ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This Environmental, Social and Governance Report (the "ESG Report") summarises the environmental, social and governance ("ESG") initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

SCOPE OF REPORTING

Unless stated otherwise, the ESG Report covers the Group's business activities of subsidiaries in Hong Kong, which represent the Group's major source of investment and income. The ESG data and related ESG key performance indicator ("KPI") that the Group has direct access to and is under the Group's direct operational control of our three offices in Kowloon Bay, Mongkok, and Causeway Bay have been included in the ESG Report. Even though the Mongkok office was closed in late November 2023, the ESG data are still included in this ESG Report.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") as set out in Appendix C2 (formerly known as Appendix 27) to the Rules Governing the Listing of Securities on Main Board of Stock Exchange.

During the preparation for this ESG Report, the Group has applied the reporting principles stipulated in the ESG Reporting Guide as the following:

- The materiality assessment was conducted to identify material issues during the financial year ended 31 December 2023 (the "Reporting Period"), thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. Please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment" for further details.

- Under feasible situation, the Group records, calculates and discloses quantitative information and conducts comparisons with past performance. Supplementary notes are added along with quantitative data disclosed in the ESG Report to explain any standards, methodologies, and source of conversion factors used during the calculation of emissions and energy consumption.

- The Group follows the principles of accuracy, objectivity and fairness to report its achievements and challenges in sustainable development.

- The preparation approach of this ESG Report was substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

Information relating to the Group's corporate governance practices can be found in the Corporate Governance Report on pages 18 to 33 of this annual report.

REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges, measures taken, compliance and results of the Group during the financial year ended 31 December 2023.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

BOARD STATEMENT

Oversight of ESG Issues

The board of directors (the "Board") holds the ultimate responsibility on monitoring the Group's ESG issues, including ESG management approach, strategy, and policies. In order to better manage the Group's ESG performance and identify potential risks, the Board conducts materiality assessment where necessary with the assistance of the ESG committee to evaluate and prioritise material ESG-related issues with reference to the opinions of our stakeholders.

The ESG Committee

The ESG committee, composing of core members from different departments, is established to facilitates the Board's oversight of ESG matters. The ESG committee is responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports. The ESG committee arranges meetings when required to evaluate the effectiveness of current policies and procedures and formulate appropriate solutions to improve the overall performance of ESG policies. At meetings, the ESG committee discussed the existing and upcoming plans to monitor and manage the Group's strategic goals in terms of sustainable development, mitigate potential risks, and minimise their negative impacts on our business operations. By setting ESG-related goals and targets to minimise the environmental impacts from the Group's operation, the Group affirmed its commitment in embedding sustainability into the business operation and fulfil its corporate responsibility. The ESG committee would report to the Board, assist in assessing and identifying the Group ESG risks and opportunities, evaluate the implementation and effectiveness of internal control mechanism, and review the progress of the set goals and targets.

TOTAL CARING ORGANISATION

To become a Total Caring Organisation, the Group is dedicated to:

- Meeting the needs of our customers with quality products and innovative services;
- Creating an enjoyable work environment to highly engage our employees so as to maximise their potential;
- Minimising our operational impact on the natural environment; and
- Contributing to the betterment of the community, especially that of the next generation.

