

景瑞控股有限公司*

Jingrui Holdings Limited

(於開曼群島註冊成立的有限公司)
(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock code : 01862



* 僅供識別
For identification purpose only

Contents

2	Concept and principle of the report
2	About the Group
3	Foreword
4	Stakeholder engagements and key report issues of the report
5	2017 Performance
5	Figures Overview
6	Environmental protection – consume natural resources in moderation
8	Supply Chain Management – Strictly adhere to standards and control risks
10	Manpower Management – Value the Talents
14	Corporate Governance – A Trust Based Effective Management
17	Giving back and reinvestment in the society
18	Bracing the future



Environmental, Social and Governance Report



Concept and principle of the report

This report is the second “Environment, Social and Governance Report” (the “Report”) published by Jingrui Holdings Limited (stock code: 01862) (the “Company” or “Jingrui”) and together with its subsidiaries (the “Group” or “we”) disclosing the Company’s ideas and persistence of sustainability to the stakeholders and responding to their concerns in different important aspects. Besides, we can have better preparation for future challenges by evaluating our past performance in the Report.

The Company is a property developer owning a number of residential and commercial development projects undergoing different phases at different locations in China. The variations of contents in these projects make our disclosure more complex. To ensure the Report’s quality, the environmental figures disclosed in this Report cover the Group’s Qingpu development project (the “Qingpu Project”) and the general office in Shanghai only, while the remaining data of policies and measures disclosed cover the same entities as those in the annual report, focusing on the Group’s operations in terms of economy, environment, society and governance from 1 January 2017 to 31 December 2017. In the future, the Group will further expand the scope of the disclosure of environmental figures to have a more complete picture on our performance.

This Report is prepared under the guidance of the “Environmental, Social and Governance Reporting Guide” stated in the Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). To reduce paper usage, this Report is published electronically on the Company’s website and the Stock Exchange’s website and no printed copies are provided. All data are from the Group’s official documents, internal records and receipts, etc..

Should you have any feedback on this Report, please let us know through the contacts below to help us improve our policies in relation to sustainability:

Address: Room 09, 43/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

Phone Number : 852-23276858

Email : ir@jingruis.com

Company Website : www.jingruis.com

About the Group

Jingrui is a leading brand whose business scope covers real estate development, construction and renovation, commercial operation and property management, which has become a real estate development enterprise with national grade I qualification. It is one of the leading residential property developers in the Yangtze River Delta region of China.

The Group now operates 74 projects in 18 cities in the districts of Yangtze River Delta, Bohai Sea and Midwest China. It has a total land reserve of about 4.40 million square meter that is expected to satisfy the Group’s developmental demand in the next two to three years, laying a foundation for substantial and rapid growth of sales in the future.

The Group is in the stage of strategic transformation and upgrading to relocate the strategic layout to first-tier and second-tier cities. At the same time, the Group is focusing on promoting the “ePLUS Customization” system, which enables the business scale to grow steadily and further enhance the operation capability. After a series of restructuring and reorganization, the real estate business is now the core business of the Group, supplemented by the 4 other sectors, namely Co-Fortune Capital (合福資本), Yan Capital (優鉞資產), Office Platform (辦公平臺) and Apartment Platform (公寓平臺).

We expect to have a successful transformation from a low variation real-estate developer to a high valuation operator, and, with the synergies between the 5 segments, to improve the operation efficiency and broaden the profit channel to reduce the risks of relying on profits generated solely from property development, so as to enhance the business’s sustainable development.



Environmental, Social and Governance Report



Co-Fortune Capital	Yan Capital	Jingrui Properties	Office Platform	Apartment Platform
Focuses on investment in real estate ecological cycle, and enhancing products and serving capabilities by leveraging on its capital to stimulate its real estate development business	Focuses on real estate fund raising activities and asset management and manages to finish a transition from real estate debt fund to equity fund	Focuses on property development in four metropolitan areas in China and is committed to providing customized life products and services based on the strategy of "customer insights"	Focuses on urban renewal and provides operating management services covering office development, holding and leasing in the first-tier cities such as Shanghai, Beijing and Shenzhen	Focuses on urban renewal and provides operating management services covering apartment development, holding and leasing in the first-tier cities such as Shanghai, Beijing and Shenzhen as well as core second-tier cities

Foreword

Through the practice of Jingrui's spirit of gratefulness, our business continues to grow steadily to bring long-term yet stable returns and values to different stakeholders. With the second "Environmental, Social and Governance Report" published, we strive to respond to the stakeholders' requests and, at the same time, evaluate our own performances by disclosing our overall performances and actions taken in the past year for improvements.

The domestic real estate industry is in a situation of keen competition while reaching the peak of urbanization. Facing this situation, we can foresee that the industry development will gradually decelerate and become a stage of survival from the era of rapid development. Besides, the operation format of the industry has gradually been evolving from a pure development model to a service provider. Together with the changes occurred in the customers' mind, traditional operations and sales policies will inevitably push an enterprise downhill. To attain for a sustainable development of the business, we are well prepared for the transformation.

We have re-established our operational guidelines for achieving the long-term goals of customization and refinement in response to all the changes.

Furthermore, we are committed to managing good quality and integrating the concept of sustainability into our business practices and construction methods to ensure our products can last for generations under winds and rains. As it is impossible to recall buildings with defects from the market or get them reconstructed, quality management is the most important part among the whole process. Starting from raw material procurement, design, construction methods to supply chain management, each session is strictly controlled according to the Company's code so as to improve the overall standards by complying with laws and regulations, and also referencing to international best practices.

It is not practical for Jingrui to complete the transformation within a short period of time, but we believe that as long as we push ourselves to the highest standard with a grateful heart, we can always achieve higher level together with the stakeholders.

