



**TASTE · GOURMET
GROUP LIMITED**

嚙·高美集團有限公司

(Incorporated in the Cayman Island with limited liability)

STOCK CODE : 8371



2021/22

**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1 INTRODUCTION

Taste • Gourmet Group Limited (the “**Company**”), together with its subsidiaries (collectively the “**Group**”) is pleased to present the Environmental, Social and Governance Report (the “**ESG Report**”) for the year ended 31 March 2022 (“**FY2022**”). The Company believes the consideration of Environmental, Social and Governance (“**ESG**”) factors as one of the key driver of the way we conduct our business. We take an active approach to managing ESG-related risks and tackling environmental and social challenges, and we acknowledge the importance of effective governance at the management and the board of directors of the Company (the “**Board**” or “**Directors**”).

We are committed to uphold the highest ESG standards for the benefit of our stakeholders. While an acknowledgment of ESG risk factors is important, it is not enough. Appropriate oversight at the management and Board level, as well as effective policies and practices, are key contributors to our ability to effectively manage a wide variety of risk factors.

2 ABOUT THIS REPORT

This report has been 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 GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and covers the Group’s business in Hong Kong and Shanghai for FY2022.

3 ABOUT THE GROUP

The Group is a multi-branding multi-cuisine restaurant chain serving a variety of cuisines, mainly Southeast Asian, Chinese, Japanese and Western cuisines targeting mid-to-high-end customer segments. Since the opening of our first restaurant, Urawa Japanese restaurant, in December 2007, we have been expanding our restaurant network in Hong Kong and Shanghai through our multi-brand multi-cuisine business model. As at 31 March 2022, we own and operate a total of 38 full service restaurants strategically located in first tier and/or premium shopping malls or on street levels in prime areas and CBD, covering Hong Kong Island, Kowloon and New Territories and Shanghai. For details, please refer to the annual report of the Group for the year ended 31 March 2022 dated 28 June 2022.

4 ACCESS AND RESPONSE TO THIS REPORT

The Chinese and English versions of this report can be downloaded from the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.tastegourmet.com.hk. This report is published both in English and Chinese. Should there be any discrepancy between the English and the Chinese versions, the English version shall prevail.

We welcome and value the feedback from our stakeholders to continuously improve our ESG management and performance. Please feel free to share your views and thoughts with us at info@tastegourmet.com.hk.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5 ESG MANAGEMENT

The Board has the overall responsibility to oversee ESG strategy and reporting. It has delegated ESG-related responsibilities to the management of the Group, including but not limited to Directors, senior management, restaurant managers and head chefs and is closely monitored by the chief executive officer and the chief operating officer of the Company. The compliance committee of the Company is responsible for the review, endorsement and report to the Board on Group's sustainability standards, goals and to oversee the Group-level strategies, policies and practices on sustainability matters to attain those standards and goals as well as compliance with all applicable laws and regulations and a range of risk management and internal control systems.

Based on the principles of objectivity, standardisation, transparency and comprehensiveness, this report serves to provide details of the Company's ESG policies and initiatives of our restaurant business in Hong Kong and Shanghai. We have identified the following ESG Segments in this report:

Environmental	Social	Operating Practices
<ul style="list-style-type: none">• Emissions• Use of Resources• Environment and Natural Resources• Climate Change	<ul style="list-style-type: none">• Employment & Labour Practices• Health and Safety• Training and Development	<ul style="list-style-type: none">• Supply Chain Management• Product Responsibility• Anti-Corruption• Community Investments

This is the fifth ESG Report issued by the Company.

6 STAKEHOLDER ENGAGEMENT

We engages our stakeholders, both formally and informally, on a number of major issues and initiatives in order to gain a better understanding of their views and expectations.

Shareholders

Communications

- Annual general meeting.
- Mandatory announcement, notices and circulars.
- Regular issuance of announcements on a voluntary basis on business updates.
- Physical as well as online roadshows in Hong Kong and online roadshows for Singapore and Taiwan during the year.
- Exposure through corporate website (www.tastegourmet.com.hk) as well as restaurant website (www.tastegourmet.co).

