportunity
10	B2: Health and Safety	Occupational Health and Safety
11	B3: Development and Training	Staff Development and Training
12	B4: Labour Standards	Anti-child and Forced Labour
13	B5: Supply Chain Management	Supply Chain Management
14	B5: Evaluation of Suppliers' Performance	Evaluation of Suppliers' Performance
15	B6: Product Responsibility	Data Privacy and Protection
16	B6: Product Responsibility	Service Quality
17	B7: Anti-corruption	Anti-corruption and Money Laundering
18	B8: Community Investment	Community Investment

## **ENVIRONMENT**

Although we are principally engaged in financial services businesses which have insignificant direct impact on the environment, we take the responsibility of environmental protection by executing various measures to minimize other indirect environmental impact arising from our business activities. These measures strictly follow the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) ("Waste Disposal Ordinance"), as well as in parallel with other relevant environmental laws and regulations that require the company to minimize their impact through prevention and control of emissions and waste disposals.

## **A1: Emissions**

### ***Waste Management and Disposal***

With respect to our business nature, no substantial air emissions and hazardous waste are produced from our operations. General wastes such as paper and office consumables are disposed from our office administrative work. We have incorporated the principles of the “3R” (Reduce, Reuse, and Recycle) into our business activities, and developed a waste classification mechanism in sorting out different materials to ease the recycling process. Such a classification mechanism is effective in reducing the amount of waste generated as our employees have reacted proactively in office recycling efforts. We also encourage our employees to reduce waste by avoiding excessive procurement of office stationery and controlling paper consumption, so as to drive behavioral changes. All of the papers sourced for business operations come from FSC-certified suppliers.

During the Reporting Period, the major waste produced was paper, of which 831 kg were purchased (2020: 1,137 kg). Consumption of paper had decreased from the previous year by 27%. The decrease was partially caused by the significant increase in the amount of paper recycled by practicing the 3R principles. Other than our efforts devoted into the 3R principles, such decrease was attributed to transformation in utilizing digital platforms for business delivery. Used ink cartridges and toners were returned to and recycled by our service provider and the quantity was minimal. We aim to follow the same trajectory in waste reduction, and aim to maintain waste reduction of at least 5% as a 3-year target. This would be achieved whilst we continue to uphold our current practices of waste management with best efforts. All of our waste management practices comply with relevant law and regulations, namely the Waste Disposal Ordinance.

### ***Greenhouse Gas Emissions***

The Group emits greenhouse gas (“GHG”) mainly from the consumption of electricity and petrol. Electricity was consumed in our offices to provide lighting, air-conditioning and operations of office equipment. Petrol was consumed on a company-owned vehicle for transportation purpose. During the Reporting Period, the Group emitted 37,217 kg CO<sub>2</sub> equivalent of GHG<sup>1</sup> (2020: 37,396 kg). Regarding the initiatives of reduction of GHG, please refer to the section “Energy Usage” below under A2: Use of Resources.

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

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<sup>1</sup> Data of greenhouse gas emissions was calculated with reference to the “Reporting Guidance on Environmental KPIs” published by The Stock Exchange of Hong Kong Limited.



## **A2: Use of Resources**

### *Energy Usage*

Understanding that energy consumption plays a large part of GHG emissions, the Group seeks to ensure all of its business activities are conducted in an energy-conservative manner. During the Reporting Period, we have managed to reduce our GHG emissions from electricity consumption by 9%. This was made possible with our continuous effort in enhancing our management system to achieve green operations, as well as keeping abreast with any new technologies that can help reduce electrical consumption. For the coming years, we would target to continue the trend in reducing energy usage, with a reduction of 5% over a 3-year period.