Environmental, Social and Governance Report










Stakeholder engagements and key report issues of the report

Jingrui has always fulfilled the social responsibility with gratitude to implement the Group's core value of "be honest and professional, strive for improvements and successful future". To better understand the stakeholders' comments towards the Company, the Group

communicates with them every year through different means and ensures all the comments are reflected to the management. Those practical comments would be adopted and implemented into daily operation strategies.

Details of stakeholder engagement events during the year are as follows:

Stakeholders	Relevant Events	Frequency
Investors 	<ul style="list-style-type: none"> Investor Meetings Post-result Roadshows 	<ul style="list-style-type: none"> Held 37 meetings throughout the year Maintained effective daily communication with equity and bond investors, and enhanced the management of investor relation through 1-on-1 or group investor meetings Once every half a year Communicated with investors and analysts on the Company's latest result performance through roadshows held after annual and interim results announcements to get feedbacks from capital market
Employees 	<ul style="list-style-type: none"> Meetings between department heads and employees 	<ul style="list-style-type: none"> Held irregularly throughout the year Understood employees' opinions and ideas, and made corresponding improvements and arrangements
Shareholders 	<ul style="list-style-type: none"> Annual general meetings 	<ul style="list-style-type: none"> Held on 24 May 2017 at Shanghai
Consumers 	<ul style="list-style-type: none"> Satisfaction survey Complaint hotlines 	<ul style="list-style-type: none"> Once a month Established complaint hotlines for each subsidiary
Landlords 	<ul style="list-style-type: none"> The Group's 24th Anniversary annual celebration 	<ul style="list-style-type: none"> Invited the landlords to attend the Group's "24th Anniversary Annual Celebration -- Growth of Heart"
Suppliers 	Group Level	
	<ul style="list-style-type: none"> The Group's Chinese New Year Feast The Group's Strategic Partners Forum 	<ul style="list-style-type: none"> Once every 1-2 years Promoted our strategies and brand, and improved the relations with the outstanding suppliers Once every half a year Provided a platform to enhance the communication and mutual trust between the suppliers and senior management of Jingrui
	Local Supplier Level	
	<ul style="list-style-type: none"> Local Supplier Annual Meeting 	Organized 1 local supplier annual meeting every year based on the local companies' status, including land purchasing, kicking off of constructions and project completion, etc., to attain certain communication purposes, such as promoting city development plans, boosting morale, briefing of series of specific topics (such as working quality, customer satisfaction, best practices and quality defects) and recognizing excellency
Media 	<ul style="list-style-type: none"> Regular Forum Regarding to Certain Project with suppliers Interview with senior management 2017 Brand Conference "The E Generation" – 2017 Brand Conference 	<ul style="list-style-type: none"> Once a quarter Informed the media with the Group's latest development by being interviewed irregularly Held once in Shanghai Invited 50 major media from Shanghai to attend Held once in the year Invited 119 media from Beijing, Shanghai and Guangzhou to attend



Environmental, Social and Governance Report

After communicating with the stakeholders and discussing internally, the management has recognized the following 10 key issues in relation to the Group's business among all the feedbacks collected:

- | | |
|----------------------------------------|---------------------------------|
| 1. Economic performance | 6. Anti-corruption |
| 2. Waste treatment | 7. Product quality |
| 3. Employees' health and safety | 8. Customers' privacy |
| 4. Employees' welfare and remuneration | 9. Customers' health and safety |
| 5. Use of construction materials | 10. Supply chain management |

We are disclosing the Group's performances of these 10 key issues during the year to give clear and targeted response to stakeholders in the Report. As the Group is relying on construction contractors to handle the wastes produced at the site and has no direct site management, relevant figures of wastes produced are yet to be collected. In the future, we look forward to further enlarging the reported scope for a more comprehensive disclosure.

2017 Performance

Figures Overview



Financial figures :

- Annual revenue reached RMB **15,668.4** million
- Contracted sales value reached RMB **18,372.7** million
- Profit for the year including non-controlling interests reached RMB **904** million
- Basic earnings per share is RMB **0.62**
- Built up a sufficient land bank of approximately **4,406,300** square meters
- Extended the Group's footprints to **74** projects in **18** cities
- The first-tier and second-tier cities accounted for **96%** of the Group's saleable property value



Environmental figures¹ :

- Greenhouse gases emission: **1,367** tonnes carbon dioxide equivalent
- Electricity usage: **1,568** MWh
- Total energy consumption: **2,107** MWh
- Energy intensity: **0.015** MWh/square meter



Social and governance figures :

- Number of employees: **2,743** people
- Average training hours completed per employee: **24.84** hours
- Personal accident insurance coverage: **100%**
- Number of legal cases regarding corrupt practices: **0**
- Number of centralized procurement suppliers: **384**
- Awards received during the year: **18**

¹ Only the figures of the Qingpu Project and general office in Shanghai are included in relevant to the environmental figures.

Environmental, Social and Governance Report



Environmental protection – consume natural resources in moderation

Without a pleasant environment, an excellent architecture alone can never be an ideal residence. As such, in order to provide high quality living environment to the public, the Group adopted a multipronged approach to reduce its environmental impacts in different ways, such as carbon management and technology improvement etc., and ensure each community being pervaded with greenness.

According to the World Bank's forecast, 70% of the emission reduction potential comes from the energy saving of buildings to attain the energy conservation and reduction target before 2030. Besides, according to the "Thirteenth Five-Year Plan for Development of Construction Industry" issued by the Ministry of Housing and Urban-Rural Development of China in May 2017, the newly built domestic civil use buildings in cities should all meet the energy-saving requirements in 2020, while 50% of the new buildings should be green buildings, and the use of green building materials should at least reach 40%. Therefore, it is a general trend and unshirkable responsibility for the developers to invest in green buildings.

