

CHINA SUPPLY CHAIN HOLDINGS LIMITED

中國供應鏈產業集團有限公司

(formerly known as "Yat Sing Holdings Limited 日成控股有限公司")
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 3708

2020

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



CONTENTS

| | |
|----|--|
| 2 | 1. About this Report |
| 2 | 1.1. Environmental, Social and Governance to Support Sustainable Development |
| 2 | 1.2. The Group's ESG Commitment |
| 2 | 1.3. Reporting Scope |
| 2 | 1.4. Reporting Period |
| 2 | 1.5. Reporting Framework |
| 4 | 1.6. Stakeholders' Engagement |
| 4 | 1.7. Stakeholders' Feedback |
| 5 | 2. Environmental Performance |
| 5 | 2.1. Emissions Policies and Compliance |
| 6 | 2.2. Carbon Footprint – Greenhouse Gas Emissions |
| 7 | 2.3. Air emission |
| 8 | 2.4. Hazardous and Non-hazardous Waste Disposal |
| 8 | 2.5. Use of Resources |
| 9 | Fossil Fuel Consumption – Gasoline |
| 9 | Energy Consumption – Electricity |
| 9 | Water Consumption |
| 9 | Paper Consumption |
| 9 | 2.6. The Environment and Natural Resources |
| 10 | 3. Employment and Labour Practices |
| 10 | 3.1. Employment Policies and Compliance |
| 11 | 3.2. Occupational Safety and Health Policies |
| 11 | 3.3. Human Resource Development and Training |
| 12 | 3.4. Labour Practices and Compliance |
| 12 | 4. Operating Practices |
| 12 | 4.1. Supply Chain Management |
| 12 | 4.2. Suppliers and Subcontractors' Engagement |
| 13 | 4.3. Product Responsibility and Quality Assurance Process |
| 13 | 4.4. Data Protection and Privacy Policy |
| 13 | 4.5. Intellectual Property Rights Protection |
| 13 | 4.6. Anti-corruption Policy |
| 13 | 4.7. Conflict of Interest Policy |
| 14 | 4.8. Preventive Measures and Whistle-blowing Procedures |
| 14 | 5. Community Investment |
| 14 | 5.1. Community Care |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THIS REPORT

1.1. Environmental, Social and Governance to Support Sustainable Development

Environmental, Social and Governance (the “ESG”) are the preferred and important factors to measure a company’s performance, for company valuation, risk management and even regulatory compliance. China Supply Chain Holdings Limited (the “Company”) and together with its subsidiaries, (the “Group”) is pleased to present this ESG report (the “Report”), which demonstrates the ESG performance of the Group in achieving sustainable development for the future.

1.2. The Group’s ESG Commitment

The board (the “Board”) of directors (the “Directors”) of the Company understands its responsibility and is committed to lead and steward the Group with the aim to achieve long-term returns and generate a positive impact on the society and the environment. By assessing and evaluating ESG-related risks and reporting performance, the Group is able to ensure operational reliance and compliance with the relevant legal and regulatory requirements.

1.3. Reporting Scope

This Report summarises the policies, management approach and performance of the Group in respect of corporate social responsibility. This Report is focused on the Group’s core and material business in building maintenance, refurbishment and renovation service solutions in the construction sector of Hong Kong. This report is prepared in accordance with the reporting principles of ‘Materiality’, ‘Quantitative’, ‘Balance’ and ‘Consistency’. With the aim to optimise the reporting process and expand disclosures in this Report, the Group is dedicated in gathering the relevant data, formulating, implementing and monitoring policies. The Group makes every effort to ensure consistency between the Chinese and English versions of this Report. However, in the event of any inconsistency, the English version shall prevail. This Report was reviewed and approved by the Board on 4th December 2020.

1.4. Reporting Period

This Report illustrates and highlights the environmental and social performance of the Group for the reporting period from 1st July 2019 to 30 June 2020 (the “Reporting Period”).