In order to achieve this, we have placed various resource conservation initiatives to our day to day operation, and continues to encourage behavioural changes of our employees. We hope to embrace this idea into our workplace culture. Several of our office energy saving measures include:

- Adoption of energy efficient computer systems and electrical appliances;
- Replacement of all office lighting equipment with LED lights and energy efficient Grade 1 appliances;
- Establishment of indoor temperature to be within a specific range to reduce energy consumption of air-conditioning systems;
- Requirement for employees to switch off lights, air conditioners and electrical equipment when idle;
- Assignment of regular monitoring of energy consumption to responsible administrative personnel, where identified anomalies are flagged to management; and
- Placing of eye-catching reminders and notices to remind our staff of their environmental responsibilities, and to stay cautious and mindful when using energy resources.

All these measures have been effective to remind all our staff to be mindful of their energy consumption, and to take an active role in minimizing any unnecessary energy usage.

During the Reporting Period, the Group mainly consumed two sources of energy, which were electricity and petrol. The amount of consumption was:

	<b>Resources</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Electricity</b>	<b>Consumption Quantity</b> ( <i>kWh</i> )	46,974	45,101	40,461
	<b>GHG Emissions</b> ( <i>kg CO<sub>2</sub> equivalent</i> )	33,352	36,573	32,368
	<b>Energy Intensity</b> ( <i>kWh/Gross Floor Area</i> )	6.99	6.34	5.68
	<b>Carbon Intensity</b> ( <i>GHG Emissions/Gross Floor Area</i> )	4.96	5.11	4.55
<b>Petrol</b>	<b>Consumption Quantity</b> ( <i>L</i> )	1,427	304	1,250
	<b>GHG Emissions</b> ( <i>kg CO<sub>2</sub> equivalent</i> )	3,865	823	3,386
	<b>Energy Intensity</b> ( <i>L/Gross Floor Area</i> )	0.21	0.04	0.18
	<b>Carbon Intensity</b> ( <i>GHG Emissions/Gross Floor Area</i> )	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>

Direct and indirect consumption GHG emissions is summarized below:

<b>GHG Emissions</b> <b>(kg CO<sub>2</sub> equivalent)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Direct Emissions	3,865	823	3,386
Indirect Emissions	33,352	36,573	32,368
<b>Total</b>	<b>37,217</b>	<b>37,396</b>	<b>35,754</b>

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<sup>2</sup> Intensity of petrol consumption is considered non-applicable for reporting owing to its irrelevance to the Group's principal business activities.

Total electricity consumption across the Group during the Reporting Period was 46,974 kWh (2020: 45,101 kWh), which has shown an increase in energy usage. As a result, intensity for energy consumption for electricity has also shown an increase to 6.99 (2020: 6.34). The increase in electricity consumption is attributed to the Group's business development. The Group has continued to seek expansion to its integrated financial services business, with an aim to launch and offer additional services to create new business opportunities. Substantial resources has been devoted to these continual developments, which resulted in greater office utilisation in facilitating growth. As such, these factors may have contributed to the increase in energy consumption over the past year.

In addition, the increase in electricity consumption corresponds to the COVID-19 pandemic that has impacted the world and our business operations as a whole. More electricity consumption has been used to maintain power on for heating, ventilation and air conditioning (HVAC) to maintain a safe working environment for colleagues who choose to work in office. However, at the same time, to protect and ensure the safety of our employees, the Group has implemented flexible working arrangements to adapt to the new normal. Employees are increasingly adopting new working mechanisms for both internal and external meetings, such as mobilising electronic platforms for virtual conferences, in order to facilitate communications for business operations.

There is however an increase in petrol consumption from adapting to the new normal. Total petrol consumption of the Group during the Reporting Period was 1,427L (2020: 304L). The resulting intensity has also increased to 0.21 (2020: 0.04). Increased mobility and usage of the car fleet for management transportation purposes have picked up over the past year to facilitate physical meetings for business operations. Social interactions have been more frequent owing to the fact that Hong Kong has been blessed with minimal COVID-19 outbreak cases over 2021, although precautionary measures are still in place.

To mitigate on this, the Group continues to implement various energy-saving initiatives for cost saving purposes, while at the same time promoting environmentally friendly practices within the workplace. Other than paper consumption and energy usage from administrative work, the Group's business activities have no other significant impacts on the environment and natural resources.