STAKEHOLDER ENGAGEMENT

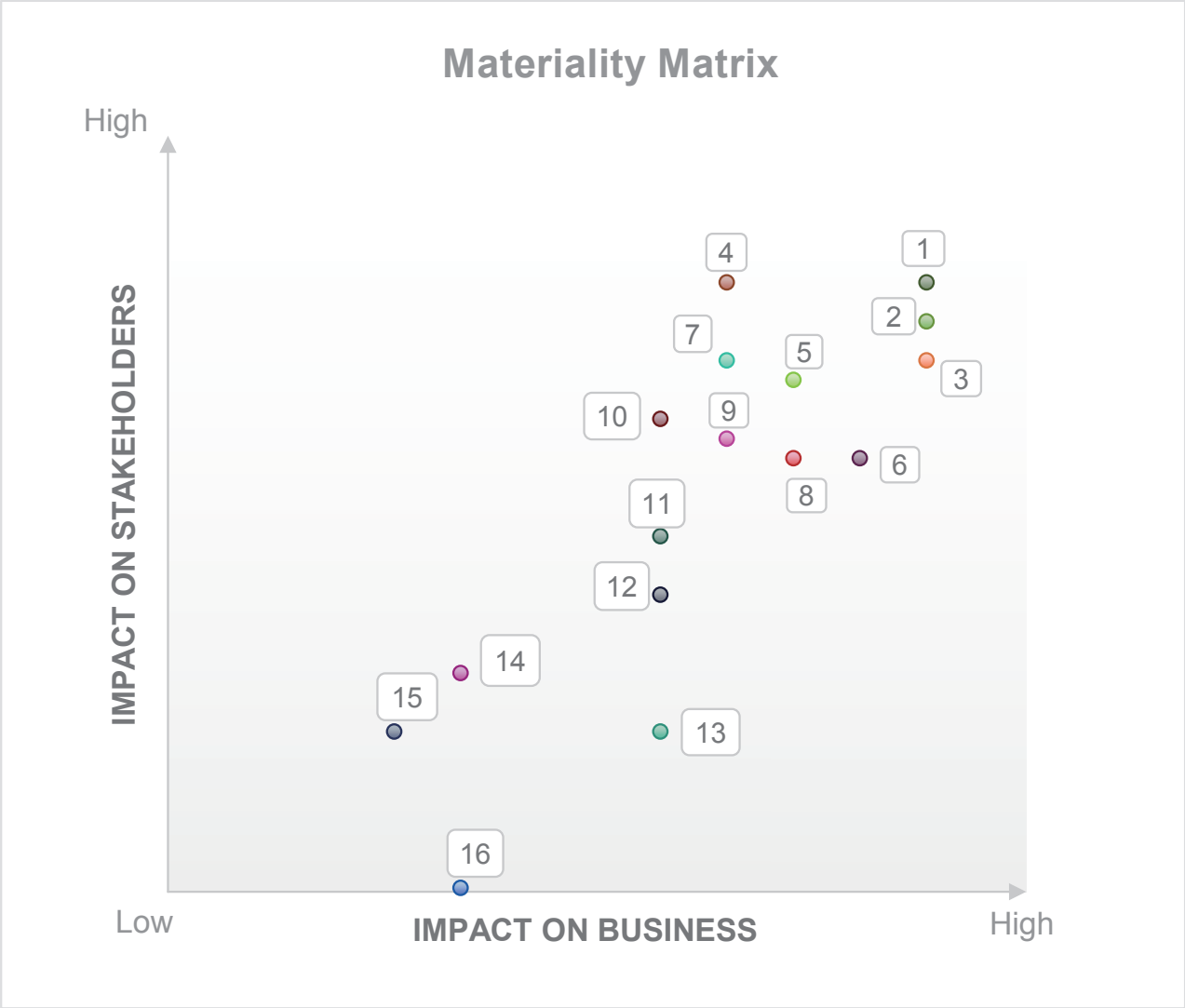
The Group values its stakeholders and their feedback regarding its businesses and ESG performance. To understand and address their key concerns, the Group has maintained close communication with its key stakeholders, including but not limited to employees, shareholders and investors, customers, suppliers and business partners, government and regulatory authorities, and the community.

In formulating operational and ESG strategies, the Group considers stakeholders' expectations through a diverse range of engagement methods and communication channels, as shown below:

Stakeholders	Communication Channels	Expectations
Employees	• Regular performance appraisal • Training and workshops • Internal announcement	• Remuneration and benefits • Equal opportunities • Career development • Occupational health and safety
Shareholders and investors	• Annual general meeting • Financial reports • Announcements and circulars	• Financial performance • Information transparency • Shareholder rights protection
Customers	• Customer service hotline and email • Company website	• Customer privacy protection • High quality customer services • Business ethic and integrity
Suppliers and business partners	• Supplier conferences and meetings	• Supply chain management • Fair and open procurement • Mutual benefit
Government and regulatory authorities	• Regular performance supervision and evaluation • Written or electronic correspondences • Publications	• Compliance with laws and regulations • Corporate governance
Community	• Community events • ESG reports	• Community participation • Corporate social responsibility • Providing job opportunities • Environmental protection

MATERIALITY ASSESSMENT

A materiality assessment in the form of surveys was conducted during the Reporting Period, where the Group identified sustainability factors that were material to our business operations. The management and employees who are responsible for the key functions of the Group have participated in preparing the ESG Report, assisted the Group in reviewing its operations, identifying key ESG issues and assessing the importance of these issues to our businesses and stakeholders. The Group has compiled a questionnaire in reference to the identified material ESG aspects to collect the information from relevant departments and business units of the Group. The Group's material sustainability aspects will be covered in the ESG Report, and the materiality matrix is as follow:



Major ESG Issues

1. Anti-corruption
2. Employee recruitment and promotion
3. Employee remuneration and benefit
4. Anti-money laundering ("AML") and counter-terrorist financing ("CTF")
5. Data and privacy protection
6. Development and training
7. Customer services
8. Equal opportunities and anti-discrimination
9. Product responsibility
10. Corporate social responsibility
11. Advertising and labelling
12. Occupational health and safety
13. Climate change
14. Responsible use of resources
15. Emission control
16. Supply chain management

CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide your valuable advice with regard to the ESG Report or the Group's performances in sustainable development by visiting our website at www.cfsg.com.hk.

A. ENVIRONMENTAL

A1. Emissions

Environmental protection and sustainable development rely on concerted and continuous efforts from all industries and society. We strive to promote the vision of "Green CASH", by being an environmentally responsible company. The Group proactively seeks opportunities to conserve energy, utilise resources more efficiently and reduce waste. Besides establishing environmental policies and communicating measurable environmental objectives to our employees, we also keep ourselves up-to-date with local environmental standards.

