



中国科技产业集团有限公司
CHINA TECHNOLOGY INDUSTRY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8111)

Environmental,
Social and
Governance Report
2022





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DEFINITIONS

“Company”	China Technology Industry Group Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed in the GEM Board of the Stock Exchange of Hong Kong Limited (Stock Code:8111);
“Subsidiaries”	has the meaning ascribed to it in the Listing Rules;
“Group” or “We”	the Company and its subsidiaries;
“Report”	the Environment, Social and Governance Report 2021-2022 presented by the Group;
“Reporting Period”	from 1 April, 2021 to 31 March, 2022;
“Year”	within the financial year;
“Board”	the board of directors of the Company;
“Director(s)”	the director(s) of the Company;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Guide”	Environmental, Social and Governance Reporting Guide under Appendix 20 to the Rules Governing the Listing of Securities on Hong Kong Stock Exchange;
“ESG”	Environmental, Social and Governance
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“PRC” or “China”	the People’s Republic of China, and for the purpose of this Report only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“%”	per cent



ABOUT THIS REPORT

This report is an Environmental, Social and Governance Report published by China Technology Industry Group Limited detailing our measures over the past year to promote the Group's continuous improvement in sustainability performance, we hope to disclose the visions, strategies and practices of the company comprehensively and objectively, thereby enhancing the confidence of various stakeholders and understanding to our group.

Basis for preparation

This Report is prepared in accordance with the steps of identifying and ranking important stakeholders and ESG-related important issues, determining the boundaries of ESG report, collecting relevant materials and data, preparing this Report based on the data, and reviewing the data in this Report to ensure the completeness, authenticity, and balance of the content of the Report.

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 20 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

Scope of reporting and reporting period

This report covers China Technology Industry Group Limited and its subsidiaries. Among them, the environmental and social key performance indicators disclosed in this report mainly cover the sales of renewable energy-related products, the new energy power system integration business in Mainland China and the Hong Kong office from April 1, 2021 to March 31, 2022 Overall performance in environmental, social and governance aspects during this period.

Report preparation process, review and approval

This Report is prepared by working group, stakeholder questionnaire, data collection, framework determination, report preparation, report design, information review, and review by departments and senior management. This Report has been reviewed and approved by the Group's Board of Directors.

Sources of Data

The information and data disclosed in this Report are derived from the Group's statistical reports and internal documents and have been reviewed by relevant departments. The last chapter of this Report has a complete content index for readers to quickly search. The Group undertakes that there is no false record and no misleading statement in this Report, and assumes liabilities to the authenticity, accuracy, and completeness of the information in this Report.

The language of the report and how it is published

This Report is available in both Chinese and English, which are issued in electronic versions. The electronic versions of the Report can be downloaded from the official website of the Group (<http://www.chinatechindgroup.com>) as well as the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

MESSAGE

Looking at the world, 2021 is still a challenging year, with repeated COVID-19 epidemics, rising environmental issues, turbulent global economic, and increasing social responsibility. The global economy and social conditions have an extraordinary impact on issues such as political turmoil and global natural disasters, which constantly expose us to new challenges and changes. However, we believe and remain committed to sustainability, and we embed sustainability in our day-to-day operations and corporate culture. With the concerted efforts of management and employees, building a good relationship of mutual trust, and also the support from various stakeholders such as customers, suppliers, business partners, etc., leverage the Group's strengths in the green business area and seize opportunities, to forge our development on the business and sustainable.

Global climate change has also become the focus of attention this year, and the impact of climate change and natural disasters continue to spread around the world, and we must do a good job in managing environmental resources. In response to climate change, the Central People's Government has announced the goal and action plan for "Carbon Peak" (碳达峰) and "Carbon Neutrality" (碳中和) in 2021, which put forward a number of goals to achieve carbon neutrality by 2060. The National Development and Reform Commission has also clarified the improvement of the wind power and photovoltaic power generation pricing mechanism and the establishment of the pricing mechanism of new energy storage. Many provinces and other places in China have introduced new energy allocation storage programs which mainly focusing on "photovoltaic + energy storage", "wind power + energy storage" mode. Therefore, the Group believes that under the goal of reaching "Carbon Peak" and "Carbon Neutral", energy storage has become the necessary way to achieve the "new power system on new energy". As an enterprise in the environmental protection industry, the Company provides renewable energy product sales and new energy power system integration services, we has been identifying and exploring other business new opportunities in the renewable energy sector, and continue to closely monitor the development of new energy storage industry, actively explore new opportunities to expand the supply of renewable energy products, in order to pursue a diversified overall revenue base and explore new growth drivers to support long-term development. In addition to pursuing business development, we actively fulfill our corporate social responsibilities, and support the accelerated development towards a "carbon neutral" future. We insist on providing stable, clean, and long-term electricity to the community.

After experiencing an uncertain market and social environment, the Group has adopted and continuously explored more flexible business strategies, strengthened corporate control measures and enriched our product portfolio. While stabilizing our development, we maintain the climate change mitigation and adaptation as the focus of corporate development. In the ongoing battle against the epidemic, ensuring the health and stability of employees and stakeholders is a top priority. To support the sustainable development, we ensure a healthy and safe working environment and offer different trainings to our employees.

Under an environment with uncertainties, the considerations of sustainable development have become crucial. The Group commits to focusing on business development in the coming years while continuously achieving sustainable development goals. We maintain communication with different stakeholders to identify the potential risks and opportunities at an early stage, following by establishing related measures. Ultimately, we would also like to take this opportunity to express our sincere gratitude to our employees for their efforts, and the trust and support of all stakeholders.



SUSTAINABLE DEVELOPMENT STRATEGIES

In recent years, the Central People's Government has also been promoting and improving climate change-related works, aiming to achieve "Carbon Peak" by 2030 and "Carbon Neutrality" by 2060. With the PRC government stives to achieve the goals of "Carbon Peak" and "Carbon Neutrality" by actively adjusting and optimising its industrial structure and energy portfolio, the Group continues to focus on developing the Group's renewable energy products business and new energy power system integration business, while exploring opportunities to diversify its renewable energy portfolios, in order to making us available to face the changes of new energy allocation.

As a company focused on new energy technologies, we understand the importance of corporate social responsibility, including environmental, social and governance, and are increasingly becoming an important issue in the business community. The Group integrates the concept of sustainable development into its business, including the sales of renewable energy products and the integration of new energy power systems, such as solar energy trackers, wind turbine towers, solar power system integration, etc. As the Group's business activities are closely related to the environment and society, we actively integrate ESG elements into all aspects of our business operations, hoping to further reduce the environmental impact of our business and promote and consolidate sustainable development.

