

# HK Asia Holdings Limited 港亞控股有限公司

(Incorporated in the Cayman Islands with limited liability)  
Stock Code :1723

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT  
2024



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# Overview

## (I) PURPOSE

HK Asia Holdings Limited (the “**Company**”, together with its subsidiaries, referred to as the “**Group**” or “**We**”) was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 27 September 2018. This is the sixth Environmental, Social and Governance (“**ESG**”) report since the listing which mainly introduces the Group’s vision, policies and measures by establishing the Key Performance Indicators (“**KPIs**”), and reports its performance regarding environmental and social issues for internal assessment and management control, and communication with the internal and external stakeholders.

## (II) ESG GOVERNANCE STRUCTURE

The Group acknowledges the need to have effective and strong governance of the ESG aspects in place. Good governance ensures accountability and a balance of authority by clearly defining the roles and responsibilities of different parties within the Group. The board (the “**Board**”) of directors (the “**Directors**”) of the Company has the overall responsibility for formulating and overseeing the Group’s ESG strategies, directions and reporting. A Board statement has been approved to guide the Group’s policies to achieve a better ESG performance in different areas of works, such as the process used to set targets, evaluate, prioritise and manage material ESG-related risks to the Group’s business. The Board’s overall vision and strategy in managing ESG issues are to adopt international benchmarks and best practices of the sector of pre-paid products in the long run and fulfill the ESG targets and KPIs in the medium and short terms. Stakeholder engagement with our major customers, suppliers, shareholders and employees is used to assess the materiality of ESG issues and their priorities. Product responsibility and employee well-being are the Group’s strategic priorities to maintain our competitiveness. The Board reviews the progress on the implementation of the sustainability goals and targets with reference to the KPIs principally through regular reporting from the ESG Committee. As new environmental targets have been set for the 5 years from the reporting period ended 31 March 2022, the Group will evaluate the progress of achieving these targets.

Both the targets for the GHG emissions and the energy (electricity) efficiency were met in the Reporting Period, i.e. 10% reduction within 5 years from the reporting period ended 31 March 2022. This showcased the Group’s conservation effort. The progress will be closely monitored by the Board, and the sustainability measures will be maintained in the years to come for securing these satisfactory results. In the coming three to five years, the main challenges are the increasing customer requirements of quality products and the shortage of manpower. The Group will enhance the quality control process, increase staff benefits and give more development opportunities for the employees. The Group endeavors to meet the goals and targets set in our ESG reports to achieve a better corporate sustainability.



An ESG Committee (the “**Committee**”) has been set up by the Board in the Reporting Period with specific written terms of reference. The Committee comprises Mr. Chung Chi Fai, an executive Director and the general manager of the Company, as the chairman of the Committee and Mr. Chan Him Alfred, the company secretary of the Company, and Ms. Chau Pui Cheung, human resources officer of the Company. The Board discusses and evaluates the Group’s ESG risks and opportunities, performance, progress, goals and targets regularly with the assistance of the Committee. The Committee facilitates the Board’s oversight of the ESG matters and also monitors and manages the Group’s strategic goals in terms of sustainable development, mitigating potential risks, and minimizing the negative impact on business operations of the Group. The Committee will periodically report to the Board to assist it in reviewing the KPIs in respect of the Group’s ESG-related issues and formulating strategies. The ESG Committee members will undergo continuous sustainability trainings for upkeeping the relevant knowledge and skills. In addition, with the support of the external ESG consultant, the effectiveness of oversight on ESG matters is further enhanced.

In the future, the Board will regularly review the latest developments in the ESG matters in order to create long-term value for the Group and the community.

### (III) SCOPE OF REPORT

The Group’s main business is the wholesale and retail sale of prepaid telecommunication products in Hong Kong, such as subscriber identification module (“**SIM**”) cards, top-up calling vouchers, prepaid local and international phone call and/or mobile data services in Hong Kong and overseas. The products are distributed through six self-managed retail shops in Hong Kong and through wholesalers and retailers within the Group’s sales networks. This report covers our operational activities throughout the Group, including all our retail shops and head office in Hong Kong.

### (IV) BASIS OF PREPARATION

This report is prepared in accordance with the ESG Reporting Guide (the “**ESG Reporting Guide**”) outlined in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The content of this report covers two main subject areas as outlined and required by the ESG Reporting Guide, being Subject Area A – ENVIRONMENTAL and Subject Area B – SOCIAL.

This report, which has been reviewed and approved by the Board, both reviews and reports the core business operations of the Group and follows the principles of materiality, quantitative, balance and consistency to disclose relevant statistics and information.

### (V) REPORTING PERIOD

This report is for the period from 1 April 2023 to 31 March 2024 (the “**Reporting Period**”).

## Overview (continued)

### (VI) CORPORATE GOALS AND VISIONS

The Group's vision is to be a leading provider of high quality and good value prepaid telecommunication products via our extensive sales network in Hong Kong. We are committed to providing these products and services while being a socially and environmentally responsible group. Sustainable development is an integral part of the Group's short-term and long-term business strategies. We are committed, at all times, to providing a safe, healthy and pleasant working environment to our employees, reasonable returns on investments to our investors, business partners and supporters, and sustainable development to society and the environment.