Concerns

- Transparency of business.
- Protection of shareholders' interests.
- Corporate strategy and financial performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6 STAKEHOLDER ENGAGEMENT (*Continued*)

Shareholders (*Continued*)

Customers

Communications

- Social media platforms.
- Collaboration with external parties on promotional activities.
- Continuous review of customer feedbacks through comments cards, direct discussion with the customers and through social media platforms.
- Timely respond to customer complaints.
- Mobile phone customer relations application in the form of a membership programme for closer interaction with our customers.
- Exposure through corporate website (www.tastegourmet.com.hk) as well as restaurant website (www.tastegourmet.co).

Concerns

- Food safety.
- Food quality and service.
- Dining environment.
- Information security and privacy protection.

Suppliers

Communications

- Regular updates of price quotations.
- Regular updates on import licences and certificates.
- Due to the impact of COVID-19, we have entered into purchase contacts from some of our suppliers in order to secure supply as well as a favourable purchase price.

Concerns

- Food safety.
- Quality and consistency of ingredients and other materials.

Government

Communications

- Engaged external professional on the review of the legal compliance status.
- Organised professional and compliance training.

Concerns

- Regulatory compliance.
- Uncertainty in changes in COVID-19 social distancing measures.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6 STAKEHOLDER ENGAGEMENT (*Continued*)

Employees

Communications

- Continuous training provided to our employees.
- Performance review and appraisals.
- Adopted the share option scheme as an incentive to employees.
- Subsidies to our employees for external continuous educational courses.

Concerns

- Occupational health and safety.
- Remuneration and benefits.
- Career development.
- Work life balance.

Landlords

Communications

- Regular meetings.
- Food tastings at new restaurants.
- New restaurant concept developments.
- Attend events organised by the landlords.
- Collaboration on promotional activities.

Concerns

- Food safety and customer services.
- Restaurant performance.
- Long term business relationship.
- Contract negotiation.

7 ENVIRONMENTAL

7.1 Emissions

In our operation, electricity and gas is consumed in the form of lightings, cooking equipment, refrigerators, air conditioning, office equipment and motor vehicles.

We have not set any energy consumption emission targets as our level of emission is directly tied to the level of business activity at a particular restaurant.

Emission Data

	FY2022	FY2021
Number of Restaurants in operations during the year	43	36
Total Days of Operations	12,003	10,778

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

7 ENVIRONMENTAL (*Continued*)

7.1 Emissions (*Continued*)

Emission Data (Continued)

AIR POLLUTANTS EMISSION

	Units	FY2022	FY2021
Total NO _x Emission	KG	684,000	491,000
NO _x Emission per operating day	KG	56.99	45.56
Total SO _x Emission	KG	15,000	13,000
SO _x Emission per operating day	KG	1.25	1.21
Total PM Emission	KG	700	602
PM Emission per operating day	KG	0.06	0.06

GHG EMISSION (tCO₂e)

	Units	FY2022	FY2021
Scope 1: Direct Emission	Tonne	434.62	311.56
Scope 2: Indirect Emission	Tonne	3,307.60	2,986.59
Total Emission	Tonne	3,742.22	3,298.15
Total Emission per operating day	Tonne	0.31	0.31
Emission Intensity (tCO ₂ e/HKD'000 Revenue)		0.01	0.01

Greenhouse gas emissions (“**GHG**”) of the Group are primarily generated during the cooking process through energy consumption. Therefore, GHG emission is dictated by the level of business activities at a particular restaurant. However, we will continue to negotiate with suppliers on lowering the minimum order quantity for delivery and ideally deliveries on a daily basis so that we can reduce the number of refrigeration units at our restaurants.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

7 ENVIRONMENTAL (*Continued*)

7.1 Emissions (*Continued*)

Waste Management

Food waste and cooking oil waste are the major non-hazardous emissions in our restaurant operations. We also use recyclable materials in our takeaway containers as far as possible.

Food Waste

The control of food waste is a very important factor for the Group. Food waste could be the result of poor storage management, poor inventory control, or poor quality control. Food waste not only affect profitability and customer satisfaction, it is an unnecessary waste. We have a stringent set of policies and procedures that helps to eliminated unnecessary food waste, however the attitudes of our employees towards the reduction of food waste as a part of our corporate culture is the key to success.

