

Environmental, Social and Governance Report 2023

True Partner Capital Holding Limited

Incorporated under the laws of the Cayman Islands
with limited liability
Stock code: 8657

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Being a True Partner

Environmental, Social and Governance Report

Chairman's Statement

Dear valued stakeholders,

The board of directors of the Company (the “**Board**”) is committed to driving sustainable development in True Partner Capital Holding Limited (the “**Company**”) and its subsidiaries (individually or collectively referred to as the “**Group**”). The Board has the overall responsibility for the Group’s environmental, social and governance (“**ESG**”) strategy and reporting, while both the members of the Board and senior management supervise the ESG issues of the Group. The Board continuously monitors and reviews the key risks affecting the sustainability of the Group’s business, such as the environmental, occupational health and safety and labour standards. The risk management and internal control frameworks provide a structured approach for the Board to formulate policies and ensure effective execution. More information about the Group’s governance structure is stated in the headed “**Governance for Sustainability**”.

The Group strives to create values for its shareholders. Therefore, the Group continuously communicates with its stakeholders to understand their concerns and fulfil their expectations. Their opinions helped the Group understand its ESG performance, assess the importance of different ESG-related issues and prioritise them. With reference to the stakeholders’ opinions, the Board reviews

the Group’s sustainability strategies at least annually and, where appropriate, adjusts the Group’s policies to live up to stakeholders’ expectations while meeting the requirements of regulators.

Since the financial year ended 31 December 2021 (“**FY2021**”), the Group has set various ESG-related targets on relevant key performance indicators (“**KPIs**”). The Board believes the ESG-related targets can raise employees’ awareness of ESG, drive behavioural changes and facilitate the incorporation of ESG initiatives into the Group’s operational strategy. With the assistance of the Environmental, Social and Governance Working Group (“**ESG Working Group**”), the Board at least once per year reviews the Group’s ESG performance to follow up the progress made on the Group’s ESG-related targets. The Board makes full use of the available ESG data to compare the performance between different years. Aiming to achieve the targets, the Group strives to actively incorporate sustainability into its daily operations.

On behalf of the Board, I would like to express my gratitude to my fellow directors, the management team, all employees and stakeholders for their contributions to the Group’s sustainable development.

Ralph Paul Johan van Put
Chairman and Chief Executive Officer
Hong Kong, 26 March 2024

Introduction

The Company is a limited liability company incorporated in the Cayman Islands. The principal activity of the Company is investment holding. The Group is a Hong Kong and United States (the “US”) based asset management group with a focus on global volatility trading in liquid markets. The Group is principally engaged in fund management

business and providing consultancy services.

This Environmental, Social and Governance Report (the “ESG Report”) reflects the Group’s active fulfilment of its ESG responsibilities to achieve sustainable development and its responses to stakeholders’ concerns.

Reporting Scope

This ESG Report covers all the Group’s business activities at the offices in Hong Kong, the Netherlands, Singapore, the United Kingdom (“UK”) and the US, where the Group’s business operations are mainly carried out. The relevant environmental indicators will be reported for the Group’s Hong Kong headquarters and, where applicable, for its offices in the Netherlands, Singapore, the UK and the US. The social indicators will be reported for the Group’s offices within the

reporting scope.

The scope of the ESG Report was determined by considering the ESG significance of the Group’s activities and the influence of the activities on the Group’s operations. The Group believes the reported areas collectively present a comprehensive picture of the Group’s overall ESG performance.

Reporting Framework

The ESG Report has been prepared in accordance with the Environmental,

Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix C2 of the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “SEHK”), with four reporting principles including materiality, quantitative, balance and consistency. A complete index is appended to the last chapter hereof for easy reference in accordance with the ESG Reporting Guide.

Reporting Principles

According to the ESG Reporting Guide, the following reporting principles were applied in the ESG Report:

Materiality

The Group regularly conducts materiality assessments to identify the material environmental and social issues to the Group’s business. By gathering the feedback of various stakeholder groups, the Group can have a better understanding of their concerns and expectations

of the Group’s sustainable development. For further details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.

Quantitative

To evaluate the effectiveness of ESG-related policies, the Group has adopted the SEHK’s ESG Reporting Guide, relevant guidelines published by SEHK and other international organisations, in measuring and presenting quantitative environmental and social information.

Details of the standards used are described in the relevant sections of the ESG Report.

Balance

The ESG Report provides an unbiased picture of the Group's ESG performance.

Consistency

The ESG Report adheres to a consistent set of reporting standards, methodologies for calculating data and presentation of KPIs to allow meaningful comparisons of related data over time and that with the past years, including the financial year ended 31 December 2022 ("FY2022").

Reporting Period

The ESG Report presents the Group's ESG performance for the financial year ended 31 December 2023 ("FY2023").

Governance for Sustainability

The Group has established the ESG Working Group to promote the employees' awareness of ESG issues. The ESG Working Group is comprised of senior management and general staff with adequate knowledge of ESG, its members span across different business departments, including the operational, compliance, human resources and finance departments. They are responsible for executing the Group's ESG measures, collecting and analysing ESG data, preparing ESG reports, giving suggestions to the Board on ESG issues and reviewing ESG-related matters across the Group's different departments. Where appropriate, external advisors would be engaged to provide

expertise and professional advice for the ESG management process.

With the assistance of the ESG Working Group, the Board regularly reviews the materiality of the Group's ESG issues and continuously monitors the Group's ESG performance, risks and opportunities. The members of the ESG Working Group have meetings at least once per year to discuss the effectiveness of the Group's policies and procedures and seek opportunities to improve the Group's ESG performance. The ESG Working Group reports its findings to the Board annually so that the Board can look for solutions to manage the Group's ESG risks and opportunities.

Feedback

The Group values feedback from its stakeholders. If you have any questions or suggestions regarding the ESG Report or the Group's performance in sustainable development, please

feel free to contact the Group through its communication channels as shown on the Company's website at <http://www.truepartnercapital.com/contact>.

Stakeholder Engagement

The Group seeks to understand the expectations and concerns of all its stakeholders and the impact of its business on its stakeholders. Therefore, the Group engages with its key stakeholders to identify sustainability issues and potential risks. Key stakeholders include but are not limited to banks and other financial institutions, shareholders, investors and clients, government and other regulatory authorities, employees, and suppliers and vendors.

The Group has made an assessment of stakeholders' expectations. The Group seeks to engage with stakeholders through diversified engagement methods. A summary is included below:

Stakeholders	Engagement Methods
Banks and other financial institutions	<ul style="list-style-type: none"> • Written or electronic correspondences • Reports and announcements • On-site visits
The Board and the Group's senior management	<ul style="list-style-type: none"> • Client reports • Company website • Announcements and circulars • Internal meetings
Shareholders, investors and clients	<ul style="list-style-type: none"> • General meetings and other shareholder meetings • Financial reports • Announcements and circulars • Company website • Monthly investor's report
Government and other regulatory authorities	<ul style="list-style-type: none"> • Written or electronic correspondences • Visits and inspections
Employees	<ul style="list-style-type: none"> • Training activities, seminars, and briefing • General meetings • Emails
Suppliers and vendors	<ul style="list-style-type: none"> • Business meetings • Site visits

The Group endeavours to actively listen to and collaborate with its stakeholders to ensure that their opinions can be voiced out through an effective communication channel.

In the long run, the stakeholders' contribution will aid the Group in improving ESG performance and ensuring the continued success of the Group's business.