### (VII) ESG MANAGEMENT

Our ESG strategies are based on compliance with relevant legal and regulatory requirements, the principle of sustainability and opinions from our key stakeholders. We have been developing and refining the KPIs and the information processes required to monitor and accurately report them. The Group engaged both the internal stakeholders (i.e. different levels of employees) and the external stakeholders (i.e. customers and suppliers). According to the results of stakeholder engagement, the Group has identified the following material aspects (and adopted relevant KPIs from them) and has monitored and managed them strictly in accordance with our policies and guidelines and in compliance with the relevant legal and regulatory standards. The Group's senior management also had an internal discussion to confirm the material aspects after considering the Group's business development:

- Working conditions and employee development, health and safety;
- Product quality; and
- Anti-corruption.

The Board has overall responsibility for the ESG strategies and reporting as set out in the ESG Reporting Guide and determines and approves the ESG strategies, policies and guidelines for implementation by the General Manager. We have also introduced internal control systems across the Group to constantly manage, monitor, review and update, if necessary, and communicate them with our employees, clients, suppliers, regulators and the communities in which we operate.



## (VIII) STAKEHOLDER ENGAGEMENT

In order to better understand the preferences of stakeholders, a stakeholder engagement exercise was performed in 2022. As there was no major change of the Group's structure and business activities, the results are still valid. The major stakeholders, e.g. different levels of employees, suppliers, customers and shareholders of the Group were asked about their priorities on the reporting items in this ESG Report and to provide their comments by means of questionnaire survey. The questionnaires set out the twelve ESG aspects defined in the ESG Reporting Guide. The stakeholders were asked to rank the aspects by a 4-point scale in terms of their importance and provide the reasons. The results show that working conditions and employee development, and health and safety are the priorities because these aspects are the primary focus for staff well-being and human capital is of utmost importance in the Group's success. The environmental aspects are also the concerns for the stakeholders as these are the fundamental elements for sustainable business. The Group aims to continue improving both the social and the environmental aspects to satisfy the stakeholders' needs.

In conclusion, the results of the survey clearly indicated that the employment related issues are important for all different stakeholders while "Community Investment" was generally viewed as a supplement after the business goal is served.

## (IX) QUANTITATIVE AND CONSISTENCY ASSESSMENTS

The Group's assessment standards, methodologies, calculation tools and source of conversion factors used are mainly based on a publication issued by the Stock Exchange, namely "How to prepare an ESG Report". The environmental KPIs are calculated in accordance with the formulae in Appendix 2 to the said publication, "Reporting Guidance on Environmental KPIs", while the social KPIs are calculated in accordance with the formulae in Appendix 3 to the said publication, "Reporting Guidance on Social KPIs".

In this ESG Report, there is no material change to the methods or KPIs used or any other relevant factors affecting a meaningful comparison of this ESG Report with the Company's ESG Report for the year ended 31 March 2023.

# Material Areas and Aspects and Key Performance Indicators

## (A) ENVIRONMENTAL MATTERS AND RELATED KPIS

Environmental protection is one of the key focuses of the Group in fulfilling its social responsibilities. We have implemented policies and taken measures to minimize any adverse impacts on and to prevent pollution to the environment and excessive consumption of natural resources.

Given the nature of the Group's main business of wholesaling and retailing telecommunication products through its 6 self-managed retail shops in Hong Kong, the Group mainly uses electricity to operate the retail shops and head office, water for consumption and sanitary needs, packaging materials for product sales, and general office utensils and printing paper for retail shops and office use. The Group also does not own or operate any large transportation fleet. During the Reporting Period, minimal hazardous air emissions such as nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and particulate matter (PM) or toxic gases were generated, and only non-hazardous emissions being primarily greenhouse gases including carbon dioxide (CO<sub>2</sub>) generated indirectly from the use of electricity, polluted water discharge from employees' general hygiene use, packaging materials and paper from product sales and routine office work were generated.

As a socially responsible corporation, the Group abides by all the local environmental laws and regulations and continues with its responsibility and commitments to environmentally sustainable development with its on-going operations and activities. Furthermore, the Group is engaged in protecting the environment, the prevention and minimization of pollution, and the conservation of energy, water and resources.

The Group has applied the 4R principle (Reduce, Reuse, Replace and Recycle) to implement a variety of resources usage and waste reduction measures across all our operations from the head office to retail operations. In order to reduce the packaging material usage and waste, packaging material including carton boxes used during transportation are re-used as storage boxes where possible, and products with less or eco-friendly packaging materials are procured. The Group also strives to reduce paper waste by working towards a paperless office. In this regard, where possible, we disseminate our general office and reporting documentation through electronic means and information is saved in electronic format. Whenever paper consumption is necessary, employees are encouraged to use both sides of paper to maximize the utilization of paper.

The Group does not foresee any material change in its business activities and its operation does not materially generate air pollutants, gas emissions and regulated discharges. As such, the Air Pollution Control Ordinance (Cap. 311) and Water Pollution Control Ordinance (Cap. 358), as well as the related regulations, are considered less relevant to our operation. The Group also follows the general provisions of the Waste Disposal Ordinance (Cap. 354), which prohibits dumping waste in public places or on private premises without the consent of the owner or occupier. Our directors confirmed that the Group was in full compliance with the general provisions of this ordinance that applies to the entire operation during the Reporting Period. During the Reporting Period, there were no cases of material non-compliance issues in relation to any environmental laws.