During the Reporting Period, the Group received several awards which recognised our effort in promoting environmental protection. The environmental and social awards received by the Group during the Reporting Period are listed below:

Name of Award	Awarding Organisation
Hong Kong Green Organisation Certificate	Environmental Campaign Committee
Hong Kong Awards for Environment Excellence (HKAEE) – Wastewi$e Certificate (Good Level)	Environmental Campaign Committee

The Group strives to continuously improve our performance on environmental management.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas ("GHG") emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. The said laws and regulations include but are not limited to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) and the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong).

Air Emissions

Due to the Group's business nature, only an immaterial amount of air emissions was generated from the use of company vehicles. Description of mitigation measures of emissions will be provided in the following section – GHG Emissions.

Summary of air emissions performances:

Types of air emissions	**Unit**	**2023**	2022
Nitrogen Oxides (NO_x)	kg	**1.34**	0.43
Sulphur Oxides (SO_x)	kg	**0.04**	0.01
Particulate Matter (PM)	kg	**0.10**	0.03

GHG Emissions

The principal GHG emissions of the Group were generated from purchased electricity consumed in offices (Scope 2). To mitigate the biggest attributor of the GHG emissions, the Group has active adopted energy conservation measures to achieve green office which are described in the section headed "Energy Management" under aspect A2. On the other hand, video-conferencing systems have been installed in offices to reduce travel and as a result reduce other indirect GHG emissions.

The Group's total GHG emissions intensity during the Reporting Period increased by approximately 22%. This is mainly attributable to the Group's resumption of operations due to the reduced impact of the COVID-19 pandemic and the decrease in revenue as the intensity calculation base. To ensure the effectiveness of the measures, the Group had set a target of reducing the total GHG emissions intensity (tCO_2e/million revenue) by 2025 when compared to 2021, which is also the baseline year.

Summary of GHG emissions performances:

Scope of GHG emissions[1]	**Unit[2]**	**2023**	2022
Direct GHG emissions (Scope 1)	tCO_2e	**7.46**	2.37
Energy indirect GHG emissions (Scope 2)	tCO_2e	**136.24**	146.63
Total GHG emissions	tCO_2e	**143.70**	149.00
Total GHG emissions intensity[3]	tCO_2e/million revenue	**2.46**	2.02[4]

Notes:

1. GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited 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 the Stock Exchange, the Global Warming Potential Values from the IPCC Fifth Assessment Report, 2014 (AR5), the Sustainability Report 2022 issued by Hong Kong Electric, and the Sustainability Report 2022 issued by CLP Holdings Limited.

2. tCO_2e is defined as tonnes of carbon dioxide equivalent.

3. During the Reporting Period, the Group recorded a revenue of approximately HK$58,365,000 (2022 restated: HK$73,658,000). The data is also used for calculating other intensity data.

4. The revenue for the year ended 31 December 2022 had been restated and hence the total GHC emissions intensity for 2022 was restated accordingly.

Sewage Discharge

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 was discharged to the municipal sewage network to the regional water treatment plant.

Waste Management

Due to the business nature, the Group's operation does not generate hazardous waste. The waste generated from the business activities of the Group is mostly paper. The Group pursues high standard in waste reduction and educates all staff on the importance of sustainability while providing them with the skills and support to implement it.

In our offices, waste separation facilities have been implemented. We also provide recycling bins for collecting scrap paper, plastic bottles, aluminum cans, and recyclable toner cartridges, which are then delivered to the recycling agents for further processing. During the Reporting Period, the Group collected a total of 23 (2022: 195) pieces of aluminum cans, 113 (2022: 310) pieces of plastic bottles, 1,021 kg (2022: 985 kg) of scrap paper and 22 (2022: 20) pieces of toner cartridges at offices for recycling. The Group will continue to promote employee awareness on waste recycling.

Apart from recycling, a series of programmes and activities have been launched in the office to encourage the participation of staff towards waste management, which include:

- Implementing a Green Information and Communication Technology (ICT) Platform, including systems such as E-workflow and CASHARE (intranet) to build a highly efficient "paperless, IT-driven and systematic" working environment;
- Installed multi-functional printers with card authentication system in order to reduce paper waste in the office by preventing uncollected printouts from piling up in the printer tray;
- Achieving waste reduction goals set under the Wastewi$e Certificate recognition scheme;
- Posting a "Green message" reminder at all office equipment;
- Applying used envelopes for internal document circulation; and
- Recommending duplex or 2-on-1 page copying on recycled paper.

The Group hopes that our stakeholders will join us and pursue a sustainable operation. We encourage reduced paper consumption by offering shareholders choices to consent to receiving corporate communications materials by electronic means. We also encourage customers to use e-statements on our online portal in order to save paper.