Materiality Assessment

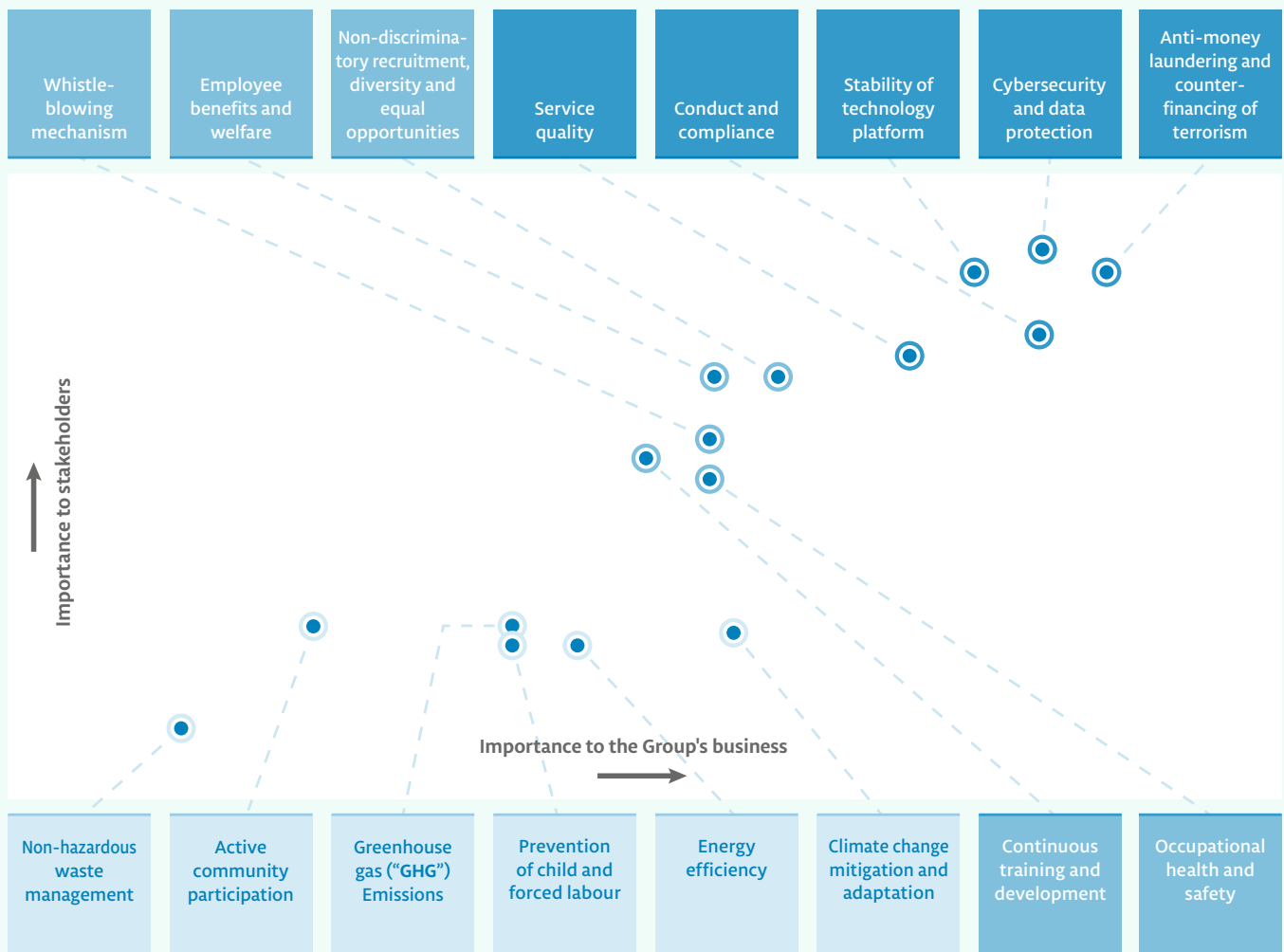
The Board and the ESG Working Group have participated in reviewing the Group’s operations and identifying material ESG topics and assessing the relative importance of the ESG topics to its business and stakeholders. During FY2023, as there is no material change in the Group’s business

operation, the materiality matrix from the materiality assessment in FY2022 will be applied to FY2023.

The Group’s material ESG topics according to their relative importance are shown below:

ESG Materiality matrix

Level of influence on stakeholders' assessments & decisions



The Group has identified that the relevant criteria could be grouped into three broad categories. Firstly, those that were regarded as being of higher significance to the Group and having a higher influence on stakeholders' assessments and decisions. These included compliance and technology/cybersecurity-related matters, such as conduct and compliance, AML and counter-financing of terrorism, cybersecurity and data protection and the stability of the technology platform which have direct implication on the Group's quality of services to its funds and managed accounts. A second category was of slightly lower significance and influence, including matters relating to employee benefits, training, recruitment, whistleblowing mechanism and occupational health and safety. A third category was regarded as of lower

significance and influence, including areas such as non-hazardous waste management and GHG emissions. The Group believes all the areas highlighted are relevant categories to consider, and that the perceived significance and influence of certain categories in part reflects the nature of the Group's business relative to other companies listed on the SEHK. For example, technology stability and cybersecurity are naturally the main focus given the Group's extensive use of proprietary technology. At the same time, a technology-focused investment management business tends to naturally have lower waste production and energy usage than some other types of business such as manufacturing or natural resource extraction.

A. Environmental

A1. Emissions

The Group is committed to playing its part in shouldering the global responsibility to tackle climate change. To achieve this goal, the Group actively manages its operational footprint by ensuring compliance with the applicable laws and regulations of respective jurisdictions and by implementing the Environmental, Social and Governance Policy (the “**ESG Policy**”) and related conservation measures. The ESG Policy is formulated based on the United Nations Principles of Responsible Investment.

The Group seeks to provide its clients with superior risk-adjusted investment returns and client service. As an asset manager, the Group acts as a fiduciary on behalf of our clients and seeks to develop long-term partnerships to help its clients

achieve their investment goals. As fiduciaries, the Group believes that ESG issues can affect the performance of investment portfolios to varying degrees across companies, sectors, regions, asset classes and through time. Therefore, the Group seeks to incorporate material ESG topics into its daily operations and investment analysis as part of its robust investment process and seeks to be a responsible corporate citizen in the communities in which the Group operates and to be mindful of its overall environmental footprint.

At the investment level, the ESG Policy is reviewed annually as part of the Risk Committee’s annual policy review. At the firm level, the ESG Policy is reviewed annually by the Board. The Group’s ESG Policy is also available on our website.

During FY2023, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group relating to air and GHG gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. The relevant laws and regulations include, but are not limited to, the Air Pollution Control Ordinance of Hong Kong, the Waste Disposal Ordinance of Hong Kong, the Federal Clean Air Act of the US, the Federal Clean Water Act of the US, the Environmental Management Act of the Netherlands, the Clean Neighbourhoods and Environment Act 2005 of the UK, the Sustainable Finance Disclosure Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 and the Environmental Protection and Management Act of Singapore.

