



**Changhong Jiahua Holdings Limited**

**长虹佳华控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 8016)

# **ESG Report 2017**

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## ABOUT THIS REPORT

### **BASIS OF PREPARATIO**

This Environmental, Social and Governance (“ESG”) report is prepared in accordance with Appendix 20 “Environmental, Social and Governance Reporting Guide” (“ESG Reporting Guide”) to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and has complied with “comply or explain” provision in the ESG Reporting Guide.

### **RELEASE CYCLE**

This report is issued on a yearly basis and covers the reporting period from 1 January 2017 to 31 December 2017. This report is published on the websites of the Stock Exchange and the Company.

### **REPORTING SCOPE**

This report covers Changhong Jiahua Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”).

### **CONTACT INFORMATION**

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## ABOUT US

The Company is a state-owned enterprise holding company listed in Hong Kong (stock code: 8016.HK). We possess our own industrial advantages and unique team culture in the IT field. The Group is an IT professional solution service provider and product distributor that can integrate and optimize global resources as well as a professional location and information service terminal product manufacturer and service provider. To be a good partner to help improvement and support success as its business philosophy, The Group oriented in a new-type IT comprehensive service enterprise, provides highly efficient comprehensive and professional services for partners in domestic, foreign IT and other industries and customers by virtue of excellent marketing services, professional solutions, independent intellectual property proprietary equipment and diversified products to help partners and customers grow and succeed.

In the professional IT product distribution and solution service field, we are well-known domestic distribution service provider with the most innovative concept and the fastest growth speed in the industry, ranking at the forefront among domestic distributors. We integrate international technologies and product resources. It provides partners with professional solutions and IT products with leading applied technologies and high cost performance relying on its technologies, resource integration capacity and service ability. It is gradually promoting its marketing experience to products in other fields. It is committed to becoming the leading big data comprehensive service provider and the distributor with the biggest market shares among partners.

We are famous product, solution and service provider in LBS and Beidou navigation application business, of which, the LBS business focuses on TSP and family internet of things products and applications and promoting the innovation of car networking and family internet of things application product innovation. It is devoted to the civil-use industrialization application of Beidou and to providing enterprise-level users with location-based service products and related application solutions.

## **CORPORATE MISSION**

In view of the new layout that emerged in the PRC IT industry under the new era, the Group will become a listed company with sound profitability focusing on IT business as its core and the most remarkable marketing company with an objective of establishing a new benchmark for the PRC IT industry, hence maintaining its sustainable long-term development and creating maximum returns for the Shareholders.

## **CORPORATE VISION**

- To become a remarkable IT integrated service provider under the new era
- To become a remarkable listed company bringing satisfactory returns to the Shareholders
- To become a paradise for the career development of professional managers

## **CORPORATE CULTURE**

- Targets and results oriented: with clearly defined strategic targets, use the targets to be achieved to plan, figure out the strategies, measures and road maps in accomplishing them and then move forward step by step. Achieve targets through scientific and systemic ways of thinking and focus on results accountability.
- Simple and direct communication: Efficiency is the principle to follow and achieve targets through focused and efficient communications. Be straight to the point, have clear subjects during communication, be targets and results oriented and focus on facts but not individuals.
- Seek for truth, seek for diversity, and explore other kinds of possibility: apply rules that are discovered during exploration process, seek for and apply diversity in rules. Establish new thinking model for Chinese distribution enterprises, boldly explore new directions and endeavor to achieve corporate improvement and industry perfection.

## **CORE BUSINESS PHILOSOPHY**

Be a good partner to help improvement and support success: Making efforts to provide long-term and sustained support for manufacturers, helping them explore new markets with professional marketing services; coordinating various resources to help our agents develop; achieving success with our partners.

## **DEVELOPMENT STRATEGY**

Based on our existing business, we achieve business upgrade and value promotion through the transformation model of “platform + value added” and become an integrated service provider in the professional sectors of professional IT enterprise distribution, big data and cloud computing, forging our core competitive edge and achieving the strategic transformation of our business.

## **2017 OPERATING PERFORMANCE**

In 2017, major economies in the world all grew in the same pace. The countries of emerging market presented a strong growth, while the developed countries enjoyed a stable recovery. Chinese economy shifted from a fast growth to a high quality one, demonstrating a more sustainable trend.