The Group's paper disposal intensity during the Reporting Period decreased by approximately 13%. To ensure the effectiveness of the measures, the Group had set a target of reducing the total non-hazardous wastes intensity (kg/million revenue) by 2025 when compared to 2021, which is also the baseline year.

Summary of major non-hazardous waste discharge performance:

Types of waste	**Unit**	**2023**	2022
Office paper	kg	**2,011.43**	2,915.02
Total non-hazardous wastes	kg	**2,011.43**	2,915.02
Total non-hazardous wastes intensity	kg/million revenue	**34.46**	39.58[5]

Note:

5. The revenue for the year ended 31 December 2022 had been restated and hence the total non-hazardous wastes intensity for 2022 was restated accordingly.

Target Achievement Progress

For each target established, the details of corresponding measures to achieve such target will be disclosed in the sections of "Emissions" and "Use of Resources". To ensure the effectiveness of the measures, the Group has set target to reduce the total GHG emissions intensity and the total non-hazardous wastes intensity by 2025 when compared to 2021, which is also the baseline year.

During the Reporting Period, the total GHG emissions intensity of the Group increased by approximately 22% compared to 2022, and by approximately 82% compared to 2021, which is the baseline year for setting the target. This is mainly due to the Group's resumption of operations due to the reduced impact of the COVID-19 pandemic and the decrease in revenue as the intensity calculation base. During the Reporting Period, the total non-hazardous wastes intensity of the Group decreased by 13% compared with that in 2022, and increased by 26% compared with that in 2021 which is the baseline year for setting the target.

In the future, we will develop more specific quantitative environmental goals to nurture the environment and cherish natural resources. The Group will strive to achieve the targets by implementing appropriate measures in its operation.

A2. Use of Resources

The Group recognises its responsibility to take the initiative in efficiently utilising finite resources and carries out its corporate social responsibility to introduce additional eco-friendly approaches to enhance the Group's sustainability performance. Therefore, the Group has established the Green Office Policy to achieve energy conservation.

Energy Management

In daily operation, the Group's major energy consumption is electricity consumed in office. In order to reduce our energy consumption, the Group has launched a wide variety of green measures for awareness building towards energy conservation:

1) Lighting

- T5 energy-efficient lighting tubes have been installed at offices;
- Staff is encouraged to switch off lighting while they are duty-off;
- Partial lighting should be switched off provided that sufficient sunlight is available indoors; and
- "Light-off" during lunch hour is highly recommended.

2) Office equipment

- Computers and other electronic equipment should be powered off while they are not in use for energy conservation; and
- Security guards patrol the offices at night to ensure all non-use equipment is switched off.

Apart from the measures adopted at office, the Group participated in the "Earth Hour" campaign by turning off the offices' lighting for one hour with an aim to encourage the participation of staff and arise their concern.

As the Group's resumption of operations due to the reduced impact of the COVID-19 pandemic and the decrease in revenue as the intensity calculation base, the Group's energy consumption intensity during the Reporting Period increased by approximately 20%. To ensure the effectiveness of the measures, the Group had set a target of reducing the total energy consumption intensity (kWh/million revenue) by 2025 when compared to 2021, which is also the baseline year.

Summary of energy consumption performance:

Types of energy	**Unit**	**2023**	2022
Direct energy consumption			
• Petrol	kWh	**27,196.10**	8,629.77
Indirect energy consumption	kWh	**321,234.00**	358,239.00
• Electricity			
Total energy consumption	kWh	**348,430.10**	366,868.77
Total energy consumption intensity	kWh/million revenue	**5,969.85**	4,980.71[6]

Note:

6. The revenue for the year ended 31 December 2022 had been restated and hence the total energy consumption intensity for 2022 was restated accordingly.

Water Management

The Group does not consume significant amounts of water through our business activities. During the Reporting Period, our office in Causeway Bay consumed 31m^3 (2022: 36m^3) of water. Water usage in our offices in Kowloon Bay and Mongkok is included in the management fee as water supply facilities are provided and managed by property managers on our rental premises, therefore no meter reading is available. Water consumption intensity is not considered as an applicable performance indicator due to partial availability of data. The Group targets to promote water conservation in all of our operating locations.

Although the water consumption is considered minimal, we also encourage saving by driving behavioural changes in the workplace. Green messages are posted in pantries and washrooms as reminders for using water efficiently.

Use of Packaging Material

Packaging material is not consumed during our service delivery, hence the related disclosure is not applicable for the Group.

Target Achievement Progress

The Group has set target to reduce the energy consumption intensity by 2025 when compared to 2021, which is also the baseline year.

During the Reporting Period, the energy consumption intensity of the Group increased by approximately 20% compared to 2022, and by approximately 68% compared to 2021, which is the baseline year for setting the target. This is mainly due to the Group's resumption of operations due to the reduced impact of the COVID-19 pandemic and the decrease in revenue as the intensity calculation base.

