



百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code : 1168

Environmental, Social &
Governance Report
2018

* For identification purpose only



TABLE OF CONTENTS

1. ABOUT THE REPORT	1
1.1. REPORTING STANDARDS	1
1.2. REPORTING SCOPE	1
1.3. REPORTING LANGUAGE	1
1.4. REPORT PREPARATION	1
1.5. FEEDBACK	1
2. GROUP PROFILE	2
3. SUSTAINABLE DEVELOPMENT STRATEGIES	2
3.1. STAKEHOLDER ENGAGEMENT	3
4. INSISTING ON LAWFUL OPERATION	4
4.1. COMBATING CORRUPTION AND UPHOLDING INTEGRITY	4
4.2. INFORMATION MANAGEMENT POLICY	5
4.3. VALUING CUSTOMER FEEDBACK	5
4.4. SUPPLY CHAIN MANAGEMENT	7
5. ESTABLISHING A PROFESSIONAL TEAM	7
5.1. INCLUSIVE EMPLOYMENT PLATFORM	8
5.2. EMPLOYEE BENEFIT AND REMUNERATION	8
5.3. HEALTHY WORKING ENVIRONMENT	9
5.4. CONTINUED LEARNING AND DEVELOPMENT	10
6. PAYING ATTENTION TO ENVIRONMENTAL PROTECTION	13
6.1. PROMOTING LOW-CARBON CULTURE	13
6.2. GREEN CONSTRUCTION	14
6.3. GREEN OFFICE	14
7. ACHIEVING CONTRIBUTION FOR SOCIETY	17
8. FUTURE PROSPECTS	17
9. APPENDIX 1: SUSTAINABILITY DATA STATEMENTS	18
10. APPENDIX 2: CONTENT INDEX OF HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE	20

2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THE REPORT

This is the third Environmental, Social and Governance report (the “Report”) issued by Sinolink Worldwide Holdings Limited (“Sinolink” or the “Company”) and its subsidiaries (collectively the “Group”, “we” or “us”). The aim of the Report is to summarize our ESG strategic approaches, policies and objectives and describe our visions and principles for sustainable development.

1.1. Reporting standards

This Report is prepared in compliance with the Environmental, Social and Governance Reporting Guide (the “Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the content in this Report is also in compliance with the disclosure requirements under the Guide.

1.2. Reporting scope

This Report sets out the overall performance of the Group in practicing of sustainable development and fulfilling of social responsibility from 1 January 2018 to 31 December 2018 (the “Year” or “Reporting Period”), and the content mainly covers the core business of the Group. This Report also discloses the key performance indicator (“KPIs”) in the environmental subject area of the office areas of Sinolink Properties Limited and Shenzhen Sinolink Property Management Co., Ltd., The Vi City and O Hotel in 2017 (from 1 January 2017 to 31 December 2017), facilitating meaningful comparison with sustainability data of the Year. Unless otherwise stated, the information contained in this Report covers all the businesses directly controlled by Sinolink. For details of the Group’s corporate governance, please refer to the section headed “Corporate Governance Report” of the 2018 annual report and the official website of Sinolink (www.sinolinkhk.com).

1.3. Reporting language

This Report is published in Traditional Chinese and English versions. If there is any ambiguity, the Traditional Chinese version shall prevail.

1.4. Report preparation

With support from our stakeholders, the preparation of this Report enables us to understand the Group’s development in various aspects in the environment and social subject areas more effectively. This Report concludes our work in the environment and social subject areas, and is beneficial to the establishment of our short and long term sustainable development strategies in future.

1.5. Feedback

The stakeholders’ feedback and opinions towards the ESG Report are highly valued by the Group. Your precious opinions are important for the continuous improvement of our performance for sustainable development. If you have any enquiries or advices, please send to the email address: ir@sinolinkhk.com.

2. GROUP PROFILE

Sinolink Worldwide Holdings Limited was established in 1992 and listed on the Stock Exchange of Hong Kong in 1998. The Group is a property developer in the PRC with extensive experience, which developed various major premium property projects successfully in Shenzhen and Shanghai. The corporate headquarter is located in Hong Kong and its PRC operational headquarter is located in Shenzhen. The Group's core businesses remained focused on financial service sector, asset financing management, property development, commercial property investment and operating property management, financial products and securities investment.

The Company actively considered enhancing its business model and creating value for the Group in response to the Chinese government's and the Hong Kong SAR government's proactive approach to promote financial technology development. During the Year, while maintaining to develop real estate business and financing services business, the Group actively collaborated with leading financial technology companies in the market and grasped every opportunity to develop in the financial technology market. For instance, we invested in ZhongAn Online P & C Insurance Co., Ltd. ("ZhongAn Online") (stock code: 6060) and with whom we established a joint venture, ZhongAn Technologies International Group Limited ("ZhongAn International"), so as to commence the operation of financing businesses, which include asset financing business, provision of financial leasing to various customers, business factoring services and other financing services.

During the Year ended 31 December 2018, the Group's turnover increased by 33% year-over-year to HK\$528.4 million. Gross profit increased by 45% year-over-year to HK\$273.1 million. The Company recorded loss attributable to the owners of the Company of HK\$267.7 million for the Year, as compared to the profit attributable to the owners of the Company of HK\$110.1 million for the Year ended 31 December 2017. Basic loss per share amounted to HK7.56 cents, decreasing 343% year-over-year. For detailed financial position of the Group, please refer to the Annual Report of the Group.

3. SUSTAINABLE DEVELOPMENT STRATEGIES

We are determined to become a socially and environmentally responsible corporate. The Group aims to create long-term values for respective stakeholders by coordinating our environmental, social and governance concepts with the development strategies.