We have also established a Corporate Governance Committee, which is formulated by the Executive Director of the Board of Directors of the Company. The primary duties of the Corporate Governance Committee are, among other things, to formulate and review the Group's corporate governance policies and practices, and make recommendations to the Board as necessary. The Committee is also responsible for reviewing and monitoring the training and continuing professional development of directors and senior management, as well as on compliance with legal and regulatory requirements, so that we can meet the requirements and principles of corporate governance in any respect. Based on the past and existing stakeholders' communications and issues of concern, we identify, analyse, assess, prioritize and manage key risks related to daily operations and environmental, social and governance in order to explore potential opportunities.

Through communication with different stakeholders, the significant issues that are valuable to the Group are identified, and we commit to aligning our priorities of sustainable development with the world's standards. We also optimize environmental quality management, environmental protection, and humanistic and social responsibility and other related aspects in our working projects. To fulfil our sustainable development goals, the Group has established an ESG working mechanism.

For disclosures on corporate governance matters, please refer to the Corporate Governance Report in the 2022 Annual Report.

Stakeholder Engagement


The Group understands and attaches great importance to the communication with stakeholders. By identifying the groups of communities with influences, decision-making powers, and close relationships, we built a two-way, transparent, and long-term communication mechanism. We consider and respond to the expectations and concerns of stakeholders in formulating operational strategies and environmental, social and governance measures to help enhance stakeholders' awareness and confidence in the Group's business, to establish mutually beneficial and persistent cooperation. At the same time, the Group will identify potential and actual risks and opportunities for the future business operations and long-term development of the Group as early as possible, and to assist the Group in formulating its long-term strategy.

The following shows the Group's main communication channels with various stakeholders:



Customers

1. After-sales service
2. Business meetings
3. Company website
4. Communication in daily operation



Employees

1. Training program and staff activities
2. Performance appraisal
3. Internal announcements and journals
4. Work meetings
5. Talk in person



Government and Regulatory Authorities

1. Policies and related guidelines
2. Regular reports
3. Regular meetings
4. On-site inspection and supervision



Shareholders

1. Annual General Meeting
2. Quarterly, annual and interim reports
3. Announcements, circulars and press releases
4. Company website



Suppliers

1. Daily communication
2. On-site inspection
3. Business meetings
3. Supplier assessment and evaluation



Community



1. Community activities
2. Charitable donations
3. Company website



Stakeholder issues of concern:

Customers

1. Product and service quality and safety
2. Protection of customer rights and interests



Employees

1. Employee remuneration and benefits
2. Occupational health and safety
3. Training and career development

Government and Regulatory Authorities

1. Compliance with laws and regulations
2. Sustainable development



Shareholders

1. Corporate governance
2. Business compliance
3. Reasonable and sustainable return on investments
4. Disclosure of public information

Suppliers

1. Fair procurement procedures
2. Timely payment of supplied goods/ services
3. Compliance with laws and regulations
4. Integrity management



Community

1. Community involvement
2. Environmental protection awareness
3. Community environment improvement

Material ESG Issues

During the Reporting Period, stakeholders were invited to assess the relevance and importance of a series of ESG issues to the sustainability and development of the Group's business and society.

Materiality Assessment Process





Materiality Topics

In response to our stakeholders and to develop an effective sustainability strategy, we identified important sustainability issues to our business operations based on the results of the materiality assessment process, the following list shows 23 materiality topics that we identified in this year.



Environmental Protection and Green Operation

- Air and Greenhouse Gas Emission
- Waste Management
- Effective Use of Resources
- Impacts of Business Activities on the Environment
- Addressing Climate Change (Including identification of related risk and opportunity)



Operation Practice

- Supply Chain Management
- Supplier's Management of Environmental and Social Risk
- Green Procurement
- Crisis or Emergency Handling



Product and Service Responsibility

- Product and Service Quality and Safety
- Handling Complaints
- Protection of Intellectual Property Rights
- Protection of Customer Privacy
- Advertising and Promotion



Human Rights and Employees

- Equal Opportunity, Diversity and Anti-discrimination
- Employment Relationship, Employee Welfare and Benefits
- Occupational Health and Safety
- Training and Development
- Prohibition of Child Labour and Forced Labour
- Anti-corruption, Anti-fraud and Whistle-blowing Mechanism



Community Contribution

- Engaging in or Organizing Volunteer Events
- Charitable Donations
- Community Engagement Activities

ENVIRONMENTAL PROTECTION

Climate Change

Internationally, as seen in recent news, disasters and incidents caused by climate change have become more frequent and serious, different parts of the world and all sectors of society have been affected by severe weather. In China, with the Chinese government's "carbon peak" and "carbon neutrality" goals, as well as the publication of the "Opinions of the CPC Central Committee and the State Council on the Complete, Accurately and Comprehensively Implementing the New Development Concept and Doing a Good Job in Peak Carbon Dioxide Emissions" (中共中央國務院關於完整準確全面貫徹迎發展理念做好碳達峰中和工作的意見) and the "Carbon Neutrality and the Action Plan for Peak Carbon Dioxide Emissions by 2030" (2030年前碳達峰行動方案), we have actively adjusted and optimized the structure and energy portfolio of the industry. Committed to develop the business model and operation strategies to protect the environment as the premise, in order to integrate a more environmentally friendly approach into business activities, and constantly explore new opportunities in the new energy industry, in order to improve environmental performance, ecological benefits and climate risk resilience. By promoting new energy-related businesses and policies to achieve a clean, low-carbon and efficient energy system, and contribute to the environmental protection.

The Group is also aware of the impacts of climate change, including global warming and shifts in weather patterns, which have led to the frequent occurrence of extreme weather and causing a large number of incalculable harms. To ensure the safety of our operations and staff, we have taken appropriate measures in response to extreme weather events in accordance with government regulations, such as guidelines under typhoon and rainstorm warning for all employees, implementation of guidelines for employees to work in high temperatures due to hot weather, and close attention to weather information to make appropriate work arrangements.