In the future, we will develop more specific quantitative environmental goals to nurture the environment and cherish natural resources. The Group will strive to achieve the targets by implementing appropriate measures in its operation.

A3. The Environment and Natural Resources

The Group is committed to minimising negative environmental impacts occasioned by the Group's business operations. Despite that the business activities of the Group do not significantly impact the environment and natural resources, we continue to be vigilant to the potential environmental impacts arising from its business operations.

Working Environment

The Group is committed to providing employees with a comfortable and green working environment to increase work efficiency. We strive to maintain a hygienic and neat environment in the workplace. The Group signed the Hong Kong General Chamber of Commerce's Clean Air Charter to reduce emissions and create cleaner air. We acted on the Chamber's 7-7-7 Care-for-Air Guidelines for the public and called on our staff to take practical steps to contribute to improving air quality at home, at work, and while travelling. Besides, the Group engaged in many different governmental environmental protection campaigns, including Green Office Education, Green Day, Biz Green Dress Day, Reuse and Recycle Program and Action Blue Sky.

A4. Climate Change

The Group recognises the importance of the identification and mitigation of significant climate-related issues, therefore closely monitors the potential impact of climate change on our business and operations. In accordance with the reporting framework developed by the "Task Force on Climate-related Financial Disclosures", there are two major categories of climate-related risks, physical and transition risks.

Physical Risks

The increased frequency and severity of extreme weather events such as typhoons, storms, heavy rains, and extreme cold or heat pose acute and chronic physical risks to the Group's business. The Group's capacity and productivity will be reduced under extreme weather events as the safety of our employees is threatened and the operational sites might be damaged, which exposes the Group to risks associated with non-performance and delayed performance, leading to direct negative impact on the Group's revenue.

To minimise the potential risks and hazards of extreme weather events, such as typhoon and black rainstorm, which might cause interruptions on our business, the Group has established mitigation plans including flexible working arrangements, and precautionary measures such as regular inspection of office premises. Moreover, we maintain comprehensive insurance coverage for assets that are prone to damage by extreme weather conditions, minimising the potential maintenance and repair costs required.

Transition Risks

To achieve the global vision on carbon neutrality, the Group expects evolution of the regulatory, technological and market landscape due to climate change, including the tightening of national policies and listing rules and the emergence of environmentally related taxes. Stricter environmental laws and regulations may expose enterprises to higher risks of claims and lawsuits, which might incur additional compliance costs and affect the reputation of the Group.

In response to the policy and legal risks as well as the reputation risks, the Group constantly monitors any changes in laws or regulations and global trends on climate change to avoid cost increments, non-compliance fines or reputational risks due to delayed response. In addition, the Group has been taking comprehensive environmental protection measures, including GHG reduction measures, has set targets to gradually reduce the Group's energy consumption and GHG emissions in the future.

B. SOCIAL

B1. Employment

Respect for the rights of everyone who works for us is fundamental to the sustainability of the Group and the communities in which we operate. Our commitment to operate with respect for individuals is reflected in all aspects of the Group's business operations and is integrated in our policies and relevant procedures. We are committed to providing a happy and family-friendly workplace.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), and the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong).

As at 31 December 2023, the Group had a total of 97 (2022: 81) employees. Total workforce by gender, age group, geographical region and employment type is as follows:

	2023	2022
Total number of employees	**97**	81
Gender		
Male	**61**	49
Female	**36**	32
Age group		
Below 30 years old	**24**	14
30-50 years old	**52**	48
Over 50 years old	**21**	19
Geographical region		
Hong Kong	**97**	81
Employment type		
Full-time	**93**	78
Part-time	**4**	3
Temporary contract	**–**	–

Recruitment, Promotion and Dismissal

The Group has set out the Staff Recruitment Policy for our Human Resources Department to ensure that appropriate and standardised recruitment process is maintained. The policy will be reviewed regularly, and modified as required, to reflect changes in the Group's development, best practice in recruitment process and compliance with the relevant legislation.

The Group devised an effective performance management system where regular performance appraisal is carried out to provide a two-way communication platform for improved employee relationships with the support of timely coaching and counseling and to give feedback on employees' performance and help identify individual training needs so as to enhance performance and to develop the potential of the employee for further advancement. Procedures are set out in the Employee Handbook. Through the performance appraisal, the Group review and adjusts salary based on our transparent incentive structure.

The termination of employment contract is set out in the Employee Handbook and governed by internal policies to ensure all dismissal comply with relevant laws and regulations in Hong Kong. The Group strictly prohibits any kinds of unfair or illegitimate dismissals.

During the Reporting Period, the Group recorded a turnover rate of approximately 31.46% (2022: 41.71%). The table below shows the employee turnover rate by gender, age group and geographical region:

	2023	2022
	Turnover rate (%)	Turnover rate[8] (%)
Gender[7]		
Male	**29.09**	43.41
Female	**35.29**	39.02
Age group[7]		
Below 30 years old	**31.58**	63.41
30-50 years old	**42.00**	38.40
Over 50 years old	**5.00**	31.11
Geographical region[7]		
Hong Kong	**31.46**	41.71

Notes:

7. Calculation methodology of turnover rate: employees in the specified category leaving employment divided by the average of total number of employees in the specified category of the Group at the beginning and the end of the Reporting Period.

