

2018

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GENERAL

This is the second Environmental, Social and Governance (the “**ESG**”) report by Wealth Glory Holdings Limited (the “**Company**”, together with its major subsidiaries, the “**Group**”), reviewing and disclosing its ESG performance for the period 1 April 2017 to 31 March 2018 (the “**Reporting Period**”) pursuant to Appendix 20 – the ESG Reporting Guide (the “**Guide**”) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

This ESG report mainly covers the data and information of business operations directly managed by the Group which have 2 offices in Hong Kong – the headquarter office in Central, Hong Kong, and the office of its subsidiary, MD Inc. Limited, in Kwun Tong, Hong Kong.

The Group has four main business segments namely (i) trading of natural resources and commodities, namely steam coal and palm oil; (ii) trading of trendy merchandises and other consumable goods, and brand management; (iii) money lending; and (iv) securities investment. The operations of each business segment relate and affect the Group’s ESG obligations and are described in below:

Trading of steam coal is our largest business segment in terms of turnover. Although it is conducted through our associate company, it is included herein as it is under our direct management. Our trading of trendy merchandises under new brands and sales strategies is the 2nd largest business segment in term of turnover and relates to most of the material areas and aspects of ESG. Our palm oil trading has remained robust and is the 3rd largest business segments in terms of turnover, it is mainly paper transactions conducted on a back-to-back basis without taking any physical delivery by the Group. The remaining business segments – money lending and securities investments, account for a rather minute portion of the turnover.

THE GROUP’S VISION, COMMITMENTS AND ACTIONS

The Group continues with its vision and aims to be a successful operator in its business operations and to maximize returns for its stakeholders, at the same time to maintain a healthy and safe working environment for its employees, and to achieve continuing and sustainable development for both society and the environment.

The Group believes that the ESG areas and aspects listed in the ESG Reporting Guide are significant considerations for its business. We strive to operate our business with the objectives to: lessen the impact on the environment; provide a safe and pleasant working environment to employees; comply with legal and regulatory requirements; adhere to high ethical standards; and contribute to the community.

The Group values opinions and views of its stakeholders and has assigned senior management to constantly review and to communicate with its stakeholders including but not limited to its employees, investors, suppliers and business partners to gain insights on ESG material aspects. The Group has identified the following material aspects and has managed them strictly in accordance with the Group's policies and guidelines and in compliance with the relevant legal and regulatory standards.

- Environmental Protection through Conservation of Resources
- Employment Policies and Packages
- Employee Development and Growth
- Procurement and Sales Management and Policies
- Quality of Products and Services
- Privacy Information Protection
- Bribery and Corruption

The Group is committed to conducting its business in a transparent, equitable, legal and socially responsible manner, continuing to minimize the impact of its daily operation on the environment and society, making efforts to meet the interests of all stakeholders, economy, environment, society and corporate governance, and achieving a balance position among all such aspects.

ESG Management and Operation

The Group maintains its ESG management and operation structure as before that the Board has the total responsibilities on the related environmental and social issues contained in the Guide, and has initiated and approved its corresponding strategies and policies. The Board has delegated the Group's Chief Executive Officer ("**CEO**") to have the overall responsibility to implement accordingly. Through normal operation channels, all the department heads are required to report to and support the CEO on implementing the approved strategies and policies.

The CEO and the management executives are responsible for examining and addressing all the environmental and social issues listed in the Aspects and Areas in the Guide, as well as managing the established Key Performance Indicators ("**KPIs**") in line with the Group's strategies and policies. Key policies relating to material areas and aspects in the Guide and our environmental and social performance are reported herein below:

MATERIAL AREAS AND ASPECTS, AND KEY PERFORMANCE INDICATORS (“KPIs”)

(A) ENVIRONMENTAL RESPONSIBILITIES AND PERFORMANCE

A1. Emissions and Discharges

Policy

The Group strives to protect the environment, and is aware of the importance of its sustainable development in relation to its on-going business operations. We comply with the requirements of all the national and local regulatory authorities and specific guides in the industry. We support a “Clean World”, and have implemented policies and taken measures trying to conserve and to efficiently use energy, water and resources in our businesses and operations.