1.5. Reporting Framework

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) contained in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). This Report complies with the “comply or explain” provisions of the ESG Guide.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Key Performance Indexes (the “KPIs”) Reference Table

| Reference KPIs of the ESG Guide | Corresponding KPIs in the sections of this report |
|---|---|
| A. Environment | |
| A1: Emissions | Environmental Performance Emissions Policies and Compliance Carbon Footprint – Greenhouse Gas Emissions Air Emission Hazardous and Non-hazardous Waste Disposal |
| A2: Use of Resources | Use of Resources |
| A3: The Environment and Natural Resources | Emissions Policies and Compliance Use of Resources The Environment and Natural Resources |
| B. Social | |
| Employment and Labour Practices | |
| B1: Employment | Employment Policies and Compliance |
| B2: Health and Safety | Occupational Safety and Health Policies |
| B3: Development and Training | Human Resource Development and Training |
| B4: Labour Standards | Labour Practices and Compliance |
| Operating Practices | |
| B5: Supply Chain Management | Supply Chain Management Suppliers and Subcontractors’ Engagement |
| B6: Product Responsibility | Product Responsibility and Quality Assurance Process Data Protection and Privacy Policy Intellectual Property Rights Protection |
| B7: Anti-corruption | Anti-corruption Policy Conflict of Interest Policy Preventive Measures and Whistle-blowing Procedures |
| Community | |
| B8: Community Investment | Community Care |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1.6. Stakeholders' Engagement

Stakeholders' engagement is not only essential to understand the needs and expectations of the stakeholders, but it also helps to identify the risks and opportunities regarding sustainable development. To foster collaborative relationship with its stakeholders including policymakers, regulators, employees, investors, customers and suppliers, the Group conducted various activities throughout the Reporting Period to exchange thoughts and ideas, ESG goals, risk and opportunities with the stakeholders aiming to translate stakeholders' needs into business strategies and organisation goals that are valuable to its future growth.

| Stakeholder Group | Approach of Engagement |
|-----------------------------|---|
| Community | Corporate website Announcements and notices Financial statements/ESG information |
| Customers | Corporate website Contracts and agreements Comments and complaint channels |
| Employees | Orientations, trainings, and meetings Performance appraisals Notices and circulars Emails and other electronic communications |
| Policymakers and Regulators | Corporate website Interim/Annual/ESG reports and financial statements Announcements and notices |
| Investors and Shareholders | Annual general meeting Announcements and notices Interim/Annual/ESG reports and financial statements Corporate website |
| Contractors/Suppliers | Management/Business meetings and interviews Contracts and agreements Quotations and tendering process Industrial channels' communications and activities |

1.7. Stakeholders' Feedback

The Group appreciates stakeholders' comments and feedbacks regarding its approach and performance on ESG aspects as they are valuable to its continuous improvement and risk management. If you have any questions, suggestions and recommendations to the Group, please send them to:

Address: Unit 2606, 26/F Singa Commercial Centre, 144–151 Connaught Road West, Hong Kong.

Email: info@yat-sing.com.hk

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. ENVIRONMENTAL PERFORMANCE

The Group's principal operating subsidiary is engaged in building maintenance, refurbishment and renovation service solutions. In response to the growing demand in environmental sustainability in the construction industry, the Group is continuously improving the overall performance by injecting innovative and environmentally friendly ideas and culture into its projects. The Group is committed to enforce its environmental management policy by using environmentally sustainable materials, energy efficient technologies and products, preventing pollution, reducing waste, and meeting applicable legal and environmental requirements.

2.1. Emissions Policies and Compliance

The Group acknowledges the impact of its work to the community and the environment. The Group complies with the Environmental Protection Law of Hong Kong in air (dust and residues) and water emission, solid waste management and noise pollution. The Group's environmental management system obtained the ISO 9001 and ISO 14001 quality certificates, reflecting its commitment in quality assurance and environmental performance enhancement.

During the Reporting Period, the Group complied strictly with all relevant environmental laws and regulations in Hong Kong. Together with its employees, subcontractors and suppliers, the Group's energy and resources use, emissions and waste generation were strictly controlled and monitored.

International Certifications

Environmental related Laws and Regulations

| | |
|-------------|---|
| ISO 9001 | Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) |
| ISO 14001 | Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Chapter 354N of the Laws of Hong Kong) |
| OHSAS 18001 | Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong) Construction Industry Council Ordinance (Chapter 587 of the Laws of Hong Kong) Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.2. Carbon Footprint – Greenhouse Gas Emissions

Carbon footprint is defined as the total amount of direct and indirect emissions of greenhouse gas (the “GHG”) expressed in terms of equivalent amount of carbon dioxide (“CO₂-e”) emission. During the Reporting Period, the total operation area, comprising the headquarters and offices, was 508.55 square meters (“m²”) (2019: 41,245.72 m²) and is accounted for 100% of its GHG emissions.