To put the money where the mouth is, the Group has vigorously promoted green building projects in the past few years to increase their proportion among all projects. For instance, the Group's Suzhou Jingrui Dignity Mansion (蘇州景瑞·望府) was awarded the Two Star Certificate of Green Building Label by the China Green Building Council in 2017. More than 35% of this project's total area is greening area, and the energy-saving rate even reaches 50%. We will continue to develop similar projects to further increase the percentage of green building projects in the future. Thanks to our active input, we have been ranked eighth on the list of June of the "2017 China Green Real Estate Top 10" launched by the "Green Ranking (標準排名)", a research institute focusing on green rating and evaluation in China².

The Group manages a number of residential projects under different status, which makes the process of environmental data collection and analysis more challenging. Thus, before a mature environmental data

collection system is built, the Group would disclose the environmental data of Qingpu Project and the general office in Shanghai first as reference:

Environmental Data Review:



Total greenhouse gas emissions:
1,367 tonnes Carbon dioxide equivalent

- **Scope 1: 132**
tonnes Carbon dioxide equivalent
- **Scope 2: 1,235**
tonnes Carbon dioxide equivalent



Greenhouse gas intensity: **0.01**
tonnes Carbon dioxide equivalent/square meter

POLLUTANT PRODUCTIONS:

- Nitrogen oxides: **7.5** kg
- Sulphur oxides: **4.3** kg
- Respiratory suspended particles: **1.0** kg



Amount of hazardous and non-hazardous wastes produced: most of the hazardous and non-hazardous wastes produced are construction waste, such as wood, cement, stones and small amount of chemicals, etc.. As all the wastes produced at the construction site were handled by contracted constructors, the Group has been yet to collect relevant data. We promise to disclose the relevant figures in the report once a data sharing scheme is established with the contractors in the future.

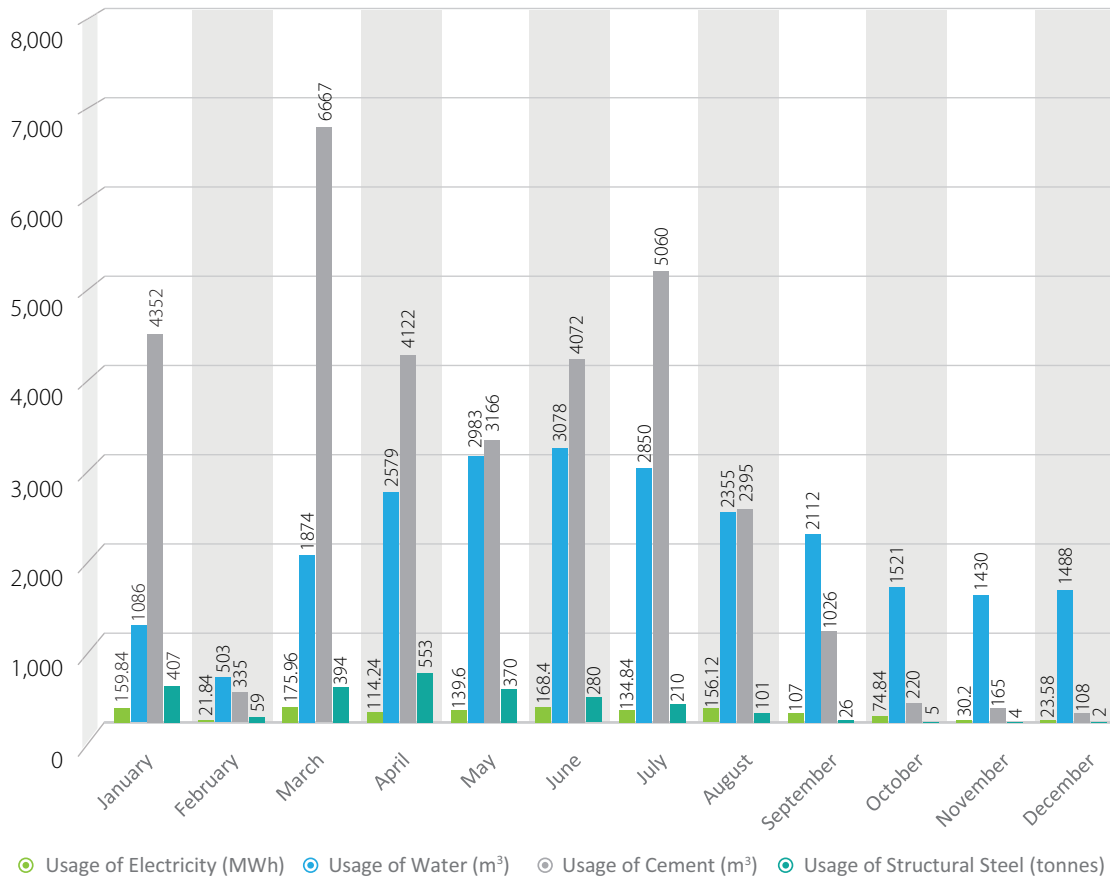


² Source: <http://www.biaozhunpaiming.com/rank/50/month/6.html>



Environmental, Social and Governance Report

Resources used in the Qingpu Project:



Various Environmental Protection Measures

The Group complies with the requirements of “Environmental Protection Law of the People’s Republic of China” and submits the environmental impact assessment report of construction projects to the environmental department in China. It discloses clearly on the potential pollution, governance measure effectiveness, hygiene requirements, and environmental impact of pollutants.

In administration level, we encourage the practice of “green office” to minimize the use of resources, such as using both sides of papers, reducing the amount of colour printing and recycling waste papers. In addition, the Group also regularly organizes various activities and courses related to environmental protection for employees to raise their environmental awareness, create environmental friendly culture and reduce wastes in office.