Compliance

During the reporting period, same as last year, the Group was not subject to any confirmed violation cases nor breached any laws, rules and regulations relating to air and gas emissions and waste discharges or other environmental issues that would cause adverse impacts on the Group and to the local environment where we operated.

The Group adopts a proactive approach in tackling environmental issues in its daily operation, which consists of two instrumental measures. First, the Group has strictly implemented clear environmental policies and measures aiming at saving energy, water and resources and reducing air and gas emissions and waste discharges. Second, the Group believes in the importance of “guiding and education”, through continuously promotion, advising and alerting the employees to practice green, to conserve resources and to protect the environment.

Types of Emissions and Data

As described above, the Group’s four main business segments are basically in-office works and services, which do not directly generate much hazardous and non-hazardous gas emissions or waste discharges having adverse impact on the environment. For our steam coal trading business, we do not own nor operate any storage depot and transport fleet and have sub-contracted all our logistics and transportation works to local logistics companies, hence, no direct gas emissions, solid or water wastes are generated. For our palm oil trading, our business is conducted entirely on back-to-back basis without taking any physical deliveries. These arrangements ensure that there will be no direct gas emissions, solid or water waste discharges. The subcontracted logistics companies and the buyers will take out insurance for the potential environmental damages of the oil cargo transit. For our trading of trendy merchandises, as we do not own nor operate any manufacturing plant and only purchase from Original Equipment Manufacturer (“OEM”), therefore no gas emissions, solid and water waste discharges will be generated. Likewise, the lending and securities investment businesses are entirely conducted under normal office environment and therefore will not generate any gas emissions, solid or water waste discharges. However, during our normal course of business and operation, indirect greenhouse gases, primarily carbon dioxide (“CO₂”) from electricity consumption and employee travels, and living waste water are emitted and discharged. Therefore, reduction of energy, water consumption and efficient arrangement of employees’ travels continue to be our top priorities.

Greenhouse gases emissions

As most of our activities are conducted under normal office environment, the Group do not generate any significant amount of direct greenhouse gases. There is however the indirect non-hazardous gas emission of CO₂ as a result of electricity consumption. During the Reporting Period, the Group's two offices indirectly generated 11.58 tonnes of CO₂, which was 138.53 tonnes or 92.3% less than the last year. The huge reduction was mainly due to the closure of the FOVEA Club in Central, Hong Kong. Nevertheless, for the two offices alone achieved a reduction of 6.83 tonnes or 37% of indirect CO₂, evidencing our success on energy saving policies and measures.

Hazardous wastes

Same as the last year, the Group did not produce any hazardous wastes during the reporting period given that most of business activities are conducted under normal working environment.

Non-hazardous wastes

During the normal course of our office operation, only an insignificant amount of office and staff living non-hazardous wastes such as typing paper, packaging material, waste water etc. are generated. The non-hazardous wastes will be collected by the property management offices and disposed of through the building's waste disposal network.

Within the offices, the Group has introduced rules and regulations to encourage employees to save water in order to reduce waste water production.

During the Reporting Period, same as the last year, the Group fully complied with all the relevant laws and did not receive any complaints, fines or warning notices from the public or the relevant environmental agencies regarding our waste disposal activities.

Emissions and Discharges – Mitigating Measures and Results

As most of our business activities are conducted within normal office environment, only an insignificant amount of indirect greenhouse gas (CO₂), printing paper and packaging materials, and waste water were emitted and discharged with no significant impact on the environment, during the reporting period. There were no complaints or breaches on emissions and discharges recorded by any law enforcing agencies during the reporting period, same as the last year.

Hazardous and Non-hazardous Wastes Handling

The operations and activities of the Group has generated insignificant amount of non-hazardous wastes which are taken care of and disposed of by property management offices. All levels of the Group are reminded of and educated on the importance of the "5-R" principle – "reducing, reusing, recycling, replacing and recovering". The Group is satisfied with its accomplishment in general and recognizes the effort and achievement of the employees.