8. The Group has reviewed the methodology of data calculation on turnover rate for the corresponding period in 2022 and restated the data of turnover rate accordingly.

Remuneration and Benefits

As a Hong Kong-based investment and wealth management advisory group, CFSG fully understands that our success lies in the quality of service we provide to our customers and therefore our ability to attract, retain and motivate quality employees. The Employee Handbook is formulated to stipulate general practices and policies related to employment, compensation and benefits. To stay competitive, our base salaries are within industry norms, contributing to our ability to attract and retain highly skilled and motivated staff.

To attract talented people, the Group provides fair and competitive remuneration and benefits to our employees. We benchmark our remuneration system with the market to ensure our ability to motivate our talent pool. The Group adopts a comprehensive and people-oriented leave system, where comprehensive benefits are provided to all staff, including annual leave, birthday leave, marriage leave, maternity leave, compassionate leave, and paternity leave. We have pioneered the introduction of the following benefits for employees, including marriage gift coupon, red packet for new-born babies, purchase discount and financial trade discount for our employees. In addition, to express our appreciation to staff who have contributed to the Group for many years, we regularly show our gratitude with long service awards.

Diversity and Equal Opportunities

The Group is committed to developing, maintaining and supporting a culture of equality and diversity in employment, on the basis of age, race, colour, nationality, religious belief, disability, sexual orientation, political opinion and any other status protected by applicable legislations and ordinances. We believe that the diversity can enrich all employees by providing a more rewarding and less stressful environment. No one shall be discriminated at recruitment, selection, employment, compensation, transfers, promotion, training or development. Qualified individuals are employed to carry out our fiduciary duties based on their education, experience, and ability without discrimination.

Work-life Balance

The Group strives to help employees maintain a good work-life balance, which we believe helps them to sustain their performance at work and our business. To assist employees to balance their lives, we arrange activities under three different themes: wellness, happiness and vivacity. The Group introduces family-friendly employment practices, including offering family leave benefits and employee support schemes. To promote well-being and enhance their relationships, the Group also organised after-work activities for employees.

B2. Health and Safety

Ensuring the health and safety of our employees is an integral part of our business activities. Therefore, we are dedicated to maintaining a safe, hygienic, and productive workplace by minimising the potential risk of accidents, injuries and exposure in relation to health risks. We ensure all employees are competent at work and are given adequate training to comply with all local legislations and ordinances with regard to health and safety.

The Group attaches prime importance to ensuring a safe working environment, with measures in place to deal with natural disasters, fire, disease and accidents. We encourage our employees to treat health and safety as parts of their individual responsibility. The Group's health and safety procedures are revised from time to time to ensure that they are risk-focused and that responsibilities are clearly defined.

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong). During the Reporting Period, there were no reported cases of work-related fatalities and no lost days due to work injury. The Group has achieved zero work-related fatalities in the past three years.

Occupational Health and Safety

Occupational health and safety record is maintained to ensure that a healthy and safe workplace is provided for our employees at all times. Preventive measures were undertaken with the use of appropriate office equipment as well as performing periodic office risk assessment to enhance workplace safety. We offer comprehensive medical insurance plans covering clinical, hospital and dental benefits to protect the health of our employees and their families, as well as regular vaccination programs to reduce their risk of getting infectious diseases.

B3. Development and Training

We are committed to ensuring that the talents, skills and abilities of our employees are recognised and are utilised to their full capacity. The Group has implemented various training policies and organised a number of training programmes aiming specifically at improving the skills and developing the talents of our employees and generally increasing the competitiveness, productivity and efficiency of the Group.

Our training programmes are developed based on business needs and competencies of employees. We provide tailor-made management training workshops for management-level employees of the Group to enhance communication skills, the ability to face adversity as well as team spirit. During the Reporting Period, we organised numbers of in-house classes including training in areas such as customer service, knowledge on products, operational and selling techniques, career orientation, risk and compliance, graduate development, Continuous Professional Training (CPT) of professional qualifications, and professional license examinations preparation. To improve our frontline performance, we provide language enhancement programmes continuously to help enhance employees' language proficiency and sales culture training to develop a competitive spirit and inspires team spirit among sales teams and support teams. The Group also arranges for relevant staff, who are licensed persons under the Securities and Futures Ordinance ("SFO"), to attend the requisite training courses to fulfill/comply with the continuous professional training as prescribed in the SFO.