### ***Water Usage and Other Matters***

Owing to our business nature, the Group does not consume significant amount of water. As the Group operates in office premises where the water supply and discharge are solely controlled by the property management agent, the Group has limited access to water consumption data. Hence, water usage is considered as immaterial for such reporting purposes. However, the Group also recognizes the importance of water conservation by adopting water saving practices within the work place, such as encouraging employees to limit water usage, or reusing water for non-edible purposes such as plant watering and floor cleaning. The Group has no difficulty in sourcing water.

Furthermore, no packaging material was used during the Reporting period.

### **A3: The Environment and Natural Resources**

#### *Environmental Management and Green Operations*

As a responsible corporation, the Group monitors potential environmental risks on an on-going basis. Control measures are in place to detect and mitigate environmental issues throughout our business operations.

The idea of green operations is incorporated into our daily business activities which can help further protect the environment. Following the popularity of integrating technology in our daily lives, paperless initiatives have been extended to all phases of the business. This includes minimization of common office consumables, such as opting a “dual-purpose paper” policy, where waste paper should be reused, reduced, and recycled. We have significant reduced paper consumption in the past year by actively practicing such policy. We will continue to enhance our digital strategies with aim to further minimize unnecessary use of office consumables. We have also developed energy-saving principles in our workplace, which includes switching off office equipment, lighting and air-conditioning when not in use.

Furthermore, we proactively refresh employees’ understanding of the latest environmental requirements, and update our internal policies regularly to ensure our compliance with relevant laws and regulations and enhance our environmental performance.

### **A4: Climate Change**

#### *Climate Change*

The Group recognizes climate change as one of the greatest issues confronting humanity today. It is vital for us to understand our corporate role in addressing climate change threats, which could impact us both in terms of our business profitability and our long-term resilience. Although our business operations do not directly impact the environment, we adopt a proactive and forward-thinking approach in the assessment of our vulnerability to climate risks, and integrate such considerations into our strategic business planning. The Group shares the responsibilities to reduce emissions and relieve the impact from climate change.

To cope with the intensified threat of climate change, the Group has assessed the potential risks that may arise from our business operations. These risks mainly stem from the following dimensions:

- **Physical risks:** Although the Group has minimal direct impact from the environment due to our primary business in financial services, it is essential for us to assess our vulnerability to extreme weather conditions faced by our city, no matter whether it is rainstorm, thunder, typhoon, fire or flood. The Group has provided materials for employees to enhance their awareness and ability to cope with potential disaster when faced with extreme weather conditions. This ensures safety for our employees, and prevention for potential loss of assets.
- **Transition risks:** As policy changes are expected to be moving towards a low-carbon economy, new regulations are expected soon in many countries and jurisdictions. Climate-related issues such as risks in regulatory change may lead to the devaluation of the assets held by the Group. These potential stranded assets may be energy related, which could lead to unpredicted fluctuation in the Group's value. As such, the Group is more vigilant in considering investment choices to the Group's portfolio, and will take into more careful considerations for climate risks. Our climate change policy also contains guidance to climate risks identification, mitigation and adaptation to help build resilience to potential climate events.
- **Reputational risks:** Extreme weather events may disrupt operations or affect the value of our investments, and involvement in certain industries associated with climate change may pose reputational risk. Given the broad-based impacts of climate change, our strategy leverages on the depth of our expertise and insights to climate-related opportunities and to manage climate risk. In addition to managing risk across our client activities, we continue to adopt best practices to reduce our own carbon footprint and integrate resiliency into our business operations.

## **SOCIAL**

### **B1: Employment**

The Group truly believes that our employees are the cornerstone that drives the continuous success of our business. We endeavour to provide a compassionate and inclusive environment that empowers our employees in pursuing high performance and continuous improvement.