Each of our restaurant monitors the consumption amount of our food ingredients on a daily basis, which we believe is an effective way to reduce wastage and storage costs as the head chef of each restaurant should know the best utilisation of the various food ingredients and the consumption patterns of the customers at each restaurant. We generally minimise the amount of food ingredients stored at our restaurants based on our estimated sales and production volume of the following day.

During the year, no material non-compliance issue was noted in relation to food waste disposal.

Cooking Oil Waste

Cooking oil waste and grease trap waste are properly disposed of through waste oil collectors with the International Sustainability and Carbon Certification authorised by the Environmental Protection Department in Hong Kong and the equivalent authorities under the relevant laws and regulations in Shanghai.

During the year, no material non-compliance was noted in relation to cooking oil waste disposal.

The Group's waste disposals during the year are as follows:

WASTE MANAGEMENT

	Units	FY2022	FY2021
Hazardous Waste	KG	-	-
Non-hazardous Waste	KG	4,109,000	2,946,000
Total	KG	4,109,000	2,946,000
Waste Disposal per operating day	KG	342.33	273.33
Intensity (KG/HKD'000 Revenue)		10.84	7.95

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

7 ENVIRONMENTAL (*Continued*)

7.1 Emissions (*Continued*)

Waste Management (*Continued*)

Cooking Oil Waste (*Continued*)

We have not set any waste disposal targets. As the level of food wastage is already monitored closely and we do not believe that there will be significant room for improvement. As for cooking oil waste disposal, the level of cooking oil waste is directly linked to the business activity at a particular restaurant.

During FY2022, there was no confirmed non-compliance of laws and regulations related to environmental protection that had a significant impact on the Group.

7.2 Use of Resources

The use of resources for FY2022 are as follows:

ENERGY CONSUMPTION AND INTENSITY

	Units	FY2022	FY2021
Electricity	kWh	6,994,809	6,022,000
Gas	kWh	2,225,949	1,595,556
Total	kWh	9,220,758	7,617,556
Energy Consumption per operating day		768.20	706.77
Energy Intensity (kWh/HKD'000 Revenue)		24.33	20.56

WATER CONSUMPTION AND INTENSITY

	Units	FY2022	FY2021
Total Water Consumption	M ³	125,550	100,769
Water Consumption per operating day		10.46	9.35
Water Intensity (M ³ /HKD'000 Revenue)		0.33	0.46

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

7 ENVIRONMENTAL (*Continued*)

7.2 Use of Resources (*Continued*)

We have not set any water efficiency targets as the level of water consumed is directly linked to the business activity at a particular restaurant.

Data for packaging material used is not disclosed as only take-aways uses packaging materials. Most of our revenue is derived from dine-ins, although due to the impact of COVID-19, the level of take-aways had increased, but with the easing of the social distancing measures, the usage of packaging materials will reduce significantly moving forward when compared to FY2022.

We have not set any energy use efficiency targets as the level of consumption is directly linked to the business activities at a particular restaurant.

7.3 Environment and Natural Resources

We have a number of policies in place to limit the consumption of electricity to the minimum level, examples of some of our energy savings initiatives are as follows:

- Energy saving lightings in all our restaurants and at our office
- Turning off cooking equipment when not in use
- Closed off and turn off air-conditioning and lights in sections of our restaurant during non-peak hours
- Although the amount of water consumed in our operation is not significant, we encourage our employees to use water efficiently such as only using the dishwasher with a full load
- Use of more energy efficient equipment at our restaurants

In shopping malls, there is a fixed period when air conditioning is supplied which we matched as far as possible the operating hours of our restaurants.

All our vehicles are electric vehicles.