During the Reporting Period, the Group has achieved a total training hour of 1,428.0 (2022: 1,420.5) hours. The table below shows the employee training data by gender and employee category:

	Percentage of employees trained[9](%)		**Average training hours per employee[10] (hours)**	
	2023	2022	**2023**	2022
Gender				
Male	**88.52**	95.92	**16.67**	16.64
Female	**80.56**	81.25	**11.42**	8.69
Employee Category				
Senior Management	**88.89**	100.00	**28.78**	58.50
Middle Management	**94.12**	95.45	**14.00**	14.62
General	**83.10**	86.79	**13.11**	7.61

Notes:

9. Calculation methodology of percentage of employees trained: number of employees in the specified category who took part in training divided by number of employees in the specified category at the end of the Reporting Period.

10. Calculation methodology of average training hours per employee: total training hours of employees in the specified category divided by total number of employees in the specified category at the end of the Reporting Period.

B4. Labour Standards

Prevention of Child and Forced Labour

The Group prohibits the recruitment of child and forced labour as prescribed by laws and regulations. The Group strictly complies with local laws and shall not provide job opportunities to those who are under the legal working age of respective jurisdictions.

To avoid illegal employment of child labour and underage workers, the Human Resources and Administration Department of the Group is responsible for verifying personal data such as the identification card during the recruitment process. If violation is involved, it will be dealt with according to circumstances. No employee shall be compelled to work against his or her will through force or intimidation of any form or subjected to corporal punishment or coercion of any type related to work. Overtime compensation procedures are set out in the Employee Handbook where overtime compensation leave will be provided to eligible employees when they are required to work overtime.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group including but not limited to the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) and the Employment Ordinance of Hong Kong (Chapter 57 of the Laws of Hong Kong).

B5. Supply Chain Management

Supply Chain Management

The Group is committed to creating a sustainable relationship with our suppliers and consultants through operating in an open and fair manner. Our major suppliers mainly consist of hardware and software providers. During the Reporting Period, the Group has engaged 12 (2022: 14) major suppliers, all of them are located in Hong Kong while in the corresponding year of 2022, 13 suppliers were located in Hong Kong and 1 supplier was located in the PRC respectively.

To ensure that the suppliers meet our requirements in regard to quality, environmental and social standards, we have set out Purchasing Control and Supplier Assessment Procedures for the assessment, review, approval and disapproval of suppliers and subcontractors. Prior to making any procurement decisions, we will conduct assessments on suppliers and consultants to avoid environmental and social risks. We maintain a list of approved suppliers and consultants; they may be suspended or removed from the approved list if they fail to fulfil the agreed standards.

Green Procurement

To support sustainability, our Green Supply Chain initiative applies strict environmental, social and ethical criteria to the suppliers of our business. We place high demands on suppliers and the Group shall select suppliers with standards set by the Group as our prefer suppliers. We have incorporated sustainability considerations into our sourcing and outsourcing practices, requiring suppliers to meet the basic standards. For example, all suppliers are expected to adhere to these basic principles:

- Operating as an equal opportunity employer and recognising the right to collective bargaining as well as minimum and prevailing wages and benefits;
- Maintaining probity and accountability standards;
- Minimising discrimination against small and medium-sized enterprises or local vendors;
- Providing a healthy and safe working environment, not using any forced or child labour, and refraining from harassment or abuse of employees; and

- Supporting sustainable development, acting responsibly with regard to the environment, observing environmental criteria to conserve resources, minimising the negative environmental effects of the production, application and disposal of products, and reducing the use of hazardous products as much as possible.

B6. Product Responsibility

As a total caring organisation, it is our mission to provide our customers with a meaningful experience when utilising our services, therefore the Group understands the importance of expertise for ensuring service quality. Satisfying our clients is our central focus. This principle guides all our activities and applies to all business divisions. The key elements are transparency and high-quality advice, which enable us to improve client satisfaction and achieve customer loyalty in the long term.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group, including but not limited to the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress. Given the Group's business nature, the Group was not involved in the sale of products, therefore disclosure on product recall procedures and number of products recalled are not applicable.

Customer Services

The Group is committed to providing the highest quality of service to its customers. We aim to customise our solutions based on the unique needs of customers, in delivering sustainable value and fostering long-term relationship with our customers. During advertising, we ensure information and marketing materials are easily understood and provide all relevant information in facilitating the decision making of investors. Our employees are committed to providing professional advice to clients in understanding the characteristics, functions and risks of a financial instrument.

The Group maintains an open and welcoming attitude to feedback and complaints from the Group's customers and guests, as the Group views it as an opportunity to improve its service. Procedures for handling complaints are detailed in the Complaint and Suggestion Handling Policy for the reference of relevant employees. Should the Group receive any complaints, the Group will strive to act immediately to resolve the issue with effective corrective actions. The Group will communicate with the clients and delegate responsible departments to understand the issues immediately. All complaints will be handled promptly under the procedures set out in our internal policy and were reviewed in the monthly compliance meeting.

During the Reporting Period, there were no material complaints made against us and our internal staff by our customer.