Environmental

The following table sets out the relevant key topics, the Group's defined targets and the status of the targets:

GHG Emission

Defined Targets	Status
Reduce the Group's other indirect (Scope 3) GHG emissions intensity (in tonnes CO ₂ e/billion US\$ asset under management) by at least 20% by the financial year ending 31 December 2025 ("FY2025"), using approximately 41.49 tonnes CO ₂ e/billion US\$ asset under management in the financial year ended 31 December 2019 ("FY2019") as the baseline.	In progress, the Group's other indirect (Scope 3) GHG emissions intensity (in tonnes CO ₂ e/billion US\$ asset under management) in FY2023 was approximately 45.11 tonnes CO ₂ e/billion US\$ asset under management, which was approximately 8% higher than the level in FY2019. The Group will continue to strive to reduce its other indirect (Scope 3) GHG emissions intensity.
Organise activities from FY2022 onwards to strengthen employees' awareness of environmental stewardship.	Participated in Earth Hour 2023 to raise awareness about energy conservation by turning off non-essential lights for one hour.

Waste management

Defined Targets	Status
Reduce the Group's non-hazardous waste intensity (in tonnes/billion US\$ asset under management) by at least 10% by FY2025, using approximately 0.12 tonnes/billion US\$ asset under management in the financial year ended 31 December 2020 ("FY2020") as the baseline.	In progress, the Group's non-hazardous waste intensity in FY2023 was approximately 0.16 tonnes/billion US\$ asset under management, which was approximately 33% higher than the level in FY2020. The Group will continue to strive to reduce its non-hazardous waste intensity.
Provide notices to inform staff on the reduce, reuse and recycle principle in FY2023.	The notices of reduce, reuse and recycle principle were promoted and implemented in daily operations.

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Air Pollutant Emissions

As an investment holding company, the Group does not involve any manufacturing activities or construction projects. Moreover, the Group does not own any vehicles. Therefore, the Group does not have a material impact on air pollutant emissions.

GHG Emissions

The GHG emissions of the Group were mostly generated from purchased electricity, paper waste disposal at landfills and business air travel.

Scope 1 – Direct GHG Emissions

During FY2023, the Group did not own any vehicles or involve in any manufacturing activities. Therefore, the

Group considers the direct GHG emissions generated by the Group in FY2023 to be immaterial.

Scope 2 – Energy Indirect GHG Emissions

The Group has implemented energy-saving measures, which will be mentioned in the section headed “**Energy Efficiency**”.

Scope 3 – Other Indirect GHG Emissions

Office paper waste disposal and business air travel contributed to other indirect GHG emissions. Noting that air travel generates a large amount of GHG emissions, the Group only utilises air travel when deemed necessary; the Group usually communicates via teleconferences and web conferences.

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The GHG emissions performance of the Group are as follows:

Indicators ¹	Units	FY2023	FY2022
Direct (Scope 1) GHG emissions	tonnes CO ₂ e	-	-
Energy indirect (Scope 2) ² GHG emissions	tonnes CO ₂ e	11.63	11.53
Other indirect (Scope 3) GHG emissions	tonnes CO ₂ e	40.15	36.26
Paper waste disposal	tonnes CO ₂ e	0.69	0.64
Business air travel	tonnes CO ₂ e	39.46	35.62
Total GHG emissions	tonnes CO₂e	51.78	47.79
Total GHG emissions intensity³	tonnes CO₂e/million HK\$ revenue	3.89	1.07
	tonnes CO₂e/billion US\$ asset under management	58.18	30.63

Notes:

1. GHG emissions data are presented in terms of carbon dioxide equivalent and are calculated with reference to “**The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards**” issued by the World Resources Institute and the World Business Council for Sustainable Development, “**How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs**” issued by SEHK, the “**Global**

Warming Potential Values” from the IPCC Fifth Assessment Report, 2014 (AR5) and the “**2022 Sustainability Report**” published by the CLP Holdings Limited.

2. Figures only include Hong Kong office. Electricity usage in the Netherlands, Singapore, the UK and US offices were included in the tenancy agreement, related data are hence not available.
3. The calculation of intensity by million HK\$ revenue is based on the core revenue

of the Group, which was approximately HK\$13.3 million during FY2023. (FY2022: HK\$44.8 million) The calculation of intensity by billion US\$ asset under management is based on the asset under the Group’s management, which was approximately US\$0.89 billion as of 13 December 2023. (as of 13 December 2022: US\$1.56 billion) These figures are also the basis for waste and energy intensity calculations.

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In FY2023, the Group's total GHG emissions intensity was approximately 58.18 tonnes CO₂e/billion US\$ asset under management (FY2022: approximately 30.63 tonnes CO₂e/billion US\$ asset under management). The increase in the total GHG emissions intensity was mainly due to the decrease in the Group's asset under management and the increase in business air travels after the travel restrictions have been relaxed in Asia.

In response to the growing concerns about climate change, the Group will continue to pursue its defined target of reducing its other indirect (Scope 3) GHG emissions intensity (in tonnes CO₂e/billion US\$ asset under management) by at least 20% by FY2025, using approximately 41.49 tonnes CO₂e/billion US\$ asset under management in FY2019 as the baseline. The Group

has also set target to organise activities to strengthen employee's awareness of environmental stewardship in the financial year ending 31 December 2024 ("FY2024"). To pursue the GHG emissions reduction target, the Group actively promotes the use of videoconferencing to reduce the number of face-to-face meetings and thus the carbon footprint arising from air travel. For more information about the measures taken by the Group to pursue the GHG emissions reduction target, please refer to the energy-saving measures mentioned in section headed "Energy Efficiency".

Sewage Discharges into Water and Land

Due to the Group's business nature, the sewage discharge into land is insignificant. Similarly, there was no significant and unreasonable amount of sewage water discharged; used water is discharged to the municipal

sewage network to the regional water treatment plant.

Waste Management

Hazardous Waste Management

As an investment holding company, the Group's business operations do not involve the use of hazardous materials, there was no significant hazardous waste generated in FY2023.

Non-hazardous Waste Management

Non-hazardous wastes generated were mainly office paper. The Group makes a great effort to raise the awareness of its employees of the importance of reducing the amount of waste produced. In various

operating sites, the Group follows the recycling policy of the property management company in its offices to separate waste at the source.

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The non-hazardous waste discharge performance of the Group is as follows:

Indicators	Units	FY2023	FY2022
Total non-hazardous waste • Office paper	tonnes	0.14	0.13
Total non-hazardous waste intensity	tonnes/million HK\$ revenue tonnes/billion US\$ asset under management	0.0105 0.16	0.0029 0.08

In FY2023, the Group's total non-hazardous waste intensity was approximately 0.16 tonnes/billion US\$ asset under management (FY2022: approximately 0.08 tonnes/billion US\$ asset under management), representing an increase of approximately 100% year-on-year. The increase in total non-hazardous waste intensity was due to the decrease in the Group's assets under management and more printed marketing materials in FY2023 as the Group attended several international seminars and summits to promote the fund business.

To reinforce the Group's commitment to reduce waste, the Group will continue to pursue its defined target of reducing its non-hazardous waste intensity (tonnes/billion US\$ asset

under management) by at least 10% by FY2025, using approximately 0.12 tonnes/billion US\$ asset under management in FY2020 as the baseline. In addition, the Group has set a target of providing notices to inform staff on the reduce, reuse and recycle principle in FY2024. To pursue the waste reduction target, the Group has adopted the following environmentally friendly measures:

- reuse single-sided waste paper where possible;
- reduce the use of single-use disposable items;
- separate recyclable waste from wastes to be disposed of in the landfill;
- recycle or donate office and electronic equipment after their life cycle; and

- print electronic correspondences only when necessary.

