



China Bio Cassava Holdings Limited
中國生物資源控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8129)

*Environmental, Social
and Governance Report*
2016



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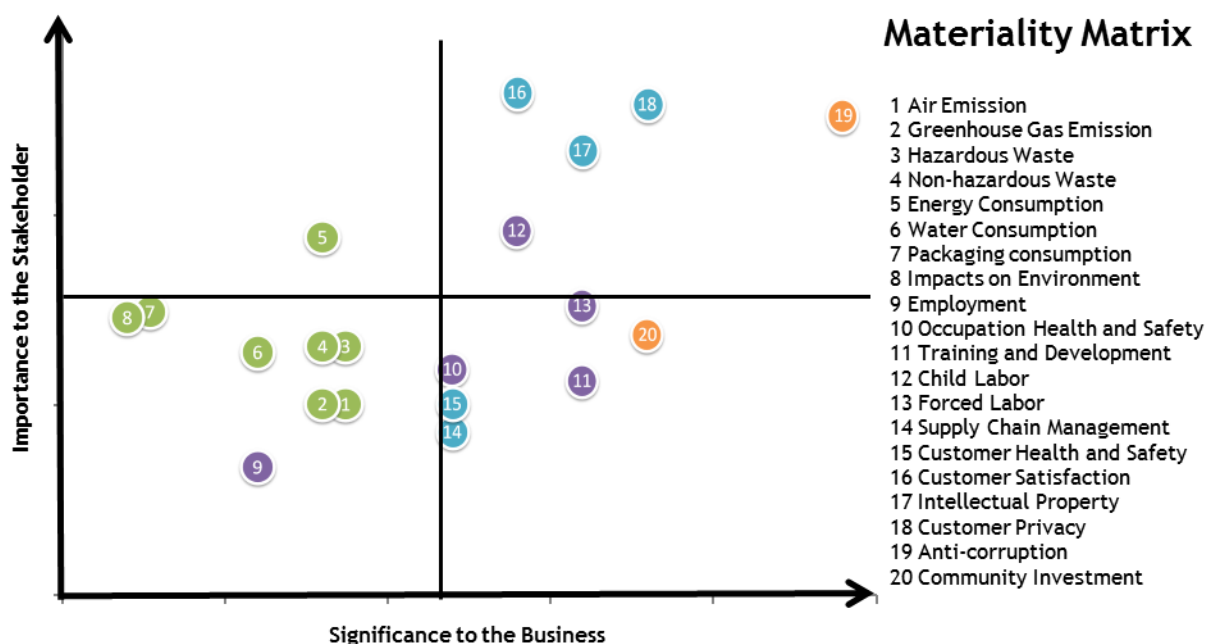
Environmental, Social and Governance Report

China Bio Cassava Holdings Limited (hereinafter referred to as “We”, “China Bio Cassava”, the “Company”) is very pleased to publish the first environmental, social and governance (“ESG”) Report which covers the major operations of the Company and its subsidiaries (collectively, the “Group”) in Hong Kong, including the provision of financing services, as well as computer software and embedded system development and sales and licensing of software and systems. The ESG Report was prepared in accordance with the ESG Reporting Guide of the Rules Governing the Listing of Securities on Growth Enterprise Market (“GEM”) made by The Stock Exchange of Hong Kong Limited (“HKEx ESG Reporting Guide”), fulfilling all General Disclosure requirements under Appendix 20 during the financial period from 1 January 2016 to 31 December 2016.

This ESG Report provides information on environmental and social issues that are relevant to the Group and details our efforts in sustainable development. We would like to hear your feedback on this first ESG Report, please email us at info@bio-cassava.com.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

To understand the concerns of our stakeholders on ESG issues, we engaged various internal and external stakeholders, including Board of Directors, employees and customers, through an online questionnaire. The key stakeholders are invited to rate twenty ESG topics, and the results were used to conduct a materiality assessment, as presented below:



As we can see from the materiality assessment, the stakeholders would like us to continuously improve our products and services, meet customers’ need, and prevent corruption in our operations. With these results in mind, the Group will continue to strive for excellence in its ESG performance and improve the performance in future. Details of our efforts are presented in the later sections.