Safeguarding Customer Assets

Certain subsidiaries of the Group are licensed and regulated under the SFC. As a custodian of customers' assets, we implement the necessary controls to properly handle and safeguard customers' assets according to relevant laws and regulations.

Segregated accounts are maintained in keeping customers' assets. Transactions should only be executed when customers' consent is received, or customers' obligation is required to be met on agreed contracts. Adequate audit trail is maintained to enable investigation of suspected irregularities. Regular compliance reviews and audits are conducted to detect any non-compliance with regulatory requirements. Any irregularities should be immediately reported to the Management and the relevant authorities.

Handling of Personal Data

The Group strictly adheres to regulatory requirements on data privacy, through fulfilling high security and confidentiality of personal data privacy protection. We are committed to maintaining and protecting personal data.

Internal policy has been established to govern the collection and handling of personal data received from a data subject. Under our data protection principles, a Privacy Policy Statement ("PPS") is acknowledged to enable the public to ascertain the data user's general policies and practices in relation to the collection, holding and use of individual personal data. Also, the Group has set in place Cyber Security Policy to help outline the security measures put in place to ensure information remains secure and protected.

Furthermore, in accordance with our data protection principles, a Personal Information Collection Statement ("PICS") is acknowledged whenever there is collection of personally identifiable information from individuals to notify data subjects of certain matters in relation to specific collections of personal information from them. The Group will not use or provide personal data to any person for use in direct marketing unless we have obtained the data subject's consent in writing. Meanwhile, the Group maintains sound safety system and measures to prevent unauthorised use of personal data.

Protection of Intellectual Property Rights

Policies and measures regarding the protection of intellectual property rights are in place. For any infringement of the Group's intellectual property rights, the Group will urge infringers to cease such action. The Group shall take further action should infringement continue.

B7. Anti-corruption

The Group strives to promote and maintain the highest standards of honesty, integrity and fairness. All of our staff must ensure that the Group's reputation is not tarnished by dishonesty, disloyalty or corruption. Policies on the aforementioned matters are clearly stated within the Employee Handbook.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) that would have a significant impact on the Group. During the Reporting Period, there were no concluded legal cases regarding any forms of corrupt practices fraud brought against the Group or its employees.

Whistle-blowing Channels

The Group maintains a whistle-blowing policy to encourage employees to report any suspected misconduct contrary to our ethical belief in confidence without the fear of recrimination. Procedures are established for employees to raise complaints directly to the Compliance Department, which will evaluate the complaint and determine whether an investigation is appropriate. Compliance Department coordinates with relevant departments for investigation where necessary and recommendations on improvements are communicated to the respective management for implementation. Audit procedures, investigation results and subsequent follow-up actions taken are reported to the Audit Committee on an annual basis.

Anti-corruption Training

Training related to anti-corruption are rendered to our management and employees to boost their awareness on the prevention of any kind of unethical behaviour such as bribery, extortion, fraud and money laundering. During the Reporting Period, Directors and senior management have attended anti-corruption training held by the Company.

B8. Community Investment

Community Engagement

Caring about the interests of the communities and people we serve is encapsulated in our "People-Oriented" core corporate value guiding our business and day-to-day operation. The Group and our employees are dedicated to working hand-in-hand with local communities in a variety of initiatives, ranging from job creation to focus on and protection of the social vulnerable groups.

In support of the social service funding of Pok Oi Hospital, and promoting cycling in Hong Kong and the awareness of environmental living, the Group sponsored and recruited corporate teams to participate in the Pok Oi Cycle for Millions 2023 event and donated approximately HK$32,000 in this event.

Putting into practice our core value of "Total Caring", the Group invited Gingko Store, a service project to promote to promote employment for the elderly, to provide organic vegetables and organic products at discounted prices to our Group. Through the purchase of hand-made packaged food from Hong Kong kitchens and organic crops from the organic farm, we provided diverse employment opportunities for the elderly and promoted a low-carbon and environmentally friendly lifestyle.

Caring for the grassroots families, our staff volunteered to help at the "Food Angel" Kitchen in May 2023, where they created nutritious meals from surplus food and redistributed them to underprivileged communities.

Embracing diversity and respecting individual needs, CFSG promoted UNICEF's campaign Say Yes to Breastfeeding by establishing a "breastfeeding area" in the office in support of breastfeeding-friendly premises, and received a Certificate of Appreciation for their contribution to supporting breastfeeding.

On behalf of the Board
Dr Bankee P. Kwan*, BBS, JP*
Chairman & CEO

Hong Kong, 27 March 2024

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
A. Environmental		
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 greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions (Not applicable – Explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	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.	Emissions
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources
KPI A2.2	Water consumption in total and intensity.	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
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.	Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources (Not applicable – Explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	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.	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.	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.	Climate Change

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
B. Social		
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.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full– or part-time), age group and geographical region	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
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.	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.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	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.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
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.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	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.	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.	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.	Supply Chain Management
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, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility (Not applicable – Explained)
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
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.	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.	Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment