



林達控股有限公司
LAMTEX HOLDINGS LTD.

STOCK CODE: 1041

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT 2016



Contents

	Page Number
About the Report	2
Letter to Stakeholders	3
ESG Management Approach	4
Lawful Operations	5
People	6
Environmental	7
HKEX ESG Content Index	8



About the Report

This is Lamtex Holdings Ltd's second 2016 Environmental, Social and Governance ("ESG") Report. It is prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited. The Group intends to communicate its ESG management approach and related policies to its stakeholders through the compilation of this report.

Reporting Period and Scope

For the period from 1 January to 31 December 2016, the report covers Lamtex Holdings Limited and its subsidiaries (the "Group") in both Hong Kong and the PRC, including securities trading and investment, securities brokerage and provision of securities margin finance, property investment, loan financing services and trading of construction materials.

Feedback

We welcome any feedback and suggestions regarding the content of this report. To help us improve, please email us at info@lamtex.com.



Letter to Stakeholders

I am pleased to present to you the Group's second ESG report.

The Group believes it is critical to identify risks associated with ESG to achieve long term business success. This report not only allows us to reflect on how the Group is doing sustainability-wise, it also enables the Group to remain transparent and accountable in its ESG disclosure.

Operating in the financial services industry, we understand that our material ESG aspects would not be environmental related given our minimal impact on resources consumption and emissions. Having said that, we have implemented various resources saving measures in its daily business operations, demonstrating our diligence on environmental protection efforts.

It is, however, the trust and satisfaction of our customers that define the success in the industry. To achieve that, we have been stringent in fulfilling all applicable rules and regulations, upholding our professional standard and safeguarding our client's interests. In 2016, there were no reported cases of corruption or money-laundering reported within the Group.

Financial services are all about recruiting and retaining the right people. The Group has taken great efforts into ensuring our employees are healthy and well. Striving to be a caring employer, the Company adopts a flexible work arrangement scheme and provides sports venue sponsorships, encouraging our employees to stay work-life balance.

Looking forward, the Group will continue its endeavor to incorporate ESG principles throughout its business operations. ESG reporting has become an excellent tool for the Group to reflect internally and identify areas for future improvement. Although we have tried to present information in the most comprehensive and clear manner as far as possible, we acknowledge there is still room for improvement. As we commence our sustainability reporting journey, we look forward to your precious feedback and continuous support.

By Order of the Board

WU Xiaolin
Chief Executive Officer

Hong Kong, 10 July 2017



ESG Management Approach

Engaging in different business segments including securities trading and investment, securities brokerage and provision of securities margin finance, property investment, loan financing services and trading of construction materials, the Group has minor environmental impact compared to that of many other industries. Nevertheless, the Group conducts its business with respect and consideration for the environment. While the ultimate responsibility for our ESG management responsibility rests with our CEO and Board. Our management team has responsibility for day-to-day management of ESG aspects such as data privacy, customer satisfaction, etc. While our supply chain has minimal environmental and social impacts, we do encourage procurement of environmentally-friendly office consumables.

The Group has been conducting ongoing dialogue with its stakeholders to better understand their priorities, concerns and feedback of the Group. We view stakeholder engagement as an integral part of our strategy to achieving long-term success, enabling us to better understand the risks and opportunities the Group is exposed to and helping us to improve our performance on ESG continuously. Below are the engagement approach and the sustainability issues that stakeholders are concerned about.

Stakeholder Group	Engagement Method	Topics
Government	<ul style="list-style-type: none"> • Actively monitor the latest financial laws and regulations • Strict compliance with the relevant laws and regulations 	<ul style="list-style-type: none"> • Corporate governance • Employee protection • Taxation compliance
Investors and Shareholders	<ul style="list-style-type: none"> • Annual general meeting • Other general meeting • Financial reports • News releases 	<ul style="list-style-type: none"> • Corporate governance • Information disclosure • Risk management
Customers	<ul style="list-style-type: none"> • Company websites 	<ul style="list-style-type: none"> • Corporate governance • Operational risk • Information disclosure • Information security
Employee	<ul style="list-style-type: none"> • Annual general meeting • Yearly appraisals • Company circulars 	<ul style="list-style-type: none"> • Training and development • Health and safety • Employee well-being
Community	<ul style="list-style-type: none"> • Support community care and environmental protection activities 	<ul style="list-style-type: none"> • Community investment

Lawful Operations

The Group stands by principles such as integrity and lawfulness as it conducts its daily business operations. All employees are strictly required to behave with integrity and honesty, treat people fairly, respect diversity, obey all laws, accept accountability, communicate openly, and always behave in a way that is beyond reproach. During the year, we were not aware of any breach of laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

If there was sufficient evidence to suggest that a case of possible criminal offence or corruption exists, the matter would be reported to Independent Commission Against Corruption. Employees and third parties may have a duty to report corruption to the authorities if required to do so by local regulations.