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QUALITY SERVICES AND PRODUCTS

We strive to provide high quality products and services to our customers and at the same time ensure a sustainable development of the Group.

Financing services

Our aim is to help customers overcome financial difficulty through providing professional advice and loan services. Various types of loan services, including personal loans, revolving loans, mortgages and small and medium-sized enterprises loans, are developed to help meet consumers' financial needs. To strengthen our financing services, we have extended our application channel to the online platform – allowing our customers to receive our financing services in a simple and more efficient way.

While it is important to offer a satisfying loan amount to our customers, we also need to consider their capacity to repay the loan. We have established a credit approval process outlining the procedures of evaluating and approving loan applications, and we have made sure that our employees understand every steps – from documents collection, verification, assessment to final approval; as a result, delivering the best service and reducing our risks.

To provide customers with appropriate products and services, clients' personal information is unavoidably collected and used. Therefore, ensuring the privacy of customer information is one of our most important responsibilities in maintaining our reputation and in establishing the trust. To safeguard all personal and confidential information about our clients, privacy policy is set up to ensure that our staff handle and protect customer information appropriately. For more details, please refer to our privacy policy: <http://www.fortunecredit.com.hk/privacy.html>

Software development

"Q9 Anywhere" is our slogan. We are committed to providing customers with high quality Chinese input software products and services, and strive to continually develop products that meet the needs of customers. With our principal innovative proprietary "matrix mapping system", our flagship product Q9 Character Input System allows our customers to input Chinese characters in an easy way. We intend to make Q9 available anywhere. Over the years, we have extended our product portfolio to other languages, including English, Japanese and Korean, with broad interfaces to multi-platforms, including mobile telephones, PDAs and PCs.

We are aware of the potential spread of counterfeit goods. To prevent counterfeit products from reaching the marketplace and safeguard our intellectual property in the business, we have taken various measures as follows:

- All our research and development ("R&D") staff are required to sign a "Non-disclosure Agreement" for not disclosing confidential information to other persons, corporations or firms.
- Products need to be activated by using a unique serial number to register. Our system will stop running the software programme after the trial period of 30 days if not registered.



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- Our R&D staff regularly monitor any pirated version on the Internet and carry our action if necessary; for example, a letter is sent to the website company requiring it to remove the illegal software and related content.

Customer feedback is particularly valuable to us as it helps us understand customer needs and continuously improve our products and services. We have a dedicated team to handle customer comments. They will collect and analyze customer feedback, optimize the operation process, and improve product and service quality. In addition, various channels, including telephone hotline, fax, post and email, are provided for customers to reflect their opinions on our products and service or file any complaints conveniently. For more details, please refer to our Customer Service Policy: <https://q9tech.com/web10/page.php?c=209>

BUSINESS ETHICS

A Code of Business Ethics is stipulated in our Human Resource Policy and Procedures in which describe the principles on how our employees should conduct business in a socially responsible and ethical manner. Employees who are found violating the Code will be subject to disciplinary action which includes termination of the employment contract.

Anti-bribery

Our businesses are subject to all relevant anti-bribery laws in Hong Kong. Employees are not allowed to accept or offer any benefits such as gifts, loans, monies, contracts etc, without prior consent of the Company.

Conflict of interest

Employees are prohibited from utilizing their positions or inherent power to obtain any benefits/entertainment from customers, subcontractors, suppliers or other business partners. In the course of conducting our business, the Company understands there will be occasions when it is appropriate, out of politeness, to receive small gifts or business entertainment. Employees shall make good judgment to conduct all businesses without undue influence when receiving business gifts and entertainment, and shall inform relevant parties.