Environmental Management

Based on the nature of the Group's business, we primarily provide renewable energy products and services required by customers, providing suggestion regarding the specific design, requirements and standards for relevant construction projects. Therefore, in our daily operations, we rarely generate or need to use resources that are environmentally polluting in our projects, such as high-emission production plants, packaging, sewage, construction waste, etc. In addition to the relatively low pollution we produce from our daily operations, our projects also contribute to the goal of sustainable development, protect the natural resources, and help society move towards the mode of new energy. Since sustainable resources are closely related to our business, we commit to surpassing the legal requirements, adopting the international and national standards, we comply with the "Law of the People's Republic of China on Environmental Impact Assessment", the "Environmental Protection Law of the People's Republic of China Law", "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste" and other related laws and regulations, and to set up the environmental protection and management rules with a clear aim of conducting our business in the most environmental-friendly manner. We hope to continuously optimize our management and performance in water, energy use, resource use, and promote the green development of environmental, social and economic.



Air Emissions and Management

As the principal business of the Group, namely sales of solar and wind power-related products and new energy power system integration business, falls within the scope of renewable energy. In the process of generating electricity, there are almost no emissions related to air pollution, which helps to reduce greenhouse gas and exhaust emissions, and has a relatively small environmental impact. In addition to avoiding adverse human health impacts, it also contributes to push global and national progress towards carbon neutrality in a certain extent, enabling our business to have a positive impact on the environment. Beside, the Group also participate in the “Carbon Footprint Repository for Hong Kong Listed Companies” programme established by the Hong Kong Environment Protection Department. We share carbon footprint data on the platform and take successful examples of low-carbon management and measures for reference in response to climate change. With the aim of reducing emissions, in addition to focusing on our developed business of renewable energy product supply, we will also pay close attention to the development of new energy storage industry, thereby reducing emissions and pollution caused by traditional energy storage products. And in our daily life, we consider and arrange more emission reduction and energy saving measures to help us achieve our goals, the following are the measures we take to achieve the goals:

Emission reduction and energy saving measures

1. Utilize daylight instead of lamplight when possible
2. Remind employees to turn off all idle electrical equipment when off to reduce power consumption
3. The company’s air conditioning must be kept between 24 and 26 degrees Celsius during summertime
4. Choose machines, equipment, vehicles and office supplies that comply with national and international environmental standards
5. Encourage employees to travel by public transport
6. Retrofit equipment that is in use that exceeds the emission standard and the service life. If the discharge standards are not met after the retrofitting, they should be scrapped
7. Display posters in main office areas to raise the environmental awareness among employees

Emission Data

Category	Unit	Year ended 31 March 2022	Year ended 31 March 2021
Air emissions			
Nitrogen oxides (NOx)	kg	0 ⁽¹⁾	0 ⁽¹⁾
Sulphur oxides (SOx)	kg	0 ⁽¹⁾	0 ⁽¹⁾
Particulate matter (PM)	kg	0 ⁽¹⁾	0 ⁽¹⁾
Greenhouse gases emissions			
Total greenhouse gas emissions	Tons of CO2 equivalent	6.4	7.6
• Scope 1 – Direct emissions	Tons of CO2 equivalent	0 ⁽¹⁾	0 ⁽¹⁾
• Scope 2 – Energy indirect emissions	Tons of CO2 equivalent	6.4	7.6
Total greenhouse gas emission intensity	Kg of CO2 equivalent/ sq. meter of total floor area	11.8	30.9

Notes:

⁽¹⁾ The Group did not use vehicles and other equipment or machinery in the daily operation process, so it did not use related energy during the Reporting Period.

Energy Consumption

In the Group's daily operations, electricity is the primary energy consumed. Therefore, we monitor energy consumption from time to time, and discover opportunities to improve energy efficiency within our business scope.

Energy Consumption Data

Category	Unit	Year ended 31 March 2022	Year ended 31 March 2021
Total energy consumption	kWh	15,339.0	10,017.0
• Direct consumption – gasoline	kWh	0 ⁽¹⁾	0 ⁽¹⁾
• Indirect consumption – electricity	kWh	15,339.0	10,017.0
Total energy consumption intensity	kWh/sq. meters of total floor area	28.1	40.6

Notes:

⁽¹⁾ The Group did not use vehicles and other equipment or machinery in the daily operation process, so it did not use related energy during the Reporting Period.



Resource and Waste Management

Due to the nature of the Group's business, in our daily operations, we do not generate or need to use resources that provide comparatively large environmental pollution in our projects, such as high-emission production plants, construction waste, packaging materials, etc., nor need to use a large amount of natural resources such as coal, oil, etc. to maintain our operations. In addition, we do not generate an enormous amount of waste in our operations. Despite we generate less waste in the course of our business, we will not stop there and will constantly discovering ways to reduce waste generated in our daily operations gradually. Through various measures, such as prohibiting disposable tableware, encourage employees to participate in waste treatment to reduce waste produced by the Company. Also, to introduce environmental protection elements into employees' daily lives to foster their awareness. In order to effectively monitor the amount of waste generated and the effectiveness of the implementation of the measures. We will also use the relevant data as a reference indicator to review the effectiveness of the measures in a timely manner according to the benchmarks of previous years. In terms of paper, in order to reducing the damage to the environment, saving office space, reducing complicated paperwork procedures, etc., we use the following measures in our daily office work:

- Preset the printer for double-sided printing
- Reuse the used single-sided office paper to minimize paper waste and consumption
- Regularly evaluate the data collected from office printers to monitor the effectiveness of operating a paperless office
- Integrated software such as DingTalk into daily office communication such as check-in and leave, recruitment, promotion review, and relevant human resources work

Waste Data

Waste	Unit	Year ended 31 March 2022	Year ended 31 March 2021
Total non-hazardous waste	Tonnes	1.41	1.3
Intensity of non-hazardous waste	Kg/sq. meter of total floor area	2.58	5.1
Total hazardous waste	Tonnes	0 ⁽¹⁾	0 ⁽¹⁾
Intensity of hazardous waste	Kg/sq. meter of total floor area	0 ⁽¹⁾	0 ⁽¹⁾

Notes:

