

# GreaterChina Professional Services Limited

## 漢華專業服務有限公司

Stock Code: 8193

(Incorporated in the Cayman Islands with limited liability)

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

2017

## I. ABOUT THE REPORT

This Environmental, Social and Governance (“ESG”) Report provides an annual update on sustainability performance of GreaterChina Professional Services Limited (the “Company”), and together with its subsidiaries (the “Group”) for the year ended 31 March 2017 (the “Reporting Period”).

This report aims to provide a balanced presentation on the Group’s ESG key issues and initiatives covering its four core businesses, namely Asset Advisory Services and Asset Appraisal, Corporate Services and Consultancy, Media Advertising and Financial Services.

This report is prepared in accordance with guidelines of Appendix 20 (the “ESG Guidelines”) of the Rules Governing the Listing of Securities of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. All information and data disclosed herein were based on formal documents and internal statistics of the Group.

## II. VISIONS ON CORPORATE SOCIAL RESPONSIBILITY

In the Group’s opinion, “corporate social responsibility” refers to the continuing commitment by a business to operate ethically and contribute to economic development while improving the quality of life of the workforce.

The Group’s values are derived from the good utilization of resources and strong relationship with stakeholders. Its key sustainability framework comprises staff caring, training and development, environmental protection, corporate governance, community building, and product responsibility. In addition to pursuing profit, an enterprise shall also take into consideration of the interests of all stakeholders. The Group has implanted corporate social responsibility as one of the management models and long-term corporate missions.

## III. STAKEHOLDER ENGAGEMENT

The Group consistently values the stakeholders that are influenced by the Group’s operational activities including clients, employees, community groups and government bodies, etc. We communicate irregularly through various communication channels with each other in order to build up a mutual understanding of each other’s vision and expectation on environmental and social responsibility. With reference of these, the Group develops a designated environmental and social responsibility framework and sets long-term objectives for its sustainable development.

## IV. SUMMARY OF ESG ASPECTS AND MATERIAL ESG ISSUES FOR THE GROUP

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## V. ENVIRONMENTAL ASPECTS

### A1 EMISSIONS

The Group sets up annual target in environmental protection by providing an environmental friendly environment in the business operation. The Group also encourages responsible departments to participate in external environmental seminars to raise their awareness about the environment and strive for environmental awards.

Emissions refer to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.

Since the Group is principally engaged in the provision of Asset Advisory Services and Asset Appraisal, Corporate Services and Consultancy, Media Advertising and Financial Services in Hong Kong and the People's Republic of China (the "PRC"), there were neither significant levels of pollutants discharged into water and land nor significant generation of hazardous and non-hazardous wastes during the Reporting Period. The main contributor to the Group's carbon footprint is greenhouse gas emissions caused indirectly from electricity consumption in office and air flight during business trip.

To achieve environmental protection, the Group adopts various measures to minimise waste and consumption levels in its office and other facilities:

- Use electronic equipment, such as computers and photocopiers, which is equipped with power saving mode;
- Limit air-conditioning hours and maintain suitable indoor temperature;
- Unplug all equipment chargers and adapters when they are not in use so as to reduce power consumption;
- Clean the air conditioning and ventilation system on a regular basis; and
- Install tele-conference systems to reduce business travel.

The Group strictly complies with relevant environmental laws. During the Reporting Period, the Group did not identify any case of violation of environmental related laws.

### A2 USE OF RESOURCES

The following measures have been implemented during the Reporting Period in order to reduce the use of resources:

#### 1. *Electricity consumption reduction*

- Switch off copy machine, computers, lights and fax machine before the last staff leaves the office;
- Replace the traditional bulbs by LED energy-saving bulbs in the offices;
- Keep the office equipment clean (such as refrigerator, air-conditioner, paper shredder, etc.) to ensure that they run efficiently; and
- Adopt more energy-saving and electricity-saving mechanical equipment.