IT technologies, such as cloud computing, big data, block chain, artificial intelligence and mobile internet, have grown very fast, becoming the critical factors for integrated development of various industries. In 2017, the Group further integrated the international technology with product resources, expanded the traditional distribution business steadily, and made efforts to develop the cloud computing and big data business, and put the big data solution into practice. In 2017, the Group built and improved the internet distribution platform, explored and built business models based internet distribution, expanded sale channels and products incremental, and promoted the integration between on-line channels and off-line ones.

In 2017, the Group recorded revenue of approximately HK\$21,024.26 million, representing an increase of 10.29% as compared with that in the corresponding period of the last financial year. In 2017, profit attributable to the Shareholders amounted to approximately HK\$244.53 million, representing an increase of approximately 5.05% as compared with that in the corresponding period of the last financial year, and basic

earnings per share amounted to HK 9.51 cents, representing an increase of approximately HK 0.45 cents as compared with HK 9.06 cents in the corresponding period of the last financial year.

## **2017 CORPORATE HONOR**

- 2017 NetApp China Best Distributor Award (NetApp)
- Enterprise Innovation Award (CP200) (Hunan Civil Affairs Department, Provincial Older Age Working Committee Office)
- Enterprise Innovation Award (CP200PRO) (Hunan Civil Affairs Department, Provincial Older Age Working Committee Office)
- Best Distributor (Nutanix)
- Beidou Award – Scopio Star Best Cooperation Award (China Satellite Navigation and Positioning Association)
- 2017 Core Committee Member (Senior Services Informatics Development Community “SSIDC”)
- Gold Medal, Excellent Design Award (SSIDC) in the pension service industry information innovation contest
- Best Practice Cases for Infant Services Industry Informatization (SSIDC)
- Partner Quality Service Award (DELL EMC)
- Breez/CSDK Application Development Pioneer (Avaya)
- 2017 China Data Center's Best Operational Service Provider for Modernization (CCID Group, China Computer News)
- National Quality Investment Project Award (China Investment Association)
- Partner Elite Award, East China Sales Award, Shandong Northeast Sales Award (EMC)
- Best Distributor (HDS)
- Best Partner (ZTE)
- Best Service Partner, Best Strategic Partner (Quantum)
- 2016/2017 Lenovo China Consumer Options Business - Gold Award, Lenovo Business Star (Lenovo)
- 2016 Emerson Network Power Product Management Specification Award (Emerson)
- 2016 Cooperation Award (Honeywell)
- Best Performance Distributor Award (Corning)

## STAKEHOLDERS ENGAGEMENT

The interest and opinions of stakeholders on our business activities are of great significance to the Group's sustainable development. The Group attaches great importance to communication with various stakeholders and establishes effective communication with stakeholders through various platforms and communication methods.

<b>Stakeholders</b>	<b>Expectations</b>	<b>Communication methods</b>	<b>Measures</b>
<b>Investors /Shareholders</b>	Return on investment	Shareholders' Meeting	Continued to enhance the Group's profitability
	Information disclosure	Periodic reports, announcement Company website	Released regular reports and announcements as required
<b>Partners</b>	Candid cooperation	Regular meetings	Fulfilled cooperation agreements
	Fair and just	Agreements	Established long-term stable relationship with core partners
<b>Customer</b>	Stability Service support	Product supply Agreements	Signed annual cooperation agreements with the customers
		Customer services	Provided a wealth of products
		Company website	Provided technical, training and other services



<b>Employee</b>	Compensation and benefits	Product supply Labor Contract	Improved compensation benefits and performance System
	Working environment	Employee training	Provided a clean and comfortable working environment
	Career development	Employee internal communication	Planned staff promotion path
		Employee performance evaluation	Provided rich training courses
<b>Community</b>	Harmonious community	Company website	Built a harmonious community together
	Public welfare activities	WeChat official account	Conducted public welfare activities

## GOVERNANCE

### CORPORATE GOVERNANCE

In order to achieve corporate mission of the Group, we have established good corporate governance practices based on the principles of integrity, transparency, openness and efficiency, and implemented and improved various policies, internal controls procedures and other management framework. We will continue to learn and understand the development of corporate governance practices with reference to the world's leading institutions, relevant regulations by the regulatory bodies and the expectation of the investors. We will also review and enhance the corporate governance procedures and practices from time to time so as to ensure the long-term sustainable development of the Group.