The total net GHG emissions generated by the Group was 70.09 tonnes of carbon dioxide equivalent (“tCO₂-e”) (mainly carbon dioxide, methane, and nitrous oxide) (2019: 1,703.05 tCO₂-e) during the Reporting Period. The carbon emission intensity was 0.38 tCO₂-e/m² (2019: 0.041 tCO₂-e/m²).

The Group has made great efforts in controlling its emissions as well as its consumption of resources. Its energy conservation practices included deploying energy saving lightings, switching off idle lightings, computers and electrical appliances and equipment, monitoring water consumption, using digital technology and recycled paper, encouraging the use of public transport and using tele or video conferencing as an alternative to business travel.

The following table highlights the carbon footprint of the Group:

| Scope | Sources of GHG emissions | 2020 | 2019 | 2018 |
|-------|--|---|----------|--------|
| | | GHG* emissions (in tCO ₂ -e) | | |
| 1 | Mobile – Gasoline | 29.58 | 175.14 | 266.50 |
| 2 | Purchased electricity | 24.75 | 1,497.23 | 479.07 |
| 3 | Disposal of paper waste | 15.74 | 20.04 | 15.63 |
| | Fresh water processing | 0.01 | 10.63 | 12.75 |
| | Sewage water processing | 0.01 | 0.01 | 0.01 |
| | Total GHG* emissions | 70.09 | 1,703.05 | 773.96 |
| | Carbon Emission intensity per m² | 0.138 | 0.041 | 0.022 |

* The GHG is calculated according to the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” jointly published by Environmental Protection Department and Electrical and Mechanical Services Department.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.3. Air emission

Construction works performed must comply with the Air Pollution Control Ordinance and its subsidiary regulations, particularly the Air Pollution Control (Construction Dust) Regulation. During renovation and demolition processes, dust generated from various activities could make a significant contribution to local air pollution. High levels of dust, combined with other outdoor air pollutants, can cause respiratory problems to the employees at work and the members of the public.

In addition, the Group's projects are mainly conducted indoor, noxious odour and volatile organic compound ("VOC") are the major molecules emitted or evaporated from the liquid or solid materials (e.g. solvent, paint or other organic materials) that are used for construction related works; thus, the indoor air quality is being affected and so is the health of the employees on-site.

As stated in the Group's environmental management policy, the project manager is responsible for the effective administration and observation of preventive measures used in the project sites to minimize the adverse effect caused by air pollutants. Measures including the assurance of adequate indoor ventilation, the provision of personal protection equipment ("PPE") to employees, and the adoption of pollution mitigation procedures to control dust and potential VOC sources.

Another source of air emission was the use of gasoline or diesel-powered motor vehicles for employee transportation. Since vehicles emit a considerable amount of air pollutants into the environment, the Group will continue to encourage its employees to take public transportation when possible.

The following table highlights the estimated air emission of the Group:

| Types of Pollutants | 2020 | 2019 |
|------------------------------------|---------------------------------|-------|
| | Emission Data (kilogram) ("kg") | |
| Nitrogen Oxides (NO _x) | 21.34 | 26.33 |
| Sulphur Dioxide (SO ₂) | 0.16 | 0.96 |
| Particulate Matter | 1.57 | 2.14 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.4. Hazardous and Non-hazardous Waste Disposal

The environmental impact from the waste generated by construction and demolition is the most significant and critical emissions throughout the Group's operations. Waste including packaging materials, flooring (vinyl or wood), drywall such as wall board, gypsum or plastic board, concrete waste and carpeting materials are difficult to be recycled as they are generally collected together without source separation and eventually being disposed of at landfill. However, the Group would seek for more sustainable waste management plan to control, record and monitor the overall waste generation and disposal.

During the Reporting Period, there were over 3,683.50 tonnes of non-hazardous construction waste being transferred to the government waste disposal facilities. The following table summarised the quantity and destination of the waste:

| Government waste disposal facilities | Types of construction waste | 2020 | 2019 | 2018 |
|--------------------------------------|---|--------------------|-----------------|-----------------|
| | | Weight (in tonnes) | | |
| Landfills | Containing not more than 50% by weight of inert construction waste ⁺ | 614.20 | 1,137.20 | 1,569.40 |
| Sorting facilities | Containing more than 50% by weight of inert construction waste ⁺ | 4.60 | 0.00 | 46.70 |
| Public fill reception facilities | Consisting entirely of inert construction waste ⁺ | 3,064.70 | 5,842.30 | 6,393.70 |
| Annual Total | | 3,683.50 | 6,979.50 | 8,009.80 |

⁺ Inert construction waste refers to rock, rubble, boulder, earth, soil, sand, concrete, asphalt, brick, tile, masonry or used bentonite

The operating activities of the Group do not produce any hazardous waste to the environment. Paper and printed matters were another non-hazardous waste generated from office administration. The GHG emissions constituted by paper waste was 15.74 tCO₂-e (2019: 20.04 tCO₂-e). Paper waste from the office was collected by the property management for recycling and disposal.