## Material Areas and Aspects and Key Performance Indicators (continued)



### A1. Emissions and Wastes – Policies and Compliance with Relevant Laws

#### *Policies and Compliance*

During the normal course of operation and activities of our retail shops and the head office in Hong Kong, the types of emissions and wastes for the Reporting Period were mainly indirect greenhouse gases such as carbon dioxide (CO<sub>2</sub>), polluted water from employees' general hygiene usage, and non-hazardous packaging and paper wastes.

The Group has implemented policies and taken measures to minimize emissions and waste generation and the adverse impacts on the environment and to be energy, water, and other resources usage efficient. Records of the relevant KPIs (mainly including greenhouse gases emissions, electricity and water usage, packaging and paper consumption) have been established, and the retail shops and office managers had been assigned the duties to monitor the Group's consumption, emissions and waste generation. Any adverse or abnormal results or warning alarms will be brought to the immediate attention of the management. The Group's dedication and diligence in compliance resulted in no breach of the relevant laws and regulations in relation to pollution control and emissions during the Reporting Period.

#### (i) *Air Emission*

##### (a) Greenhouse Gas Emissions

The operations and activities of the Group do not generate any hazardous greenhouse gases emission, and only the non-hazardous gas emission of carbon dioxide (CO<sub>2</sub>) equivalent, which is GHG emission, is generated indirectly from the use of electricity across all our operations. During the Reporting Period, the Group generated 82.24 tonnes of carbon dioxide (CO<sub>2</sub>) equivalent indirectly from the use of electricity, which remained steady as compared with the 81.045 tonnes generated during the previous corresponding period. The intensity of GHG emission per location (i.e. two offices and 6 outlets) is 10.28 tonnes for the Reporting Period.

##### (b) Hazardous Air Emissions

The Group operates two motor vehicles for Directors' use and all other transportation is outsourced and cannot be measured by the Group. Furthermore, the Group does not engage in the production of its products and only acts as a wholesaler. As such, during the Reporting Period, the generation of hazardous gas emissions (air pollutants), namely, nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>), and particulate matter (PM) was minimal and was not measured for ESG reporting purposes.



## Material Areas and Aspects and Key Performance Indicators (continued)

### (ii) Hazardous and Non-Hazardous Wastes

The Group advocates a natural and pollution-free philosophy in service delivery. For non-hazardous waste, domestic waste is the major non-hazardous waste generated from the Group's operations. The major hazardous wastes are light bulbs, printer toner cartridges, batteries and obsolete computers and small machines. All these hazardous wastes are collected by qualified collectors for further handling. The quantity of hazardous waste is immaterial due to infrequent replacement of the said items and hence is not reported.

Across all our operations, we proactively separate our waste where possible into recyclable and non-recyclable materials. In our offices and retail stores, we mainly generate domestic waste from staff and recyclable wastes (including paper, packaging materials for goods sold and purchased) from daily operation, and at an insubstantial amount. All of them are non-hazardous and are collected by the property management offices' cleaning workers and discharged separately. As these amounts are relatively small and undertaken in the normal course of daily retail operations, save for paper and packaging materials, we do not consider them material for the purposes of reporting the total amount of hazardous and non-hazardous waste produced.

During the Reporting Period, the Group did not receive any complaints or warning notices from the relevant government authorities on our wastes discharge and disposal. Our staff members' awareness of waste reduction was raised by regular reminders from the management.

### (iii) Mitigation Measures on Emission and Results

Given the nature of our business activities as a wholesaler as well as a retailer, the Group does not produce much hazardous and non-hazardous emissions.

As a responsible corporation, we are conscious of the effects our operations may have on the environment at all times and constantly strive to maximize energy efficiency and minimize waste by integrating eco-friendly measures to reduce the environmental impact of our daily operations. We encourage the economic and efficient use of resources, while enhancing our recycling efforts to prevent the waste of resources. We have taken the following special measures to reduce the emission of air and greenhouse gas, discharges into water and land, and generation of hazardous and non-hazardous wastes, as well as to save energy in our daily operations:

- Encourage the establishment of a waste-classification system and the practice of recycling used papers and double-sided printing in workplace;
- Reduce unnecessary business trips and promote the use of information technology such as video conference;
- Adjust the temperature of our offices and retail shops appropriately and switch all equipment to energy-saving mode, such as the automatically power down of printers, point of service ("POS") devices and computers after a period of inactivity, to economize the use of electricity;

## Material Areas and Aspects and Key Performance Indicators (continued)



- Utilize temperature and lighting controls and efficient energy bulbs where possible in our offices and retail operations so as to reduce energy inefficiencies;
- Utilize recycled packaging and products wherever possible; and
- Encourage electricity, water and paper saving habits of our staff.

As a result, the Group did not receive any fines or warning notices from the relevant authorities in relation to air emissions and wastes discharge during the Reporting Period.

### A2. Use of Resources – Policies on Efficient Use of Resources

The Group aims to promote the saving of resources and has implemented various energy and water saving measures in order to improve the resource saving performance and achieve operational optimization. The Group mainly uses electricity and fresh water and consumes a small amount of gasoline fuel for two transport vehicles.