## **COMPLIANCE MANAGEMENT**

The Group is subject to various laws and regulations set by the PRC national, provincial and municipal governments relevant to our business operation, including The Company Law of the Peoples Republic of China (《中華人民共和國公司法》), Contract Law of the People's Republic of China (《中華人民共和國合同法》) and Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》). Compliance procedures are in place to ensure adherence to the applicable laws, rules and regulations. The Group has complied with the relevant laws and regulations that have significant impact on the operations of ours. Further, any changes in applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

## **INTERNAL RISK CONTROL**

The Group established the Internal Control Specification and Operational Risk Management Manual in accordance with the relevant regulatory requirements and the internal control framework required by the Ministry of Finance to clarify the management rules, systems, critical control points, and corresponding controls of the key control links. The process ensures that the Group's business management is legally compliant, corporate assets are secure, financial information and related information are accurate and reliable, aiming to improve operation efficiency and promote company's strategic planning. In 2017, the Group carried out risk identification and assessment, identified major risk identification standards, established risk identification lists, and prevented and effectively identified and controlled various risks arising from the operation process through routine and special internal control inspections.

## **ESG IDEOLOGY**

The Group focuses on the sustainable development of coordination among the business, the society and the environment. In pursuit of economic efficiency and business development, we consciously incorporate social responsibility into our business strategy for an honest and compliant operation, and actively fulfills our social responsibilities and obligations, to achieve the healthy and harmonious developments

between the Company and our staff, the Company and the society and the Company and the environment, and continue to create value for the Shareholders.

## ENVIRONMENTAL PROTECTION

The Group is committed to supporting environmental sustainability. We strictly abide by national and regional environmental laws and regulations, and implement strict environmental protection policies, to ensure the fulfillment of environmental responsibility.

We affected the environment primarily through the use of water, electricity, car fuel for office and minority of packaging materials, as well as carbon emissions from the business trips of our staff, and had no significant impact on the environment and natural resources.

### EMISSIONS

The Group strictly abides by the environmental laws and regulations of the national and operation areas, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》). The Group's business operations do not involve hazardous waste, large amounts of waste gas or non-hazardous waste. In 2017, the Group did not have non-compliance issues related to environmental issues.

### AIR POLLUTION EMISSION

The Group's air pollutants mainly originate from automobiles. The Group controls the number of cars and mileage and tries to use the online video conference system or teleconference to reduce business trips, energy consumption and emission of carbon dioxide.

In 2017, the Group's air pollutant emissions included 1,336 grams of nitrogen oxides, 82 grams of sulfur oxides, and 98 grams of particulate matter.

## **GREENHOUSE GASES EMISSION**

The Group's emissions of greenhouse gases are mainly derived from the use of electricity and vehicles for office. The Group manages its carbon emissions by reducing energy consumption.

### **1. Emission from the use of electricity**

The Group leased offices in 26 cities including Mainland China and Hong Kong. In 2017, the electricity consumption involved 949 tons of carbon emissions, which was an increase of 4.9% compared with 998 tons in 2016 (Sources of carbon emission conversion factors involved in electricity use are the “China's Regional Grid Infrastructure Emission Factors for 2015” promulgated by the Department of Climate Change, National Development and Reform Commission).

### **2. Emission from the use of fuel**

The Group owns a few vehicles for travel and reception of the executives. In 2017, the fuel usage involved carbon emissions of 12.6 tons, which was 18.2% lower than the 14.9 tons in 2016. (The source of carbon emission conversion factors involved in fuel use is the “2006 IPCC (Intergovernmental Panel on Climate Change) National Greenhouse Gas List Guidelines Catalogue”, Vehicle Emission Capabilities: 2.2631Kg/L).

## **HAZARDOUS WASTE AND NON-HAZARDOUS WASTE**

The Group's business operations do not involve hazardous waste or large amounts of non-hazardous waste as defined by the national laws and regulations. The non-hazardous waste generated by the Group mainly includes paper and a small amount of electronic products. The Group promotes paperless office software and secondary use of printing papers, produces portable notebooks, sends holiday e-cards and prints by swiping cards to reduce paper consumption. For scrapped electronic products, they are recycled by units that have environmental recycling qualifications to avoid causing environmental pollution.

## **WASTEWATER**

The Group's business operations do not involve wastewater discharge.

