



萬隆控股集團有限公司  
Ban Loong Holdings Limited

Incorporated in Bermuda with limited liability  
Stock Code : 30

2017-18

Environmental, Social and  
Governance Report



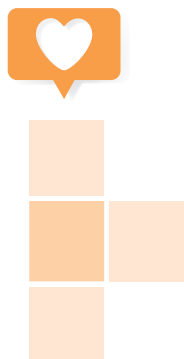
# BAN LOONG HOLDINGS LIMITED

## Environmental, Social And Governance Report 2017-18



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## ABOUT THE GROUP

**B**an Loong Holdings Limited (“Ban Loong” or the “Company”) is a company incorporated in Bermuda and listed on the main board of the Hong Kong Stock Exchange, whose principal activity is investment holding. The operations of the Company and its subsidiaries (collective referred to as the “Group”) are mainly involved in three identified segments, namely the money lending segment, the trading segment and the mining operations segment.

### MONEY LENDING SEGMENT

The money lending segment refers to the money lending business engaged in Hong Kong by Ban Loong Finance Company Limited (“Ban Loong Finance”), a licensed money lender under the Group. Its business primarily focuses on providing short-term personal and corporate loans. The management of Ban Loong Finance reviews and assesses the credit risk and cost-effectiveness of each loan application carefully to ensure recoverability of each lending so as to maintain healthy liquidity. The Group has planned to expand the overall loan portfolio for better and sustainable economic efficiency and operational effectiveness.

### TRADING SEGMENT

The trading segment refers to the trading of goods and commodities in Shenzhen, China and Hong Kong by Wan Long Xing Ye Commercial Trading (Shenzhen)

Limited (萬隆興業商貿(深圳)有限公司) (“Wan Long Xing Ye”)¹ and by Wan Long Xing Ye Commercial Trading (Hong Kong) Limited (“Wan Long Xing Ye HK”)², respectively. To reduce the risk of concentration on any particular kinds of goods, the Group has extended the range of goods under this segment from edible oil to cosmetic products during the year. Through diversification, the trading segment will continue to be a major source of revenue of the Group.

### MINING OPERATIONS SEGMENT

The mining operations segment refers to the exploration and exploitation of mineral resources in China by Jun Qiao Limited and its subsidiaries (the “Jun Qiao Group”). This segment is small in scale and has minimal price impact, and has been deconsolidated.

### DEVELOPMENT STRATEGIES

The Group will carry out persistent expansion of both customer and service base and adopt diversified business model and strategies. It will also actively capture business opportunities arising from China’s “The Belt and Road Initiative” and grasp new and cross border investment opportunities. In order to maintain the sustainable and healthy growth of the Group, the management reviews and identifies any risk in respect of the environment, society and corporate governance.

<sup>1</sup> Wan Long Xing Ye is a wholly-owned subsidiary of the Company which is engaged in the trading of goods such as edible oil.

<sup>2</sup> Wan Long Xing Ye HK is a wholly-owned subsidiary of the Company which is engaged in the trading of goods such as cosmetic products.

**W**e believe incorporation of the principle of sustainable development into operation is the only key to long-term growth and creation of benefits to our stakeholders. During the year, while expanding all business segments, we are also actively identifying risks and opportunities in relation to sustainable development, as well as striving to enhance our performance in terms of the environmental, social and corporate governance.

To ensure effective use of resources, Wan Long Xing Ye has already formulated a set of office guidelines for environmental protection for its staff's reference. By helping the staff form good habits, it is hoped that a culture of energy and resources saving can be fostered.

As trading segment is one of our key businesses, we maintain close connections with our vendors and create a channel to receive feedbacks from them so as to ensure effective management of social and environmental risks within the supply chain. Environmental, social and corporate policies will be taken into account when selecting our vendors to minimize any risk in relation to sustainable development.

During the year, cosmetic products have been newly added to the product range of our trading segment, which means comprehensive monitoring of the risk in relation to product liability is necessary. Wan Long Xing Ye has always upheld its system for product liability to establish approaches and measures for handling incident for its staff's reference and execution.

The importance of business operations with honesty and integrity is self-evident. As such, we provides trainings to all employees to make sure that they are faithful and self-disciplined. Relevant administrative system has also been set up to eliminate the risk of corruption as far as possible.

It comes to our awareness that there is quite a large room for improvement in Ban Loong's sustainable development. In the near future, we will try our best to understand all the needs and opinions of each of our stakeholders and improve the Group's performance in the environmental, social and corporate governance.

**Ban Loong Holdings Limited**

**Chow Wang**

*Chairman & Chief Executive Officer*

## ABOUT THIS REPORT

This report is the second Environmental, Social and Governance (ESG) Report published by the Group, which discloses our policies, measures and performance on environmental, social and governance so as to enable better understanding by our stakeholders of the progress and direction on the issues of sustainable development of the Group. This report is prepared in both Chinese and English and is published on the websites of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Company (<http://www.0030hk.com>). In the event of any contradiction or inconsistency, the Chinese version shall prevail.