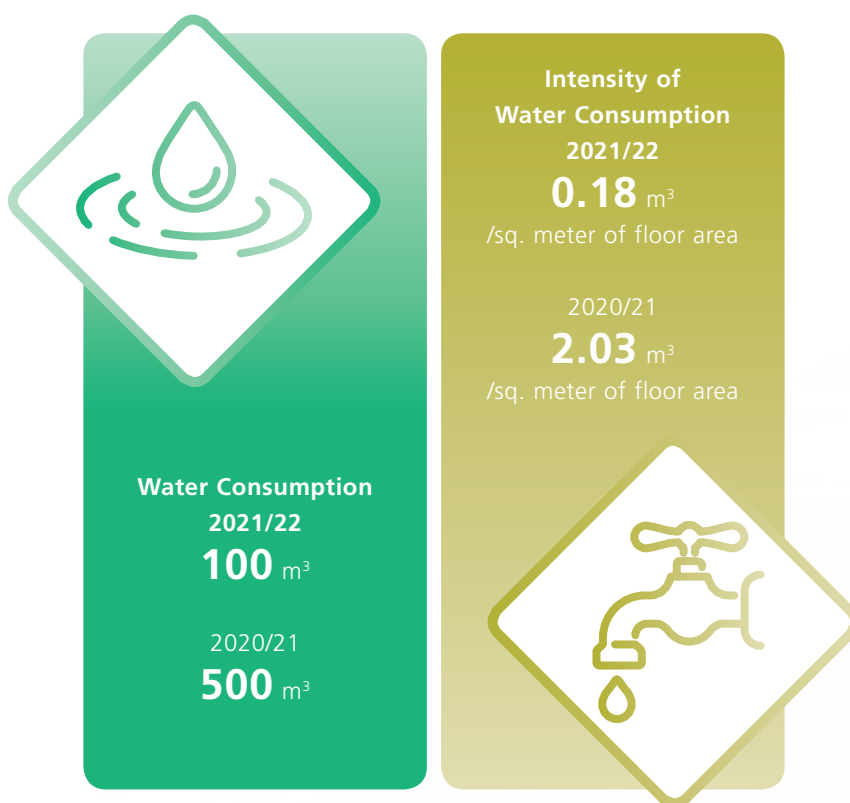
- ⁽¹⁾ The Group did not generate hazardous waste in the course of its daily operations and therefore did not have relevant data during the Reporting Period.



Water Resources Management

The Company's business does not involve significant use of water resources. Our primary source of water consumption comes from the daily water used by our employees. The source of water is from municipal water supply, so that we have not encountered any issue in sourcing water that is fit for the purpose. In order to enhance the employees' awareness of water conservation and the concept of water efficiency, so that we can save water during office hours or in our daily life outside the office, we prohibit employees from using drinking water for non-drinking water purposes, such as cleaning, watering plants, etc. Reminder messages are posted in the washrooms to remind and instill a water attitude among employees at all times. In addition, the Group has reduced the waste of drinking water due to equipment damage by optimizing water management systems and measures, such as reinforcing the maintenance and repair of pipes, valves, joints and fixtures. During the Reporting Period, we responded to World Water Day on 22 March and promoted to our employees to raising their awareness of water conservation. During the year, the Group's water consumption is as follows:

Water Consumption Data



MERITOCRACY

Anti-corruption

Integrity, honesty and fairness are among the Group's core values, so we place great emphasis on our corporate ethics culture and related regular governance. We also understand that in order to achieve effective accountability, it is essential to integrate good corporate governance elements into our management structure and internal procedures, will not tolerate any form of corruption and bribery. In order to prevent any misconduct in the course of business or daily operations, thereby safeguarding the interests of shareholders and increasing the value of the Company, since the day of listing, we have adopted the Corporate Governance Code in Appendix 20 of the GEM Listing Rules, and complied with the laws and regulations related to anti-bribery, extortion, fraud and money laundering that have a significant impact on us as follows:

- the "Anti-corruption Programme – A Guide for Listed Companies" issued by the Independent Commission Against Corruption ("ICAC");
- the Prevention of Bribery Ordinance (Cap. 201 of the Law of Hong Kong);
- Anti-Unfair Competition Law of the People's Republic of China;
- Criminal Law of the People's Republic of China; and
- Company Law of the People's Republic of China.

The Group will also regularly distribute information regarding anti-corruption training for directors and staff to members of the Board of Directors, so that management members can learn from the past and new information and knowledge in this regard. Also, continuously fight against corruption by regularly review and improve corporate governance practices where appropriate. For more information on the Group's corporate governance, please refer to the Corporate Governance Report on pages 12 to 26 of the Company's 2022 Annual Report.

The Group encourages employees to report suspicious or confirmed misconduct to the human resource department, department manager or senior management under confidential conditions. Upon discovery and confirmation of misconduct, the related personnel will face disciplinary action and report to the relevant regulatory authority if necessary. The labour contract also clearly states that it is forbidden to benefit directly or indirectly through family, relatives or friends, and other related clauses to prevent conflicts of interest. At the same time, through the establishment and strict implementation of the code of conduct and the management system of gifts and hospitality include a set of business hospitality standards, receivers' standard hospitality fees and confidentiality system, to provide a set of guidance for all employees on matters such as providing accommodation, giving and receiving gifts, dining and entertainment, and negotiating with government officials, to minimize any opportunity to undermine the integrity.

During the year ended 31 March 2022, no significant risks relating to corruption were identified. Accordingly, there were no confirmed incidents in relation to corruption or public legal cases brought against the Group or its employees concerning corruption and criminal or misconduct cases. In addition, there were no confirmed incidents where contracts with business partners were terminated or not renewed due to violations relating to corruption during the Reporting Period.



Supply Chain Management

In achieving sustainable development and business goals, suppliers play a significant role. We are actively looking for supply chain partners with a good reputation and whose operating practices exceed our minimum requirements in order to promote an environmental-friendly and responsible production and operational model. In terms of the two primary business segments of the Group, we rely heavily on suppliers, which significantly impact our business performance.

We require suppliers, contractors, subcontractors and other business partners to comply with the principles outlined by the Group and in contracts and be responsible for ethics, society and the environment, comply with all the applicable laws and regulations in relation to product safety and performance of product production, so as to maintain the core values of the Group. When a supplier does not comply with our policy or contractual requirements, we will terminate our cooperation with the supplier until the situation has been improved. During the Year, the Group cooperated with 5 suppliers, all of which operated in Mainland China, and in compliance with our requirements.