## ***Recruitment, Remuneration, Promotion, Dismissal and Employee Benefits***

The Group treasures its loyal and industrious staff members. We believe that having a stable and effective workforce sets the core foundation to the success of our business. We aim to attract and retain talents with our comprehensive recruitment management system, where we have established and implemented standardized recruitment and remuneration processes that award our employees in a fair and transparent manner. Our employees are awarded with reference to their qualifications, experience and work performance, and are frequently compared to market benchmarks. In addition to their basic salaries, incentives in the form of bonus and share options may be offered to eligible employees on the basis of individual performance and the Group's business results.

As at 31 December 2021, there are a total of 28 full time employees, all of which are in Hong Kong. The distribution of the Group's employees are as follows:

<b>Distribution</b>		<b>2021</b>	<b>2020</b>
<b>Gender Distribution</b>	Male	54%	55%
	Female	46%	45%
<b>Age Group</b>	18 to 30 years old	4%	11%
	31 to 50 years old	50%	41%
	Above 50 years old	46%	48%
<b>Employee Category</b>	Director	36%	38%
	Management	29%	28%
	General staff	35%	34%
<b>Employment Type</b>	Permanent	75%	76%
	Contract	25%	24%
	Part-time and temporary	0%	0%

The following shows the employee turnover rate during the Reporting Period:

<b>Employee Turnover</b>		<b>2021</b>	<b>2020</b>
<b>Gender Distribution</b>	Male	11%	21%
	Female	11%	14%
<b>Age Group</b>	18 to 30 years old	7%	3%
	31 to 50 years old	4%	14%
	Above 50 years old	11%	17%

*Note: Employee turnover rate represented the percentage of the employees' turnover number of each group over the total number of employees as at the end of the Reporting Period.*

The Group's human resources policies strictly abide to the requirements as stipulated in relevant employment laws and regulations such as the Employment Ordinance (Chapter 57 of the laws of Hong Kong) and Employees' Compensation Ordinance (Chapter 282 of the laws of Hong Kong). Working hours, leaves, remuneration, dismissals, terminations and other employment practices are reviewed regularly to ensure the compliance with latest labour laws and regulations and the norms of the market where the Group operates.

The Group also recognizes the importance of promoting work-life balance in enhancing the well-being of employees. Hence, the Group encourages social bonding between employees through holding numerous social activities throughout the year. As the global pandemic has restricted much of our social interactions, social bonding has been conducted on digital platforms, which have also effectively enhanced interaction and cooperation among employees.

### ***Diversity and Equal Opportunity***

The Group promotes a culture that embraces inclusion and diversity across the firm. We believe that teams with greater diversity in aspects such as gender, age, marital status, pregnancy, ethnicity, education, family status and disability could help us better understand and relate ourselves among our diverse client needs and the dynamic business environment. The Group adopts non-discriminatory hiring and employment practices, and strictly prohibits discrimination of any kind. Career development opportunities offered by the Group are also provided on merits.

The Group's policies in diversity and equal opportunity were established with reference to the following laws and regulations: Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), and Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong).

During the Reporting Period, we have not identified any material non-compliance of labour laws and regulations.

## **B2: Health and Safety**

### *Occupational Health and Safety*

The Group maintains a high standard of occupational safety and health, devotes to providing a safe and healthy workplace for all staff members, and ensures compliance with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong).

Although the Group's operations as a financial services provider do not involve high risk activities, we keep abreast of the latest occupational safety and health practices at office, including indoor air quality, lighting, office equipment and fire safety. We have strict protocols in place to make sure employees are well-trained in terms of fire safety and to maintain a smoke-free and healthy workplace. Posters are physically placed in the workplace to remind employees of potential safety hazards in our office area. Regular fire drills are also provided by our office management with the aim to ensure the safety of our employees in events of emergencies. In the event of any health and safety incidents, it would be reported to management and be promptly dealt with.

During the Reporting Period, as well as for the past three years, no work related fatalities or lost days due to work injury were recorded.