Wastewater Management

The Group does not consume a significant amount of water in its business operations, and therefore its business activities did not discharge a material volume of pollutants into water or land during FY2023. Since the Group discharges wastewater into the municipal sewage pipeline network for processing, the amount of water consumption of the Group represents the wastewater discharge volume. The majority of the water supply and discharge facilities are provided and managed by the property management company.

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A2. Use of Resources

The Group aims to minimise its environmental impacts by following its ESG Policy to identify and impose measures to avoid excessive consumption and ensure

efficient use of finite resources. The Group takes practical steps where appropriate to reduce energy and water consumption.

The following table sets out the relevant key topic, the Group's defined targets and the status of the targets:

Key Topic	Defined Targets	Status
Energy Efficiency	Raise employees' energy-saving awareness by participating in energy-saving campaigns such as the Earth Hour lights-out campaign from FY2022 onwards.	Participated in Earth Hour 2023 to raise awareness about energy conservation by turning off non-essential lights for one hour.
	Provide notes via email to inform staff on energy-saving practices in FY2023.	The notices of energy-saving practice principle were promoted and implemented in daily operations.

Energy Efficiency

Electricity was the principal energy source used by the Group in the rented offices. The Group takes the initiative to introduce environmentally-friendly measures to reduce the environmental impact arising from its business operations.

To further the Group's commitment to the conservation of finite resources, the Group seeks to select rented offices where the landlord or management company gives due regard to mitigating environmental and social impact and provides premises that incorporate environmentally friendly features. The Group also

takes into account the location of the offices and the proximity to investors and service providers to minimise unnecessary travel.

Take the Group's rented office in the Netherlands as an example, the lighting in the premises is equipped with a motion detector which helps save energy in the meeting, storage and sanitary rooms. Furthermore, the Netherlands office uses natural air for its air-conditioning systems when the temperature outside the office drops below 12°C. The office's building management systems allow technical installations to be switched off

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automatically overnight and on weekends. The office also has double-glazed windows, wall and roof insulation and high-efficiency boilers installed to reduce over-reliance on energy for heating during the winter months.

Any anomalies in electricity consumption will be investigated, where appropriate corrective measures will be taken. Through the implementation of the aforementioned energy-saving measures, employees' awareness of energy conservation has increased.

The energy consumption performance of the Group is as follows:

Indicators	Units	FY2023	FY2022
Direct energy consumption	MWh	–	–
Indirect energy consumption ⁴ (Purchased electricity)	MWh	29.83	29.57
Total energy consumption	MWh	29.83	29.57
Total energy consumption intensity	MWh/million HK\$ revenue	2.24	0.66
	MWh/billion US\$ asset under management	33.52	18.96

Note:

4. Figures only include the Hong Kong office. Electricity usages in the Netherlands, Singapore, the UK and US offices were included in the tenancy agreement, related data are hence not available.

In FY2023, the Group's energy consumption intensity was approximately 33.52 MWh/billion US\$ asset under management (FY2022: approximately 18.96 MWh/billion US\$ asset under management), representing an increase of approximately 77% year-on-year. The increase in the total energy consumption intensity was mainly due to the decrease in the Group's assets under management.

To reinforce the Group's commitment to efficient energy use, the Group has set a target of raising employees' energy-saving awareness by participating in energy-saving campaigns such as the Earth Hour lights-out campaign in FY2024. In addition, the Group has set a target of providing notices via email to inform staff on energy-saving practices in FY2024. To pursue the energy

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use efficiency targets, the Group has implemented the following energy-saving measures:

- pre-set thermostats of heaters and air-conditioners at a mutually agreed level;
- post eye-catching reminders near lights switches and electrical appliances as a reminder to employees;
- switch off all idle appliances and unnecessary lights upon leaving offices; and
- purchase equipment with higher energy efficiency in the replacement of obsolete equipment.

Water Consumption

Water was mainly used in the rented offices. Since water usage and its related costs form part of the tenancy agreement, a breakdown of water consumption was thus not available. The Group reminds its employees to uphold water conservation measures by posting reminders

around the offices and reporting leakages to the landlord or management company as soon as possible.

As the Group does not consume a significant amount of water when it conducts its investment holding business, no water efficiency targets were in place during FY2023.

As the Group's operations are mainly based in locations where water supply is sufficient, the Group does not encounter any problem in sourcing water that is fit for purpose.

Use of Packaging Materials

The Group is an investment holding company, the disclosure of the information relating to total packaging material used for finished products is not applicable due to the Group's business nature.

A3. The Environment and Natural Resources

The Group's business operations have a limited impact on the environment and natural resources. Nevertheless, the Group regularly assesses its existing and potential environmental risks and impacts to ensure compliance with relevant laws and regulations. The Group implements its ESG Policy when conducting its business, with an aim of reducing the environmental impacts such as exploitation of energy resources and GHG emissions, the Group pursues environmental sustainability. Where necessary, the Group will implement preventive measures to ensure

compliance with the relevant laws and regulations.

Selection of Markets to Trade

The Group incorporates ESG considerations into its investment strategies. When selecting markets to trade it takes into consideration other factors include:

- with regards to equity indices, the Group trades derivatives on the world's main equity indices. Given this product set, the index options and futures that the Group trades are generally listed on a

United Nations Sustainable Stock Exchange. In the unlikely situation where an instrument would not be traded on such exchange, this relevant instrument would be omitted from the product universe;

- with regards to the trading of single stocks and the overlying options, these names cannot be on the Exclusion List as prepared and published by one of the world's largest pension funds which has a long-standing and thoughtful approach in this area; and

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- given the Group's trading orientated approach, the Group typically has limited net market exposure and is not long-term holders of individual securities. Where relevant the Group will seek to vote proxies in accordance with its investors' best interests, and where possible the Group takes into account any ESG considerations.

A4. Climate Change

Climate change is affecting many industries. A transition towards a low-carbon economy is essential to mitigate climate-related risks and seize opportunities. Understanding the potential risks and opportunities in this transition, the Group has identified significant climate-related issues which have impacted and may impact its operations. Therefore, the Group has formulated the Business Continuity and Disaster Recovery Plan to guide the Group in the event of an internal or external emergency or significant business disruption, including extreme weather to tackle these issues.

For physical risk, extreme weather has been more frequent and severe due to climate change. The increased frequency and severity of extreme weather might disrupt the Group's business operations. A disruption to the Group's business operations may cause a direct negative impact on the Group's revenue. Under extreme weather, operational facilities may be damaged, while the safety of the workforce may also be impacted.

The Group has taken different actions to manage the abovementioned acute physical risks. For example, the Group maintains a comprehensive insurance coverage on assets that are prone to damage by extreme weather conditions. In addition, the Group has developed the practice of communicating the arrangements under bad weather conditions to employees in advance. All employees have work-from-home capacities and secure access to servers and video conferencing. Employees are

cross-trained so that all daily functions can be performed by more than one employee. The potential financial impacts can be minimised with adequate preparations for extreme weather events.

For transition risk, the Group's customer base may shrink if the Group fails to provide environmentally friendly investment options. Investors' preference is shifting towards financial assets that are less damaging to the climate or aligning better with broader objectives of society. In addition, the Group expects the laws and regulations related to climate change are going to be more stringent. As a result, the Group may face legal risks, which is a type of transition risks, and may need to bear higher operating costs to comply with regulatory changes.