2. *Paper reduction*

- Use both side: set computer defaults to print double-sided when possible;
- Give a second chance: use paper printed on only one-side for draft documents or as scratch paper;
- Bring your own cup and avoid using paper cup;
- E-mail tips: remind staff consider the environment before printing the email; and
- Go electronic: replace unnecessary paper forms by electronic systems.

3. *Water conservation*

- Check water consumption regularly; and
- Repair dripping faucet on a timely manner.

4. *Green Procurement*

- Give priority to energy-efficient products at the highest level;
- Give priority to effective water saving products; and
- Require the suppliers to reduce packaging material.

The Group will continue to seek opportunities to reduce further wastes and make efficient use of resources.

### **A3 THE ENVIRONMENT AND NATURAL RESOURCES**

The Group promotes environmental awareness among its employees and encourages them to work in an environmentally responsible manner. To further promote an environmental friendly office, the following methods are used:

- All used printer cartridges are returned to the supplier for recycling.
- Recycling bins are placed in the offices' common areas to separately collect waste paper for recycling.
- Employees are encouraged to print double-sided documents to reduce paper usage.
- Business operations comply with the environmental law in Hong Kong and its other operating locations.

## VI. SOCIAL ASPECTS

### B1 EMPLOYMENT

As at 31 March 2017, the Group had a total number of 69 employees. The Group is committed to providing a fair and respectful workplace for its employees. The Group strives to create a work environment that attracts, leads and allows its employees in creating a quality team. The Group aims to nurture a discrimination-free culture and protect its staff from discrimination by sex, age, race, disability, marital and family status. All employees share fair and adequate opportunities in respect of recruitment, career development and promotion.

#### *Salary policy*

The Group aims to provide employment which offers fair and equitable remuneration in relation to responsibility and performance. The salary policy of the Group is designed to attract, motivate and retain a high-calibre workforce.

The Group aims to pay salaries which are competitive in the market for similar jobs. Consideration is given to the market pay levels, pay trend and supply and demand in the labour market. Salary should commensurate with the individual employee's qualification and experience.

#### *Dismissal*

While the law recognises an employer's right to terminate the employment of an employee with legitimate reasons, Supervisors must cautiously exercise the right in order to minimize the adverse impact on other employees, their teams or the Group.

#### *Application and promotion*

Job applicants are treated fairly and equally. Employment is offered only to the best qualified applicants with reference to their merits and abilities to meet the requirements of the jobs irrespective of whether they are referrals or direct applicants. Management Services Division (hereinafter referred as "MSD") provides recruitment advice and services to all teams and is responsible for the entire process leading to employment.

In determining the salary of a prospective employee, the following factors are considered:

- academic, professional and technical qualifications and working experience;
- job knowledge and technical know-how;
- recent earnings;
- prevailing market rate of the vacant position;
- availability of suitable candidates in the market; and
- salary range of the vacant position.

The Group participates in the defined contribution scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance which is available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are made based on a percentage of employees' basic salaries. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. In addition, the Group is governed by the Minimum Wage Ordinance as well as the Employee's Compensation Ordinance and the Labour Law of the PRC.

The Group had subscribed to those basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, maternity insurance as prescribed by the Social Insurance Law of the PRC, as well as housing fund Schemes as prescribed by the Regulations on the Administration of Housing Fund.

During the Reporting Period, the Group is not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

## B2 HEALTH AND SAFETY

The Group always emphasises the importance of occupational health and safety. Workplace health and safety policies have been established in compliance with applicable domestic and local laws. Assessments on these policies are conducted regularly so as to keep the Group's standards updated and practical. For any potential problems that may jeopardise employees' health and safety, the Group implements protective measures to minimise any incidents. The measures taken during the Reporting Period are listed below:

- Prohibit smoking and drinking liquor in the workplace;
- Carry out periodical cleaning in offices, including disinfection treatment of carpets and cleaning of air-conditioning systems and water dispensers;
- Conduct emergency response drills regularly;
- Set up safety warning signs, banners and slogans in the work sites;
- Establish different Medical And Dental Insurance Scheme, Employees' Compensation Insurance Scheme and Business Travel Insurance Scheme; and
- Set up first-aid box in the office.

During the Reporting Period, there were no material accidents in the course of business operations which gave rise to any claims and compensation paid to employees and the Group is not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

## B3 DEVELOPMENT AND TRAINING

Being a professional service provider, the Group recognises the importance of professionalism and competence of its staff. The main objective of training and development in the Group is to develop key competencies which enable individuals to strive the best performance on their jobs.

The training and development programs are geared towards the following objectives:

- Strengthening the job skills/knowledge of employees;
- Improving operational efficiency and productivity; and
- Developing the potential of employees for maximizing mutual benefit to individuals and the Group.

The Group has organised employee-initiated training activities and employer-initiated development programs. The training and development programs are in the form of sponsorship for employees to attend programs organised by external training institutes or in-house trainings organised by the Group.

#### **B4 LABOUR STANDARDS**

The Group fully understands that the exploitation of child and forced labour are universally prohibited, and therefore takes the responsibility against child and forced labour very seriously. The Group strictly complies with all laws and regulations against child labour and forced labour. Suppliers are also not allowed to engage any employee who is younger than the local minimum employment age, or the maximum age of compulsory education, whichever is higher. All works should be voluntary and not performed under threat of penalty or coercion. Forced labour is prohibited.

All employees of the Group are entitled to have sick leave, injury leave and maternity leave with medical proof in accordance with the Labour Legislation of Hong Kong and the Labour Law of PRC and Law of the PRC on the Protection of Labour Rights and Interests and other applicable regulations. In addition, all employees are not encouraged to work overtime.

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to preventing child or forced labour on the Group during the Reporting Period. In addition, no non-compliance with relevant laws and regulations that resulted in significant fines or sanctions had been reported during the Reporting Period.

#### **B5 SUPPLY CHAIN MANAGEMENT**

The Group's major business suppliers include providers of information technology and communication, premises, legal, professional and other business services. They are not considered to pose significant social risks to the Group's business operations.

The Group has established procurement policy to maintain high level of ethical standards for choosing the right supplier through careful selection and continuous measurement. The Group conducts review on key suppliers annually so as to provide an opportunity to suppliers to enhance their services and products quality, which improves its procurement management effectively.

#### **B6 PRODUCT RESPONSIBILITY**

##### *Health and safety of products and services*

The Group has set up the internal procedures and manuals to ensure a high level of service quality. In terms of signing of valuation report, the Group has an approved list of professional staff who are authorised to sign the different types of valuation reports. The responsible team for each appraisal engagement is headed by a professional with authority to sign the relevant report. The Group has adopted standardised client information request checklist, report template for different valuation purposes or standards and valuation model template which control the valuation process and in turn facilitate review of the whole valuation process by the responsible officer of the report. For each asset appraisal project, the responsible team is also required to sign off on a project monitoring form upon completing each of the five stages in an appraisal project, such stages include signing of the proposal, physical

inspection, reviewing draft report, submitting draft report and issuing the final report. With this policy, the progress of each case can be closely monitored through the recordings on such form. These processes ensure the adequacy and quality of work so as to minimise the chance of professional fault which may result in financial loss and reputation damage.

#### *Advertising, labeling and protection of customer information*

Any misrepresentation in marketing materials or exaggeration of offerings is strictly prohibited. The Group has issued internal guidelines to ensure the sales and marketing department of the Group are providing accurate and precise product descriptions and information to clients.

The Group has put in place internal control in important areas such as confidentiality and conflict of interest. Besides, the Group owes a contractual obligation of confidentiality to the clients in terms of their information, and therefore treats the transaction record and personal information of the clients and former clients as private and confidential, subject to disclosure requirements under the relevant laws, rules and regulations that the group is required to comply with. Information collected is only used for the purpose for which it has been collected and clients would be told about how the data collected would be used. The Group prohibits the provision of consumer information to a third party without authorisation from the clients.

If there are complaints from clients, the Group works out specific solutions and replies to the clients. The Group concerns about complaint handling as it strengthens product and service quality, which in turn helps it to maintain the competitiveness in the market.

The Group is not aware of any non-compliance with relevant laws and regulations that has a significant impact on the Group relating to health and safety, intellectual property rights, advertising, labeling and privacy matters relating to services provided and methods of redress.

## **B7 ANTI-CORRUPTION**

The Group adopts a Zero Tolerance approach to bribery, extortion, fraud and money laundering. It maintains the highest standards of openness, uprightness and accountability and all its staff are expected to observe the highest standards of ethical, personal and professional conduct.

All of its staff must comply with related national and local government laws and regulations on prevention of bribery, extortion, fraud and money laundering. All employees not only have responsibility to understand and comply with the above regulations, but also report violation to the appropriate person. Any person, who contravenes the regulations, will be subject to disciplinary sanction.

The Group includes the code of conduct in the staff handbook. The code of conduct focus on the Ethics at work, compliance by employees, prevention of Bribery Ordinance, accepting advantages and offering advantages.

The Group adopts a whistle-blowing system for reporting any improprieties in financial reporting, internal control, suspected or actual fraud or other matters. Whistleblower can drop email directly to the Audit Committee Chairman. If they prefer, they can choose to use an anonymous email address to report the matters. This reporting channel is included in staff handbook.

The Audit Committee Chairman can call for a meeting with the Board of directors to investigate the reported matters.

The Board may also decide whether the Group need to appoint external consultant (including professional parties, ICAC or Police, etc.) to deal with the matters.

During the Reporting Period, the Group did not identify any cases of violating the relevant laws and regulations that had a significant impact to the Group.

## B8 COMMUNITY INVESTMENT

The Group is constantly aware of the needs of the community and is ready to try its best to contribute to the community by participating and sponsoring community activities.

In addition, the Group encourages and supports the staff to participate in the volunteer services at the leisure times.

During the Reporting Period, the Group has participated in the following community events:

- Sponsored “Business Sustainability & Risk Management Case Analysis Competition 2016” organized by Association of International Accountants (Hong Kong Branch). The competition aimed to raise the sustainability awareness of the youth, to help them develop the principle of business sustainability and to encourage their practice to the society. Students from 16 universities and higher education institutions in Hong Kong, Macau and Mainland China participated in the competition.
- Sponsored “CPA Australia’s 130th Anniversary and 60 years in Hong Kong” organized by CPA Australia. Greater China Appraisal Limited (“GCA”), a subsidiary of the Group was honoured to be invited to sponsor CPA Australia 60th Triumph in Hong Kong. As one of the platinum sponsors, we were invited to attend CPA Australia’s signature events including the Asia Financial Forum cocktail reception, CPA Australia Forums, Thanksgiving cocktail receptions.
- Sponsored “Organizational Consulting Project” organized by the Department of Management of City University of Hong Kong. GCA have supported the Department of Management of City University of Hong Kong for the Organizational Consulting Project by letting the Master Degree student to review its corporation and to apply management consulting skills in a real organizational setting. Staff of GCA worked closely with the students from January to April 2017. In the final presentation, the students gave GCA independent perspective on issues the industry is facing. Great ideas were shared and practical recommendations were given by this group of fast learners.

## VII. YOUR FEEDBACK

The Group will continue to adopt measures for the benefit of ESG in its operations.

Stakeholders’ feedback is valuable and can help to improve our operational, environmental, social and governance policies and procedures. Please feel free to share your feedback on our performance via any of the following channels:

Address: Room 2703, 27/F, Shui On Centre, 6-8 Harbour Road, Wanchai, HK  
 Telephone: (852) 2511 6868  
 Email: [info@gca.com.hk](mailto:info@gca.com.hk)