In order to further reduce the environmental impacts of the construction process, we continue to improve the industrial assembly technology and provide customers with the customized prefabrication system as the solution to achieve the goals of “fine quality, high efficiency, strong environmental protection, and easy replacement”. Compared with traditional way of building, prefabrication decoration mainly has the following 3 advantages:

- (1) prefabrication components can mould all components at one time in the factory, which helps to reduce the construction time needed and pollutants generated on sites;
- (2) reduce pollution by reducing construction wastes and dust pollution at the construction site; and
- (3) removable and replaceable components provide the flexibility to fulfil different households’ needs, or even achieve secondary use by sharing with others.

Environmental, Social and Governance Report



At the same time, we have also launched the "Online Customization, VR Matching" service to allow customers to adjust the interior decoration online through virtual reality and instantly comment on the outcome. This service drastically reduces the number of refits due to miscommunication, and thus reduces wastes. We believe that the national urban energy conservation and emission reduction policies will bring more opportunities to the industry of prefabrication construction, which forms the future development trend of China's urban construction. To embrace the opportunities with great potential, the Group has set customization as the development direction since 2015 and has fully entered the customer-centric business model to implement the "Customer Insights" strategy. We have also set up home furnishing companies which can try out larger-scale of personal customization projects to make profits by creating value differences.

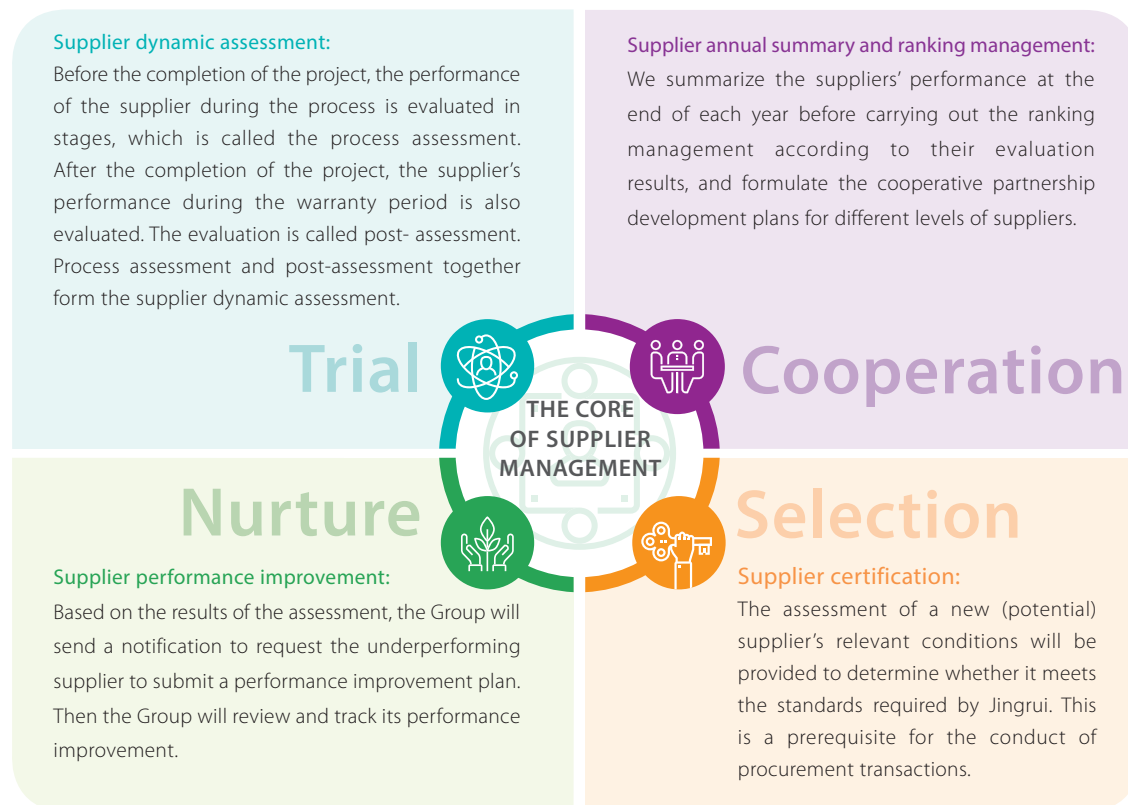
Supply Chain Management – Strictly adhere to standards and control risks

Our supply chain involves a wide range of projects, including various materials procurement, machinery

rental, service consulting, construction manpower and technology supply, etc.. We need to rely on effective management to ensure stable business operations. Adhering to a corporation with social responsibility, we believe strongly that we have the responsibility to push suppliers of all tiers to improve the quality of operations. Through the Groups' internal administrative measures, we can set clear operational requirements for suppliers and at the same time reduce the Group's potential operational risks.

Thus, the Group has established a comprehensive supplier management system, to clarify the internal approval process and supervision system, which provides all employees the guidelines to procure and trade. Not only to effectively control costs and meet development requirements, this system can also strengthen the screening, management, evaluation and training of suppliers to realize the effective integration of external resources, and the orderly and efficient implementation of project construction, in order to ultimately promote the continuous improvement of the product quality and management capability.

The core of supplier management is "Selection, Trial, Nurture, and Cooperation":





Environmental, Social and Governance Report

Tendering regulations and system

For the Group's strategic suppliers, such as supplying large-scale or general-purpose materials, equipment and decoration parts, the tender arrangements must comply with the "Group Strategy and Collection Tender Management Process". For the newly introduced suppliers by subsidiaries, if the purchase amount is more than RMB500,000, it must comply with the "Tender Management Procedure for City Supplier"; and if the purchase amount is less than RMB500,000, it needs to follow the "Direct Procurement Management Procedure". To ensure the implementation of the code to control risks, we strictly prohibit the tender from breaking up the whole project into parts to evade the tender management process.