Product Responsibility









Quality of Products and Services

Through rigorous supply chain management and standardized project management processes, we apply consistent practices to hire and a variety of measures to control quality in the early stage of project. From the procurement of raw materials to the completion of the entire process, strict quality control requirements are adhered in every section to ensure high quality and safety for all the products and services. The Group operates on a “project-based” model, where each project will typically involve one customer, the photovoltaic power stations is in accordance with the technical requirements demanded by the customers. Regarding the aforesaid plan, we select equipment that fits the “Construction Law of People’s Republic of China” and other national laws and regulations, as well as industry standards. In order to accurately understand the requirements of customers and implement them, we organized regular meetings with customers and project managers to coordinate and maintain communication during the project, to rectify any existing or foreseeable problem, so as to maintain and provide high-quality products and services that meet the requirements of customers. After the completion of construction and prior to operation of the power stations, our project coordinators conduct a comprehensive inspection on the quality, safety and completion process to ensure the project operates safely and smoothly. The following are the services we will provide in the project:

Sales of Renewable Energy Products

- 
-  Certain technology consultation services (including photovoltaic mounting brackets design services)
 -  Certain on-site services (including assisting customers on site with unloading goods, collecting products, stock-taking, final testing products before acceptance)
 -  Technical services for the wind turbine towers products (including technical advice, support and trainings)

New Energy Power System Integration Business

- 
-  Acting as the contractor
 -  Helping the customers to integrate their equipment, functions and information into a connected, unified and coordinate system
 -  Making project design proposals
 -  Site visits
 -  Procuring construction materials
 -  Carrying out construction work
 -  Assisting in operation trials

Customer’s Complaints

The valuable opinions of our customers are the root of our enhancement and sustainable development, so we are willing to listen to and seriously respond to the opinions of our customers. We always adhering to the business philosophy of “customer first, forge ahead”, and uphold the “customer first” principle. We offer subsequent system management services to its customers’ new energy power stations, assist and analyze the problems reflected by customers, so as to reduce the complaints from customers and the number of products to be recalled. A dedicated customer service team is responsible for handling consumer complaint(s). We welcome our suggestions from customers on our services and other matters related to the Group. Complaint(s) are first investigated by various management personnel independently according to internal guidelines and procedures within the prescribed time, and the cases are carefully evaluated, followed by reporting to senior management for review and approval. After completing the entire process, the contents and documents related to complaint(s) are recorded and preserved for future reference, so as to continuously improve our products and services. We believe that good, healthy, and effective communication is a crucial step towards success.

During the Reporting Period, the Group did not recall any products and receive any complaints regarding products and services due to safety and health reasons. The Group also does not carry out any large-scale advertising and promotional activities. Therefore, we did not have any significant non-compliance with any applicable laws and regulations about health and safety, advertising, labelling, and privacy matters relating to products and services provided or methods of redress.



Intellectual Property Right and Data Privacy

The Group attaches great importance to intellectual property rights and customer data security, the protection of customer personal data is the most basic condition for gaining their trust, so we are committed to strengthening the management of customer data security, and preventing the leakage and loss of customer information. In addition to complying with the “Law of the People’s Republic of China on the Protection of Consumer Rights Interests” and the “Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)”, the Group also stipulated the terms of the privileged system in the management regime and labour contracts to remind and emphasize that all employees are responsible for protecting the confidential data and information of the Company, customers, business partners, and other stakeholders. After the termination of the employee contract, we also stipulate that the resigned employee shall strictly maintain the confidentiality of any matters such as the Group’s commercial secrets and company secrets that are not suitable for public disclosure (for example customer lists, sourcing information, production and marketing strategies, etc.) and shall not disclose to third parties in any form. We appoint dedicated staff to handle the matters and ensure that unauthorized access to the data and information is not available from any parties. In addition, all the company office’s computers have installed with appropriate and legitimate anti-virus software to prevent and reduce the risk of being stolen, loss or damage of company confidential data and any information caused by viruses, hacker intrusions, etc. Due to the nature of its business, the Group does not involve any issues relating to third-party intellectual property rights or patented technologies in our daily operation.

During the Reporting Period, we are not aware of any violations of laws and regulations relating to data security and privacy matters, nor are we aware of any infringement of our partners’ intellectual property rights, or of our partners’ infringement of our intellectual property right. There was no intellectual property disputes that had a material adverse impact on our business.

Anti-pandemic

We are always concerned about the physical and mental health and safety of our employees, and although the coronavirus shows signs of a slight slowdown, we have not been able to relax under the spread around the world, and the Group still regards the protection of the health and safety of employees in our local offices and each operating departments as one of its main tasks. Since the outbreak of the coronavirus, we have closely followed the latest opinions of local health departments and governments, and strictly implemented the epidemic prevention and control guidelines issued by the Mainland China and Hong Kong, including but not limited to the “Guidelines on Prevention of COVID-19 for the General Public” and the “COVID-19 Prevention Plan”. We promptly adopted all the feasible measures and strengthen the hygiene guidelines, as far as possible throughout the course of operation to minimize the associated risks, measures include:

- Employees must first register, scan the health code and check the body temperature before entering the office;
- Stop business travel to regions with high infected cases;
- Conduct video meetings as much as possible to lower the gathering risks;
- Prepare masks, disinfection supplies and other prevention materials for employees to reduce the stress and difficulty of employees on searching the required materials;
- Establish an Epidemic Prevention Team to provide employees with information such as the arrangement of work resumption, infected case handling, new measure arrangements, etc. in order to standardize the management work;
- Increase the frequency of health checks to employees and their close contacts;
- Use remote, flexible and adaptable work arrangements such as work from home for employees in epidemic areas or high-risk regions, and make re-arrangement after the epidemic stabilized; and
- Take appropriate measures to enhance the flow of information and identify infected or suspected employees as soon as possible.

In the early stage of the epidemic, the Company’s administrative department released and updated information and measures related to the epidemic via WeChat group, properly carried out the management of epidemic prevention and control, and never slackened a moment. We have established guidelines on the project carrying at field sites to assist staffs working in distant regions to take appropriate measures in response to the various situations and inconveniences caused by the epidemic. As our operations will not be completely suspended under the pandemic, we have been closely monitoring the latest situation of the epidemic, and adjusting and implementing corresponding measures when necessary to prevent the further spread of the epidemic in the workplace.

Employer-employee Relationship

We consistently implemented the core value of “people-oriented”. The success of the Group is relied on the dedication and hard work of our employees, so we firmly believe that employees are the foundation for the survival of the enterprise, and the most important element for sustainable development. At the same time, we are committed to building a healthy, inclusive and comfortable working environment for our employees, putting their safety, health and welfare at the highest priority. The Group attaches great emphasis on the ethical, personal and professional conduct of employees. In the recruitment and employment process, we require employees to strictly comply with the requirements of the labour laws and regulations of the country and region where they are located. In accordance with the “Labour Law of the People’s Republic of China”, “Labour Contract Law of the People’s Republic of China”, “Employment Ordinance (Cap 57 of the Laws of Hong Kong)”, “Employment Promotion Law” and other relevant laws and regulations, set up guidelines in relation to the human resources management system, employee code of conduct, company management system and other measures. We require our employees to uphold the attitude of “observing discipline and commitment” and so as to build and maintain a harmonious atmosphere in the working environment and good relationships with each other.