2.5. Use of Resources

During the Reporting Period, the primary resources consumed by the Group were electricity, gasoline, water and paper, no packaging materials were used or needed for its business. The following table illustrates the consumption of different resources and their intensity.

It is noteworthy that the overall electricity and water consumption of the Group cannot represent its total carbon footprint, as the electricity and water supply in some of the project sites were provided by the property owners, thus, they were not available for GHG calculation. However, the data that was available was included in the calculation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Scope | Sources of GHG emissions | 2020 | | 2019 | | | |
|-------|--------------------------|----------------------|---|-----------------------------------|--------------------------|---|-----------------------------------|
| | | Consumption | GHG* emissions (in tCO ₂ -e) | Intensity | Consumption | GHG* emissions (in tCO ₂ -e) | Intensity |
| 1 | Mobile – Gasoline | 10,923.50 L | 29.58 | 0.28 tCO ₂ -e/employee | 62,152.52 L | 175.14 | 1.77 tCO ₂ -e/employee |
| 2 | Purchased electricity | 49,503.89 kWh | 24.75 | 97.34 kWh/m ² | 1,868,234.33 kWh | 1,497.23 | 45.30 kWh/m ² |
| 3 | Disposal of paper waste | 3,279.94 kg | 15.74 | 0.15 tCO ₂ -e/employee | 4,174.13 kg | 20.04 | 0.20 tCO ₂ -e/employee |
| | Water processing | 27.00 m ³ | 0.02 | neglectable | 25,075.00 m ³ | 10.64 | 0.11 tCO ₂ -e/employee |

Fossil Fuel Consumption – Gasoline

The air emission of motor vehicles may affect the people and neighbouring communities through its environmental impact. The total gasoline consumption constituted to 42.2% of the Group's total carbon footprint. Regular maintenance on vehicles was conducted to ensure optimal performance and enhance gasoline efficiency.

Energy Consumption – Electricity

The total electricity consumption constituted to 35.3% of the Group's total carbon footprint. The Group's energy saving practices also include the use of window blinds in the offices for insulation to reduce indoor temperature during summer season.

Water Consumption

The Group did not encounter any issue in sourcing water that is fit for purpose during the Reporting Period. The total freshwater consumption was 27.00 cubic meters ("m³"). The water supply in the project sites was totally provided by the property owners; thus, it was not available for GHG calculation. The Group will continue to commit in water conservation as water is one of the most precious natural resources on earth.

Paper Consumption

Paper and printed matters was used for administration and report publication purposes during the Reporting Period. The total paper consumption constituted to 22.5% of the Group's total carbon footprint. The Group will continue to monitor its paper reuse and recycling efficiency to reduce paper consumption and disposal.

2.6. The Environment and Natural Resources

To seek long-term environmental sustainability, the Group has made great efforts in complying with the relevant environmental laws and regulations, controlling its emissions, as well as documenting its waste and consumption of resources in its daily operations. With the Group's businesses mainly conducted indoor, relatively small environmental impact is caused by indoor refurbishment and renovation work and office-based administration work.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3. EMPLOYMENT AND LABOUR PRACTICES

3.1. Employment Policies and Compliance

The Group understands that human resource is one of the key elements of its business development and success. By employing and developing dedicated and talented people, the Group is able to provide reliable, innovative and quality services to its customers.

At as 30 June 2020, the total workforce of the Group was 105 (2019: 99). The annual turnover rate was 48.8%, the main cause of the high turnover was due to the termination of contractual workers after completing a government service contract.