A2. Use of Resources

Policy

Electricity, fresh water, printing paper and office consumables are the main types of resources used during our daily operations. The volume and quantity of the resources used have not been significant nor regular due to our “in-office” operational nature. Nevertheless, the Group has continued to commit on the conservation and efficient use of energy and all resources. We have issued guidelines and instructions to all employees on saving and using energy and resources efficiently, primarily based on the “5-R” principle – “reducing, reusing, recycling, replacing and recovering”. The Group has appointed the Administration Department of each office to perform regular routine checks to ensure that the promulgated measures are strictly followed.

Energy Consumption

With “in-office” nature of operation, the Group only uses electricity supplied from the city grid network.

During the Reporting Period, the Group consumed approximately 16,504 Kwh of electricity, which was 176,039 Kwh or 91.4% less than the last year. The substantial reduction was mainly due to the previous closure of the FOVEA CLUB last year. Nevertheless, the total electricity consumed by the two offices in Hong Kong was 9,325 Kwh or 36.1% less than the last year, demonstrating the effectiveness of our energy saving measures.

Water Consumption

Same as the last year, fresh water was used only for general living and sanitary purposes by our offices employees, and the amount of such consumption was insignificant for the reporting period.

Energy Use Efficiency, Initiatives and Results

The Group is proactive on energy efficiency and conservation and has been benefited thereby. The Group has implemented the following measures:

- Choosing energy-efficient electric bulbs or equipment;
- Ensuring all electric appliances and equipment are turned off when not in use or after office hours;
- Maintaining the office temperature and air-conditioning at optimal level;
- Monitoring the energy consumption regularly.

Meanwhile, the Group has kept educating and reminding the employees on using energy efficiently. As evidenced in aforementioned, the Group, in comparison with the last year, achieved a substantial saving on its energy consumption during the reporting period.

Water Sourcing and Efficiency, Initiatives and Results

The city central network supplies fresh water for the two offices. As discussed above, fresh water is used only for employees' general living and sanitary purposes and the amount of such consumption was insignificant.

Packaging Material and Use of Other Resources

Among all of our business activities, trendy consumable merchandises would consume some packaging materials especially for its products promotional activities and exhibitions, but we are of the view that the amount of packaging materials consumed would not post any significant impact to the environment. As a general principle, in sourcing the packaging materials, the consumption must commensurate to the purpose and the packaging material used must be non-toxic and environmental-friendly.

The Group is committed to maintaining a paperless office environment and consuming paper on as-needed basis. All employees are constantly reminded to adopt the 5-R principle in their handling and using of all resources. The Group has monitored the resources consumption in an efficient and effective manner for costs saving as well as conserving resources purposes.

A3. Environment and Natural Resources

Policy

Same as the last year, the Group has persistently continued our vision, policies and measures on the protection of the environment and conservation of the resources. As far as our businesses and operations are concerned, electricity, fresh water, printing and typing paper and office consumables are for normal daily office uses. No hazardous emissions and wastes which might have adverse impact on the environment are generated.

As a socially and environmentally responsible corporation, the Group has actively introduced and implemented eco-friendly practices to reduce and conserve energy, fresh water and other natural resources, and to minimize the impact on the environment directly or indirectly. It is not just for cost savings, but also for preserving natural resources for the future. We have complied with all the environmental laws and regulations in the regions where we operate. We also cooperate with the local government agencies and support environmental organizations' activities to build a "clean and safe" environment and society.

During the Reporting Period, same as the last year, no irregularities on natural resource consumption were reported to the management.