The Group enters into employment contracts with the employees in accordance with the relevant laws and regulations, and stipulates the terms of employment in the contracts, so as to protect the legitimate rights and interests of both the Group and the employees, and to ensure the Group’s operations comply with business ethic, including:

Employment Contract’s Content

- Basic salary and discretionary bonus
- Probation
- Arrangements for termination of the contract
- Legal working hours required by the governments of the business locations
- Statutory holidays
- Arrangement of social insurance
- Labour protection, conditions and occupational hazard protection requirement
- Paid leaves are entitled in accordance with its respective local laws and regulations

We uphold the attitude of being responsible to every employee, we value the pace of employees and the Group by caring and grow together and be a trustworthy employer.



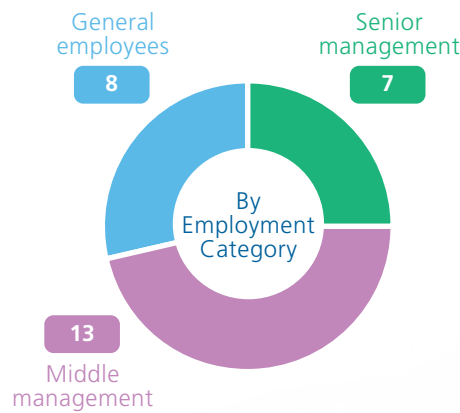
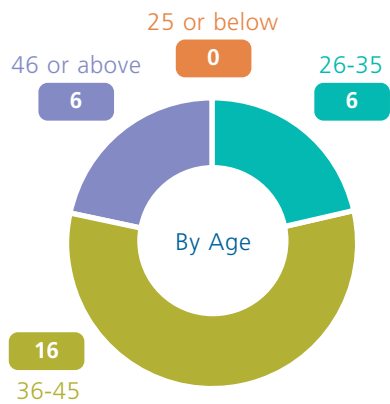
Labour Standard

The Group adopts a zero-tolerance attitude to all acts involving child labour and forced labour. We employs workers in accordance with the requirements of the major human rights declarations and related laws and regulations, and commit to complying with the “Labour Contract Law of the People’s Republic of China”, “Law of the People’s Republic of China on the Protection of Minors”, “Provisions on the Prohibition of Using Child Labor” and other relevant labor laws and regulations. To prevent such situations in the Group, we required candidates to provide identity documents and proofs for verification to ensure they are of legal working age during the recruitment process, for example, on the related application documents, the applicant is required to sign a statement to commit that all the information provided including identity documents, academic certificates, resignation certificates, etc., is a valid document. The responsible staff will repeatedly and carefully check the documents to ensure the authenticity and the interviewee reaches the legal working age. We will terminate any employment relationship as soon as any non-compliance is discovered and report to the relevant regulator for follow-up if necessary. During the Reporting Period, the Group was involved in a litigation regarding staff payroll. The case was handled in accordance with the Award/Order, and no litigation fee was incurred.

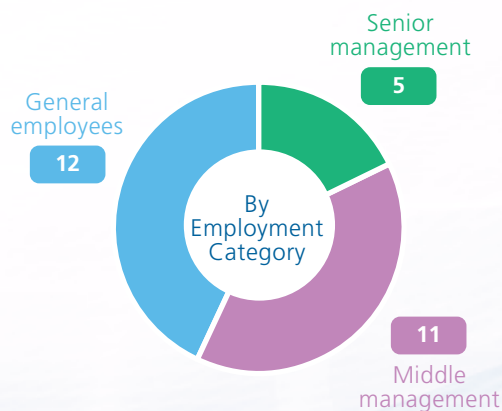
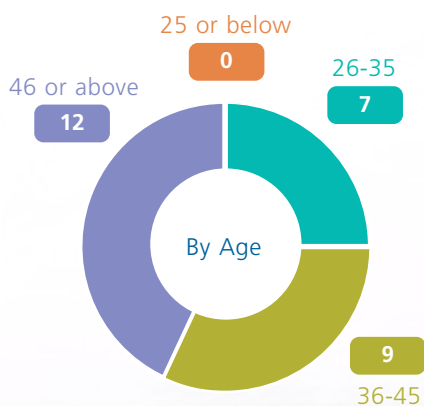
Employment Data

The total number of employees during the Reporting Period was 28, all were full-time employees. The demographics of the Group’s employment data are summarized below:

Year ended 31 March 2022



Year ended 31 March 2021



Employee Turnover Data

Category	Year ended 31 March 2022 (%)	Year ended 31 March 2021 (%)
Employee Turnover Rate	28.6⁽¹⁾	3.6 ⁽¹⁾
By gender		
Male	25.0	7.1
Female	33.3	0 ⁽²⁾
By age		
25 or below	0⁽²⁾	0 ⁽²⁾
26 to 35	66.7	14.3
36 to 45	18.8	0 ⁽²⁾
46 or above	16.7	0 ⁽²⁾
By region		
Hong Kong	14.3	0 ⁽²⁾
China	33.3	5.0

Notes:

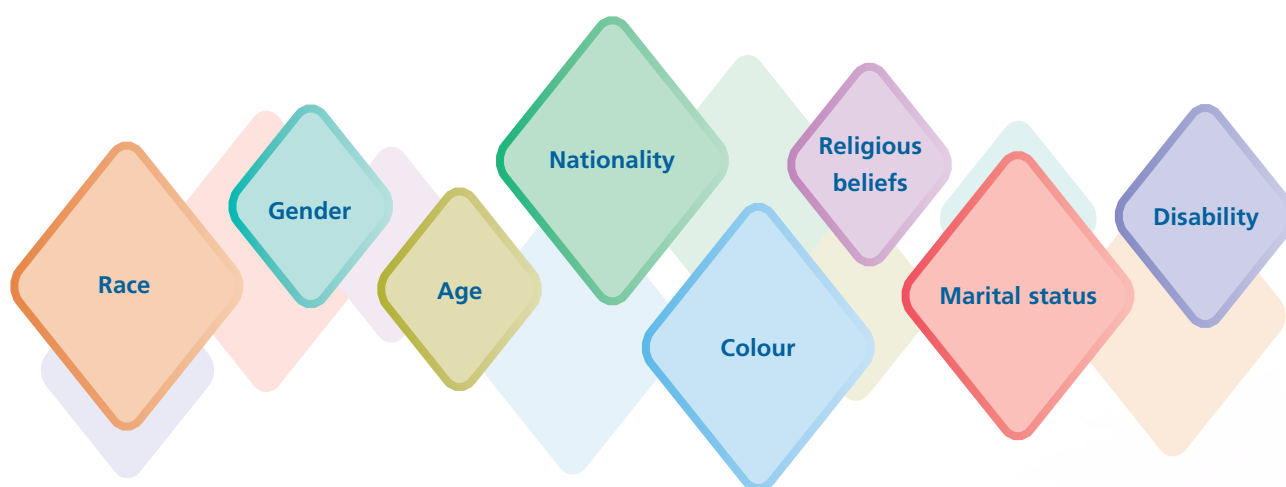
- ⁽¹⁾ Employee Turnover Rate = Employees in the specified category leaving employment/Number of employees in the specified category.
- ⁽²⁾ There was no employee turnover in this category, so there is no relevant data.