To manage the transition risks that may be brought along by the climate crisis, the Group has taken an array of actions. First, the Group has incorporated sustainability into its investment strategies. Second, the Group has sought compliance advisors to reduce compliance risks. Third, the Group has been taking comprehensive measures to protect the environment, including measures aimed at reducing GHG emissions. By going beyond current compliance requirements, the Group has a better chance to adapt swiftly to regulatory changes.

The Group will continue to assess the effectiveness of the Group's actions on climate change and enhance its resilience against climate-related issues.

B. Social

B1. Employment

The Group highly values its personnel and recognises that attracting and retaining talented and committed employees is an important factor in the continued success of the Group. Therefore, the Group is committed to attracting and retaining a diverse and inclusive workforce to help build a resilient and strong

organisation. Employment policies are formally documented in the Group's Staff Handbook, which specifies the terms of compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Group

periodically reviews the existing policies and employment practices to ensure continuous improvement of its employment standards and competitiveness against service providers within the same industry.

During FY2023, the Group was not aware of any material non-compliance with the relevant laws and regulations that would have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The relevant laws and regulations include, but are not limited to, the Employment Ordinance of Hong Kong, the Sex Discrimination Ordinance of Hong Kong, the Minimum Wage Ordinance of Hong Kong, the Fair Labor Standards Act of the US, the Americans with Disabilities Act of the US, the Labour Law of the Netherlands, the Disability Insurance Act of the Netherlands, the Employment Relations Act 1999 of the UK and the Employment Act of Singapore.

As at 31 December 2023, the Group had a total of 25 employees. The employee turnover rate in FY2023 is approximately 34.48%.

The number of employees of the Group by category is as follows:

Indicators		As at 31 December 2023	As at 31 December 2022
Number of employees		25	33
By gender	Female	9	9
	Male	16	24
By age group	Under 30 years old	6	9
	30 to 50 years old	14	19
	Above 50 years old	5	5
By employment type	Full-time	25	32
	Part-time	–	1
By geographical region	Hong Kong	11	13
	The Netherlands	8	10
	The US	2	4
	Singapore	2	3
	The UK	2	3

Social

The number and rate of employee turnover of the Group by category are as follows:

Indicators		FY2023	FY2022
Number and rate (%) of employee turnover⁵		10 (34.48%)	1 (3.23%)
By gender⁶	Female	- (-)	- (-)
	Male	10 (50.00%)	1 (4.35%)
By age group⁶	Under 30 years old	4 (53.33%)	1 (12.50%)
	30 to 50 years old	6 (36.36%)	- (-)
	Above 50 years old	- (-)	- (-)
By geographical region⁶	Hong Kong	6 (50.00%)	- (-)
	The Netherlands	1 (11.11%)	1 (9.52%)
	The US	1 (33.33%)	- (-)
	The UK	1 (40.00%)	- (-)
	Singapore	1 (40.00%)	- (-)

Notes:

- The calculation method of the turnover rate in the year: the number of employees leaving employment in the year ÷ ((the number of employees at the beginning of the year + the number of employees at the end of the year) ÷ 2) × 100%.
- The calculation method of the turnover rate by category in the year: the number of employees leaving employment in the category in the year ÷ ((the number of employees in the category at the beginning of the year + the number of employees in the category at the end of the year) ÷ 2) × 100%.

Non-discriminatory Recruitment, Diversity and Equal Opportunities

The sustainable growth of the Group relies on the diversity of talents and a non-discriminatory recruitment process. The Operational Controls Outline sets out the Group's hiring practices. The Group's employees are recruited via a robust, transparent and fair recruitment process based solely on their application, interviews, comments from previous employers and references, as well as specifically considering whether they are fit and

proper to perform their assigned responsibilities. New employees are subject to a probationary period.

The Diversity and Anti-harassment Policies set out the Group's commitment to providing a workplace where employees of all backgrounds can thrive and deliver superior performance for its clients, where individual differences and contributions of employees are recognised and valued, and where rewards and opportunities for training and career development

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are based on merit. The Group does not tolerate discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex and sexual orientation. The Group believes that all employees should have the right to work in an environment free of discrimination and harassment and emphatically states its zero-tolerance stance on any aforementioned behaviours of any form in the workplace.

The Group has adopted a board diversity policy which sets out the approach by which the Board could achieve a higher level of diversity. When considering the nomination and appointment of a director, with the assistance of the Nomination Committee, the Board would consider a number of factors, including but limited

to the skills, knowledge, qualifications and educational background, professional experience, cultural background, age, and gender. All the appointment of the Board members will be based on meritocracy having due regard to the benefits of diversity on the Board.

The Board currently has one female director. The Board will seek to ensure that an appropriate balance of gender diversity is achieved with reference to stakeholders' expectations and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity. The Nomination Committee will review and monitor the implementation of the Board Diversity Policy to ensure its effectiveness and recommend any revisions to the Board for consideration and approval.

Employee Benefits and Welfare

Good benefits and welfare encourage retention and foster a sense of belonging. Therefore, the Group seeks to offer a competitive and attractive remuneration package, including a competitive base salary and discretionary bonuses.

The remuneration structure of the Group is illustrated in the Remuneration Policy, which is designed to ensure that there is an appropriate balance of fixed and variable rewards and is dependent on performance-related factors such as individual, functional and corporate performance. In addition

to the statutory leave entitlement of respective jurisdictions, the Group also offers employees various types of leaves and benefits, such as wedding leave, study leave and funeral leave, medical insurance and pension benefits.

The Company has established a Remuneration Committee to review and make recommendations to the Board on the overall remuneration policy and package structure relating to all directors and senior management of the Group. The Board approves the remuneration policy as well as individual packages for directors and senior management.

The remuneration packages are reviewed regularly by the Board to ensure that they are competitive and in line with the market trend in attracting and retaining individuals with the relevant skills, knowledge and experience. The balance of fixed and variable components in the employees' remuneration package is subject to annual review by the Board based on the Group's performance. In conducting the employees' pay review annually, the Board takes into account various factors, such as individual responsibilities and performance, economic conditions, and competitiveness in the job market.

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Promotion, Performance Appraisal and Dismissal

The Group assesses the performance of the employees on an annual basis. The performance review system has been designed to identify the quality of an employee's performance and conduct of their duties in terms of job knowledge, volume and quality of work, technical knowledge, judgment, initiative and interpersonal skills, etc.

The results are used for their annual salary review and performance appraisal. The Group also gives preference to internal promotion in order to provide incentives to employees for their consistent and continuous effort.

Unreasonable dismissal under any circumstances is strictly prohibited, dismissal will be based on reasonable

and lawful grounds supported by internal policies of the Group.

Working Hours and Rest Periods

Official working hours are clearly stated in the Staff Handbook and are in accordance with the employment laws of respective jurisdictions. Compensation for hours worked outside the normal working hours is included in the salary.

B2. Health and Safety

Occupational Health and Safety

Providing employees with a safe and healthy working environment is of utmost importance to the Group. The Group has implemented a policy on safety and accidents covering office safety policies, severe weather conditions arrangements, fire safety, procedures for any workplace accidents resulting in personal injury, and employee compensation for injury at work. The said policy can be found within the Staff Handbook.