The employee composition of the Group is listed in the following table:

| Employee Structure | 2020 | 2019 |
|----------------------------------|--------------|-------------|
| Total number of employees | 105 | 99 |
| By gender | | |
| Male | 62.9% | 74.7% |
| Female | 37.1% | 25.3% |
| By age group | | |
| 18–25 | 3.8% | 4.0% |
| 26–35 | 24.8% | 26.3% |
| 36–45 | 22.9% | 22.2% |
| 46–55 | 16.2% | 15.2% |
| 56 or above | 32.4% | 32.3% |
| By employee category | | |
| Senior management | 12.4% | |
| Middle management | 18.1% | |
| General staffs | 69.5% | |
| Employee turnover | 48.8% | |

To promote a harmonious and productive workforce, the Group provides equal opportunities to its employees in respect of recruitment, training and development, job advancement, and remuneration and benefits. Employees' remuneration is designed to attract and retain talented employees to maintain a fair, productive and sustainable workforce.

The objective of the Group's human resource management is to recognise and reward employees by reviewing their salaries and wages through the performance appraisal system. Performance appraisal is conducted annually based on the employees' job performance, skills and achievement.

The employee handbook is structured to communicate important ground rules and regulations surrounding employment and labour standard, remuneration and benefits, leave and holidays, training and development, business conduct and ethics, and occupational health and safety. It is an essential tool to define the expectations of the management and to ensure employees are being treated with fairness and consistency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.2. Occupational Safety and Health Policies

The Group is committed to achieving a high standard of safety and health in its working environment to protect employees and the public who may be affected by its activities. Employees' occupational health and safety is regarded as the utmost priority to the Group, and it strives its best to provide the appropriate and adequate resources to create and maintain a safe construction environment to prevent possible accidents to employees, subcontractors and business partners.

The Group's safety management system stipulates the guidelines and regulations to protect employees and to ensure the compliance with applicable occupational safety and health laws and regulations. The safety committee is responsible to the overall coordination and implementation of the system, plan, coordinate and assess training needs, discuss and respond to safety and health matters, enforce safety compliance and standard, and perform safety audit to evaluate the effectiveness, efficiency, and reliability of the safety management system to ensure the Group's safety performance.

PPE such as helmets, gowns, gloves, eyewear, ear protector and face masks are provided to employees for their specific duties and personal protection. Emergency response plan and procedures are communicated regularly to guide employees on the identification and assessment of potential hazard or risk, and emergency evacuation drills are scheduled throughout the year to ensure the readiness of the employees in responding to any type of crisis. During the Reporting Period, the Group did not violate any occupational safety and health regulations.

| Occupational Health and Safety Data | 2020 | 2019 |
|--|--------------|-------------|
| Number of work injury cases | 2 | 8 |
| Lost days due to work injury | 288 | 1,359 |
| Number of work-related fatalities | 0 | 0 |
| Work injury rate | 19.04 | 80.80 |

3.3. Human Resource Development and Training

The Group understands that human resource is one of its valuable assets, and the knowledge, experience, skills and performance of employees are important and critical to its continued success and growth. To encourage and support employees in developing their potential, the Group regularly reviews the learning and development needs of the employees and provides training programs, on-the-job trainings and development opportunities for them to improve their knowledge and expertise at work.

The Group also sponsors employees to pursue external training programs and apply for professional memberships that will enhance their performance at work and support their career aspirations.

The following table listed the average training hours of employees during the Reporting Period:

| Training | 2020 |
|--------------------------------|-------------|
| Total (hours) | 200.5 |
| Average (per employee) (hours) | 1.9 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.4. Labour Practices and Compliance

The Group complies with the applicable laws and regulations on employment, child and forced labour practices. Recruitment of employees is strictly abided by the guidelines and procedures as set out by the Group's human resource management so that suitable talents are recruited in accordance to the job requirement, relevant laws, and candidates' expectation for a fair, positive and happy workforce. During the Reporting Period, the Group was not aware of any material non-compliance with related labour practice laws and regulations in Hong Kong that would have a significant impact on the Group.

4. OPERATING PRACTICES

4.1. Supply Chain Management

The quality and safety of the projects' deliverables are one of the top priorities of the Group. In order to manage and mitigate the environmental and social risks in the supply chain, various suppliers of products and materials as well as subcontractors are engaged for goods and services. To make sure goods and services are procured in an honest, competitive, fair, and transparent manner that delivers the highest cost performance, suppliers and subcontractors are selected based upon rational and clear criteria.

4.2. Suppliers and Subcontractors' Engagement

As a main contractor, the Group maintains long-term relationship with its subcontractors to ensure service stability. Subcontractors are assessed and selected based on ISO9001 standard for selection and appointment. The Group adopts the following internal measures to control subcontractors' quality of work and compliance of occupational health, safety, environmental rules and regulations.