Supplier performance inspections and ratings

After selecting the suppliers, we will arrange specialists to conduct on-site inspections to supervise their actual operation. In addition, the Group will conduct assessments on a semi-annual basis. The contents of the assessment include the quality and specification of materials and equipment, the cooperation with the Group and the general contractor, on-site management capabilities, time control, and construction quality, etc. At the end of each year, the Group would also conduct an annual assessment for suppliers and implement five levels in accordance with their performances:

Annual assessment score	90+	81~90	66~80	56~65	Below 55
Grade	Beyond Expectation	First Choice	Acceptable	Limited use	Unacceptable (Eliminated)
Correspondence level	S	A	B	C	D

The Group links a supplier's ranking to the procurement plan which determines the development strategies adopted and whether to adjust of the cooperation scale according to the supplier's tier. Currently, we mainly have "urban suppliers" and "group strategic suppliers". Through the internal mechanism of promoting and eliminating, excellent "urban suppliers" can be promoted to "group strategic suppliers", which are accessible to more opportunities to the Group's projects. When one or more of the below indicators of the year-end assessments are triggered, the supplier will fail in the assessment:

- (1) delaying delivery of the project;
- (2) ranking the last three of the Group in two consecutive quality safety inspections;
- (3) occurring systematic large-scale leakage;
- (4) major safety incidents; or

- (5) performance of the delivery assessment being lower than the bottom line set by the Group's operating and management centre every year.

Through the establishment of clear assessment goals, we hope to restrict the performance of individual supplier to promote the overall progress and technological upgrading of the industry by using various administrative regulations. We believe that the management of suppliers can not only to reduce the Group's operational risks, but also to provide practical improvements to the parties covered in the supply chain, therefore contributing Jingrui's strength to the industry. Only the improvement of the entire industry can provide Jingrui with a stable and healthy development environment and create a virtuous cycle of sustainable development.

In 2017, the Group had a total of 384 suppliers, while the Shanghai Qingpu Project's suppliers all came from China, with a total number of 41. All of them were managed in accordance with the above-mentioned supplier management system.

Environmental, Social and Governance Report



Manpower Management – Value the Talents

We greatly recognise the protection and well-being of our employees. We have fully complied with the applicable laws and regulations all the time and endeavoured to prevent from any form of exploitation. In addition to the Labour Law of the People's Republic of China, we have also established stringent internal policies and codes to ensure that every employee is treated properly and not discriminated. We believe that only the companies that value their employees can build mutual trust with them, maintain the stability of the corporate talent ladder in the long run, and ensure a stable development of the Group in future.

Employee statistics in 2017:



Total number of employees
in the Group:
2,743 employees

By Sex



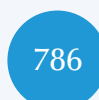
Males:
1,816



Females:
927



By age



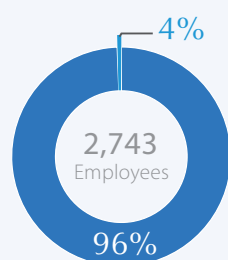
16 – 24

25 – 40

41 – 59

>60

By Race



■ Han Chinese ■ Other ethnic groups

Han Chinese:

2,643

Other ethnic groups:

100



Overall Turnover rate:
33.08%

Recruitment practice

We have established a rigorous internal recruitment system that aims to select suitable talents for the Group and rationally allocate talents so as to achieve the goal of improving work performance and operational efficiency. In the recruitment process, we adhere to the principle of fairness. Employees involved in the recruitment process must not consider with any discriminatory nature which may affect a candidate's opportunity because of his race, colour, religion, gender and nationality. At the same time, in order to ensure a fair and transparent recruitment process, we in principle do not encourage employees to give their relatives referral to allay suspicions. Regarding the criteria for interviews and job requirements, the Group also established clear guidelines such as "Job Recruitment Requirements" and "Guidelines on Recruitment Interview" to ensure the recruiting employees can act according to the guidelines and eliminate discrimination.

In addition to the compliance of recruitment process, we also pay great attention to the management of recruitment channels to maintain a steady development of the Group in long term by inviting talented people to join Jingrui and forming an efficient talent ladder. Apart from the notices on the Group's website, we also publish recruitment information and collect resumes through external parties such as manpower websites, newspapers and headhunting service companies. Moreover, we also encourage employees to make internal referrals, and give corresponding cash rewards according to the ranking of the referral.

The above measures precisely indicate the Group's determination to prevent illegal hiring. We believe that through the effective management of process and recruitment channel, we can ensure the rights of employees not to be exploited and eradicate any case of forced or child labour.

During the year, the Group has not identified any case of forced or child labour.



Environmental, Social and Governance Report

Employee rights and protection

In accordance with the Labour Law and the Labour Contract Law of the People's Republic of China, all employees have the rights of equal employment, choice of occupation, access to labour compensation, safety and health protection, vacation, social insurance benefits, vocational skills training, labour dispute resolution and other relevant legal rights. As a responsible company, we have strictly abided by all the regulations of domestic labour laws to paid full salary on time to all employees, and ensure that all of them are protected by endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing provident fund.

Regarding holiday arrangements, apart from statutory holidays, all employees of the Group can enjoy corresponding paid annual leave according to their positions and seniority. We hope that employees can relieve work pressure during holidays, maintain mental health and achieve a balance between work and life. In addition, we highly value the legitimate rights and interests of female employees. They can ask for leaves according to their needs, such as antenatal checkup, breastfeeding and annual gynaecological examination. Besides, we take the initiative to have them participated in the scheme of Safeguarding of Mutual Help for Women Workers. If an employee needs to take leave for performing family responsibilities, we will try our best to cope with his needs to ensure that his work and family are in harmony.

Regarding the departing employees, whether resigned or being dismissed, in accordance with the "Staff Change Management System", full amount of severance payment or salary would be paid according to the employee's actual situation.

For those employees facing difficulties, the Group has established a mutual assistance fund for them to allocate emergency cash at any time to resolve the urgent needs. During the year, the Group allocated a total of RMB120,000 to the mutual assistance funds. In addition, the Group would organize internal fundraising for individuals with significant personal difficulties. During the year, more than RMB300,000 was raised to cover the medical expenses of employees' family members.

During the year, the Group had paid the endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing provident fund, or other insurances requested by the local regulations, for all employees as complying with the applicable labour law, and no violation case was found.

Safe working environment

Providing employees with a safe working environment is a basic responsibility of a company. For the safety of all employees, appropriate support and trainings are provided according to the characteristics and needs of their positions to ensure that they understand the potential risks and the necessary professional skills needed to prevent occupational injuries.

To better monitor the safety performance, the Group's administrative management center has set up safety production committees in various subsidiaries and established the special internal safety working teams to monitor and regularly conduct special safety inspections to improve the overall safety status. At the same time, this safety production committees can also strengthen the control and enhance the investigation over accidents by thoroughly tracing the cause and solving the safety hazards to gradually reduce accidents. In addition, the Group's administrative management center periodically requires all subsidiaries to provide feedbacks on the progress of safety and occupational health projects, which allow the center to conduct detailed performance analysis according to the safety assessment mechanism, and supervise the actual situation of each subsidiary and the implementation of occupational health policies.

During the year, there were no injuries nor fatalities that occurred in the Group.

Besides all compliance and administrative measures, the Group promotes work safety through various kinds of activities. Amid the summer in 2017, batches of relief materials were offered to on-site workers in cities of Shanghai, Nanjing, Tianjin, Ningbo, Shaoxing, Suzhou and Chongqing. This might not directly reduce the heat wave in the working environment, but surely was a gesture of the Group's care for its front-line workers.

Environmental, Social and Governance Report



Training and talent development

To ensure a sustainable development, the Group put utmost importance on training and personal development of our staff. We hope to aspire them to learn and grow together with the Group. We offer related programs tailored to our staff.

For new comers, they will be greeted by a two-week orientation that helps them blend in. They will gain intensive knowledge on the Group's culture and bylaws,

such as administration, human resources and others. And to enhance the learning results, we also pair our new recruits with mentor according to the "Guidelines for Mentoring Arrangements", so as to furnish a faster start of their journey at Jingrui through 1-on-1 guidance.

As for in-service staff, we arrange the following training activities based on their experiences, ages, capabilities and job requirement:





Environmental, Social and Governance Report

Category	Training Target	Training Means
Vanguard Leadership Program	1. General Manager of City Company	1. Symposium 2. External excursion and trip 3. One-on-one coaching 4. Leadership training
Spearhead Program	1. Department Head 2. Senior Project Leader 3. Potential Functional Manager	1. Management courses series 2. Study action plan 3. Star staff sharing 4. Mentorship from senior management
Budding Program	1. New Lead Manager 2. Junior Manager 3. Young Men With Potential Ability to Be Managers	1. Project workbook 2. Experiential team development 3. Management courses series 4. Internal sharing 5. All-round quality assessment
Rising-Star Program	1. Project Management 2. Planning and Design 3. Financial Management 4. Fresh Graduates from Human Resources Major	1. Coaching given by two tutors 2. On-the-job orientation 3. Multi-times assessment
Pioneer Program	1. Fresh Graduates from Marketing Major	1. Training and assessment taught by senior staff 2. Practice 3. Regular training exchange 4. Multi-times stage assessment
Master Program	1. Person in Charge of the Group's Project	1. Professional training 2. Professional topic discussions 3. Industry delegation trips 4. Senior management training 5. Thesis practice
Financial Steed Program	1. Management Talent in Corporate Finance of the Group 2. High End Talent Reserve	1. Professional training 2. Business symposium 3. Industry delegation trips 4. Thesis practice
Forging Eagle Program	1. Junior Level Management Talent in Marketing	1. Professional training 2. Industry delegation trips 3. Internal sharing

Environmental, Social and Governance Report



In 2017, our staff received an average of 24.84 hours of training per person, of which, the hours for staff members were 24.56 and 26.30 hours for management. In terms of genre composition, management of the Group consists of 80.13% of male, and 19.87% of female. 61.74% of the staff members are male while the remaining 38.26% are female.

Corporate Governance – A Trust Based Effective Management

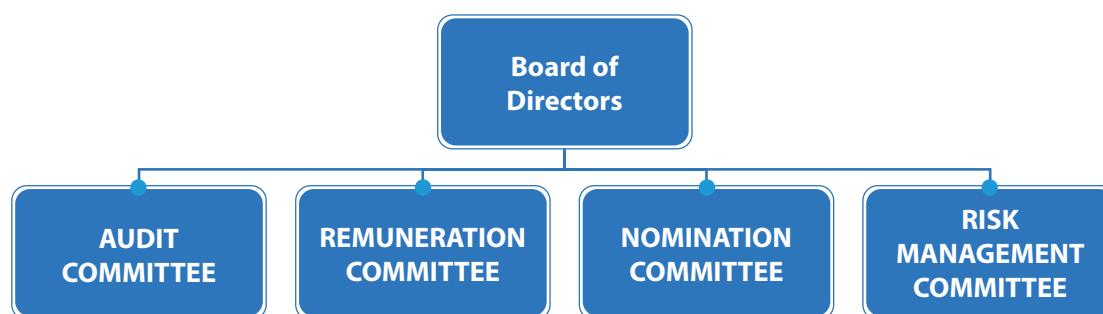
We believe the quality of a company's corporate governance determines its development and growth potential. Hence, we place great emphasis on internal governance in the hope of laying a concrete foundation

and ultimately unleash the development potential of Jingrui.

Structure of Corporate Governance

To safeguard the interests of shareholders and enhance corporate value and accountability, the Group is committed to maintaining high standards of corporate governance. The Group has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules of the Stock Exchange as its own code of corporate governance, to provide reliable and effective reference to the Group regarding corporate governance.

Structure of the Group's corporate governance is as follows:



Concerted Effort in Upholding Integrity

Any events of corruption will bring irreparable damage to the Group. Therefore, we have always been committed to preventing corruption and promoting a fair and honest corporate culture. We strictly abide by relevant PRC laws and regulations and stipulated that employees must not bribe any person in any form. If any employee is found to be in conflict with the law, regardless of their position, the Group will immediately report to the relevant department and hand the staff involved over to the judiciary.

By establishing a complete code of governance, we set the first line of defence for corruption for the group and provide employees with in-depth and relevant courses to ensure that they understand the policies. The second line of defence is the Group's supervisory department, which will subdivide the responsibilities of each subsidiary and project, and be executed by special

personnel to ensure accountability and effectiveness. If any employee is found to be in violation of the Group's code of practice against corruption, the Company will conduct an internal investigation and penalize the employees involved, including suspension and termination of labour contracts.

For suppliers, they have to sign binding agreement on integrity to ensure corruption-free operating practices and prevent bribery and conspiracy.

If any internal or external parties (including suppliers and employees, etc.) feel the need to file a report to the Group, they can call the Group's hotline of the Risk Management Department. To encourage more exposure of injustice, we have an anonymous hotline and reward system. The risk management department will, after receiving the report call, hand over the issue for internal verification before transferring it to the judicial authority.

During the year, no corruption cases were filed against the employees of the Group.



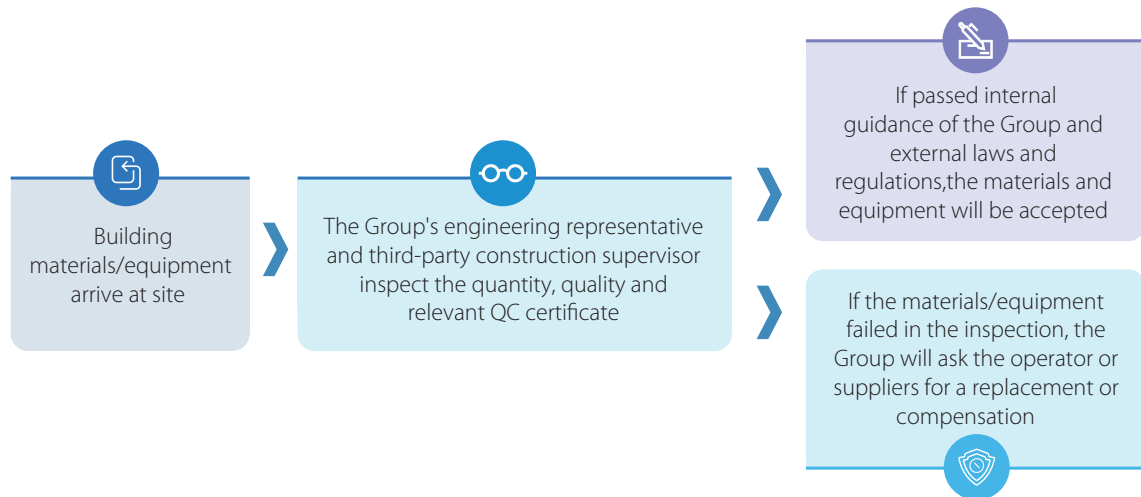
Environmental, Social and Governance Report

Shouldering product responsibility

We have strict control over our real estate projects. From design, materials and equipment to technology, we all have strict internal guidelines to provide reference for employees to ensure that the software and hardware in the construction process are of good quality.

Jingrui strictly complies with national laws including "Contract Law of the People's Republic of China" and "Construction Law of the People's Republic of China", and regulations on construction and acceptance such as the "Regulations on the Quality Management of Construction Projects" to reduce the risk of product defects.

Internal acceptance testing procedures:



To safeguard the effectiveness and openness of the process of inspection, the Group carries out regular on-site inspection by its engineering representative and a third-party construction supervision institution. In addition, the Group also conducts construction assessments in terms of safety, construction quality and project management performance on a quarterly basis to ensure compliance with local safety standards.

High standards for building materials selection

In general, building materials are categorized into structural materials, decoration materials and specialized materials. Structural materials are applied as the main structural of the building while decoration materials are used mainly for elevating the authenticity and functionality of the building. And specialized materials are used for the purposed of waterproofing, fire

protection and insulation. In order to protect the safety and health of the residents, the Group has strict guidelines for the selection of building materials, ensuring that the materials used meet the national safety standards and obtain qualified approval documents. At the same time, the materials must not contain components harmful to the human body. Under the premise of ensuring safety, we will decide which material to use according to the design needs, climate, geographical location and cost of the building.

During the year, the Group performed satisfactorily and received approval from a number of external agencies, which is a validation of the Group's persistence and commitment.

Environmental, Social and Governance Report



Organization	Awards	Ranking
<ul style="list-style-type: none"> Enterprise Research Institute of Development Research Center of the State Council The Institute of Real Estate Studies of Tsinghua University China Index Academy 	2017 China TOP 100 Real Estate Developers	Ranked 40th
	2017 China Top Real Estate Developers – TOP 10 by Growth Potential	Ranked 4th
	2017 China Top Real Estate Developers – TOP 10 by Financing Capacity	Ranked 7th
Guandian.cn	2017 China's 100 Best Real Estate Enterprises	Ranked 70th, up 4 slots from last year
	2017 China's Best Real Estate Enterprises with Greatest Growing Potential	Ranked 5th and first time listed
	2017 Most Valuable Real Estate Enterprise of China	–
The 8th China Real Estate Annual Forum	Excellent China Property Developer	–
China Real Estate Chamber of Commerce	2016-2017 Outstanding Chinese Real Estate Brand	–
Shanghai Federation of Industry and Commerce – Real Estate Chamber of Commerce	2016 Industry Leading Award	–
China Index Academy	2017 Hong Kong-listed Mainland Real Estate Companies – TOP10 of Investment Value	Ranked 9th
	2017 East China Real Estate Corporation Brand Value TOP10	Ranked 1st
China Real Estate Association	2017 Top 50 Chinese Real Estate Listed Companies with Strongest Comprehensive Strengths	Ranked 46th
	2017 Top 5 Chinese Real Estate Listed Companies with Best Operation Performance	Ranked 3rd
	2017 Best 10 of China Real Estate Developers Brand Value in East China	Ranked 1st
	2017 Top 100 Chinese Real Estate Development Enterprises –	
	2017 TOP 10 of China Real Estate Developers with Best Operating Efficiency	–
National Business Daily	Most Valuable Real Estate Enterprise	–
Hexun.com	The Brand Influencer of China Real Estate Enterprise in 2017	–

Protecting customer rights

We have always been striving to fulfill customer expectations and become a valued residential property supplier for the Group's vision. Therefore, we have always been committed to improving the methods and techniques of construction, hoping to provide feedback on customer support through high-quality residential product supply, and actively collect their opinions on the Group to ensure that their ideas are

reflected. In general, the Group will handle customer complaints through cross-departmental cooperation between customer service and sales personnel in the field. It will be visualized with the "Customer Relationship Management" ("CRM") system at any time, and will actively formulate a solution based on the "Simultaneous Work Flow". Customers can express their opinions through the property's customer service center, online complaint form and customer complaint hotline.



Environmental, Social and Governance Report

In terms of protecting customer privacy, we will enter into confidentiality terms with our customers and guarantee non-disclosure of their information to unauthorized third parties. At the same time, we have also established an internal data reading mechanism to ensure that customer data can only be handled by authorized employees and reduce the risk of leakage. During the year, the Group did not receive any complaint arising from disclosure of customer information.

- Walking in our customers' shoes and showing empathy

In order to pinpoint customer's views, we conduct monthly residents satisfaction survey in 2017, which uses a dynamic surveying method. In this way, we can closely monitor how our residents feel towards the property and respond accordingly. In a report by FG China (a renowned consultancy firm), the Group ranked 10th in 2017 in terms of home owner satisfaction and resulted in 82% of customer satisfaction, which was 16 percentage points higher than the average industry performance. This reflects not only the Group's good image perceived by the customers, but also a great return of our commitment in delivering good quality.

Each customer is an independent individual. They each have their own thoughts and ideas. Since 2015, the Group has taken the lead in trying to offer customized products and set standards in the industry. In 2017, the Group further promoted the DTV (Design to Value) strategy, aiming at customization throughout the entire life cycle from purchase to renovation and even after in-take. On 14 August 2017, Hangzhou Jingrui Majestic Mansion (杭州景瑞·天賦), the first project completed with customized space design, was sold out within 13 seconds at its first launch to a swarm of purchasers. Such a strong performance has proved that Jingrui could gradually meet the specific requirements of its customers with different life cycles, as well as the positive aspect of its "customer insights" strategy, demonstrating the recognition and confidence of the market and customers to this business model.

As a developer seeking to meet customer requirements, the Group has upgraded its unique "ePlus customization system" to the first-tier and second-tier cities based on the aspects of customer needs, design capabilities, and property-related big data, and has refined the management requirements. After detailed investigation and analysis of the customer base, according to the living needs of different groups, such as style, community, house type, and partitioned area, we provide customized unit spaces decoration and other facilities. This new attempt has brought new profit space to the Group and provided more impetus for the continued development of the Group.

We believe that through the flexible multi-dimensional transformation and upgrading to meet the customer's living needs at different times, this non-standardized customization feature is the positioning and pursuit of the Group's own customized products. The traditional one-way seller business model has been unable to meet the high-speed development needs of the Group. Only through multi-dimensional customer management and effective two-way communication as the basis can we lead the Group into a dynamic future.

Giving back and reinvestment in the society

We are grateful and thankful for what we gained from the society and it is the right thing to do to give back. We hope to reach out to people in need through direct financial aid, professional technology provision and manpower support. In 2017, the Group continued to run the "Candlelight Action 燭光行動" with the theme of "lighting up wisdom together". In addition to donating teaching equipment, books and stationery, the Group also started to help build schools and set up "Jingrui Book Corner 景瑞圖書角" for welfare homes, orphanages, senior citizen homes and nursing homes. This allows Jingrui to shed efforts to light up the lives of others.

Environmental, Social and Governance Report



Among all, the Group made a donation to the government of Jiangshan Township for the transformation of the northern campus of Yinzhou District Experimental Primary School, which has been in existence for more than a century. The Yinzhou Experimental Primary School North Campus will be able to completely renovate and update all exterior walls, interior decoration, gymnasium and sports facilities, benefiting nearly 9,000 students. In addition, as a company that relies on migrant workers to build on the construction site, we care about their lives and the problems they faced. Therefore, we organized a team of internal volunteers to go into the schools of migrant children to conduct visits and provide a humble help to their education.



Apart from the above, we also made joint efforts through online and offline operations with JD.com, a renowned e-commerce provider, to host a charity clothes donation activity "Warm Hearts with Clothes" in several communities developed by the Group. Thanks to the efforts from different parties to actively promote the activity, there were 2,042 people who responded through the online platform, while 1,902 people donated clothes at the offline roving exhibitions.

In 2017, close to 300 persons from the Group took part in social welfare activities including visiting the underprivileged and blood donation.

Bracing the future

Looking ahead, we will carry on with our business strategy to offer precious and customized services. While we seek improvement in our products and satisfaction from our customers, we will reduce the waste and loss of building materials. As such, we strive to balance the sustainable development of business and environment. We believe that the real estate market will be in a more regulated and healthy development, and we will manage a steady progress and bring more long-term values for all of our stakeholders.