We follow the office safety guidelines by the Hong Kong government. Employees who use computers for a prolonged period are encouraged to ensure the set-up of their desks, chairs and computers is in appropriate conditions to prevent health problems like upper limb pains, eyestrain and bodily fatigue. In any accidents that resulting in injury, employees should report to manager at the earliest opportunity and follow our accident handling procedure. If fire is discovered on the Company's premises, the employee should immediately report to the manager or human resources department and evacuate the premises in accordance with the building's safety rules. All of our offices are equipped

with fire fighting equipment that complies with local fire safety laws and regulations. The abovementioned occupational health and safety practices are reviewed regularly to ensure their effectiveness.

During FY2023, the Group was not aware of any material non-compliance with the relevant laws and regulations that would have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. The relevant laws and regulations include, but are not limited to, the Occupational Safety and Health Ordinance of Hong Kong, the Employees' Compensation Ordinance of Hong Kong, the CFR 29 OSHA (Occupational Health and Safety Act) of the US, the Working Conditions Act of the Netherlands, the Workplace (Health, Safety and Welfare) Regulations 1992 of the UK and the Workplace Safety and Health Act of Singapore.

Zero Workplace Accidents

The Group's commitment to workplace safety is exemplified by zero reported cases of work-related injuries during FY2023. The Group had zero lost days

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due to work injury during FY2023 (FY2022: Nil). No work-related fatalities occurred between 1 January 2021 and

31 December 2023. The rate of work-related fatalities occurred in the past three years including FY2023 was 0%.

B3. Development and Training

The Group recognises its responsibility to help abate financial crimes and is committed to conducting its global activities with integrity. Therefore, the Group strongly encourages all its employees to participate in training and education to further enhance their competencies and remain up-to-date with industry and regulatory developments.

Continuous Training and Development

The Continuous Professional Training Policy, found in the Compliance Manual, encapsulates the framework of professional training activities.

The Group requires all its employees to attend annual AML and Code of Ethic training provided by a global consultancy firm as well as quarterly cybersecurity training. The Group's cybersecurity training program may cover the following: general information security matters, policies and procedures pertaining to information security, information classification, access control and use of passwords, maintenance and protection of passwords, incident

reporting, physical security, social engineering tactics, phishing (conducted semi-annually), as well as additional relevant information at the time of the training. To ensure the Group's employees remain vigilant to potential cybersecurity threats, fake phishing emails are routinely sent to employees to test their alertness.

To protect sensitive and highly confidential data, the Group provides related training to newly recruited employees to ensure that they are aware of and comply with all internal policies, rules and regulations as required by the Group and adhere to confidentiality and non-disclosure obligations. The Group has also implemented access controls and confidentiality standards guidelines for relationships with designated critical third-party suppliers.

The Group's responsible officers and licenced representatives are required to undertake a minimum of five continuous professional training hours per calendar year for each regulated activity in order to fulfil the Securities and Futures Commission

("SFC") continuous professional training requirements, maintain their SFC licences to carry on the relevant regulated activities and keep updated on the changes and developments in the asset management industry and the relevant laws and regulations. Designated compliance team personnel will review employees' training records each year to identify any licence-holder who has not met the hourly requirements and remind those license-holders of the deficit.

During FY2023, the Group conducted a series of job-related training courses which covered areas such as compliance, ethics, AML and cyber security. These training courses are designed to ensure compliance with all applicable laws in countries where the Group operates.

During FY2023, the total percentage of employees trained⁷ is 100%, while the average training hours per employees⁸ is 8.9 hours. The percentage of employees trained by gender and employee category and average training hours completed per employee of the Group by category are as follows:

Notes:

- The calculation method of the percentage of employees trained in the year: (the number of employees trained in the year ÷ the total number of employees at the end of the year) × 100%.
- The calculation method of the average training hours per employee (by category) in the year: the training hours of employees in the category in the year ÷ the number of employees (in the category) at the end of the year.

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Indicators		Units	FY2023	FY2022
Percentage of employees trained by gender⁹	Female	Percentage	36%	27%
	Male	Percentage	64%	73%
Percentage of employees trained by employee category⁹	Senior management	Percentage	44%	33%
	Management	Percentage	16%	18%
	Other employees	Percentage	40%	49%
Average training hours by gender⁸	Female	Hours	6.8	7.8
	Male	Hours	10.1	9.2
Average training hours by employee category⁸	Senior management	Hours	10.8	11.1
	Management	Hours	9.5	12.0
	Other employees	Hours	6.6	6.0

Note:

9. The calculation method of the percentage of employees trained by category in the year: (the number of employees trained in the category in the year ÷ the total number of employees trained in the year) × 100%.

B4. Labour Standards**Prevention of Child and Forced Labour**

The Group is principally engaged in fund management business and consultancy services, the nature of the Group's activities involves a relatively small, highly skilled team of professionals working together. The Group strives to ensure that it can provide an attractive working environment and career opportunities to current and prospective employees.

The Group's hiring process and employment practices are designed to include appropriate checks to ensure compliance with all relevant laws. The rights and responsibilities of our employees, including working

hours, are listed out clearly in the Staff Handbook for their acknowledgement. The Group will check the identify of applicants when recruiting to prevent child labour. If child labour or forced labour is found as a result of a breach of the Group's hiring process and employment practices, the Group will immediately stop the work of the child labour or forced labour and conduct an investigation.

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The Group outsources functions and engages consultants to fulfil operational needs and supplement or enhance the work undertaken by the Group's employees. Suppliers include international investment banks, financial data providers and other firms. The Group takes steps to prevent any indirect exposure to child labour and forced labour through due diligence on its suppliers and consultants. This includes preventing engagement with suppliers and consultants who have child or forced labour hiring records. The Group strongly supports international efforts to prevent child labour and forced labour.

During FY2023, the Group was not aware of any material non-compliance with the relevant laws and regulations that would have a significant impact on the Group relating to preventing child and forced labour. The relevant laws and regulations include, but are not limited to, the Employment Ordinance of Hong Kong, the Fair Labor Standards Act of the US, the Labour Law of the Netherlands, the Employment Relations Act 1999 of the UK and the Employment Act of Singapore. During FY2023, the Group did not discover any exposure to child and forced labour in its operations (FY2022: Nil).

B5. Supply Chain Management

The Group outsources functions and engages consultants to fulfil its operational needs. The Group's Operational Controls Outline states that the selection of outsourced service providers and consultants is based on their assessed liabilities and capacities. The Group will initially determine whether a particular regulatory function is appropriate to outsource and evaluate the outsourcing risk, including, among other risks, information/recordkeeping security and consultant failure. The Group strictly followed the Operational Controls Outline to evaluate the business practices of its suppliers and vendors. An annual risk-based review was undertaken to assess the work product of suppliers. During FY2023, the number of suppliers evaluated by the Group was 4 (FY2022: 4). Furthermore, an annual risk-based review was undertaken to assess vendors' security controls, technical infrastructure, and procedures

to identify risks in each vendor's cybersecurity program. During FY2023, the number of vendors evaluated by the Group was 25 (FY2022: 25). The Group has evaluated its various suppliers and vendors including compliance consultants, prime/clearing brokers, fund administrator and custody banks.

The Group also intends to engage service providers and consultants who incorporate ESG issues into their policies and business development. The Group's primary service providers, Bank of America and Morgan Stanley, are financial institutions that focus on integrating sustainability into their core businesses and support functions and have already established relevant policies in relation to ESG issues. Bank of America has achieved carbon neutrality; Morgan Stanley commits to reach net-zero financed emissions by 2050. In addition, Bloomberg,

another significant service provider, has committed to sourcing 100% of its energy from renewable sources by 2025.