### *Safeguarding health of staff members during COVID-19 Pandemic*

At our office premises, we take steps to monitor indoor air quality through encouraging the placement of leafy plants, which at the same time meets purification and beautification purposes in offices. We also encourage all staff to take note of their personal hygiene. Throughout 2021, the Group has maintained a series of anti-epidemic measures. Our office premises are well equipped with hygiene supplies, such as disinfectants, antiseptics, and personal protective equipment, and are distributed across the office for employees' use. Employees are also advised to maintain social distancing, especially in pantries and other common areas to minimize contact with each other. Guidance on how to keep personal hygiene are also offered to employees in common areas. We have also increased cleaning frequency of office areas to maintain hygiene level.



In addition, records of employees' health and travel history is monitored on a regular basis. The Group arranges leaves for employees who are unwell or potentially risky from exposure to infected cases. These measures have been effective in lowering risk of workplace infection. Furthermore, we offer medical insurance benefits to all staff to ensure they have insurance coverage in case of health issues. All these measures can assist the Group in retaining valuable human resources.

During the Reporting Period, we have not identified any material non-compliance of occupational safety and health-related laws and regulations.

### **B3: Development and Training**

#### ***Staff Development and Training***

Recognizing the vitality of employees to the success of our business, the Group emphasizes on staff's capabilities and competitiveness for the mutual development of both the organization and themselves. As such, we emphasize the importance of sufficient and adequate training to our staffs in furthering their personal holistic development and fulfilment of their job duties.

Throughout the year, our staff are given ample resources and opportunities to develop themselves. Training programs have been designed for staff according to the needs of their business function and position, so as to ensure skills and knowledge gained are relevant and useful to their personal and professional development.

As of 31 December 2021, details on training and development offered to the Group's staff are as follows:

<b>Categories</b>	<b>2021</b>	<b>Trend compared to 2020</b>
<b>Percentage of Employees Trained</b>	57%	Increased
<b>Gender</b>		
<b>Male</b>	36%	Increased
<b>Female</b>	21%	Increased
<b>Employee Category</b>		
<b>Director</b>	35%	Increased
<b>Management</b>	18%	Increased
<b>Staff</b>	4%	Increased

<b>Categories</b>		<b>2021</b>	<b>Trend compared to 2020</b>
<b>Average training hours per trained employee</b>		10 hours	Increased
<b>Gender</b>	<b>Male</b>	7 hours	Increased
	<b>Female</b>	14 hours	Increased
<b>Employee Category</b>	<b>Director</b>	9 hours	Increased
	<b>Management</b>	13 hours	Decreased
	<b>Staff</b>	3 hours	Increased
<b>Average number of courses taken per trained employee</b>		6 courses	Increased
<b>Gender</b>	<b>Male</b>	4 courses	Increased
	<b>Female</b>	8 courses	Same
<b>Employee Category</b>	<b>Director</b>	5 courses	Increased
	<b>Management</b>	8 courses	Decreased
	<b>Staff</b>	1 course	Increased

During the Reporting Period, our staff have actively participated in numerous training courses conducted by different established institutes. Such trainings have equipped our staff with the latest global updates and trends, as well as new analyses and discussions on risks impacting the modern business era.

The following shows an example of training topics that our employees have attended. Please note that the list is not exhaustive of all the trainings covered by our staff during the year.