7.4 Climate Change

Extreme weather events because of climate change have been evident and the situation will only deteriorate. Typhoons, storms, and heavy rainfalls directly impact the business operations and hours of operations at our restaurants, are likely to become more frequent with the typhoon season getting longer. We fully support the national goal of peaking its carbon emissions before 2030 and reaching carbon neutrality by 2060. However, for a meaningful reduction, governments need to take a more proactive role in requiring the energy companies to reduce emissions during energy production. Extreme weathers also affect the supply of ingredients which in turn affects our costs thus profitability and the most effective way to mitigate the supply issue is to revise our menu by offering alternative products.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

8 SOCIAL

8.1 Employment and Labour Practices

Our employees are the most important asset and resources of our Group. We are an equal opportunity employer and no discrimination is tolerated on the basis of age, gender, race, colour, sexual orientation, disability or marital status. We do not employ any person below the age of 16. In addition to offering competitive remuneration packages to employee, discretionary bonuses and share options may also be granted to eligible employees based on individual performance.

Quality service is an important success factor to our business and employee retention is a known challenge within the fierce restaurant business. Aside from offering competitive remuneration packages, our Group has also implemented an incentive bonus scheme for each restaurant to encourage self-initiatives to drive sales, employee retention and reduction in unnecessary headcount at every outlet. Our bonus scheme is performance based and would be calculated taking into account the achievement of performance target including financial indicators such as revenue and profit target, as well as other qualitative targets such as service quality and work attitude such as timeliness of the employee. Such bonus vary in accordance with the seniority and positions of different employees.

We also conduct annual performance reviews for our employees, which is used as a basis to determine salary adjustments which frequency would depend on a number of factors such as our financial performance and general market conditions and suitability for promotion, taking into account market conditions and business needs.

The Group also encourages its employees to pursue a balanced life and provides a good working environment for its employees to maximise their potential and contribution to the Group. Normal working hours for our full time employees at our restaurants is 10 hours per day.

Our headcount planning is subject to regular review by our head office, taking into factors including but not limited to (i) market conditions; (ii) the size of the restaurant; (iii) proportion of labour costs to total overheads; and (iv) profit margin of the restaurant.

During FY2022, no material non-compliance issue was noted in relation to employment regulations in Hong Kong and Shanghai.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

8 SOCIAL *(Continued)*

8.1 Employment and Labour Practices *(Continued)*

WORKFORCE INFORMATION

	Number of Staff	FY2022 % of Total	Turnover Rate	Number of Staff	FY2021 % of Total	Turnover Rate
BY GENDER						
Female	369	46.7%	157.3%	325	52.0%	80.0%
Male	421	53.3%	122.1%	300	48.0%	54.5%
Total	790		139.4%	625		23.8%
BY EMPLOYMENT CATEGORY						
Senior	48	6.1%	15.4%	43	6.9%	66.7%
Middle	122	15.4%	13.8%	95	15.2%	44.4%
General Staff	620	78.5%	174.2%	487	77.9%	90.9%
Total	790		139.4%	625		23.8%
BY AGE GROUP						
Under 30	270	34.2%	209.8%	181	29.0%	44.4%
30 to 50	291	36.8%	111.6%	263	42.1%	88.9%
Over 50	229	29.0%	99.5%	181	29.0%	80.0%
Total	790		139.4%	625		23.8%
BY GEOGRAPHICAL REGION						
Hong Kong	694	87.8%	158.2%	593	94.9%	30.8%
Mainland	96	12.2%	79.7%	32	5.1%	62.5%
Total	790		139.4%	625		23.8%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

8 SOCIAL (*Continued*)

8.2 Health and Safety

In conformity with industry norms, we are required to comply with various laws and regulations applicable to the restaurant industry in Hong Kong and Shanghai. In order to comply with safety related laws and regulations and occupational health and safety regulations issued by the government authorities in Hong Kong and Shanghai, we have designed and implemented internal safety measures and guidelines for our employees to follow. We also provide training to new recruits and existing employees to keep them up to date with work safety procedures and standards.

We have policies in place to ensure a high standard is kept at all times with regards to means of ventilation, sanitary fitments, facilities for cleaning equipment and utensils, means of exit and entry and fire safety.

We also maintain an internal record and reporting procedure in relation to work injuries in order for our Directors to monitor work injury incidences and make necessary amendments to the internal procedures to reduce the risk of further injuries. During the year ended 31 March 2022, no major work safety incidents occurred in our restaurants.