The Group periodically evaluates and monitors its practices relating to engaging suppliers and vendors, its practices used to identify environmental and social risks along the supply chain and its practices used to promote environmentally preferable products and services to ensure the effectiveness of the Group's quality and service standards. Should a vendor or supplier fall below the agreed standard, the cooperation may be terminated.

The abovementioned supplier engagement practises are reviewed regularly to ensure their effectiveness.

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The number of suppliers and vendors of the Group by region is as follows:

Indicators		FY2023	FY2022
Total number of suppliers and vendors		168	119
By region	Hong Kong	41	42
	The US	44	29
	The Netherlands	24	15
	Singapore	16	11
	The UK	16	8
	Others	27	14

B6. Product and Service Responsibility

During FY2023, the Group was not aware of any non-compliance with laws and regulations that would have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress. The relevant laws and regulations include, but are not limited to, the Personal Data (Privacy) Ordinance of Hong Kong, the Securities and Futures Ordinance of Hong Kong, the Regulation S-P of U.S. Securities and Exchange Commission (“SEC”), the Part 160 of Commodity Futures Trading Commission (“CFTC”), the Rules 2-9, 2-13 and 2-29 of National Futures Association (“NFA”), the Investment Advisers Act of 1940 of US, the Financial Markets Supervision Act Amendment 2014 of the Netherlands, the Data Protection Act 2018 of the UK, the Consumer Protection (Trade Descriptions and Safety Requirements) Act of Singapore and the Personal Data Protection Act of Singapore. During FY2023, the Group did not receive any cases of product or service-related complaints (FY2022: Nil).

Cybersecurity and Data Protection

Protecting clients’ data is of paramount importance to the Group. Therefore, the Group strives to ensure the privacy and security of the collection and usage of all personal information. The Group’s Privacy Policy, which is based on the General Data Protection Regulation, provides clear standards and instructions for data processing, disclosure and retention. The rights of data subjects are specified in the policy, such as obtaining access, obtaining restriction of processing, objecting to processing and so on. The Group has also adopted the comprehensive Written Information Security Policy (“WISP”) in accordance with the increased regulatory attention to the process of protecting information by preventing, detecting, and responding to the loss of sensitive data in the investment management space.

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Access to sensitive data and the Group's network is granted only when necessary. A formal registration procedure has been established to grant and revoke access to sensitive data. Each employee who has access to sensitive data is responsible for the confidentiality, integrity and availability of the data. If the compliance officer determines that an employee or third party has violated the WISP, the compliance officer or members of senior management may impose sanctions and/or take other action as deemed appropriate, which may include termination of employment or contract. Additionally, confidential sensitive data cannot be disclosed to any other individual without documented appropriate permission from the Group's management level. Standards concerning the protection of sensitive data on removable media (including USB drives, flash memory cards and portable hard drives) are in place.

The Group's chief technology officer is responsible for coordinating and maintaining the WISP and the compliance team is responsible for assisting the chief technology officer in administering the policy and the procedures adopted therein.

Furthermore, the Group has implemented a framework for ensuring that all systems and applications are kept up-to-date with critical security patches. The Group's cybersecurity service provider performs technical assessments, such as vulnerability assessments, to identify systems that may be missing required patches in a manner that will not adversely impact production systems on a regular basis. Procedures have also been implemented to identify and manage or correct possible areas of vulnerability in the system's security procedures, design, implementation of internal controls that could result in a security breach or a violation of the WISP.

The Group's Incident Response Plan ("IRP") details the resolution phases and reporting procedures in case of information security incidents. The IRP documents, monitors and reviews information security incidents and/or breaches and provides a framework for future improvement.

The practises are reviewed regularly to ensure their effectiveness.

Stability of Technology Platform

As digital technology advances, it plays an increasingly more significant role in how the Group delivers services to its clients. Therefore, the resilience and stability of the systems are directly correlated to the quality of the services that the Group provides.

The Group has developed its in-house proprietary platform to support its distinctive and active trading strategy and enable real-time pricing

of implied volatilities, quantitative comparisons, risk management as well as speedy execution of trades. The proprietary technology significantly reduces the reliance on external technology suppliers, and when combined with the Group's experienced information technology team, the two elements effectively enhance the Group's control over internal technology risks. The technology platform utilises cloud-native technologies with abundant redundancies to ensure it supports

seamless 24/5 trading without disruptions, even during times when various software or applications are being updated.

To ensure the risk of business disruption is maintained at the lowest level, the Group has implemented and maintained the Business Continuity and Disaster Recovery Plan ("BCDR Plan") which outlines procedures in the event of an internal or external emergency or significant business disruption.

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In order to ensure that the Group is compliant with SFC, SEC, CFTC and NFS' requirements in relation to internal controls and management systems, the Group has adopted certain internal control system and procedures which are implemented in part of its operations.

Conduct and Compliance

As a financial services corporation, ensuring sound practices is inherent to protecting the assets of its clients and investors and the Group's continued success. The Group also operates in a highly regulated industry and therefore places a strong emphasis on internal controls and compliance. During FY2023, the Group was not engaged in any litigation, claim or arbitration proceeding of material importance and has complied with all applicable legislation, regulations, rules, codes, guidelines and permits and licence requirements in the jurisdictions in which the Group operates. The Group has established the Code of Ethics to ensure ethical and responsible business conduct. The said code emphatically states that the interest of its clients must be placed first at all times, employees should not take

inappropriate advantage of their positions and must comply with all applicable securities laws.

Complaint Management and Customer Satisfaction

The Group highly values feedback from its clients, whether positive or negative. Feedback can help the Group to continually improve and develop to better serve its clients' needs.

The Group is committed to ensuring compliance and customer satisfaction and has established complaint procedures to ensure that all complaints are properly handled in a consistent manner.

In the event a complaint is received, the compliance team will strive to handle it in a timely and appropriate manner. The compliance team is responsible for maintaining a register of any complaints that may be received, which is reviewed periodically by senior management. If a complaint is not remedied promptly, the client or investor is advised of any further steps which may be available under the relevant regulatory system. All complaints and

the handling of such are presented to the chief executive officer and chairman, co-chief investment officers and chief technology officer.

Intellectual Property ("IP") Rights

The Group obtained registration of the Group's trademarks in Hong Kong; the domain name was also registered. The Group respects and regularly monitors to ensure that IP rights are not being infringed upon.

Advertising and Labelling

The Group's Compliance Manual provides a comprehensive guideline on advertising matters. In addition to prohibiting fraudulent, deceptive or manipulative advertising, the advertising materials must be approved by the chief compliance officer or a director who did not prepare the materials.

Product Health and Safety

As an investment holding company, the Group mainly provide fund management and consultancy services. The disclosure of the information relating to total products sold or shipped subject to recalls and recall procedures is not applicable due to the Group's business nature.

B7. Anti-corruption

Solid corporate governance is the bedrock of the Group's growth and development. The Group does not tolerate illegal or unethical conduct that not only violates relevant laws and regulations but also places the business integrity and reputation of the Group in jeopardy.