Multi-culture

We are committed to consolidating the cohesion and sense of belonging of employees to the company, show our cares to employees and encourage two-way communication. The Company maintain effective and close relationships with employees through various channels and ways to promote and achieve work-life balance. By conducting employee satisfaction surveys regularly, we are able to directly listen to the needs and opinions of employees, so as to achieve their expectations to the company and feel our cares to them. In order to cope with the rapidly changing society, employees and the Company should work as a whole to effectively fulfil the goals.

In addition to pursuing business growth, we strive to provide a fair, open and respectful working environment for all employees, and abide by the principles of fairness and justice in recruitment, career development, appraisal, training, etc., and resolutely eliminate discrimination caused by the following or any other reasons:



In addition, we continue to organise internal activities to respond to and celebrate traditional festivals and United Nations' events such as International Women's Day, Earth Hour, International Day of Family, Sports for All Day, etc., we encourage employee to participate and enhance their physical and mental health, maintain work-life balance and achieve sustainable development of employees. During this challenging time, we will strive to help our affected colleagues through different channels.

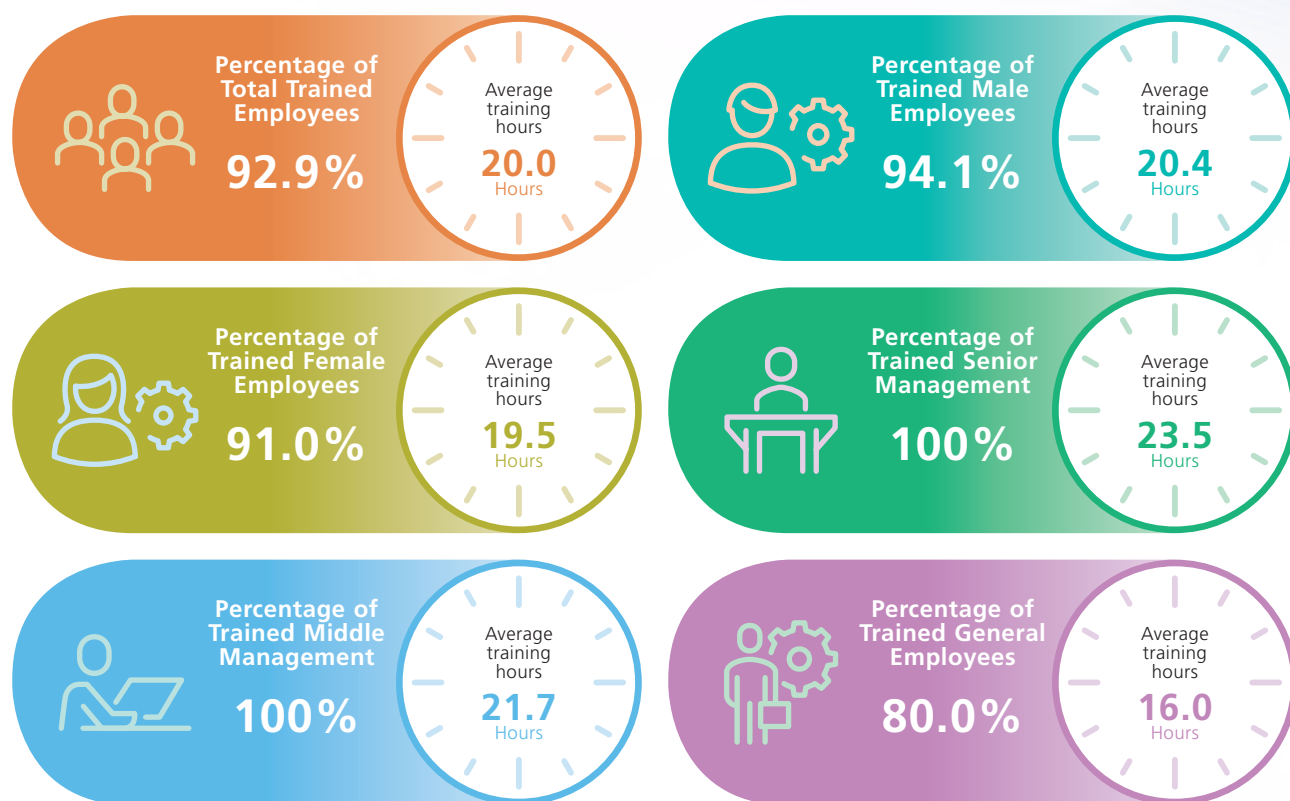
Talent Management, Development and Training

Adhering to the concept of “selecting talents based on merits”, the company has always believed that talent is one of the most valuable assets, and it is also the cornerstone of the sustainable development of an enterprise. Therefore, we always concerned about the well-being and health of employees. It is an indispensable obligation to respect the rights granted by the laws to employees, to protect their well-being and to retain excellent employees. In order to create an equal and safe working environment, we continuously strengthen the comprehensive ability of employees, and strive to explore and extract their potential, continue to optimize the human resource management system and deal with employment-related management work. We attach importance to and appreciate the efforts and contributions of each employee, by setting the standards of compensation and benefits management based on the duties of different positions, and developing quantifiable performance appraisal standards, so that we can follow the performance and work ability of employees and its contribution to the Group, in accordance with the requirements of the law, industry norms and the Group’s guidelines to make reasonable adjustments to the employees’ remuneration and benefits, so that we are able to accurately and reasonably formulated quantifiable performance appraisals to determine performance wages and rewards and penalties. In addition, we will also give priority to internal staff to encourage and enhance their self-improvement ability and enthusiasm to grow with the Group when there are vacancies.