## **USE OF RESOURCES**

The Group actively implements the concept of environmental protection and conservation, and formulates policies and measures for the management of environmental protection, including: 1) the Group enhances the awareness of energy saving and consumption conservation of its staff through posters and promotional videos; 2) increases the use of the renewable energy, solar hot water; 3) installs more energy-saving lighting equipment and intelligent electricity-saving system for air conditioners in offices, which can automatically adjust the turning on and off time and the temperature settings of air-conditioners according to weather conditions.

### **1. Use of fuel**

The Group owns a small number of vehicles for executive travel and reception. In 2017, the fuel usage was 5,572 liters, which was 18.2% lower than the 6,881 liters in 2016, tending to decrease.

### **2. Use of water**

The Group uses water originated from office usage. In some of regions, the water supply service in the office is provided by the building management. In this case, water consumption data is not available. The water supply to the offices in Beijing, Nanjing, Fuzhou, Xi'an and Shenyang was managed by the Group itself. In 2017, the water consumption in these areas consumed 4,628 tons, and the consumption tended to decrease, which was 36.9% lower than that of 7,335 tons in 2016.

### **3. Use of paper**

The use of paper by the Group mainly originates from office consumption. The Group's paper usage was 1.08 million in 2017.

### **4. Use of packaging materials**

In 2017, the Group used 10.98 tons of carton packaging materials for LBS products and used 5.19 tons per 10,000 products.

## THE ENVIRONMENT AND NATURAL RESOURCES

The Group's business operations have no significant impact on the natural environment and natural resources. We always adhere to strictly implement monitoring and control measures related to water saving, power saving, energy saving and emission reduction, and minimize the impact on the natural environment and natural resources.

## SOCIAL

### RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, EMPLOYEES AND OTHER STAKEHOLDERS

We believe that maintaining a good relationship with its business partners, customers, suppliers, employees and other stakeholders is important to the Group's business performance and development. Accordingly, the management of the Group has kept good communication, exchanged ideas and shared business updates with the stakeholders when appropriate. The Group also creates a framework for motivating staff and maintaining close relationship with staff. During the year ended 31 December 2017, there were no material and significant disputes between the Group and its customers, suppliers, employees and/or other stakeholders.

### EMPLOYMENT

By focusing on the implementation of value creation and targeting at transparent performance and systematic management, the Group implements the scientific and fair performance management approach to secure the separation and implementation of its overall strategic goals at every segment, while maximizing the innovation and development of personal potential and talents to guide the constant growth of its staff.

Based on the annual business plan, we formulate the corresponding human resource planning plan. Depending on business progress and employment needs, it recruits talents through various internal and external channels to form diversified businesses team with different genders, ages, education backgrounds, knowledge and skills, and



work experience.

The Group adheres to the principle of equal opportunity in recruitment and promotion, opposes discrimination based on factors such as religion, nationality, gender and age, and strictly implements same pay for same work.

Applicants who meet the job recruitment requirements and have passed background investigations are formally employed and enter into formal labor contracts. The Group's working hours are in accordance with the working hours system that the national law stipulates that the daily working hours do not exceed 8 hours, and the average working time per week does not exceed 40 hours. At the same time, the employees enjoy statutory paid vacations and annual vacations. When there is a situation in which it is necessary to release the employee's labor relationship, the Company terminates the labor contract in accordance with the Labor Contract Law and related regulations, and strictly complies with the requirements of laws and regulations.

We determine employee compensation based on the employee's length of service, job function and performance with reference to the salary level of the same industry in the market, so that employees can obtain market-competitive salary while embodying the value of the job. The Company has developed a complete performance management approach, and conducts staff position adjustment and promotion based on the results of employee performance assessment.

In order to motivate staff to achieve the strategic business objectives efficiently, stimulate their working passion and create positive working atmosphere, we conduct the selection and appraisal activities of "excellent staff" and "collaboration star" every year, with an aim of giving public recognition to those outstanding staff in the sales, technology, sales support, platform service and cross-functional collaboration.

At the beginning of every year, we hold large annual carnival show, which undertaken by employees from show planning to its performance, providing a platform for staff to exhibit their capabilities and talents. We organize monthly birthday parties to enable new staff of different departments to integrate into our big family more quickly. Furthermore, we also organize a variety of employee-care activities irregularly, including Chinese medicine treatments within the office, weekend leisure activities, wealth management knowledge seminars, match-making parties, agency services for park annual tickets, bringing different welfare experience to our employees from different aspects of work and life.