(B) SOCIAL RESPONSIBILITY AND PERFORMANCE

B1. Employment

Policy

The Group treasures and regards its employees as valuable assets for its sustained development and growth. It is the policy of the Group to strictly comply with all the laws, rules and regulations on the employment arrangements under the Employment Ordinances of the Hong Kong Special Administrative Region (“**HKSAR**”). The Group provides equal opportunity to all employees on recruitment, promotion, compensation and benefits, and builds harmonious, safe and healthy working environment, and totally forbids the recruitment of child labor and forced labor. We have managed our human resources with employee-oriented policies to encourage co-operation and motivation, and to protect the interests and rights of our employees, and ultimately to achieve an amicable relationship with our employees.

Under the corporate management structure, the Personnel Administration Manager reports directly to the Group’s CEO and has the overall responsibility to implement the Group’s strategies and policies on human resources management, and ensures all the statutory obligations of the Group have been legally fulfilled and complied with. All employees have to sign proper and standardized employment contracts at the time of starting their services with the Group. The employment contracts contain all the terms and conditions related to wages and salaries, holidays, over-time, severance and compensation pay, medical benefits arrangement, mandatory provident funds, accidents and injury, safety and health, performance assessment, and so on, which are in strict compliance with the Employment Ordinance of HKSAR. However, bonus payment will be assessed jointly by the Department Head, Personnel Administration Manager and the Group’s CEO, and will be awarded only at management’s discretion.

On recruitment, the Group adopts a hybrid of external recruitment, internal nomination and job rotation to recruit suitable personnel from outside and provide advancement opportunities to existing employees. All job positions are open to all with equal opportunities, decided with no discrimination on sex, race, religion, gender, age and disability basis, and selected on competency basis.

The Group provides and maintains statutory benefits to all qualified employees including but not limited to mandatory provident funds, medical and work injury insurance and compensation and statutory holidays pursuant to the requirements of the laws of HKSAR.

Employee remuneration package comprises basic salary and performance bonus. The former one is determined with reference to the prevailing market level in line with competency, qualifications and experience, whilst the latter one is determined according to employee performance, overall results of the Group, and at the management’s discretion.

Compliance

The Group, as a fair and honest employer with integrity, maintains a policy of strict compliance with the Employment Ordinance of HKSAR. The Personnel Administration Manager is responsible for this compliance through its recruitment process at the source and ensures that all established benefits, welfare and employment terms are carried out correctly and equitably. Same as the last year, the Group honored all obligations to our employees including the payment of salaries and wages, holidays and leave, compensations, insurance and health benefits, and no breach of labour laws or labour disputes were recorded both internally and externally during the reporting period.

Same as the last year, given the policy of equal opportunity and non-discriminatory to sex, origin, religion and races, our employees were working together amicably and pleasantly without any record of complaints or disputes during the Reporting period.

Workforce Analysis

The Group recruited its employees mainly from Hong Kong. As at the end of the reporting period, the Group had a total of 57 employees (4 in Central head office, 26 in Kwun Tong office and 27 in various locations in Hong Kong), which was 60 less than the last year, owing to the closure of FOVEA Club in Central. Of the 60 terminated employees, only 2 managers were from the Central head office which mainly houses the managerial employees who direct and manage the Group business and liaise with the HKEx. This showed that the Group had a stable and acceptable employment policies and structure. Among the 57 employees, 26% were in the managerial level, and all other employees were at the operation level; male to female employee' ratios were 73% to 27% which were reasonable owing to the nature of our works; 76 % of employees were above the age of 40, which was normal and reflected that our jobs required matured and professional skills.

B2. Health and Safety

Policy

As aforementioned disclosed, the Group has implemented “transparent, fair and employee-oriented” human resources policies, and has been working on building a pleasant, harmonious, safe and healthy working environment for our employees. The Group has arranged medical insurance to cover sickness, injuries and accidents, and has fully contributed the mandatory provident funds for all our employees. The employment contracts signed contain details on health and safety protection, which the Group has fully complied with the Employment Ordinance of HKSAR. The Group has equipped the head office and Kwun Tong office with all the required safety and medical equipment and facilities, and has satisfied all the governmental safety inspections.