<b>Institution</b>	<b>Relevant Topics</b>
The Association of Chinese Internal Auditors	<ul style="list-style-type: none"> <li>✓ ESG Reportings in Compliance with HKEX &amp; SFC latest IPO Requirements</li> <li>✓ Data Privacy and Corporate Governance</li> <li>✓ A Practical Approach in Handling: Proactive Review AML/TCSP Inspections</li> <li>✓ Guardian Role of Professionals in Upholding Ethical Governance</li> <li>✓ AML Compliance Expectations – a Financial Regulatory Enforcement Perspective</li> <li>✓ Internal Audit/Internal Control – Principles and Practices, How IA/IC helps your Organization to Succeed</li> </ul>
Hong Kong Securities and Investment Institute	<ul style="list-style-type: none"> <li>✓ Regulatory Updates 2021</li> <li>✓ Anti-Money Laundering</li> <li>✓ Insider Dealing and Other Market Misconduct Offences</li> <li>✓ Duties and Liabilities of Responsible Officers</li> </ul>
The Hong Kong Institute of Chartered Secretaries	<ul style="list-style-type: none"> <li>✓ Corporate Governance for Listing in Hong Kong (Webinar)</li> <li>✓ Update on Practical Governance Issues/Regulatory Responses (Webinar)</li> <li>✓ Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) Measures – an Update with Discussion on Control Measures (Webinar)</li> </ul>
The Hong Kong Institute of Directors	<ul style="list-style-type: none"> <li>✓ Disclosure of Inside Information</li> <li>✓ How to deal with appointments and resignations of directors</li> <li>✓ Continuing Obligations</li> <li>✓ Connected Transaction</li> </ul>

We continue to encourage our staff to pursue external training at accredited professional institutions to enhance personal knowledge on updated market information and techniques. Subsidies are offered to our staff for such pursuit, if necessary. In addition, regular internal training is provided to our staff to maintain and improve their work quality.

## **B4: Labour Standards**

### *Anti-Child and Forced Labour*

The Group firmly believes that right talents can only be attracted, recruited and retained through legal and ethical employment practices. The Group does not engage in or tolerate any use of child or forced labour in our operations. All employees are recruited in strict compliance with local labour laws and regulations and their positions are bounded by legal contracts with detailed terms and conditions of employment to protect both the interests of the employees and the Group. In addition, control measures on human resources process (including the checking of personal identification documents) are in place to prevent the employment of child or forced labour.

During the Reporting Period, we have not identified any material non-compliance of child and forced labour-related laws and regulations.

## **B5: Supply Chain Management**

### *Supply Chain Management*

The Group encourages its suppliers, service providers and business partners to maintain a high standard of business ethics and conduct and manage the environmental and social issues arising from their business operations. In view of our business nature, we do not have any major suppliers that have significant influences on our operations. However, we strive to maintain a fair and cooperative relationship with our suppliers. During the supplier selection process, we assess the suppliers' performance in handling environmental and social matters and priority is given to those with satisfactory performance.

### *Evaluation of Suppliers' Performance*

We also periodically monitor the environment and labour performance of our selected suppliers through periodically evaluating their performance and informing them to take remedial measures if sub-standard performance is noted.

## **B6: Product Responsibility**

The Group is currently developing the integrated financial services business as a core principal activity. Due to the nature of our business, the Group does not have any dealings in terms of product sales or shipping that were subject to recall for safety and health reasons. There were also no complaints received during the Reporting Period that requires handling and escalation.

The Group ensures our responsibility through our established internal controls. Procedures and tools for the identification, assessment and monitoring of various risks such as environmental and social risks, anti-money laundering and anti-corruption are applied and integrated into standard risk, compliance and operations processes because for example, in the client on-boarding processes, potential clients may be at risk of illegal intentions for engagement in business relationships. The potential clients are assessed for various risks associated with their business activities as part of the Group’s know-your-client compliance processes.

The Group upholds the principle of maximizing shareholders value and therefore its investment and trading strategies are set to achieve this purpose. We strive to obtain satisfactory returns for our investors and run our businesses ethically, meanwhile maintaining openness and integrity in our dealings. Adoption of investment products and services are reviewed and monitored in order to assess their compatibility and consistency with the Group’s standards.

The Group strictly complies with Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). During the Reporting Period, we have not identified any material non-compliance of product responsibility as required by the Ordinance.