## HEALTH AND SAFETY

The Group complies with the Occupational Disease Prevention Act (《職業病防治法》) and Working Injury Insurance Regulations (《工傷保險條例》) in China and strives to build a healthy, safe, comfortable and tidy office environment so that every employee feels as pleasant as possible. We installed air purification fresh air equipment and regularly detect and manage air quality in the office area. Professional drinking water treatment programs are adopted to ensure the quality of drinking water, green plants are regularly replaced.

We are people-oriented, and strive to provide caring welfare and care for employees. In addition to statutory benefits, we set up a number of special benefits, including free annual physical examination, meal, transportation and communication subsidies, special subsidy funds for severe illness, travel accident insurance for staff, public first-aid kits, condolence funds for marriage and childbirth of staff.

We put great emphasis on safety and environmental management, follows the “prevention first” working guideline and adopts a number of measures including swiping card for access and exit, visitor registration, safety patrolling and network monitoring to safeguard its corporate normal operation order. We regularly conduct fire knowledge publicity and fire drills and posts security warning tips, in order to enhance the safety and environmental awareness of employees.

## DEVELOPMENT AND TRAINING

We strive to provide employees with a good environment for growth, a fair assessment mechanism and an open transfer opportunity to achieve a win-win situation for employee development and company development. In 2017, we continued to use the scenario simulation evaluation to evaluate the management capabilities of mid-level and backbone candidates who selected for high-potential talent.



In 2017, Mentors Support Program was officially launched and implemented the results good. The selected old employees served as mentors to help new employees



adapt to the work environment as soon as possible, became familiar with the company system, and perceived and recognized the corporate culture of the Company, so that they could quickly enter the work role, fulfilled the job requirements.

In 2017, 14 newly recruited internal trainers. At the same time, the curriculum system was designed and implemented. The curriculum includes new employee series courses, professional series courses, and business advanced series courses. The number of in-house trainings reached 460 times throughout the year, and more than 8,000 participants participated in the training. At the same time, since the education and training fund established in early 2008, through information technology, we have provided employees with personalized and targeted training solutions in a long-term and stable manner.

In 2017, Changhong “E-learning” platform was used to promote online training courses. Senior executives selected courses that met the needs of business and employees and conducted targeted recommendations. Online courses not only greatly reduce costs, but also provide convenience for employees to flexibly arrange training time and place. They also consolidate what they learn through on-line testing methods, and ensure network training effective implementation by requirements research, curriculum matching, participation learning, and reasonable application.

## **LABOUR STANDARD**

The Group is in compliance with the Labor Contract Law (《勞動合同法》) of China, Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and the relevant laws and regulations, pursuant to which employees are entitled to social insurance, housing provident fund, paid annual leave and other statutory benefits, and female employees are entitled to prenatal examination, maternity and nursing leave. Respecting human rights, the Group prohibits child labor and other forced labor.

## **UPSTREAM AND DOWNSTREAM COLLABORATION AND OPERATION MANAGEMENT**

As the PRC agent of numerous international renowned IT suppliers, the Group conducts extensive cooperation with suppliers to provide international leading products and solutions to channel partners. Through formulating a series of procurement policies including procurement principles, procurement methods and

procurement monitoring mechanism, we achieve a centralized and unified comprehensive planning of procurement. For enterprise level segment, based on the distribution of its products and relying on its own technology, resources integration and service capabilities, we



have built a platform of applications. The Group organically integrates its products into a variety of technology and industry solutions, while providing technical support, consulting, training, qualification certification, and other value-added services, striving to become a domestic leading big data integrated service provider. We own a domestic leading cloud computing experience and training center and allies with numerous renowned manufacturers to mutually provide the channel partners with solutions including data, virtualization and disaster recovery respectively, as well as the one-stop service including market consultancy and technical support, thereby facilitating closer cooperation between manufacturers and integrators.

For consumer level segment, we profoundly grasp the market and customer demand and own nearly 10,000 core agents to build a channel system covering nationwide. Through maintaining a stable and long-term cooperation with manufacturers and core agents and fully ensuring the interests of all parties in the supply chain, the Group has formed a good distribution system. Meanwhile, the Group provides a good service guarantee by relying on the efficient operating platform and logistics system. The Group helps manufacturers to launch their products to the market rapidly by leveraging on its professional marketing capabilities. With unique marketing mix model, the Group integrates the products organically under its agency, with an aim to help partners to satisfy the demand of users at different levels, provide all-round solutions to cooperating partners, grow together with partners and achieve the win-win situation among many parties.