All employees are required to strictly observe the health and safety policies, instructions and guidance and to follow the same at work and to place safety as their priority during office work. Managers and supervisors are charged with the responsibility of enforcing the safety policies, rules and practices.

In case of any injury or an accident of employee during work, regardless of location, type and seriousness, it is compulsory to notify the superiors and/or the senior management immediately. The superiors and/or the senior management will take immediate and appropriate actions to ensure safety is strictly prioritized. Measures are in place to require corresponding remedial or compensatory actions arising from safety and health issues or work injuries in accordance with the Employment Ordinances of HKSAR and the agreed terms under the employment contracts.

Compliance

Compliance of the Employment Ordinance of HKSAR is the duty of the Group and our supervisory and management team. Safety has the top-most priority in our business goals and operations. The Group has taken out the required insurance for all qualified employees in Hong Kong in accordance with the statutory requirements of HKSAR. Same as last year, the Group did not record any claim on compensation or work related injury investigation in the reporting period.

Work-related Fatalities

Continuing the record of the last year, there was no serious injury, incident or disastrous event during the reporting period.

Measures

The Group has equipped the offices with all the required safety equipment and facilities, and only offices passing all the government safety inspections are leased. The Group has arranged medical and accidental insurances pursuant to the Employment Ordinance of HKSAR to all our employees. In case of accidents, regardless of nature and level of seriousness, employees are required by the in-house rules to notify their superiors immediately for taking appropriate measures to ensure safety is not being compromised.

All injuries or accidents are required to be promptly reported and properly dealt with in accordance with the laws of HKSAR. Meanwhile, remedial or compensatory actions arising from safety and health issues or work, injuries are required to be taken immediately where necessary as stipulated by the in-house rules.

Same as in the last year, the Group did not have any record on any claim disputes on compensation or work related injury investigation by government officials during the Reporting Period.

B3. Development and Training

Policy and Compliance

The Group continues the policies of encouraging and supporting employees to continue learning and improving their knowledge and job skills for the benefit of our employees as well as the Group.

Generally speaking, the Group provides three categories of training. Induction training is provided to new recruits to enhance their understanding of the Group history, organization structure, work environment, regulations, responsibilities and duties required of the job, working skills, safety in operation, and career development plan, etc. On-the-job and specific training for regular employees aim at improving their career development and skills to perform their required job duties in a more competent and capable manner and without risking their health and safety.

Policies are in place regarding on-the-job training to ensure that knowledge and skills are provided in a timely manner to meet the need of the Group and employees. Employees are encouraged to engage in self-development by taking external training programs and seminars which the Group may sponsor, in part or whole, at the discretion and recommendation of the management.

Statistic and Data

During the Reporting Period, the Group only sponsored one manager to attend 15 hours external training program offered by the Hong Kong Securities and Investment Institute, which was less than the last year's 3 managers totaling 28 hours. All the training programs sponsored in the last 2 years were offered by external institutes and related to finance and investment, as the Group has commenced its new businesses on money lending and securities investment only recently.

B4. Labor Standards

Policy

The Group continues with its strict compliance with the Employment Ordinances of HKSAR, and adopts its standards as its minimum labor standard on labor protection and welfare. The Group follows the laws of HKSAR as well as the local market practices on recruitment, dismissal, promotion, leave, holidays, benefits as well as equal employment opportunities to all sexes, genders, ages, races and religions.

Child and Forced Labour

As a basic policy, the Group bans the employment of child labour, illegal workers and forced labour, and is achieved through the recruitment and employment process at source by the Personnel Administration Manager, who is charged with the duty of overseeing their compliance. All job applicants are required to submit their credentials such as academic qualifications, professional skill certificates, references and identity card for verification and record purpose during recruitment.

Compliance

The Group continues to strictly adhere to the Employment Ordinance of HKSAR to ensure employee health, safety and welfare during their employment. The Group also pays wages and salaries, benefits, compensation payments and insurance on time within the prescribed period. Same as the last year, the Group honored all of its obligations towards employees and no disputes or litigations on labour matters were reported during the Reporting Period.