### SCOPE OF THIS REPORT

This report focuses on the operation<sup>3</sup> of an office located in Shenzhen, PRC (“Shenzhen Offices”), which is operated by Wan Long Xing Ye for the trading segment, from 1 April 2017 to 31 March 2018 (the “Year”). The scope of this report is consistent with that of our first ESG Report published last year. To facilitate readers’ comparison of the Group’s annual performance, the report structure is approximate to the first report. The Group has been continuously improving internal data collection procedures and gradually extending our work relating to the environment, society and governance. We will continue to expand the scope of disclosure until it contains full coverage of all of our operations.

### REPORTING STANDARD

This report complies with the “comply or explain” requirement set out in the Environmental, Social and Governance Reporting Guide (the “Guide”) promulgated by the Stock Exchange, which is prepared on the basis of four reporting principles — Materiality, Quantitative, Balance and Consistency. In order to ensure the accuracy of environmental key performance indicators, the Group has also engaged a third-party professional consulting firm, to carry out carbon assessments. In addition, the report also includes individual key performance indicators in the “Recommended Disclosures” under the “Guide” to enhance the completeness of reporting. A complete content index is appended in the last chapter hereof for easy comprehension of the report according to the “Guide”.

### CONFIRMATION AND APPROVAL

All the information cited in this report is sourced from the Group’s official documents, statistical data, and the management and operational information collected under the Group’s system. The report was approved by the board of directors on 29 June 2018.

#### Feedback

The Group values the opinions of stakeholders. If you have any question or recommendation about the content or form of reporting of this report, you are welcome to contact the Group through the following methods:

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<sup>3</sup> The scope of this report does not include the operation of Wan Long Xing Ye HK and the relevant operation of the Group’s business other than the trading segment (i.e. the mining operations segment and money lending segment).

## METHODS OF ENGAGEMENT WITH THE STAKEHOLDERS DURING THE YEAR



Stakeholders<sup>4</sup> engagement plays one of the vital roles in the business administration of the Group, which helps the Group review potential risks and opportunities. Through communicating with stakeholders and understanding their opinions, the operation practices of the Group can keep abreast of their needs and expectations, thus enabling proper handling of opinions of different

stakeholders. As usual, the Group carries out continuous communication with internal and external key stakeholders through various channels, which brings opportunities for them to be familiar with our development and operation policies and put forward their views. Thus, the Group could identify the priorities of different issues and formulate corresponding policies.

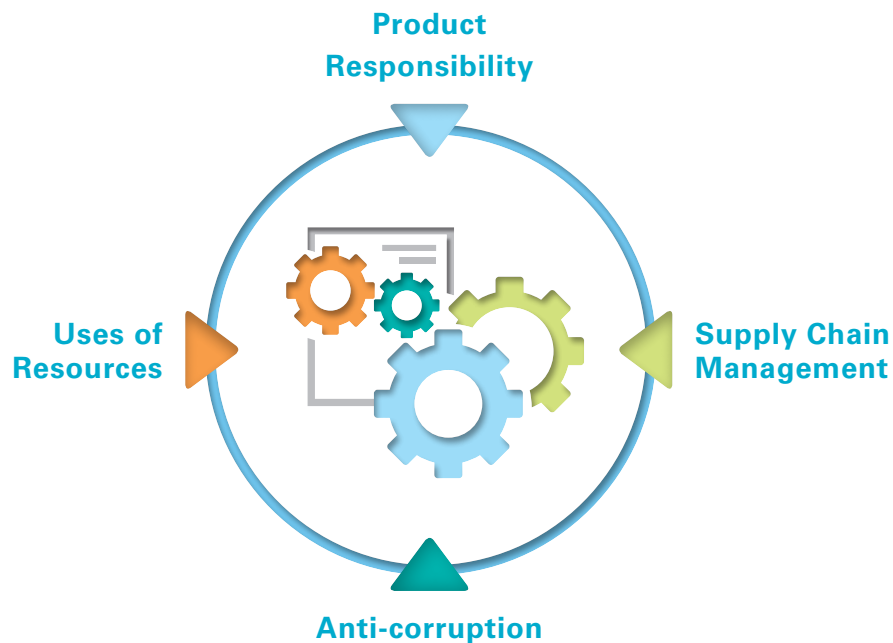
<sup>4</sup> "Stakeholders", also known as "interested parties" or "interest holders", refer to groups and individuals who have significant influence on the business of the Group or groups or individuals that are affected by the business of the Group, including internal directors, senior managements, executive officers and general staff of the Company, as well as external shareholders, investors, customers, suppliers and consultants.

## STAKEHOLDERS ENGAGEMENT

### CRITICAL SUSTAINABLE DEVELOPMENT ISSUE OF THE YEAR

Just like last year, The Group has entrusted an independent consultant to have interviews with the management to identify environmental and social issues which are crucial to the Group and the stakeholders, and make discussion on the planning strategy and direction for the Group's sustainable development. Incorporated the outcome from the interviews and the advice of the consultant, the Group has selected four out of eleven environmental and social aspects under the "Guide" as the key issues to be addressed in this report.