Although the Group's activities and operations do not generate many environmental hazards, we are committed to acting environmentally-friendly and responsibly and aiming at minimizing the impact on the environment. We promote smart usage to reduce consumption of electricity, fresh water, fuel and paper through the introduction of various measures disclosed in this report.

#### (i) *Electricity and Fuel Consumption*

The major source of the Group's energy consumption is electricity with minimal fuel consumption. To reduce energy consumption, the Group regularly monitors its electricity consumption across all parts of its operations and advocates various energy conservation strategies. The Group has purchased low-power electrical appliances and energy-saving products such as light bulbs, which consume less energy during their operations. Air-conditioning in office and retail operations operates only during business hours and is subject to our internal control policies such as turning off air-conditioners during non-business hours and maintaining at an appropriate temperature (e.g. 26 degrees Celsius), to minimize electricity consumption. In order to strengthen the energy saving awareness of our employees, energy saving slogans have been posted at the entrances and power control switches to encourage employees to save energy.

During the Reporting Period, the Group consumed an aggregate of 144,659 kWh (2023: 125,971 kWh) of electricity of which 41,396 kWh was for our offices and 103,263 kWh was for the retail operations. The slight increase in the use of electricity is mainly due to the opening of one more office. The electricity consumption intensity per location (i.e. two offices and 6 outlets) is 18,082 kWh (2023: 17,996 kWh), the overall trend remains steady. Our energy saving policies kept taking effect across our office and retail operations. The Group will continue to implement energy efficient processes throughout its operations.

## Material Areas and Aspects and Key Performance Indicators (continued)

### *(ii) Water Consumption*

Water is supplied from Hong Kong's central water system in the areas in which we operate across Hong Kong and there are no problems with the water supply. As the water usage is only for consumption and general hygiene usage, the total consumption amount is not significant, and is covered by the building management. The Group therefore considered this item immaterial. The Group is committed to ensuring effective conservation of water and promotes water saving awareness and best practices across all our operations. In order to motivate employees to save water, water-saving slogans have been posted around the water consuming areas. No target on water efficiency is set because of its immateriality.

### *(iii) Paper and Packaging Materials Consumption*

Given the nature of our retail business of selling a high volume of small pre-packaged goods, the Group's products consume a great amount of paper and packaging materials. Paper is mainly used for printing and writing purposes in the offices and administration areas of our operations and receipts in our retail operations. All our products are packaged in standard paper and cardboard boxes with plastic wrapping to preserve the product as well as to ensure non-tampering requirements of the products. As we buy in bulk from our suppliers, our products are generally delivered to us in cardboard boxes. During the Reporting Period, we consumed a total of approximately 1,491,500 pieces of plastic bags (1,249,000 pieces in 2023) in our retail operations. The increase in packaging and bags consumption during the Reporting Period was due to the increase in sales. As a result of the "Plastic Shopping Bag Charging Scheme" introduced by the Hong Kong government, our customers are charged for packaging and bags. The Group has also been reviewing our packaging with a view to using less paper and plastic. These measures aim at reducing wastes, conserving resources and saving costs. We also consumed approximately 63,500 pieces (71,500 pieces in 2023) of A4 and A3 paper and envelopes in our office operations and approximately 128,040 pieces (157,000 pieces in 2023) of double-sided colour paper used by systems in our retail operations. The overall paper usage remains relatively stable during the Reporting Period. In order to minimise paper usage in our office and retail operations at all times, during normal operations, we have an internal policy to mandate and utilise electronic version of documents where possible.

As the Group has already tried its best to keep the wastes and the consumption of resources to the minimum, we have set the target to further reduce the air emissions, the greenhouse gas emissions and the non-hazardous wastes by 10% over the five-year period from the reporting period ended 31 March 2022. The Group has further set the target of increasing energy use efficiency by 10% over the five-year period. The Group launched a thorough evaluation of the room for further reduction of the use of electricity and domestic wastes. It was found that there was little room for further improvement at the moment. In the meantime, the Group-wide energy saving measures will be implemented in all our offices and shops. The measures include increasing the reminders to the staff members to conserve the energy, reduce unnecessary wastes and increase adoption of online meetings/visits instead of physical meetings/visits to lower air emissions and greenhouse gas emission generated from transportation.

## Material Areas and Aspects and Key Performance Indicators (continued)



### A3. Environment and Natural Resources – Policies on Minimizing Significant Impacts

As a responsible corporation, the Group is committed to conserving resources in order to reduce its impact on the environment as well as saving operational costs. As discussed above, the Group's operations do not generate much environmental hazards nor utilise much natural resources. As we are a retailer and not an industrial producer, our operations mostly involve the discharge of general domestic non-hazardous waste used by employees such as water, which is discharged through Hong Kong's sewerage system, paper and packaging materials which are removed by general waste collectors, and a small amount of air pollution from two company vehicles. The amounts of these are relatively small and we believe immaterial at this time and do not result in any significant pollution to air, water or land nor any breach of relevant environmental laws and regulations in Hong Kong such as the Air Pollution Control Ordinance (Cap. 311), the Waste Disposal Ordinance (Cap. 354) and the Water Pollution Control Ordinance (Cap. 358).

We continue to actively promote energy efficiency, conservation and environmental awareness to our employees and stakeholders. As set out in our internal control policies, staff are required to pay attention to the use of air-conditioning and electricity, and implement practices such as turning off lights, air-conditioning and computers when not in use. We encourage regular maintenance and prolonged use of our computers, printers, fax machines, photocopiers, POS machines and other common office and retail equipment to reduce the frequency of replacement. The Group has also implemented green purchasing practices and best practice technologies to conserve natural resources where applicable.

### A4. Climate Change

Climate change may impact our core business when the operations are disrupted due to adverse and extreme weather such as more frequent and intense heavy rainfall, flooding and typhoons. Our policies on identification and mitigation of significant climate-related issues which may impact the Group include, but are not limited to, the adoption of more strengthened flooding prevention measures and closely monitoring the weather in advance to execute contingency plans. Adverse and extreme weather brought by climate change may hinder the travelling of our employees commuting to our office and shops.

In addition, the facilities, decoration and equipment at our office and shops may be damaged. To minimise the impact of climate change, more regular checking and maintenance works are being carried out to prevent and reduce the damage due to extreme weather. In view of all these measures, based on our judgement, the impact on our revenue due to the risk of climate change is estimated to be less than 10% on average.

## Material Areas and Aspects and Key Performance Indicators (continued)

### (B) SOCIAL MATTERS AND RELATED KPIS

The Group strives to build mutually beneficial relationships with our stakeholders, including our employees, customers, suppliers, communities, as well as the public and government authorities. In formulating our ESG strategies and policies, we have taken into account our business development goals, considerations and our responsibility to our stakeholders.

#### B1. Employment and Labour Practices

The Internal Control Policy stipulates the policies related to employment and labour practices. The content of the Internal Control Policy has been reviewed regularly and revised if necessary. During the Reporting Period, the Group had a total of 47 employees with a total remuneration and employee-related expenses of approximately HK\$24.4 million. The salaries of the employees are determined with reference to individual performance, work experience, qualification and current industry practices. Performance bonuses are offered to qualified employees based on individual and the Group's performance. The Group provides training programs for new employees and regular on-the-job trainings to employees to enhance their sales and marketing skills.

##### *(i) Employment – Policies and Compliance with Relevant Laws*

The Group recognises that its continued success together with its key competitiveness depend highly on the skills and commitment of its employees. With low unemployment, Hong Kong has a very tight labour force and in the retail sector, it can be difficult to recruit and keep talented staff. In this environment, we are ever more mindful and committed to maintaining a safe and equal working environment for our employees, providing development opportunities and promoting employees' health and well-being. Our standard employment contract contains all the standard employment provisions required by law in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods, other benefits and welfare and we have adopted policies and procedures with regard to the above, and labour standards such as no forced or child labour, in our Internal Control Policy and in the general operational procedures of our departments, which demonstrate the Group's compliance with and commitment to fulfil its obligations towards the employees. The Internal Control Policy and the general operational procedures of our departments are updated regularly according to the changes of the relevant laws and regulations. Our senior staff members are responsible for reviewing, implementing and monitoring the Policy and the procedures.

The Group strives to create a diverse and inclusive workplace where all its employees are treated with dignity and respect. We comply at all times with all relevant employment ordinances and codes including but not limited to the Code of Practice on Employment, the Race Discrimination Ordinance (Cap. 602), the Sex Discrimination Ordinance (Cap. 480), the Disability Discrimination Ordinance (Cap. 487) and promote fair competition and prohibit discrimination or harassment against any employee on his/her race, ethnicity, social class, nationality, religion, disability, gender, sexual orientation, marital status, age, membership in trade union, political party or any other status protected by law. Our employees work in a harmonious environment and supportive atmosphere. The senior management constantly reminds the responsible persons and conducts irregular inspection (by telephone or site visit) of the documentation and operational practices against the relevant policies to ensure that they are effectively carried out and these laws and regulations are complied with at all times.

## Material Areas and Aspects and Key Performance Indicators (continued)



We provide equal employment opportunities for all without discrimination in hiring, promotion, dismissal, remuneration, benefits, training and development. Our recruitment and selection process are based on merit, in respect of essential and desirable criteria of the job nature and in line with the policy of equal opportunity. Fair and impartial performance appraisals are conducted to rank and adjust job positions in accordance with the Group's rules and regulations.

The Group operates at all times in strict compliance with the Employment Ordinance (Cap. 57), the Employees' Compensation Ordinance (Cap. 282), the Minimum Wage Ordinance (Cap. 608), the Mandatory Provident Fund Schemes Ordinance (Cap. 485), the Occupational Safety and Health Ordinance (Cap. 509) and other applicable laws and regulations in Hong Kong. Our employees are provided with various protections so that the overall morale is good. The senior management conducts irregular inspection (by telephone or site visit) of the documentation and operational practices against the relevant policies to ensure that they are effectively carried out.

The departmental heads regularly meet with employee representatives to discuss issues relating to work, employment and health and safety issues and any grievances and complaints received from any employee will be treated with the strictest confidentiality and will be handled independently by the senior management as laid down in our Internal Control Policy.

During the Reporting Period, the Group did not have any disputes and litigations with the employees, nor did the Group receive any warnings or fines from the relevant trade unions or government employment agencies and was in full compliance with the above laws and regulations and general codes of practice relating to employment.

### **(ii) Employment Mix**

As at 31 March 2024, the Group's total head count was 47 across all operations in Hong Kong, which was a slight increase from 45 employees as at 31 March 2023. This consisted of a total of 21 employees (including two part-time) (44.7%) in our offices and 26 employees (55.3%) in our retail operations. There was no significant change during the Reporting Period.

A total of 4 employees (8.5%) were managerial grade, 9 employees (19.1%) were middle managerial grade and all the remaining 34 employees (72.3%) were operational or general grade with 45 employees (95.7%) being full time and only 2 employees (4.3%) being part time. In terms of diversity, 14 employees (29.8%) were male and 33 employees (70.2%) were female as the majority of our retail operational staff are female. In terms of age mix, 1 employee (2.1%) was below 30 years old, 21 employees (44.7%) were between 30-50 years old, 25 employees (53.2%) were over 50 years old. The overall trend remained steady in the Reporting Period.

During the Reporting Period, 3 female employees (9.1%) left the Group. Among them, 2 employee (9.5%) was between 30-50 years old and 1 employee (4%) was over 50. The overall turnover rate was about 6.4%. The employee turnover rate by geographical region is not applicable as all the employees work in Hong Kong.

## Material Areas and Aspects and Key Performance Indicators (continued)

### *(iii) Employee Compensation and Benefits – Policies and Compliance with Relevant Laws*

We are in strict compliance, at all times, with relevant laws and regulations including the Employment Ordinance (Cap. 57), the Employees' Compensation Ordinance (Cap. 282), the Minimum Wage Ordinance (Cap. 608) and the Mandatory Provident Fund Schemes Ordinance (Cap. 485) to provide remuneration not less than the applicable statutory minimum wage, overtime compensation and mandatory provident payments to employees. Employees are also entitled to various fringe benefits such as statutory holidays, paid annual and maternity leaves, etc.

The Group has created a fair and non-discriminatory atmosphere, where male and female staff are equally entitled to employment and promotion opportunities, with the prevention of child labour and forced labour.

All employees are required to sign a contract with the Group, which contains terms and conditions in accordance with the Employment Ordinance (Cap. 57). We have developed and outlined in our Internal Control Policy, our employment contracts and in our general operating procedures clear rules and regulations to provide provisions on remuneration, dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity and other benefits as well as welfare for employees. Therefore, all the staff members understand their rights and obligations as well as the mandatory and discretionary employee benefits.

All remuneration packages are linked to individual performance and the Group's business performance, and take industry practices and market conditions into consideration, and are reviewed on an ongoing basis. Management regularly meets with staff to understand their concerns and assist with their daily roles.

During the Reporting Period, the Group did not have any employment-related legal disputes on record.

## Material Areas and Aspects and Key Performance Indicators (continued)



### B2. Health and Safety – Policies and Compliance with Relevant Laws

The Group is committed to providing a safe, healthy and pleasant working environment to the employees and to protecting them from work-related injuries by implementing occupational health and safety policies and safety training. We have equipped all our office and retail operations with adequate equipment and facilities to ensure safety and convenience to employees.

#### *(i) Safety, Fire and Hygiene*

The Group places great emphasis on the quality of the products and services and the safety of our employees in delivering those products and services. All our operations are in compliance with relevant regulatory requirements including those under the Occupational Safety and Health Ordinance (Cap. 509) and during the Reporting Period, no cases were reported of any breach of any relevant regulatory requirements. Our employees are provided with safe workplaces so that the overall productivity is high. The senior management conducts spot checks to ensure all these laws and regulations are complied with at all times.

Risk of fire is minimised by installing equipment in all facilities such as emergency lights, fire extinguishers, fire alarms and fire hydrants that have been tested and approved by the fire service authority. All our employees also undergo training with regard to safety risks and emergency procedures.

During the period of the COVID-19 pandemic, we have taken special care of our employees' health and well-being. Working from home was allowed for certain positions in order to lower the chance of infection. Employees were required to wear masks and were reminded to observe a high standard of hygiene and alcohol hand washes were provided to fight against the virus. In addition, the offices were regularly and daily cleansed with 1:99 bleach water.

#### *(ii) Security*

The Internal Control Policy stipulates relevant measures to ensure the security for all our employees and customers. During the Reporting Period, no cases resulting in serious life-threatening events and accidents to our employees and customers were reported.

#### *(iii) Insurance and Third Party Liability*

The Group maintains at all times relevant employees' compensation insurance for injuries or death in the course of employment and relevant third party insurance for all our operations.

There were no fatalities, work injury, occupational health and safety hazard cases recorded during the past three Reporting Periods.



## Material Areas and Aspects and Key Performance Indicators (continued)

### B3. Development and Training – Policies on Improving Employees' Knowledge and Skills

As previously mentioned, the Hong Kong labour market is extremely tight and it can be difficult to hire and maintain employees in the retail sector. We are proud of our achievements in attaining low employee turnover rates and we believe our success lies in our awareness of the value and contribution of our employees, and our willingness to invest in and to offer training and development courses for them to enhance their capabilities. We have implemented a system that links our employees' remuneration and promotion to their work experience, capabilities and performance, which incentivizes their proactiveness and eagerness of advancement through continuous learning.