Accounting and financial reporting

Preparing financial reporting accurately with proper accounting, internal accounting controls and auditing practices are essential to maintain the Group's reputation for honesty and integrity. We have a whistle-blower policy with reporting channels and guidance to encourage employees to report any possible improprieties in matters of financial reporting or relevant matters. The reported matters will be investigated promptly followed by remedial actions as appropriate.

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MOTIVATED WORKPLACE

Employees are the most important asset of the Group. We strive to provide a safe and motivated workplace for our employees and are committed to preventing and eliminating any discrimination and harassment actions.

The Human Resource Policy and Procedure was set up based on the Hong Kong Employment Ordinance, and hence, we comply with all relevant laws and regulations in areas including salary, working hours, holidays and dismissal. All employees are members of the Mandatory Provident Fund Scheme as per the requirements of the Mandatory Provident Fund Schemes Ordinance. Other benefits include additional leaves (annual leave, marriage leave, compassionate leave etc.) and medical insurance. To appreciate the hard work and maintain good relationships with our employees, we regularly organize company events such as Chinese New Year dinners and lunch gatherings.

Performance assessment is conducted annually for reviewing the performance of each employee and ultimately, form a basis of salary adjustments, promotions, transfers and training. We encourage our employees to get professional training and obtain professional qualifications by providing examination leaves and subsidies for eligible employees.

We also value the communication with our employees; therefore, communication channels are set up for employees to file complaints and provide opinions.

ENVIRONMENTAL PROTECTION

Since our operations are mostly confined to the offices, it is not likely for us to generate a significant adverse impact to the environment. Nevertheless, in order to cut down our carbon emissions in the workplace, we always look for opportunities to reduce unnecessary energy consumption and waste generation.

Employee involvement and behavioural change in the use of resources are the keys to support environmental protection. The following is the guide to our employees on how to improve energy efficiency and conserve resources within our operations:

How to save energy and resources at work?

- Switch off electrical appliances when they are not in use
- Reduce paper consumption through application of computer technology
- Reuse single-sided paper for printing and writing
- Encourage double-sided printing
- Reuse stationery, e.g. used envelope and document folder
- Reuse empty water bottles which are collected by service provider

In addition, we have a practice of reusing cartons at our office to reduce the generation of packaging waste in software product delivery. Recycling boxes are also placed in the office for collecting waste paper and damaged computer accessories.

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HKEX ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures	Policy/Procedure	Reference section
A. Environment		
A1 Emission	Information on: (a) the policies; and (b) compliance and material non-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, generation of hazardous and non-hazardous wastes, etc.	Human Resource Policy and Procedure Environmental Protection
A2 Use of Resource	Policies on efficient use of resources including energy, water and other raw materials.	Human Resource Policy and Procedure Environmental Protection
A3 The Environment and Natural Resources	Policies on minimising the operation's significant impact on the environment and natural resources.	Not applicable – the Group's operations do not have significant impact on the environment and natural resources. –
B. Social		
B1 Employment	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.	Human Resource Policy and Procedure Motivated Workplace
B2 Health and Safety	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards.	Human Resource Policy and Procedure Motivated Workplace
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Human Resource Policy and Procedure Motivated Workplace
B4 Labour Standard	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on preventing child or forced labour.	We strictly comply with all the laws and regulations related to labour standard in Hong Kong. –

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HKEx ESG Reporting Guide General Disclosures		Policy/Procedure	Reference section
B5 Supply Chain Management	Policies on managing environmental and social risks of supply chain.	No policy – We only have a few major suppliers involved in our operations. Supply chain management is not considered as a material topic.	–
B6 Product Responsibility	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Credit Approval Policy and Procedures Customers' Privacy Statement Customer Service Policy	Quality Services and Products
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering.	Human Resource Policy and Procedure Whistleblower Policy	Business Ethics
B8 Community Investment	Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests	No policy – We are at the stage of considering to set up community investment policy that suits the condition of our Group.	–