During the year ended 31 March 2022, no material non-compliance issue was noted in relation to health and safety regulations.

8.3 Training and Development

We believe that training is needed to ensure that all employees possess the required knowledge on our standards and procedures as well as work and safety procedures. For our front-line new recruits, we provide on-the-job training to assist the new recruit to become familiarised with our operation processes. We provide our experienced staff with checklists to ensure all matters on food quality, internal procedures and safety standards are properly discussed with new recruits. To cater for the working hours of our staff, we also provide various training classes including dining service and preparation of a dish in video format so that the staff can access the training materials at the time and place at their convenience. We also encourage our employees to undertake external courses that are funded by the Group.

Our Directors and senior management are encouraged to undertake some form of continuing professional development courses or training. Subsidies are granted to our employees to undertake external continuous educational courses.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

8 SOCIAL *(Continued)*

8.3 Training and Development *(Continued)*

Trainings conducted by the Group during FY2022 are as follows:

TRAINING INFORMATION

	FY2022			FY2021		
	Training	Training Hours	Training Hours per Staff	Training	Training Hours	Training Hours per Staff
BY GENDER						
Female	100.0%	993.5	2.69	100.0%	885.3	2.72
Male	100.0%	1,048.0	2.49	100.0%	796.2	2.65
Total	100.0%	2,041.5	2.58	100.0%	1,681.5	2.69
BY EMPLOYMENT CATEGORY						
Senior	100.0%	202.5	4.22	100.0%	192.9	4.49
Middle	100.0%	577.5	4.73	100.0%	483.4	5.09
General Staff	100.0%	1,261.5	2.03	100.0%	1,005.2	2.06
Total	100.0%	2,041.5	2.58	100.0%	1,681.5	2.69

9 OPERATING PRACTICES

9.1 Supply Chain Management

We generally select our suppliers based on a set of selection criteria, which includes (i) capacity, reputation and business operations of the supplier; (ii) type, variety and quality of food ingredients, goods or services offered by the supplier; (iii) pricing of the food ingredients, goods or services; (iv) supply terms and conditions, such as payment terms, delivery schedule and discount; (v) past performance; and (vi) our relationship with the suppliers.

New suppliers may be introduced by first passing our executive chef's sample testing, followed by an assessment by our Group executive chef and final approval by our Directors. If we identify a potential new supplier, our head chef will first screen the supplier whether their product quality can meet our standards and whether they satisfy our other requirements, such as the cost, origin of the supply of the food ingredients, possession of necessary licences and timely delivery of orders. We will only choose potential suppliers as our approved supplier if the price quoted by the supplier is lower than the purchase prices generally offered by our existing approved suppliers or, if higher, then need to be justifiable by other reasons such as exclusivity. If the potential supplier passes our initial screening, we will place a small trial order to test the quality of their food, and their reliability and timeliness in the delivery. If the potential supplier passes the testing phase, we will then negotiate a long-term supply relationship although we generally do not enter into any framework or long-term agreements, which we believe is the customary industry practice in Hong Kong. We will then consider the above factors and results to determine whether to approve the supplier as an approved supplier.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

9 OPERATING PRACTICES *(Continued)*

9.1 Supply Chain Management *(Continued)*

Our Group has maintained a list of approved food and beverage suppliers, comprising of 40 main suppliers as at 31 March 2022. In order to secure a stable supply of food ingredients and beverages, there are at least two approved suppliers for each type of food ingredient and beverage when possible. Our Group executive chef and business development manager will monitor the quality of our raw materials and consumables and may suggest to our management to consider removing certain suppliers if there is deterioration in the capacities, reliability or consistency of service and product quality of those suppliers. We may remove suppliers failing to meet our selection criteria or being susceptible of negative publicity from our supplier list. However, during the year, due to the impact of COVID-19, we have entered into purchase contacts from some of our suppliers in order to secure supply as well as a favourable purchase price. We are also developing an online ordering system with some of our suppliers due to be launched during the next financial year.