The Human Resources Department is responsible for employee training and the Group has introductory and continuous training programs, and the relevant policies and guidelines in respect of their respective posts are being enforced, for our employees to ensure the consistency of our high-quality customer services across all of our operations.

The Group has continued to offer training programs and job rotation based on employees' willingness, potential competence and business development needs. The training programs include in-house and external training courses, seminars, workshops and conferences, regular sharing sessions, peer learning, on-the-job coaching and the self-study of training materials compiled by the Group's management. Work safety trainings are also provided to our operational staff. We review our training programs based on market trends and updates as well as changes in compliance and regulatory environment. Employees are also encouraged to attain relevant examination and obtain relevant certificates to enhance personal performance.

During the Reporting Period, we provided a total of 1,612 hours of in-house training to 17 employees, mostly at the operational level, to familiarize their works and to improve their sales and marketing skills. In addition, 4 Directors attended external training programs for a total of 120 hours, mostly to develop their understanding and abilities with regard to the public listed status of the Group and corporate governance. In terms of gender mix, female employees were provided with a total of 988 hours of training and male employees including Directors received a total of 764 hours of training. In the Reporting Period, 35.7% male employees and 39.4% female employees were trained. In terms of employee category, 25% of senior management, 33.3% of middle management and 41.2% of junior staff were trained. The average training hours per employee completed for male employees and female employees were 46 hours and 29.9 hours respectively. In terms of employee category, the average training hours per employee completed for senior management, middle management and junior staff were 5 hours, 52 hours and 18.4 hours respectively.

## Material Areas and Aspects and Key Performance Indicators (continued)



### B4. Labour Standards – Policies and Compliance with Relevant Laws

During the Reporting Period, there were no cases of non-compliance with regard to labour practices as outlined in the relevant laws and regulations in Hong Kong, including but not limited to the Code of Practice on Employment and the Employment Ordinance (Cap. 57). Our employees are provided with open and fair workplaces so that their job satisfaction is kept at a high level. The senior management conducts spot checks to ensure all these laws and regulations are complied with at all times.

The Group strictly forbids child labour and forced labour and has outlined clearly in the Internal Control Policy and instructed the Human Resources Department and all relevant departmental heads to keep track and to review every employment to ensure employment contracts are properly signed with relevant supporting documents such as ID and passport copies, address proof, education and skill certificates and reference letters in place. If child labour or forced labour is discovered, the Group will cease the malpractice and immediately report to relevant regulatory bodies.

### B5. Supply Chain Management – Policies on Managing Environmental and Social Risks

Supply chain management in the ESG Reporting Guide mainly refers to management of sourcing and procurement. The Group has established a material and supplier management system, covering the process and procedure for procurement and integrating sustainability into our supply chain by evaluating environmental performance, such as requesting minimal and recyclable packaging where possible. Our internal control policies manage and mitigate the environmental and social risks in the supply chain and we maintain a stable relationship with qualified suppliers through strict selection criteria and supplier assessment.

Our suppliers are selected carefully based on a set of selection criteria, which includes (i) ability to meet specification and standards; (ii) product and service quality; (iii) pricing of the products and services; (iv) quality control methods and practices, and reliable delivery method; (v) past performance; and (vi) environmental standards considerations including energy efficiency. The Group conducts spot checking on the products and services to ensure the suppliers comply with the selection criteria from time to time.

In the selection of office and retail equipment, the Group has emphasized green procurement and put its priority in purchasing environmentally friendly equipment such as low-power and energy-saving electrical appliances, in order to reduce energy consumption and minimize the impacts on the environment.

## Material Areas and Aspects and Key Performance Indicators (continued)

Regarding procurement of our main saleable products – prepaid telecommunications products, such as SIM cards, top-up calling vouchers, prepaid local and international phone call and/or mobile data services in Hong Kong and overseas, we only source from 2 local major telecommunication companies. During the Reporting Period, we did not experience any significant problems with the products provided by our suppliers, any material limitations in the supply nor any shortage of any products. All the suppliers are closely engaged and monitored by emails and telephone calls to ensure the logistics is smooth and uninterrupted. In addition, the Group regularly refers to the suppliers' ESG reports to ensure they comply with the relevant environmental and social regulations. ESG committee members are responsible for managing supply chain sustainability and participate in above works. There is no environmental and social risks along the supply chain noted during the year.

### **B6. Product/Service Responsibility – Policies and Compliance with Relevant Laws**

#### *(i) Product/Service Quality*

The Group regards services and product quality as key competitive advantages of its business. All of our service personnel are provided with comprehensive and professional training to ensure they clearly understand the products and legal and regulatory requirements under which retailers in this sector operate.

Our staff conduct day-to-day operations in line with internal policies and guidelines and are fully compliant with the Sale of Goods Ordinance (Cap. 26) and the Trade Descriptions Ordinance (Cap. 362). As a result, we had no case of material non-compliance during the Reporting Period relating to product or service responsibility. Our customers are provided with quality products and services so that customer satisfaction is kept at a high level. The senior management conducts spot checks to ensure all these laws and regulations are complied with at all times.