The Group is committed to realising the corporate's value through business development, and continues to achieve the vision of "providing international resources and driving force for China's economy and creating a platform for international investors to share China's economic benefits". While promoting the business development, Sinolink pays attention to the importance of sustainable development on the overall business operation. Therefore, we always adhere to the business objective of "Achieving Sustainable Development with Stability", and actively implement sustainable policies on our daily operation to contribute to society and reduce the negative impacts of our business on the environment and society.

The Board of the Group takes full responsibilities for reviewing the environmental, social and governance ("ESG") strategies and reporting of the Group, leads in evaluation and determination of the Group's ESG risk management and internal control systems with our management, ensures the Group's compliance with relevant laws and regulatory requirements and timely responds to the latest ESG issues.

2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.1. Stakeholder Engagement

We attach great importance to the opinions of internal and external stakeholders on ESG issues. In 2018, we engaged various stakeholders including employees, suppliers, and community/non-governmental organizations, getting more familiar with their main concerns.

Stakeholders	Major concerns	Communication channels
Employees	<ul style="list-style-type: none"> • Economic performance • Remuneration and welfare • Occupational safety and health • Training and development 	<ul style="list-style-type: none"> • Surveys • Meetings and interviews • Group discussions • Seminars and workshops
Suppliers	<ul style="list-style-type: none"> • Transparent procurement • Fair competition • Sustainable supply chain 	<ul style="list-style-type: none"> • Procedures for supplier management • Meetings • Site inspections • Assessment system for suppliers/contractors
Community/non-governmental organizations	<ul style="list-style-type: none"> • Community charity 	<ul style="list-style-type: none"> • Donations • Volunteering activities • Community activities

Leveraging on communication with stakeholders through various channels, we strengthened the connection with different stakeholders and formulated sustainable development strategies for the Group. The Group's sustainable development strategies include four aspects, which are "Insisting on Lawful Operation", "Establishing a Professional Team", "Paying Attention to Environmental Protection" and "Achieving Contribution for Society".



4. INSISTING ON LAWFUL OPERATION

The Group highly focused on brand integrity. We abide by the laws and regulations of national and regulatory authorities and always adhere to lawful and standardized operation so as to advocate a corporate culture of integrity. We listen carefully to customers and determine to maintain excellent level of service and provide quality products within each of the business scopes while protecting information safety, so as to maintain a sound corporate image for the Group. During the Reporting Period, none of the projects of the Group was recalled or not being accepted for safety reasons.

4.1. Combating corruption and upholding integrity

The Group strictly complies with the Criminal Law of the People's Republic of China, the Law of the People's Republic of China on Anti-Money Laundering, the Guidelines for the Assessment of Money Laundering and Terrorism Financing Risks and Categorized Management of Clients of Financial Institutions, and the Anti-Money Laundering Ordinance, Drug Trafficking (Recovery of Proceeds) Ordinance and the Organized and Serious Crimes Ordinance and the United Nations (Anti-Terrorism Measures) Ordinance of the HKSAR, and the relevant laws and regulations.

The Group strengthens its highly efficient and practical corporate culture with keen determination, and implements an accountability system to cultivate its employees' awareness and right attitude on their job duties, thus enhancing the level of management. We formulated the Accountability Management System (《問責管理制度》) to further improve the Group's responsibility management system and standardize the scope, source of information, classification, and handling procedures of accountability, so as to confirm the responsibilities of different job positions for plugging the management loopholes.

In maintaining the Group's corporate governance level and strengthening its internal control, we formulate the "Whistleblowing Policies and Procedures" (《舉報政策及程式》) and determine the attitude on non-Compliance and misconduct and the system on managing such matters, so as to prevent the Group from involving in cases relating to bribery, extortion, fraud and money laundering. We provide specific channels for whistleblowing and encourage employees and parties having business relation with the Group to report potential fraud within the Group, so as to timely identify various misconducts within the Group and adopt targeted corrective measures. The Group processes the disclosed information with confidential and prudent attitude. Without consent of the relevant employees, the Group would not disclose the identity of the person who makes the accusation. During the Reporting Period, the Group or our employees were not involved in any legal case regarding bribery, extortion, fraud and money laundering.

4.2. Information Management Policy

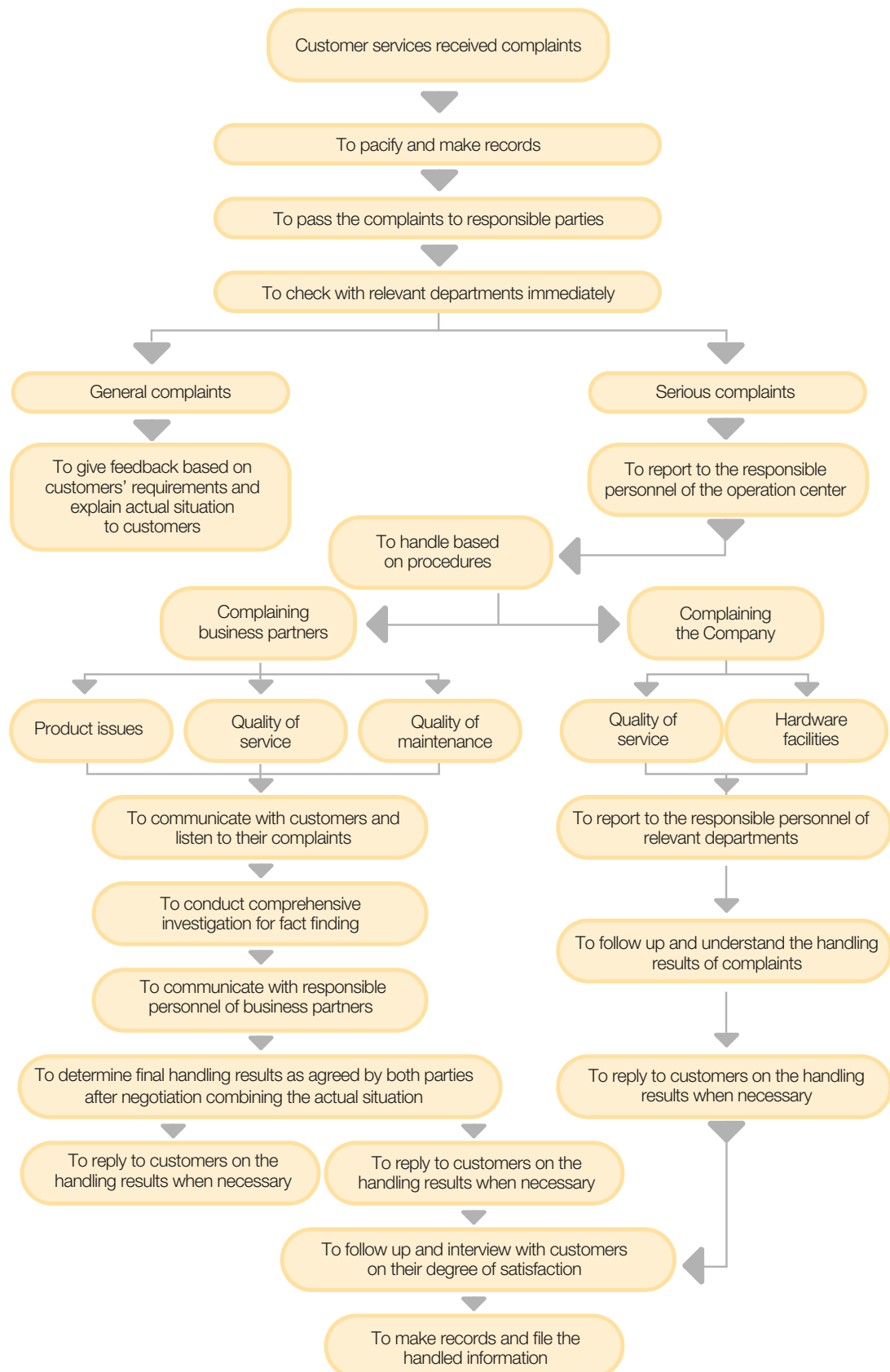
The Group stresses on business ethics. In accordance with the Information System Security Management Requirements and Personal Data (Privacy) Ordinance, we strictly monitor the security of information and strive to protect the interests of various stakeholders. Especially considering the business of O Hotel, we set up the “Information Management Policy” (《信息管理制度》), “Data Management Policy” (《數據管理辦法》) and “Administrative Measures on Customer Privacy” (《賓客隱私管理辦法》), and manage the access to information based on the duties and needs of each job position, provide guidelines on the aspects including the use and transmission, processing and disclosure, filing and disposal of information, so as to protect the security of customer privacy. We also establish the “Administrative Measures on Network Security” (《網絡安全管理辦法》) to ensure that the network of the hotel could be operated in a safe and reliable way, thus maintaining the effective information services and securing the safety and completeness of the information systems.

For the aspects of intellectual property protection and brand promotion, the Group strictly abides by the Patent Law of the People’s Republic of China, the Implementing Regulations of the People’s Republic of China, the Trademark Law of the People’s Republic of China, the Regulations on the Customs Protection of Intellectual Property Rights, the Advertising Law of the People’s Republic of China and the Provisions on the Release of Real Estate Advertisement as well as the Trade Descriptions Ordinance of the HKSAR, and the relevant regulations. We handle all matters relating to information with extreme caution in order to protect all legal rights including intellectual property rights, patent rights, trademark rights and copyrights of the Group and the business partners, and ensure that all advertising materials deliver complete, true and accurate information to avoid all false or misleading product descriptions that may cheat customers.

4.3. Valuing customer feedback

Based on the people-oriented principle, the Group provides services with sincerity and attaches great importance to the feedback from customers. We formulated the “Administrative Measures on Handling Customer Complaints” (《客訴處理管理辦法》), defining the principles and procedures of handling customer complaints and duties of relevant personnel of customer complaints. Set out below is the handling procedure of customer complaints of various categories:

Flow diagram of handling customer complaints



2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For complaints on product quality, we accept the return of goods that do not affect the resale within the changing and returning period prescribed by the brands. If obvious defects and damages are found on the goods, or obvious objection existed between the quality of the goods and the quality as stated on the commodity quality assurance specification, we would arrange changing and returning of goods based on the actual situation.

During the Year, O Hotel and 百仕達商業管理有限公司 received a total of 2 cases and 3 cases of complaints respectively, and all cases were duly handled. A sound customer complaint handling mechanism helps us to quickly handle various cases of customer complaints, protect the brand reputation and promote quality improvement and aftersales services. During the Reporting Period, the favourable rate of the service capabilities for customers of O Hotel was 92%, and 百仕達商業管理有限公司 even achieved the favourable rate of 95% for its service capabilities for customers.

4.4. Supply chain management

In addition to emphasizing internal management of the Group, we also stress on the sustainability of supply chain. We proactively evaluate and manage our suppliers, and endeavour to achieve a stable development with them. We sign the “Integrity Agreement” (《誠信約定書》) with our suppliers, under which the parties undertake to maintain honest and transparent commercial manners during the course of cooperation.

To strengthen the management of supply chain, we formulated the “Administrative Measures on Procurement” (《採購管理辦法》), which clearly described the purchasing and tendering procedures. In selecting our suppliers, we determine whether a supplier could be approved for inclusion in the “Company’s Qualified Supplier List of the Year” (《年度公司合格供方名冊》) based on the evaluating items specified in the “Supplier Management Measures” (《供方管理辦法》). Such items include a supplier’s capability in delivery, price level, technical capability, backup services, human resources, market reputation. We also conduct annual review on suppliers and provide advice to qualified suppliers according to the circumstances to procure improvement in their service. During the Year, the business of the Group involved over 171 major suppliers, all of which are from Guangdong Province, and they mainly provided administrative and office supplies, and products and services of environmental, security management, engineering and artificial intelligence categories.

5. ESTABLISHING A PROFESSIONAL TEAM

The Group attaches great importance to human resources management and sees employees as its valuable asset which is also an indispensable part for the long-term development of the Group. Therefore, we adhere to our manpower management philosophy of “People and morality oriented”. We endeavour to provide employees with a platform for their career development and encourage a healthy balance between work and life, which will in turn reinforce the important foundation for the long-term development of the Group. By creating a diverse, integrated, safe and healthy working environment, improving employees’ benefit and remuneration, providing comprehensive training, we are committed to establishing an excellent professional team in commercial property development, management and services. During the Year, the Group had a total of 786 employees.

5.1. Inclusive employment platform

To allow employees to give full play to their strength in a right workplace ecology, the Group is determined to create a diverse, harmonious, harassment or discrimination-free, equal and inclusive working environment.

Curbing workplace discrimination and exploitation

We strictly comply with labour laws and regulations including the Labour Law, Labour Contract Law and Protection of Minor Law and Provisions on the Prohibition of Using Child Labour of the PRC and other relevant statutory employment requirements. We are committed to curbing workplace discrimination and exploitation, and refusing employment of child labour. We reprimand all forms of workplace discrimination, exploitation and harassment and do not tolerate such acts. During the Reporting Period, the Group did not violate any laws and regulations related to remuneration, recruitment, promotion, working hours, equal opportunities, diversity, anti-discrimination and prevention of child labour or forced labour.

Standardised human resource management mechanism

In addition, the Group has compiled the “Administrative Measures on Recruitment” (《招聘錄用管理辦法》) and “Labour Management Systems” (《勞動用工管理制度》), which stipulated the principles and approval procedures of recruitment and the mechanism of human resource management, and unified the standard and procedures of the staff recruitment procedures. We review candidates’ application in a fair and impartial manner and the recruitment procedures include written test, interview, job-related background investigation and approval. The academic qualifications, working experience and skills of the candidates are the main factors for consideration while their gender, age, nationality and race would not affect the opportunity of employment.

5.2. Employee benefit and remuneration

As employees are important assets of the Group, we are committed to creating a warm and happy working environment and enhancing their sense of belonging. We have complied the “Employee Handbook” (《員工手冊》) and “Remuneration and Benefit Management Systems” (《薪酬福利管理制度》) which stipulated our remuneration and benefit policies, under which we provide competitive remuneration and benefits that are more favourable than the statutory minimum benefits to attract and retain talents.

Competitive employee benefit conditions

In addition to various statutory paid leaves and benefits according to the national Labour Law, our employees in China are entitled to marriage leave, maternity leave, family planning leave and consolation leave. We do not only pay social insurances for employees (including pension, medical, work injury, unemployment and maternity insurance), but also offer wedding gifts and condolences money, visit hospitalized employees as well as provide accommodation for them where necessary. We try to care for our employees comprehensively so as to allay their worries. During the Reporting Period, the Group did not violate any laws and regulations related to leaves and other remuneration and benefits.

Timely adjustment of employee benefit policy

In order to protect employees' benefits and ensure that relevant policies of the Group are appropriate, Sinolink revises its human resource strategy based on changes in economic condition, price index and industrial development and reviews and approves employee remuneration and benefit policies from time to time. Employees' remunerations are regularly adjusted with reference to their appraisal.

5.3. Healthy working environment

Occupational safety

The Group recognizes the importance of occupational safety to the Group and its employees and is committed to providing them with a safe workplace and being responsible for their health and safety. We strictly follow relevant laws and regulations including the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Production Safety Law of the People's Republic of China, Provisions on the Supervision and Administration of Occupational Health in the Workplace, Industrial Injury Insurance Ordinance and the Occupational Safety and Health Ordinance of the HKSAR. During the Reporting Period, the Group did not violate any laws and regulations related to safe workplace environment and protecting employees from occupational diseases, and no working injury or work-related fatality were recorded.

To make the safety management more systemized, unified and standardised, the Group formulated the "Safety Management System" (《安全管理制度》) which stipulated the management duty and responsibility of various positions and departments to enable employees to make rapid response when safety incident happens, enhancing the handling efficiency. For the operation of machinery, we have established various operation guidelines, standardised the operation and inspection of machines, ensuring the safety of both the operators and machinery.

Occupational safety is one of the topics in the annual training of the Group. We provide new safety management staff with training. Continued trainings and drills and routine examination and testing are held to eliminate the potential safety risks and enhance safety awareness of employees to prevent problems before they happen.

Healthy corporate culture

The Group endeavours to promote a healthy corporate culture. We encourage employees to keep small green plants in offices to improve the quality of working environment. The Group also monitors indoor air quality, temperature of the air conditioning and brightness of office lighting system from time to time to enable it to create a comfortable and healthy working environment.

We value candid communication with employees and respect their right of expressing opinions. Therefore, many effective channels are established, which include opinion survey, interview, group discussion, seminar and workshop, to facilitate exchanges with employees with the aim of achieving harmony, mutual understanding and care between the Group and employees.

Putting emphasis on work-life balance is another characteristic of Sinolink's healthy corporate culture. We always hold and encourage employees to participate in recreational or sports activities that are good to the physical and mental health, such as sports games, picnic, staff birthday party and gatherings to reinforce team cooperation, which could enhance work and relax the body and mind of employees.

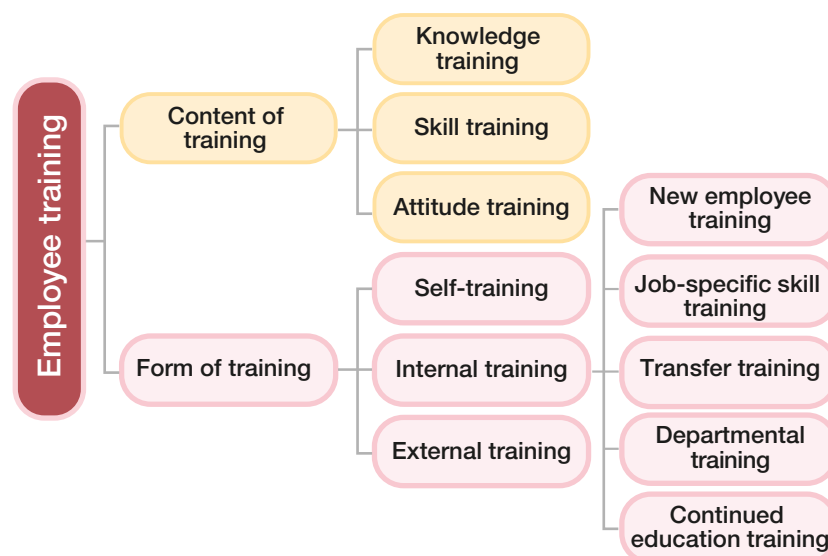
5.4. Continued learning and development

We care for the career development of employees. In order to strengthen our management on all departments, we evaluate the work outcomes from time to time. We formulated the "Performance Appraisal Management System" (《績效考核管理制度》) which specifies the indicators for performance appraisal, including review on major demands of core clients, service quality, handling of customer complaints and completion rate of projects of various departments. Through such performance appraisal, we can adjust our overall human resource plan timely.

We understand the importance of training in unleashing the potential of employees and hope that employees may grow with the Group. We play an important role in employees' continued learning. In line with the characteristics and development of demands in the job market, we adjust our training resources timely and provide employees with skills they needed to ensure that the knowledge and skill they have are closely aligned to the regular business of the Group and the pace of the era and technological development.

We have compiled the "Training Management System" (《培訓管理制度》) and "Administrative Measures on Staff Training" (《員工培訓管理辦法》) which unify and regulate the management of employee training system and affairs. Through systematic and effective training, the operational capability and standard of employees, the performance of manpower and comprehensive quality can be enhanced generally to satisfy the requirement of development and give full play to the potential of employees.

There are three kinds of employee training, namely knowledge training, skill training and attitude training. The form of training may include self-training, internal training (including new employee training, job-specific skill training, transfer training, departmental training and continued education training) and external training.



2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Self-training

The Group encourages employees to enhance their own quality and operational capability proactively through self-study in their spare time according to their aspiration and condition. The results of self-study may be one of the factors to be considered for promotion and salary increase.

Internal training

Internal training of the Group includes new employee training, job-specific skill training, transfer training, departmental training and continued education training.

Type of training	Description of the training
New employee training	In order to enable each new employee with different working experiences, cultural backgrounds and ways of thinking to understand our corporate culture, operation goal, rules and regulations and working environment and to integrate into our team and to be ready to work as soon as possible, we conduct systematic induction training for new employees. The comprehensive management department designates induction guides to conduct the training by individual guidance and collective lecturing to facilitate new recruits to grasp the knowledge and skill required for their job as soon as possible as well as to explore their own potential.
Job-specific skill training	Through skill training, the employee can understand the duties, requirement and the jobs of his position as well as acquiring professional skills to enrich his talents and working ability, reducing work error and enhancing working quality and efficiency.
Transfer training	According to work requirements, when an employee is transferred to a new position, job-specific skill training is provided to him according to the needs of the new position.
Departmental training	All departments may conduct flexible and practical employee training on a small scale according the actual working requirement of the department. Such trainings are organised by the departments which would be reported to the comprehensive management department regularly. For staff with extensive experience or special expertise, strong ability in verbal communication and willingness to teach, they may be reviewed and appraised by the Company and engaged as an internal lecturer.
Continued education training	The Group organizes experts to provide training according to needs.

External training

Based on the working requirements of an employee, we may arrange him to leave his position temporarily for attending external training. Such trainings are mainly visiting other peer companies for skills exchange and themed training held by industrial consultation organisation and short-time external assignments. After attending external training or industrial exchanges, the trainee has to organise his learning material into a booklet and submit it to the comprehensive management department for custody. He may be required to conduct internal training to impart the skill and knowledge learnt, which serves as a share of training resources.

Annual training plan

We have annual training plan. Under the Employee Training Plan of 2018 of the Group, various trainings including office skill improvement training, development training and security guard qualification examination training, and employees of different positions had opportunities for continued learning and development, enabling them to have a diversified scope of development.

During the Reporting Period, all employees of the Group have received training to various extents. The following is an extract of the employee training plan of the Group:

Average training hours of employees by gender	Hours
Female employee	20
Male employee	25

Feedback and evaluation of performance after training

In order to monitor the outcomes of training, the Group evaluates the trainings and provides feedback to the employees and departments concerned, with an aim of strengthening the discipline and motivation of serious learning of the employees during the course of training and learning, and using the evaluation result to improve the training of the Group and procuring employees to apply the knowledge and skill learnt in their work. The department of the trained employees and the administrative personnel department also track and understand the change in behaviour of the employees after the training irregularly so as to urge the employees to apply the knowledge and skill learnt at work.

2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6. PAYING ATTENTION TO ENVIRONMENTAL PROTECTION

The Group recognizes that environmental management is a key part of the enterprise's sustainable development. Therefore, we proactively pay attention to the impact on the environment and natural resources brought by our daily operation and endeavour to improve the overall environmental performance of the Group. We strictly comply with the Environmental Protection Law of the People's Republic of China and the environmental protection laws of the place where we operate. We strive to avoid creating source of pollution or damaging the ecology and environment, and urge employees to put environmental conservation concept into practice in our operations. During the Reporting Period, the Group did not violate any laws related to environmental protection or cause any material incident that affect the environment and natural resources.

6.1. Promoting low-carbon culture

In recent years, China has been making contributions to address global climate change. From joining the Copenhagen Agreement in 2009 and the Paris Agreement in 2016 to the 2017 United Nations Climate Change Conference, China has played a more important role in leading the world in the reduction of carbon emissions. China has been vigorously and proactively controlling carbon emissions. In the Outline of the Thirteenth Five-Year Plan for National Economic and Social Development of the People's Republic of China (2016-2020), it is mentioned that dual regulation of total energy consumption and energy consumption intensity would be implemented and the urgency of the energy revolution is recognized. In the end of 2016, China's National Energy Commission adopted the "Energy Supply and Consumption Revolution Strategy (2016-2030)" which defined the overall target and related strategy of energy revolution and vigorously promote green production and low-carbon enterprises.

Greenhouse gas emissions management

The Group actively coordinates its effort with China's strategy in respect of climate change. We pay attention to the management of greenhouse gas ("GHG") emissions to mitigate climate change. We have conducted the carbon audit for the Group, including the office areas of Sinolink Properties Limited and Shenzhen Sinolink Property Management Co., Ltd., The Vi City and O Hotel, in accordance with the Greenhouse Gas Protocol by the World Resources Institute and World Business Council for Sustainable Development and the ISO14064-1 prepared by the International Organization for Standardization. Our GHG emissions during the Reporting Period is as follows:

	Unit	2018
GHG emissions		
Direct GHG emissions (Scope 1)	tonnes CO ₂ e	292.7
Indirect GHG emissions (Scope 2)	tonnes CO ₂ e	10,469.1
Other indirect GHG emissions (Scope 3)	tonnes CO ₂ e	320.7
Total GHG emissions (Scope 1, 2 & 3)	tonnes CO ₂ e	11,082.6
GHG intensity		
Per square meter (Scope 1, 2 & 3)	tonnes CO ₂ e/m ²	0.2

Scope 1: The direct GHG emissions generated from sources owned and controlled by the Group.

Scope 2: GHG emissions indirectly generated by electricity generation, heating and cooling or steam purchased by the Group.

Scope 3: Emissions include GHG emissions indirectly generated by sources that are not owned or directly controlled by the Group but related to the Group's business activities.

GHG emissions may be classified into direct GHG emissions (scope 1) and Indirect GHG emissions (scope 2 and scope 3). GHG emissions of various scopes were from the using of fuel by the Company's vehicles (scope 1), electricity consumption (scope 2) and water consumption, waste sent to landfill and paper used (scope 3) during operations. For the Year, the total GHG emissions of the office areas of Sinolink Properties Limited and Shenzhen Sinolink Property Management Co., Ltd., The Vi City and O Hotel is 11,082.6 tonnes of carbon dioxide equivalent (tCO₂e), and the GHG emissions intensity is 0.2 tCO₂e/m², similar to that in 2017. In the coming year, the Group will continue to pay attention to the management of greenhouse gas emissions, performing its corporate social responsibility.

6.2. Green construction

Regarding project construction and development, the Group is committed to complying with environmental protection laws, regulations and rules of China and Hong Kong. We actively incorporate environmental protection facilities and strengthen pollution prevention and control management in project design, construction and operation. In the handling of construction wastes, we follow requirements of environmental protection authorities in the place where the construction project is located, and collect, sort out, properly dispose of and monitor various wastes. For noise from our projects, we tackle the problem with consideration of the construction layout, arranging the location of installations which make noises such as the pump room and ventilation room away from residential buildings as well as using sound barrier to reduce the spreading of noise. We also opt to use equipment with low noise and take integrated measures to reduce noise and vibration and ensure that the construction environment meets the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-90) II. In addition, we implement separation of drainage and sewerage systems. Wastewater would be treated in oil separator and grit chamber and would only be discharged into the municipal sewer network after obtaining approval of relevant water authorities and completion of formalities.

6.3. Green Office

The Group is committed to incorporating environmental conservation concept into its daily operations and promoting a green corporate culture. Various businesses of the Group exercise sound environmental management. For instance, O Hotel formulated the "Energy Saving Management System" (《節能管理制度》) and Shenzhen Sinolink Property Management Co., Ltd. issued the "Energy Saving and Consumption Reduction Rules" (《節能降耗管理規定》) and "Notice of Environmental Protection and Energy Saving at Office" (《關於辦公室環保節能的通知》) to implement green operation.

Saving energy

We understand that the energy consumption is closely related to GHG emissions. Therefore, we endeavour to save energy and reduce consumption in our daily operations. In addition to reminding employees to turn off electronic equipment when it is not in use to avoid waste of energy, we clean lighting device and filters of the air-con system to enhance their energy efficiency. Our office is specially designed to utilize day light as far as possible and use mirrors to concentrate light to area requiring illumination. Our office is also divided into different areas where the lighting switches can be adjusted independently, allowing our employees to use the lighting system flexibly as needed. Motion sensor lights are installed in places not frequently occupied to save energy. We use low-emissivity glass and stick heat-insulating film on the windows to reduce the demand on the air-conditioning system. For further conservation of energy, we monitor our electricity consumption regularly to enable us to make improvement timely.

During the Year, the total electricity consumption in the operation of the office areas of Sinolink Properties Limited and Shenzhen Sinolink Property Management Co., Ltd., The Vi City and O Hotel is 19,861,750.0 kWh, and the electricity consumption intensity is 269.0 kWh/m², similar to 271.2 kWh/m² in 2017. In the coming year, we will continue to monitor the electricity consumption in the operation of the Group to achieve energy conservation and reduction of consumption.

Water resources management

Regarding the use of water resources, we are committed to cultivating the habit of saving water among our employees. We post water-saving signs in the washrooms to remind employees to remember to turn off the tap properly, and use dual-flushing toilet to allow flushing according to the need. The water pressure is also reduced to facilitate the control of water flow. To reduce wasting due to leakage or overflowing of water tank, we check readings of water meter and conduct leakage test for hidden water pipes regularly to enable any prompt repair. During the Reporting Period, the total water consumption of the office areas of Sinolink Properties Limited and Shenzhen Sinolink Property Management Co., Ltd., The Vi City and O Hotel is 245,181.0 m³ and the water consumption intensity is 3.3 m³/m², similar to the water consumption intensity in 2017. In the coming year, we will continue to monitor the water consumption in the operation of the Group.

Saving paper

In our daily operation, we take numerous measures to reduce paper consumption and endeavor to create a paperless office. The Group uses electronic office system to substitute office administration system that mainly uses paper records, and encourages employees to transmit message with electronic communication technologies. We remind employees to use both sides of paper and recycle paper as far as possible and set our printers as default duplex printing and in toner saving mode. We have set appropriate printing limit for employees. Notices are also posted near the printer to remind employees to use double-sided photocopy or recycle paper, enhancing their awareness of saving paper. We also monitor paper consumption regularly and make appropriate adjustment timely. During the Reporting Period, the total paper consumption of the office areas of Sinolink Properties Limited and Shenzhen Sinolink Property Management Co., Ltd., The Vi City and O Hotel is 3,475.5 kg and the paper consumption intensity is 5.6 kg/employee, showing a reduction of around 4% from the paper consumption intensity in 2017. In the coming year, we will continue to monitor the paper consumption of the Group and actively implement paperless office.

Waste management

Facing the crisis of a global shortage of resources, the Group advocates responsible use of natural resources. We support reduction of wastes at source and reducing natural resources consumption by recovering and recycling. We encourage employees to reuse envelopes, spring binders, recyclable toner cartridge/ink cartridge and to reduce using disposable and unrecoverable products. We also evaluate the consumption of various materials from time to time to avoid excessive purchases and inventory and causing waste.

In the meantime, in order to reduce the impact on the environment caused by wastes generated in our operations, the Group actively implements strict waste management. We comply with the laws and regulations related to disposal of wastes of the places where our operation is located, and we have clear guide for the handling of various wastes.

Shenzhen Sinolink Property Management Co., Ltd. formulated the “Obsolete Item Management Rules” (《廢舊物品管理細則》) to standardise and regulate the recovering, storage management, re-use and disposal of obsolete items. The department generating the obsolete items is responsible for collection of such items timely. Non-inflammable or explosive and non-toxic obsolete items are warehoused after recorded in the “Obsolete Item Registration Form” (《廢舊物品登記表》). They are stored according to their categories in the warehouse managed by the department responsible for the custody of obsolete items. The human resources department consolidates the Obsolete Item Registration Form of all departments monthly and compiles the “Obsolete Item Directory List” (《廢舊物品目錄清單》). For the reuse of the obsolete items, departments may complete and submit the “Application for Recycling and Re-use of Obsolete Items” (《廢舊物品回收再利用申請表》) to the human resources department for approval. A department may only take delivery of the obsolete items it applied for against the “Obsolete Item Transfer Order” issued by the human resources department. The liquidation or destruction of obsolete items would be performed once every half-year, which would be jointly monitored by the human resources department and the financial department.

2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Regarding the waste management of O Hotel, qualified cleaning suppliers are engaged to regularly collect the domestic garbage and kitchen wastes, remove oil from the pools, clean grease in the kitchen and recycle wastes to ensure proper handling of the wastes produced.

During the Year, the total non-hazardous waste produced by the office areas of Sinolink Properties Limited and Shenzhen Sinolink Property Management Co., Ltd., The Vi City and O Hotel is 1,137,008.6 kg and the non-hazardous waste intensity is 15.4 kg/m², increasing slightly from 14.6 kg/m² in 2017 by about 6%. The amount of hazardous waste produced this Year is similar to that in 2017, totalling 3.0 kg and 2 sets of computers. In the coming year, we will continue to monitor and reduce the amount of non-hazardous waste and hazardous waste produced by the Group.

7. ACHIEVING CONTRIBUTION FOR SOCIETY

The Group cares for the community, performs corporate social responsibility and makes contribution to society. During the Reporting Period, the Group allocated over RMB40,000 to organise various community public welfare activities with over 550 persons participated.

The Group held a variety of public welfare activities, such as the Community Neighbourhood Festival of Shenzhen (深圳市社區鄰裡節), the volunteering activity “Learning from Lei Feng” (「學雷鋒」), the livelihood project of “Chinese Cuisine Cooking Competition” (「中華美食廚藝大比拼」), the Chinese and foreign cuisine competition “International Standard” (「國際範兒」中外美食大比拼), parent-child garden party, the “Hundred-Family Banquet” (「百家宴」) and the resident publicity and variety show for “Celebration of National Day” and garbage sorting (「迎國慶」暨垃圾分類居民宣傳文藝晚會), which were suitable for community residents of all ages. Through spectacular shows and sharing of cuisines, such activities brought people in the society more closely and strengthened the exchanges and connection between the Group and the community.

Taking into consideration the needs of seniors in the community, we also held senior citizen singing competition and golden wedding celebration with the theme of “Walking with Love, True Love Forever” (「與愛同行，真愛永恆」) to enrich the life of seniors and promote healthy and inclusive culture.

8. FUTURE PROSPECTS

The Group will continue to uphold the business objective of “Achieving Sustainable Development with Stability”, reflect the Company’s own value in the four aspects of “Insisting on Lawful Operation”, “Establishing a Professional Team”, “Paying Attention to Environmental Protection” and “Achieving Contribution for Society”, and realise its vision of “providing international resources and driving force for China’s economy and creating a platform for international investors to share China’s economic benefits”.

9. APPENDIX 1: SUSTAINABILITY DATA STATEMENTS

The following is a summary of the sustainability data in Environmental Subject Area of the office areas of Sinolink Properties Limited and Shenzhen Sinolink Property Management Co., Ltd., The Vi City and O Hotel:

Environmental	Unit	2018	2017
GHG emissions			
Direct GHG emissions (Scope 1)	tonnes CO ₂ e	292.7	404.8
Indirect GHG emissions (Scope 2)	tonnes CO ₂ e	10,469.1	10,552.5
Other indirect GHG emissions (Scope 3)	tonnes CO ₂ e	320.7	304.9
Total GHG emissions (Scope 1, 2 & 3)	tonnes CO ₂ e	11,082.6	11,262.1
Total GHG emission intensity (per square meter) (Scope 1, 2 & 3)	tonnes CO ₂ e/m ²	0.2	0.2
Fuel consumption			
Natural gas consumption	10,000 m ³	9.4	6.5
Diesel consumption	tonne	0.0	0.9
Petrol consumption	litre	30,678.0	35,568.0
Refrigerant consumption			
	kg	10.0	105.3
Electricity consumption			
Total electricity consumption	kWh	19,861,750.0	20,019,833.0
Electricity consumption intensity (per square meter)	kWh/m ²	269.0	271.2
Water consumption			
Total water consumption	m ³	245,181.0	239,929.0
Water consumption intensity (per square meter)	m ³ /m ²	3.3	3.3
Paper consumption			
Total paper consumption	kg	3,475.5	3,515.0
Paper consumption intensity	kg/capita	5.6	5.8
Waste production			
Production of non-hazardous waste	kg	1,137,008.6	1,074,349.1
Non-hazardous waste production intensity (per square meter)	kg/m ²	15.4	14.6
Production of hazardous waste	kg	3.0	3.0
Production of hazardous waste	computer	2.0	2.0
Hazardous waste production intensity (per square meter)	g/m ²	0.04	0.04

2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The following is a summary of the Group's sustainability data in Social Subject Area of the Guide for the Year:

Social	Unit	2018
Total workforce	no. of people	786
Workforce by gender		
Female	no. of people	214
Male	no. of people	572
Workforce by age group		
Aged below 30	no. of people	195
Aged 30 to 50	no. of people	528
Aged above 50	no. of people	63
Workforce by employment type		
Short-term contract/ part-time staff	no. of people	4
Junior staff	no. of people	669
Intermediate management	no. of people	95
Senior management	no. of people	18
Workforce by geographical region		
East China region	no. of people	1
South China region	no. of people	785
Employee turnover rate*		37.7%
Employee turnover rate by gender*		
Female		40.2%
Male		36.7%
Employee turnover rate by age group*		
Aged below 30		57.4%
Aged 30 to 50		26.7%
Aged above 50		68.3%
Employee turnover rate by geographical region*		
East China region		0.0%
South China region		37.7%

* The employee turnover rate is calculated by dividing the number of employee lost by the number of employees at the end of the Year.

10. APPENDIX 2: CONTENT INDEX OF HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE

			Related Section(s)
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.	Promoting low-carbon culture; Green Office
	KPI A1.1	The types of emissions and respective emissions data.	Promoting low-carbon culture; Green Office; Sustainability Data Statements
	KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity.	Promoting low-carbon culture; Sustainability Data Statements
	KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	Green Office
	KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Green Office
	KPI A1.5	Description of measures to mitigate emissions and results achieved.	Promoting low-carbon culture; Green Office
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Promoting low-carbon culture; Green Office
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Office
	KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Green Office
	KPI A2.2	Water consumption in total and intensity.	Green Office
	KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Green Office
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Green Office
	KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not applicable

2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

			Related Section(s)
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	PAYING ATTENTION TO ENVIRONMENTAL PROTECTION
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	PAYING ATTENTION TO ENVIRONMENTAL PROTECTION
B. Social			
Employment and Labour Practices			
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.	Employee benefit and remuneration
	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Sustainability Data Statements
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Sustainability Data Statements
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.	Healthy working environment
	KPI B2.1	Number and rate of work-related fatalities.	Healthy working environment
	KPI B2.2	Lost days due to work injury.	Healthy working environment
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Healthy working environment
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Continued learning and development
	KPI B3.1	The percentage of employees trained by gender and employee category.	Continued learning and development
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Continued learning and development

			Related Section(s)
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 and forced labour.	Inclusive employment platform
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Inclusive employment platform
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Inclusive employment platform
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management
	KPI B5.1	Number of suppliers by geographical region.	Supply chain management
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply chain management
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.	Information Management Policy
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	INSISTING ON LAWFUL OPERATION
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Serious attention to customer feedback
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Information Management Policy
	KPI B6.4	Description of quality assurance process and recall procedures.	Serious attention to customer feedback
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Information Management Policy

2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

			Related Section(s)
Aspect B7: Anticorruption	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.	Construction of combating corruption and upholding integrity
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Construction of combating corruption and upholding integrity
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Construction of combating corruption and upholding integrity
Community			
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.	ACHIEVING CONTRIBUTION FOR SOCIETY
	KPI B8.1	Focus areas of contribution.	ACHIEVING CONTRIBUTION FOR SOCIETY
	KPI B8.2	Resources contributed.	ACHIEVING CONTRIBUTION FOR SOCIETY