For proprietary brand LBS segment, we own the design, development and production capabilities of hardware terminal and possess various integrated solutions based on location-based service platform and have established strategic cooperation with mobile operators and domestically well-known automotive and value-added service corporations to provide business-to-business customized services to enterprises and corporate clients. At present, the Company has established a comprehensive system

from research and development, production to marketing and after-sales service and passed the TS16949 and ISO9001 quality certification system. It is committed to Big Dipper civil industrial application to provide high quality, stable and user-friendly location-based service products and the related application solutions for users at enterprise level while promoting the innovation of vehicle networking and home Internet of Things application product segment.

Since 2008, we have been holding “Good Business Partners” Return Banquet annually. At the Return Banquet, we sum up last year’s operation, release the strategy for the next year, and provide a communication platform for the upstream and downstream partners. The Return Banquet also aims to make plans for future development with partners. So far, the Return Banquet has been held for ten consecutive years, and is unique among the IT distributors. Since launching, the “Good Business Partners” Return Banquet has served manufacturers and agent partners more than 7,000 person times and nearly 20,000 person times respectively, becoming one of the famous brand activities of the Group and well received by partners. The Group endeavors to play a pivotal role in the IT distribution industry chain, to create a good industrial ecology with partners and continuously achieve common growth.

## **QUALITY ASSURANCE**

The quality of products and services determines the survival and reputation of the enterprise. To strengthen quality management, the Group has established and continuously improved the quality management system to ensure that the company's products and services meet customer needs. We have passed ISO9000 and IATF16949 quality management system certifications, and our own brand products have passed CCC (China National Compulsory Product Certification Certificate) and China Energy Saving Product Certification, etc.

## **CUSTOMER PRIVACY**

The Group has formulated the Confidentiality Management Regulations (《保密管理規定》). The designated information personnel are responsible for receiving, transmitting, using, copying, excerpting, storing, and destroying customer data, and necessary safety measures are taken. Each employee signed a confidentiality agreement with the Group to ensure that employees strictly abide by confidentiality requirements.

## RESPECT INTELLECTUAL PROPERTY

The Group attaches great importance to the protection and management of intellectual property rights and respects the legitimate rights and interests of others, such as intellectual property rights, and does not allow infringement of external intellectual property rights.

## ANTI-CORRUPTION

The Group formulated a number of rules and systems including Honest Management System (《廉潔管理制度》) and Code of Supervision on Staff Independence (《員工獨立性監管守則》) to regulate our employees' behavior in economic activities, maintain the objectivity, impartiality and synergy of the Company's business activities, avoid business operation risks and prevent all kinds of conflicts of interest, prevent misconduct such as bribery, extortion, fraud and money laundering, secure the Company's reputation as well as interests of the Company and customers, and build a sound ordered market.

## COMMUNITY

Responding to the pledge of the government to employ disabled persons, the Group kick-started the disabled recruitment project officially in 2016 and gave preference to offering employment opportunities to disabled persons nearby the community and one disabled person was successfully recruited. In 2017, we set up disabled special positions in the multiple departments and accept disabled persons who are eligible to join us, thus achieving recruitment of disabled persons. The group has been approved as Beijing College Graduates Employment Internship Base since 2015.

We have always remembered our social mission and responsibility in our



development, planning and launching a series of public welfare activities, and actively participating in public welfare undertakings to make positive contributions, aiming to promote of building a harmonious society. In September 2017, a book donation campaign to Hope Primary School was conducted and 689 books were donated. Most of the books are suitable for children to read. Since 2015, we have organized "Yue Bu" for all employees to encourage more walking and less driving. This activity has been held for three consecutive years. This year, nearly 800 employees have actively participated.

## OUTLOOK

Going forward, in 2018, the Group will continue to shift itself to be an integrated IT service provider. The Group will formulate the business operation policies of “expanding omni-channel, being professional, and developing new distribution and being a partner to help customer grow” to seize the opportunity for a fast growth. The Group will provide a larger stage for employees and create more value for our shareholders. Meanwhile, the Group will continue to improve the various policies and internal monitoring procedures to ensure the compliance of the Group, as well as strengthen the risk prevention ability, in order to promote the steady development of the enterprise. The Group will also actively fulfill its social responsibilities, strengthen energy conservation and emission reduction, organize public welfare activities, and contribute to the harmonious development of society.