The Group strictly adheres to strong governance practices, ensuring principles of integrity, openness and fairness are adopted as we deal with our customers. As the Group principally engages in the financial service industry, we were not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress in 2016. Considering the business nature, the impact from our supply chain is minimal compared to some of the other industries. We do however communicate with key vendors and prefer to procure based on a resource saving manner.

As a responsible corporate citizen, the Group believes it is important to give back to the community where we have operations. Aiming to enhance our employee's environmental and social awareness, the Company provides appropriate subsidies such as transport and meal subsidies, paid leaves or financial sponsorships to our employees to encourage them to actively participate in community or environmental protection activities. In 2016, the Group contributed a total of HK\$320,000 to the community.



People

Having a healthy and motivated team of talents is crucial for the Group's development and growth. As of 31 December 2016, the Group had a total number of 45 full time management, administrative and operation staff in both Hong Kong and the PRC. Being a lawful employer, the Group strictly complies with the relevant labour laws and regulations in both Hong Kong, including but not limited to Cap. 282 the Employee's Compensation Ordinance, Cap. 608 Minimum Wage Ordinance. In 2016, the Group was not aware of any non-compliance with laws and regulations having a significant impact on the Group relating to employment and labour practices; and occupational health and safety. Nor did we identify any incidents relating to the use of child or forced labour.

Talent is key to the success of financial industry. The Group firmly believes the provision of competitive remuneration packages, attractive discretionary bonuses and an extensive range of employee benefits can not only attract the best talents, but also boost employee's morale.

Every year, the Group reviews its employee remuneration system based on the Group's internal business needs and overall market conditions to maintain its competitiveness. As a token to recognize the hard work of our employees, the Group adopts a share option scheme in which options are granted to outstanding employees to remunerate and motivate them. The Company is also a family-friendly employer and adopts a flexible work arrangement scheme so that employees with family commitments can better balance their work and family responsibilities in a more effective manner. For employees who wish to apply for a more flexible work arrangement, they are required to submit a written application stating their reasons for application, preferred work-hour schedule along with supporting documents to their Department Head or Human Resources Department for the Company's final approval.

To improve the personal growth of our staffs and to lay a foundation for the Group's sustainable development, we organize training talks for employee regularly and actively encourage them to take relevant courses organized by professional institutes in Hong Kong, aiming to improve our employees' professional knowledge, skills, techniques and competitive advantages, so as to broaden horizons of our employees.

Employee Health & Wellbeing

Providing a healthy and safe work environment is one of the Group's top priorities. Given the office nature of our business operations, the chances of accidents tend to occur less in the office environment compared to other work settings. Regardless, we acknowledge that being seated and maintaining the same posture for long periods every day in the office inevitably imposes adverse health risks to our office workers. The Group provides sponsorships to encourage employees to organize team sports activities such as badminton, basketball, ping-pong etc. during their spare time.

To encourage our employees to become more active and promote employee relations, the Company provides appropriate sports venue sponsorships for each sports event. During the approval process, the Company will take into consideration the actual situation of the Company for instance whether the Company has already organized other sports activities during that particular month and the allocation of sponsorships to each different department before granting approvals. In addition to venue sponsorships, the Company has also purchased medical and personal injury insurance for each of our employees to ensure their health is well-protected during all times.



Environmental

The Group is committed to reducing our environmental impact to the minimum. Given that the Group engages principally in office-based activities such as securities trading and investment, securities brokerage and provision of securities margin finance, property investment, loan financing services and trading of construction materials, the environmental impact of our business operations are relatively minor compared to other business industries. Our emissions profile typically consists of indirect emissions from purchased electricity, paper and other office consumables.

Nevertheless, the Group is dedicated in maximizing its efforts in environmental protection. The Group has taken a step further to incorporate environmentally friendly principles in its daily business office operations through implementing energy and paper saving initiatives such as maintaining an average indoor temperature at 25°C, installing LED lighting, switching off electrical appliances when not in use, and reusing single-sided paper etc. In 2016, the Group is not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.



HKEX ESG Content Index

KPIs	ESG Reporting Guide Requirements	Section/Remarks
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) 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, and generation of hazardous and non-hazardous waste.	Environmental
Aspect A2	Use of Resources	
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials.	Environmental
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimizing the issuers' significant impact on the environment and natural resources.	Environmental
B. Social		
Aspect B1	Employment	
General Disclosure	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.	People
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer Relating to providing a safe working environment and protecting employees from occupational hazards.	People
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People

KPIs	ESG Reporting Guide Requirements	Section/Remarks
Aspect B4	Labour Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer Relating to preventing child or forced labour.	People
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Lawful Operations
Aspect B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Lawful Operations
Aspect B7	Anti-Corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer Relating to bribery, extortion, fraud and money laundering.	Lawful Operations
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Lawful Operations