Regarding the quality of our saleable products – prepaid telecommunications products, such as SIM cards, top-up calling vouchers, prepaid local and international phone call and/or mobile data services in Hong Kong and overseas, it depends entirely on the technical and services capability of the telecommunication service providers. If the saleable products have quality problems, we can arrange replacement or refund for and on behalf of the ultimate suppliers.

The Group is committed to a responsible approach to advertising and marketing. It strictly follows the advertisements regulations in Hong Kong and the Trade Descriptions Ordinance. The Group's policy is to monitor every piece of advertising and marketing materials before publication and seek legal opinions if needed. The Group's advertising and promotional materials must be reviewed by the senior management to ensure accuracy and avoid misrepresentation of information for the prospective customers. During the Reporting Period, no violation of relevant laws and regulations was found.

## Material Areas and Aspects and Key Performance Indicators (continued)



### *(ii) Customer Service and Complaints*

The Group is committed to delivering high quality and professional services to our customers and we have implemented various procedures to deal with both customer opinion feedback as well as complaint handling and follow up. The retail shops managers will personally handle any direct or face-to-face complaints to ensure immediate solutions are provided. The Group also has a hotline for customers to lodge their complaints in case they fail to have satisfactory solutions from our retail stores. A manager in the head office will be responsible for following up the lodged complaints and providing final remedial actions to ensure customers' satisfaction. However, if the complaints are on the quality of the saleable products, we will arrange a guarantee replacement or refund.

During the Reporting Period, there were no cases of customer complaints claiming material compensation, or any investigation by any government authorities in relation to such complaint, that could have a material adverse impact on our business. There was no recall of our products during the Reporting Period. The product and service quality are monitored by CCTV in each outlet, and a designated hotline was set up to receive customers' comments. If the recall of products is needed, the Group will put customers' benefit first and take immediate action of replacement or refund. The Group will immediately notify all its retailers and send SMS to its personal customers.

### *(iii) Privacy*

During the course of our sales and operations, the Group receives a substantial amount of confidential information including especially the privacy data of our clients, and the commercial information of our suppliers. The Group fully understands our obligation to keep this type of information confidential. The Group fully complies with the Personal Data (Privacy) Ordinance (Cap.486), and other statutory requirements in privacy law. Our customers are fully assured of a high level of data privacy regarding personal information. The senior management conducts spot checks to ensure all these laws and regulations are complied with at all times. Employees are prohibited from accessing information without approval and from leaking private and confidential information to third parties. Our employees are trained to handle and use customer information privately and confidentially. Legal action will be taken against any violation.

During the Reporting Period, there were no cases initiated against us, nor any complaints received, regarding any breach of relevant privacy laws, regulations and policies in any area in which we operate.

### *(iv) Intellectual Property*

We primarily rely on trademark and intellectual property laws, and confidentiality agreements with our senior employees, to protect all our intellectual property relating to the Group and operations. We also respect the intellectual property rights of our suppliers in their products and strictly prohibit copying and illegal usage in whatever forms by our employees. We also purchase and utilise fully licensed software in our operations.

## Material Areas and Aspects and Key Performance Indicators (continued)

During the Reporting Period, there were no cases of any infringement, nor any legal proceedings initiated against the Group in relation to, intellectual property rights which had or could have a material adverse effect on our business.

### **B7. Anti-corruption – Policies and Compliance with Relevant Laws**

The Group has adopted a zero-tolerance policy towards corruption, bribery, extortion, fraud and money laundering. At all times, all employees must adhere to ethical considerations as embodied in our internal control policies when engaging in the Group's business activities. We have adopted and implemented clear policies and procedures with regard to procurement, sales, operational management and finance, which also encourage and enable our employees to confidently and anonymously report on observed and suspected non-compliance and questionable practices through telephone or email. The Internal Control Policy has been updated regularly to reflect the spirits and provisions of the Prevention of Bribery Ordinance (Cap. 201) in Hong Kong. Our employees are also regularly informed of the Group's expectations and guidelines on professional and ethical conduct during the normal course of business. Restrictions and internal procedures for reporting and approval are clearly specified regarding the offer and receipt of gifts, entertainment, travel and training to our employees.

There were no complaints of corruption against the Group or its staff during the Reporting Period. Our employees are working in an anti-graft environment where fair competition is encouraged. Our whistle-blowing system further enhances the strict compliance with these laws and regulations. A designated email for reporting suspicious cases was set up, and the audit committee is primarily responsible to handle the cases, if any.

In addition, once a year our directors and all the staff members will be given the publications of ICAC to study for refreshing their memories and keeping them up to date with the anti-corruption regulations. There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period.

### **B8. Community Investment**

The Group strives to be a socially responsible corporate citizen making contributions to the general communities within which we operate by addressing local community environmental, employment and cultural concerns and issues. By recruiting employees from local communities, we are more familiar with the local environment, concerns and issues. The Group also supports the employees to provide voluntary services and to participate in charity works as means to contribute to the community in which we operate. The Group's policy on community engagement is to understand the needs of the community via regular communication with NGOs and contribute to the advancement of education by sponsoring related projects and activities. In addition, the Group's employees regularly participated in various NGOs' volunteer work to support the elderly and fight against poverty in the community.