***Data Privacy and Protection***

The Group respects data privacy of its employees, suppliers, business partners and customers. We are trusted to keep the information being shared to us in a safe and secure manner. We strictly adhere to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (“PDPO”), and builds our data privacy policy on such basis to the handling of personal privacy and of clients’ personal data and confidential information alike, on the highest standards of information security. The following principles on data privacy are being strictly followed:

<b>Collection Purpose and Means</b>	Data is collected in a lawful and fair way, with purpose of data collection communicated to the data provider. Only necessary data would be collected.
<b>Accuracy and Retention</b>	Regular review of data for accuracy and timeliness. Data would be removed after purpose of data collection is fulfilled.
<b>Use of data</b>	Collection of personal information is used for said purposes only, and under explicit and implicit consent of clients.
<b>Data Security</b>	Data files are stored in locations with restricted access to solely authorized users, and list of authorized users are reviewed on regular basis.

<b>Data Openness</b>	Data provider would be notified of the type of personal data being held by the Company, as well as the policies and guidelines on handling such data.
<b>Data access and correction</b>	Copy of personal data will be given to the data provider upon request. Data providers are able to request for correction of any data records where necessary.

During the Reporting Period, we have not identified any material non-compliance of service responsibility as required by the PDPO.

### *Service Quality*

The Group believes in the importance of providing customers with quality services in achieving customers' satisfaction and high reputation in the market. The management personnel through daily management of the operations of the Group monitors the quality of services provided to customers. Any quality issues identified will be escalated to the senior management and discussed in management meetings. During the Reporting Period, there has been no related complaints received.

## **B7: Anti-corruption**

### *Anti-corruption and Money Laundering*

Business ethics and integrity are the core values of the Group in conducting its business. The Group does not tolerate any corruption, bribery, extortion, money-laundering and other fraudulent activities. Whistleblowing mechanism as a control measure has been established and is used as a private and confidential communication channel for employees and external parties shall they suspect any actual or potential fraudulent activities or irregularities in our business operations. The Group will never punish or reprimand anyone for reporting breaches or violations in good faith. Any reported cases would be notified to senior management and investigated. Staff are also regularly enrolled into trainings on topics of anti-corruption and anti-money laundering to ensure they are being reminded of control measures offered by the Group. Coverage of training include deep-diving into central principles of the major anti-corruption laws and conventions, and discussion of main obligations in relation to bribery and corruption relating to companies and individuals operating in our business sector. The Group's anti-corruption policies are in compliance with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) enforced by the Hong Kong Independent Commission Against Corruption. Such policies are stipulated in our employee handbook, and all of our employees are required to comply with these policies under any circumstances.

During the Reporting Period, we have not identified any material non-compliance of anti-corruption-related laws and regulations. There are also no concluded legal cases regarding corrupt practices brought against the Group or our employees during the Reporting Period.

## **B8: Community Investment**

### *Social Responsibility*

We recognize that the success of our business is attributable to the prosperity of society. As a responsible company, we care for the development of the community in which we operate and aim to promote a harmonious relationship between the Group and the society.

We encourage our employees to participate in charitable activities and to make contributions by both financial and non-financial means such as volunteering, donating money or used items. We will support the employees to organize and participate in charitable initiatives as long as they are in alignment of our core values.

During the Reporting Period, our employees have participated in various charitable activities in Hong Kong. Average hours of charitable work is 4 hours per participated employee. One notable event we supported this year was the “Lifeline Express Charity Run”, which was co-organized by both Lifeline Express and Clearwater Bay Golf & Country Club. The funds raised from the event went towards supporting the Lifeline Express hospital Eye-train and its related blindness prevention works. The program aimed to raise public awareness of diabetic retinopathy and help patients to detect and treat the problem early to avoid permanent damage to their vision. Furthermore, the Group has also participated in the Yan Oi Tong flag day, which was to raise funds for maintaining neighbourhood elderly community centres and support centres for the underprivileged. Participated employees reflected the value in bringing good to the community, while being able to enhance their wellbeing through their participation.

In terms of our upcoming agenda, we will continue to collaborate with non-profit organizations and take part in charitable activities. We hope to demonstrate our enthusiasm for public welfare, and would consider alternate measures in community investment in times of the prolonged COVID-19 outbreak and economic recession.