During FY2023, the Group was not aware of any material non-compliance with the relevant laws and regulations that would have a significant impact on the

Group relating to bribery, extortion, fraud and money laundering. The relevant laws and regulations include, but are not limited to, the Prevention of Bribery Ordinance of Hong Kong, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong, the Foreign Corrupt Practices Act of the US, the Dutch Criminal Code of the Netherlands, the foreign and domestic bribery laws of the UK and the Prevention of Corruption Act of Singapore.

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There were no concluded legal cases regarding corrupt practices brought against the Group's issuer or its employees during FY2023 (FY2022: Nil).

AML and CFT

The Group does not tolerate any deliberate breach of applicable financial crime laws and regulations, such as bribery, extortion, fraud and money laundering. The Code of Ethics sets forth standards of conduct expected of the Group's employees and reflects employees' and the Group's fiduciary duty to the Group's clients.

Various policies and procedures have also been implemented and extensively reported to ensure compliance with Hong Kong, Cayman Island and the US AML legislation and regulations. An AML Program ("**AML Program**"), amongst other procedures, has been adopted to comply with the Group's obligations. The chief compliance officer is responsible for overseeing compliance with the AML Program, which includes procedures that apply to existing and prospective investors in the funds managed by the Group.

New employees are required to undergo AML training during the initiation and training programme, all employees are required to take part in the mandatory AML training every calendar year.

As such, the Group has set out comprehensive policy and procedures on money laundering and terrorist financing in its compliance manual with the section headed "**Money Laundering and Terrorist Financing**" which are specifically designed to ensure employees fully understand their obligations and responsibilities at work. The senior management ensures the implementation of AML/CFT systems, including through annual mandatory AML training for all employees and the delegation of AML/CFT duties to an administrator as well as the appointment of a manager-in-charge ("**MIC**") for AML who also fills the role of money laundering reporting officer.

Furthermore, a risk-based approach Customer Due Diligence Policy has been established to identify the types of clients and investors who are likely to pose a higher-than-average risk of money laundering and terrorist financing. An enhanced customer due diligence process is adopted for customers, business relationships or transactions that pertain to higher risk categories.

Anti-corruption Training

Anti-corruption and ethics training is essential for creating a healthy corporate culture. Apart from providing employees with clear guidance on the prevention of corrupt practices via the Group's policies, the Group also ensures execution of good practices via arranging anti-corruption training for all directors and managers at least once every year.

One of the ways to provide anti-corruption training is by providing annual AML and Code of Ethic training provided by a global consultancy firm to update with employees and directors on the AML practice in the region the Group operates. A quiz was designed to test the employees' knowledge. The reading materials and quiz allowed them to understand the anti-corruption laws and promote business ethics. In addition, the Group's directors attend regular corporate governance training, which covers knowledge of anti-corruption legislation as well as necessary skills to handle ethical dilemmas at the workplace. During the Reporting Period, 7 directors (including independent directors) received approximately 7 hours of anti-corruption training. During the Reporting Period, 25 employees received approximately 25 hours of anti-corruption training.

Acceptance of Gifts

Employees should not solicit or accept any advantage for themselves or others, from any person or firm that have business dealings with the Group. The Anti-bribery, Gifts and Entertainment Policy mandates that an employee should not receive or agree to any financial or other benefits from third parties, either directly or

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indirectly, which could be considered connected to his/her activities at or for the Group. Bribery, fraud and corruption in any form or in relation to any parties are all strictly prohibited in the Group.

Whistle-blowing Mechanism

The Whistle-blowing Policy has been established and covers the treatment of all concerns or complaints relating to suspected improper activities. The said policy aims to provide employees with guidance and reporting procedures to encourage employees to report fraudulent activities. Whistle blowers are encouraged to promptly report suspected improper activity to the Chief Compliance Officer (“CCO”) for investigation. In the event that the suspected improper activity involves the CCO, whistle blowers are advised to promptly report such activity to the Chair of the Risk Committee. Upon receipt of a report, the CCO or Risk Committee Chair, as

the case may be, will without delay evaluate the validity and relevance of the concerns raised, and decide if a full investigation is necessary. If a full investigation is warranted, an investigation team will be appointed and the Company’s Audit Committee Chair will be notified. To monitor the effectiveness of the Whistleblowing Policy, all reports are reviewed regularly to identify any pattern of alleged improprieties that need to be addressed.

The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation or discrimination. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated. The Whistle-blowing Policy is reviewed regularly to ensure its effectiveness.

B8. Community Investment

Active Community Participation

As a responsible corporate citizen, the Group recognises the importance of contributing to the community where it operates. The Group follows its ESG Policy to nurture the corporate culture and encourage its employees to engage in community services and voluntary activities to give back to the members of the public.

The Group encourages the development of sports for their

value in promoting a healthy and balanced way of life. In addition, the Group supports talented athletes in the community in their pursuit of excellence. During FY2023, the Group sponsored HK\$100,000 to a Hong Kong rugby club. The Group also supports young talent to solve real-life economic challenges with their entrepreneurial mindset and critical thinking skills to address. During FY2023, the Group sponsored EUR4,000 to Econometric Game which is host in Amsterdam and

had 26 universities from around the world to compete against each other to solve an issue happening in our world by applying their econometric skills. The Group believe that by supporting this event, it can foster the development of a new generation of talented individuals who can make meaningful contributions to the world. The Group will continue to engage in community events in the coming years.

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Mandatory Disclosure Requirements	Sections
Governance Structure	Chairman's Statement Governance for Sustainability
Reporting Principles	Reporting Principles
Reporting Boundary	Reporting Scope

"Comply or explain" Provision

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A1. Emissions
KPI A1.1	The types of emissions and respective emissions data.	A1. Emissions – Air Pollutant Emissions (not applicable and explained)
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and intensity.	A1. Emissions – GHG Emissions

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect A1: Emissions (cont'd)		
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	A1. Emissions – Waste Management (not applicable and explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	A1. Emissions – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	A1. Emissions – GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	A1. Emissions – Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	A2. Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	A2. Use of Resources – Energy Efficiency
KPI A2.2	Water consumption in total and intensity.	A2. Use of Resources – Water Consumption (not applicable and explained)
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A2. Use of Resources – Energy Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	A2. Use of Resources – Water Consumption (Water efficiency targets are not applicable and explained)
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	A2. Use of Resources – Use of Packaging Materials (not applicable and explained)

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	A3. The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3. The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	A4. Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	A4. Climate Change
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	B1. Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	B1. Employment
KPI B1.1	Employee turnover rate by gender, age group and geographical region.	B1. Employment

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	B2. Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B2. Health and Safety – Zero Workplace Accidents
KPI B2.2	Lost days due to work injury.	B2. Health and Safety – Zero Workplace Accidents
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B2. Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3. Development and Training – Continuous Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B3. Development and Training – Continuous Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	B3. Development and Training – Continuous Training and Development

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	B4. Labour Standards – Prevention of Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4. Labour Standards – Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4. Labour Standards – Prevention of Child and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	B5. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	B5. Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	B5. Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5. Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B5. Supply Chain Management

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B6. Product and Service Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6. Product and Service Responsibility – Product Health and Safety (not applicable and explained)
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	B6. Product and Service Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B6. Product and Service Responsibility – IP Rights
KPI B6.4	Description of quality assurance process and recall procedures.	B6. Product and Service Responsibility – Stability of Technology Platform
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	B6. Product and Service Responsibility – Cybersecurity and Data Protection

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B7. Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	B7. Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	B7. Anti-corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7. Anti-corruption – Anti-corruption Training
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B8. Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B8. Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B8. Community Investment