- (a) Clear management structure between project management team and subcontractors.
- (b) Prevention of unauthorized multi-level subcontracting.
- (c) Constant monitoring and inspection.
- (d) Monthly review on subcontractors' work progress.
- (e) Performance assessment of subcontractors.

The Group's operation and supplier management plan is designed to ensure tender preparation, projects execution, suppliers and subcontractor's selection, appointment and management, procurement of supplies, materials and equipment are being supervised and monitored. There are 71 suppliers (including service and goods suppliers and subcontractors) on the approved suppliers' list as refurbishment and renovation projects involve a wide range of supplies and products to cope with customers' specifications. The project management team would regularly review the list and provide updates to its employees. The team also monitors, audits, and manages processes regarding materials selection, quality management system and work performance to ensure its supply chain is effective and efficient that guarantees the quality and standard of its project deliverables.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4.3. Product Responsibility and Quality Assurance Process

The Group is committed to providing innovative and high-quality work to its customers. The quality of the project deliverable is guaranteed by its long-established reputation and experience in the industry. With the aim to provide consistent quality services, a quality assurance and environmental management system in compliance with ISO 9001 and ISO 14001 is established to manage project quality and environmental performance.

By focusing on the needs and expectations of the customers, the project management team is responsible for the overall operations of projects based on customer's requirement, contractual specification, and project size and complexity. Each project management team is comprised of 14 members responsible for overseeing the safety, quality, workmanship, project progress, pollution prevention, subcontractor's performance, materials consumption and customer's feedback. During the Reporting Period, there was no significant complaint in service quality and delivery.

4.4. Data Protection and Privacy Policy

The Group manages and protects the data collected from its business partners, customers, employees and suppliers to ensure their privacy and confidentiality. The Group complies with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), all proprietary data collected are neatly organised and stored in computers and servers which are protected from access passwords. As stipulated in the Group's ethical guidelines, employees are obliged to follow the confidentiality code on access to information and ensure the safekeeping of all personal and business data, trade secrets and proprietary information.

4.5. Intellectual Property Rights Protection

The Group registered its company logo and domain names as they are important to its brand and corporate image. The Group complies with the intellectual property (the "IP") rights regulations. During the Reporting Period, there was no material infringement of the IP rights and the Group is confident that all reasonable measures have been taken to prevent any infringement of its own IP rights and the IP rights of third parties.

4.6. Anti-corruption Policy

The Group is committed to conducting business by upholding its philosophy with the highest level of business ethics, honesty, integrity and fairness. As stipulated in the Group's ethical guidelines in the code of conduct, all employees are required to observe the ethical consideration when engaging in the Group's business activities. To ensure fairness in competition, procurement and tendering processes are conducted impartially to prevent bribery, corruption, and fraudulent practices. Employees are aware that business activities including the action to request, obtain, or provide an advantage or to avoid an obligation when dealing with the Group's business are strictly forbidden. The Group conducts periodic and systematic risk assessment and communicates related anti-fraud policies and procedures to employees on a regular basis.

4.7. Conflict of Interest Policy

The Group's ethical guidelines requires its directors and employees to avoid the conflict between personal or financial interest and their professional official duties to act in the best interest of the Group. A situation in which directors or employees exercise authority, influence decisions and actions or gain access to valuable information when dealing with third parties with his profession to achieve financial and personal gain is strictly prohibited. Directors and employees are required to declare potential conflict of interest to the Group on an annual basis.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4.8. Preventive Measures and Whistle-blowing Procedures

The Group's whistle-blowing procedure encourages and enables its employees to report on observed and suspected non-compliance or fraudulent activities confidentially and anonymously. All whistleblowing reports will be investigated and proven fraudulent activities will be reported to respective law enforcement authorities. During the Reporting Period, communications were made to ensure employees understand the Group's ethical standard, and the Group was not aware of any non-compliance with relevant laws and regulations with regards to corruption or fraud litigation against the Group.

5. COMMUNITY INVESTMENT

5.1. Community Care

The Group is aware of the increasing concern over the impact of waste to the environment, the overall environmental issues derived from building maintenance and renovation activities in the construction industry will continue to face great challenges in achieving sustainable development. The Group relentlessly strives to ensure its business is conducted in a sustainable manner that benefits its stakeholders, and at the same time, minimises any potential environmental and social impact, in particular to its employees and the community members.

The Group believes that it is important to be a supportive member of the community. It will explore opportunities in the future in supporting local charitable organisation to play a part in making a difference and strengthening the society.