The Group adopts the statutory requirements of HKSAR to be our minimum labour standard on labour protection and welfare. The Group is committed to ensuring its full compliance and all management and supervisory levels are informed.

Operation practices

The Group has mainly been a commodity trading and investment holding company and operates strictly according to related commodities trading and investment contract laws and by-laws with integrity, fairness and honesty. The Group and its employees are required to practice the related industry code of standards as well as to obey the social responsibility ethics.

B5. Supply Chain Management

Supply chain management refers to management of suppliers, products and/or services sourcing and purchasing. Same as the last year, on our steam coal trading, we purchased directly from the coal mines and sold to the power plants or other traders, and we sub-contracted all commodities handling and transportation works to logistic companies and only supervised without any direct involvement; on palm oil trading, we purchased directly from the planters and sold to buyers on back-to-back basis with no physical deliveries; on trendy consumable merchandises, some of the merchandises were purchased directly from factories or local markets under our own designs and brands; there were no purchases of physical goods under the lending and investment activities.

Policy and Management

The Group's purchase policies and management processes for the reporting period are the same as the last year, which can be summarized in below:

The Group continues with its well-structured supply and purchase management policy detailing out each purchase step in a systematic manner. By adopting different approval authorities at different hierarchy levels of the management team, the system ensures that flaws and faults are eliminated in a check and balance manner. The Purchase Manager, Finance Director and CEO form the execution and supervision purchase chain at different levels. Each level is assigned with a designated monetary approval authority and is accountable to their monetary limits they are authorized to approve. Purchase orders are not allowed to be executed when the authorization cannot meet its designated level. The approval grantor is required to ensure that the requests for purchase have met all the terms and conditions and are in order before authorizing.

The Group continues to source its purchases on open and transparent basis from all suppliers on a fair and equitable manner. Suppliers are chosen primarily on competitive pricing, availability, delivery terms and quality. Reliability, reputation and track records of the suppliers will also be considered. Before effecting any purchase, the purchase department will perform a due diligence check on the ability and quality of the suppliers either through self-assessed customary market checking or engaging external professional firms to carry out a trade and credit checking. New suppliers are required to provide relevant certifications and documents for reference and record-keeping.

Geographical Distribution of Suppliers

For purchase of items or services for general use such as general office suppliers, the purchases are generally sourced from local reputable and reliable suppliers so as to reduce carbon footprint and to support the local economy development. For steam coal and palm oil, there are only few local suppliers from China and Southeast Asia. For purchase of items or services for special use, it is our top priority to ensure such items or services to meets with our specifications and to be commensurate with the purposes whereas price and geographical locations of the suppliers are our secondary considerations. The geographical distribution of the suppliers for the reporting period was quite similar to the last year.

Engaging and Monitoring Suppliers

All purchases of the Group in principle follow the established prevalent trade practice and industry norms by inviting a number of tenderers, depending on various factors like contract value, amount involved and any other technicality or time constraints. They are executed and documented in accordance with the in-house rules with primary focus on the purpose, safety and reliability, price competitiveness, availability and reputation of the suppliers. Suppliers are chosen based on their track record on product quantity and quality, reasonable pricing and timeliness of delivery etc. New suppliers are required to provide relevant certifications/documents and track records if necessary.

The Group is well aware that the quality and standard of the incoming materials which may be crucial and instrumental to our end product quality and productivity. The Group ensures that our specification stipulation policy and verification procedures are carried out and adhered to. This policy and approach have been strictly applied where applicable in the purchase or tender process.

The complete and well-structured purchase processes have always been subject to regular scrutiny of the internal hierarchy supervisions and the external independent audit checks. Same as last year, no malpractice and fraud occurred during the reporting period.

B6. Product Responsibility and Performance

Product Quality

Steam coal, palm oil and trendy consumable merchandises are the major areas where products qualities are involved and concerned. The Group realizes that the quality and consistency of our end product is crucial for maintaining our reputation, credibility and market share.