The number of suppliers engaged during the year are as follows:

		SUPPLIERS	
		FY2022	FY2021
		Number	Percentage of Total
BY NUMBERS			
Main Suppliers (80% of Total Purchases)		40	16.9%
Other Suppliers (20% of Total Purchases)		197	83.1%
Total		237	100.0%
BY GEOGRAPHICAL LOCATIONS			
Hong Kong		213	89.9%
Mainland China		24	10.1%
Total		237	100.0%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

9 OPERATING PRACTICES (*Continued*)

9.2 Product Responsibility

Food Safety and Hygiene

Food safety and hygiene is the most important factor and central to our restaurant operation. Our food safety and quality control policies and procedures are closely integrated with our supplier selection process and food preparation process. Our restaurant managers and head chefs are responsible for the quality control at each of our restaurants. They are responsible for inspecting the food supplies and ingredients, overseeing the food preparation process and monitoring the dining environment and kitchen area. We clean and sanitise each of our restaurants in accordance with our policies and procedures. We ensure the implementation of our quality control policies through (i) training and supervision of our employees; and (ii) the evaluation of our procedures.

During FY2022, no material complaints or claims on our food was received by us nor were our restaurants subject to any investigation on food hygiene by any government authorities or relevant consumer protection organisations due to any food safety incident.

Customer Service and Food Quality

We believe the key to our success is our returning customers, however a customer will only return if they are getting value for their money regardless of the amount of money spent. We address customer satisfaction through the provision of good customer service and consistent food quality.

Daily briefing sessions and evaluations are conducted by our restaurant manager of each restaurant to ensure the quality of our services, and to brief the staff about the new dishes launched to ensure they have a good understanding of the menu. Head chef and the restaurant manager of each restaurant also have a daily meeting to communicate any problems encountered so as to ensure a smooth operation of the restaurant. Our senior management hold a monthly meeting to discuss various issues, including the profitability, food and service quality, staffing arrangement, renovation and marketing strategy, to understand the current status as well as adjust our business strategy as appropriate.

We collect feedback from our customers through various channels: (i) our social media pages and emails; (ii) food-critic websites; (iii) visits by our marketing team, who will examine various aspects such as service quality and customers' feedback. Our restaurant managers discuss the customer feedbacks during daily briefing sessions and our marketing department compiles all the feedbacks and identify and evaluate the issues with the relevant personnel in order to improve our overall operations. Our restaurant managers will also discuss the customer feedbacks with our senior management in order to improve our overall operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

9 OPERATING PRACTICES (*Continued*)

9.2 Product Responsibility (*Continued*)

Customer Service and Food Quality (Continued)

During FY2022, we did not receive any material complaints nor complaint filed by our customers to the Consumer Council. We were not aware of any incident of customer complaint claiming material compensation that could have a material adverse impact on our business, results of operations and financial position. Most of the customer complaints related to the food and service quality.

The marketing activities of our Group aim to promote pleasant dining experience at our restaurants with quality food and affordable prices available in a range of cuisines and dining setting from casual to full service dining. We promote our restaurants through various marketing activities, including the maintenance of our website, the display of our menu in digital panels at the shopping malls to the public at our restaurant, launching promotion campaigns with credit cards and shopping mall networks, offering discount to major corporates and residents in the vicinity. We also have a VIP card programme, use various forms of media, such as social media and magazines, third-party smartphone applications for online table reservation as well as promote our restaurants through the distribution of flyers/ coupons which can broaden our reach to our potential customers.

9.3 Anti-Corruption

Corruption, deception, bribery, forgery, extortion, money-laundering and any other kinds of business fraud are strictly prohibited. Our employee's handbook set out internal control policies and procedures to govern the investigation and follow-up procedures of reported fraud incidents. We have internal control policies and procedure to mitigate fraudulent events which are reviewed and systematic fraud risk assessments are conducted periodically. Any abnormality should be reported to the Audit Committee for investigation. Whistle-blowing channel is also established for the reporting of violations of professional conducts.

During the year, no material non-compliance issue was noted or reported to the relevant authorities in relation to any corruption or fraudulent activities.

9.4 Community Investments

We are committed to investing in the improvement of community well-being and social services. Employees are encouraged to participate in a wide range of charitable events.

During the year, the Group made donations of approximately HK\$214,000 to charitable and other organisations.