We believe that an excellent team is a necessary factor for the success and sustainable development of our business, so it is important of equipping professional skills and trainings. In view of this, we encourage and subsidise employees to attend training courses related to the nature of their work or to obtain different qualifications to enhance their ability and develop in different aspects. These include induction and on-the-job training (e.g. skills training, communication, etc.) that can help on the actual duties of the work for employees at all levels. We will continuously review, explore and improve our training resources to ensure the suitability and effectiveness. To maintain the consistency of the Group, we will also keep a complete record of training and development activities for all employees, which their ability will be regularly reviewed by the relevant departments. We actively cultivate a learning culture in the Group and encourage employees to exchange their knowledge and insights with peer companies for strengthening their skills and insight.



Employee Training Data^{(1), (2)}



Notes:

- ⁽¹⁾ Percentage of employees trained = Total number of trained employees/ Total number of employees
- ⁽²⁾ Average training hours per employee = Total number of training hours/ Total number of employees

Occupational Safety

It is the Group's responsibility to promote an occupational health and safety culture and to provide employees with a safe and healthy work environment. We strictly comply with the relevant laws and regulations including but not limited to the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", "Labor Law", "Occupational Health and Safety Management System", "Measures for Ascertainment of Work-related Injuries" and other relevant laws and regulations. We promise to ensure the safety of the working environment, to protect employees, third party contractors and subcontractors from occupational injuries while maintaining the safety of the surrounding public and standardizing production behavior, and comprehensively improve the level of safety management.



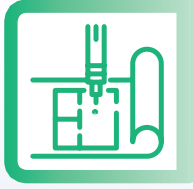
Require employees to participate in training courses on occupational diseases prevention and basic health knowledge



Set up a notification mechanism at the project site to issue announcement



Hire a third party for safety and quality supervision and inspection



Promote and implement the culture of safety construction via safety training, activities on safety production month, promotion on daily safety concepts, etc.



Suppliers must provide certification on environmental, occupational monitoring and safety related systems for shortlisted materials



Organize all participating unites to conduct safety technical training for operators according to particular construction plans before construction



Meanwhile, we promise our employees in the labour contract that to provide them with the protection equipment that necessary in the course of operation and compliance with national regulations. We stipulate that employees must comply with all the safety regulations, operating procedures and instructions at work. The Group will continue to raise its focus on project safety, strengthen the management and evaluation of constructors and suppliers through safety and environmental inspections and assessments of construction projects, improve the management level of the project site standardization and ensure the safety of the construction process. According to the track records of past two years and during the Reporting Period, we did not receive any reports of work-related fatalities and injuries.

Charity Activity

In addition to the economic benefits of successful enterprises, the contribution to giving back to society is also measured. Adhering to the mission of “taking from the community, using the society”, the Group has been caring for the communities where we operate since its establishment in 2000, and we encourage our employees to integrate into the community so that we can better understand and meet the needs of the community and build close and friendly relationships. The Group is committed to creating employment opportunities, driving the local economy and improving the quality of life of residents in the areas where the projects are located. To meet the needs of local communities.

In the future, the Group plans and hopes to bring more contributions to the community, use its own resources to help people in need and actively promote community activities covering all levels of society. We will continue to look for projects invested by the community. At the same time, we support employees to take the initiative to propose community support plans to the Group and do our best to assist in the implementation of the plans, so that corporate social responsibility becomes an important part of the Group’s corporate culture, cultivate employees’ sense of community, nurture correct values and teach the next generation, and promote them to take the initiative to care for and help those in need in society.



HKEX ESG REPORTING GUIDE INDEX

Subject Area	Content	Relevant Section
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements:	Sustainable Development Strategies; Stakeholder Engagement; and Materiality ESG Issues
	i) A disclosure of the board's oversight of ESG issues;	
	ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	
	iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	
Reporting Principle	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report.	About This Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report; Stakeholder Engagement; and Materiality ESG Issues
"Comply or explain" Provisions		
A. Environmental		
A1 Emissions		
General Disclosure	Information on:	Environmental Protection
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.	
A1.1	The types of emissions respective emissions data.	Emissions Data
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	Emissions Data
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Waste Data
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Waste Data
A1.5	Description of emission target(s) set and steps taken to achieve them.	Gas Emissions and Management
A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Resource and Waste Management



Subject Area	Content	Relevant Section
A2 Use of Resources		
General Disclosure	Policies on effective use of resources.	Resource and Waste Management; Water Resources Management
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Energy Consumption Data
A2.2	Water consumption in total and intensity.	Water Resources Data
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Water Resources Management
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.	Water Resources Management
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not applicable due to business nature
A3 Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Management; and Resource and Waste Management
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Resource and Waste Management
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.	Climate Change
A4.1	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
B. Social		
Employment and Labour Practices		
B1 Employment		
General Disclosure	Information on:	Employer-employee Relationship
	(a) 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.	
B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment Data
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment Turnover Data

Subject Area	Content	Relevant Section
B2 Health and Safety		
General Disclosure	Information on:	Occupational Safety; and Anti-pandemic
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to provision of a safe working environment and protection of employees from occupational hazards.	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Safety
B2.2	Lost days due to work injury.	Occupational Safety
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Safety; and Anti-pandemic
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Management, Development and Training
B3.1	The percentage of employees trained by gender and employee type.	Employee Training Data
B3.2	The average training hours completed per employee by gender and employee type.	Employee Training Data
B4 Labour Standards		
General Disclosure	Information on:	Labour Standard
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of child labour or forced labour.	
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standard
B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standard
Operating Practices		
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
B5.1	Number of suppliers by geographical region.	Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management



Subject Area	Content	Relevant Section
B6 Product Responsibility		
General Disclosure	Information on:	Quality of Products and Services; and Intellectual Property Right and Data Privacy
	(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, labeling and privacy matters relating to products and services provided and methods of remedy.	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Customer's Complaints
B6.2	Number of products and service related complaints received and how they are dealt with.	Customer's Complaints
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Right and Data Privacy
B6.4	Description of quality assurance process and recall procedures.	Quality of Products and Services
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Intellectual Property Right and Data Privacy
B7 Anti-corruption		
General Disclosure	Information on:	Anti-corruption
	(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.	
B7.1	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.	Anti-corruption
B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Community		
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.	Charity Activity
B8.1	Focus areas of contribution.	Charity Activity
B8.2	Resources contributed to the focus areas.	Charity Activity