Policy

Following the trading practices, on steam coal trading, an inspector or a third-party surveyor appointed by purchaser will be engaged to inspect the cargoes together with the purchaser at delivery point to reconfirm the quality and quantity; on palm oil trading, and owing to its direct back-to-back nature, there will be no delivery time lag and there are no concerns on products quality and quantities for the Group; on trendy consumable merchandises, the products will be sold as in their respective forms, images or designs at the time of contracts entered, and there will not be any changes or quality issue after sales. However, there may be an issue on quality of after-sale supporting services, as the buyers may need our advice or request for modifications.

To minimize the risks, the Group relies on reliable track records, reputation and integrity in selecting our trading partners and properly follows the cargoes inspection procedures.

On our lending activity, the employees are required to follow strictly the Hong Kong Monetary Authority rules and regulations in conducting our business, and are not allowed to misrepresent and give any warranties without the senior management approval.

Compliance

During the reporting year, the Group did not record any complaints and claims on our steam coal, palm oil and trendy consumable merchandises sales owing to quality issues.

The Group undertakes all measures to ensure that rules and regulations governing the trading practices and products quality assurance are fully observed and complied. Also, policies and procedures are in place to ensure that all customer complaints or concerns are addressed at the appropriate levels and in a timely manner. The related sales officer is obligated to report any incidents received instantly to his superiors who will then decide the appropriate remedial actions to be taken.

(i) Intellectual Property Right ("IPR")

Policy and Compliance

Within the 4 business segments, the design of the consumable merchandises is the most related to IPR. During the design and development phases of the consumable images, designs and branding, the Group has constantly advised our designers not to use pirated software, not to infringe on the IPR of others. The Group undertakes to the client that all the images, designs and brands sold have valid and effective legal rights and patents. During the reporting period, the Group observed and respected all IPR including the purchase of genuine software for usage in offices, and did not involve in any IPR infringement cases.

(ii) Privacy

Policy

The Group is fully aware that in the course of our business transactions, sensitive and private data and information such as credit limit, financial status, trading terms offered etc. of the clients and business partners are generated and may be accessible by our employees. The Group and the management have installed stringent supervisory and control policy and measures pursuant to the Privacy Laws of HKSAR and international conventions, to ensure those information and data to be kept in strictest confidence, and are not allowed to be disclosed and/or leaked to any other third parties without the knowledge and approval of the owner. In our Employment Contract, well defined policies and procedures are in place which totally prohibit the illegal disclosure or use of such information or data other than for the required official use. A system of authorized access to such data is installed and followed at all times.

Compliance

No privacy and confidential information leakage was reported during the reporting period.

B7. Anti-corruption

Policy

The Group is well aware of the importance of honesty, integrity and fairness in our business operations and has in place an anti-corruption policy which involves comprehensive Internal Audit System comprising corruption reporting and investigation procedures. The CEO is charged with the responsibility to initiate investigation upon receiving any corruption reports. Moreover, employees at all levels are constantly reminded in meetings and documents, such as the staff handbooks, on anti-corruption, conflict of interest and giving and taking of interests.

Compliance

Staff are required to declare any conflicts of interest in the execution of their roles. Through establishing these rules and guidance, the Group encourages all employees to discharge their duties with integrity and comply with the relevant national anti-bribery laws and regulations.

Transactions in large monetary sums are processed through bank transactions which require authorized signatories of the appropriate levels depending on the amount involved. Check and balance systems have been installed in the Group for money transaction activities and are considered effective and adequate. During the reporting period, same as last year, there was no adverse comment from independent external auditor on this aspect. There was no enquiry or concern from the government or banking officials regarding money laundering, and the Group did not record any bribery nor corruption.

B8. Community Investment

Policy and Compliance

The Group conducts its businesses and operations in an environmental-friendly manner, and provides support to our employees for growth and development. The Group encourages and supports employees and their family members to participate in charity, volunteer, cultural, sport and educational activities.