To assure effective communication with the stakeholders, the Group has tried its best to achieve transparent, honest and accurate dialogues and provide prompt replies. In the future, the Group will foster the interactions and communications with external stakeholders and encourage more external stakeholders to take part in the discussions relating to our sustainable development and raise out their suggestions and anticipations to the Group. In addition to continuous and regular communication with the stakeholders, the Group plans to diversify channels to enable more chances to contact the stakeholders and create a relationship of mutual benefits.



The Group attaches much emphasis to environmental protection and sets its goal to create a favourable conditions for sustainable development for the next generation. Wan Long Xing Ye has formulated and implemented the “Environment and Natural Resources System” to reduce the environmental impact of its business operation by taking into account of environmental protection and improvement in various aspects of operation. Wan Long Xing Ye has set up the “Environment Guidelines” in line with the system, by establishing specific environmental protection guidelines for its office operation, in a bid to integrate use of resources and emission management into daily operation. The guidelines also clearly define the duties of responsible staff. Executive manager shall ensure all staff are well informed and the relevant procedures are fully implemented. The relevant records shall be kept properly for continuous monitoring. Appropriate measures will be implemented to improve its

performance on environmental protection. Strict compliance with the relevant guidelines, which is set out in the “Code of Conduct for Staff”, is required by Wan Long Xing Ye for the implementation of various environmental measures.

## USE OF RESOURCES

The Group is aware of the importance of effective use of resources, therefore minimising waste of resources in daily operation. The “Environmental Guidelines” has set out various measures and procedures for resources saving to encourage effective use of resources in the offices.

During the year, the resources used in the Shenzhen Office comprise mainly fuel consumption of the company’s vehicles and the electricity and water usage of the office.

Use of resources	
Use of energy	Energy consumption
Direct energy – Petrol (GJ)	686.8
Indirect energy – Purchased electricity (MWh)	9.1
Energy intensity (per employee, i.e. GJ per number of employee)	143.9
Use of water resources	Water consumption (cubic meter)
Total water consumption	136
Water intensity (per employee)	27



## THE GROUP AND THE ENVIRONMENT

Wan Long Xing Ye has set up "Office Check List" for Administration Department to monitor and ensure the measures for resources saving were fully implemented by the staff. The measures for water and energy saving, as well as paper and materials recycling are included in the check list. Managers shall propose specific remedial measures for non-compliance matters.

Measures for resources saving			
Energy	Water	Paper	Other supplies
<ul style="list-style-type: none"> <li>• Turn on the power saver mode on electrical equipment</li> <li>• Turn off unnecessary electrical equipment</li> <li>• Set the air conditions at room temperature (25.5°C)</li> </ul>	<ul style="list-style-type: none"> <li>• Reuse sewage on green irrigation</li> <li>• Report and arrange maintenance for leaking of faucet or water pipe in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage communication via electronic means</li> <li>• Use environmental-friendly paper for printing</li> <li>• Select suitable size of packing paper</li> <li>• Minimise usage of packing fillers</li> <li>• Reuse packing paper and fillers</li> </ul>	<ul style="list-style-type: none"> <li>• Reuse delivery materials</li> <li>• Use supplementary cleansing products</li> <li>• Handle and store materials in a proper manner to avoid waste</li> <li>• Use environmental-friendly cutlery</li> </ul>

In the future, the Group will extend its statistical items to the use of other raw materials (such as papers and packing materials for finished products), and will continuously monitor measures of resources saving in the offices as well as review the performance on electricity and water saving.

## EMISSIONS

### Greenhouse Gas Emission and Air Pollutant

Greenhouse gas emission is closely linked to climate change and global warming, enterprises around the world have introduced carbon reduction initiatives and goals. The Group has engaged the professional consultant to conduct the carbon assessment,

which is for quantifying greenhouse gas emission from operation (also known as “carbon emission”). The quantitative process is based on the guidelines issued by the Market Supervision Administration of Shenzhen Municipality (深圳市市場監督管理局)<sup>5</sup> as well as international standard such as Guidance for Accounting and Reporting Corporate GHG Emissions (《溫室氣體核算體系企業核算與報告標準》).

Emissions of Greenhouse Gas		
Scope	Emission (Ton of CO <sub>2</sub> , Equivalent)	
<b>Scope 1 – Direct Emissions of Greenhouse Gas</b>		
Fossil fuel burning – mobile sources	49.5	
<b>Scope 2 – Indirect Energy Emissions of Greenhouse Gas</b>		
Purchased electricity	4.8	
<b>Scope 3 – Other Indirect Emissions of Greenhouse Gas</b>		
Business trips by plane	1.2	
<b>Total Greenhouse Gas Emissions</b>	<b>55.5</b>	
<b>Intensity of Greenhouse Gas Emissions</b>	<b>Per employee</b>	<b>11.1</b>
	<b>Per square meter</b>	<b>0.07</b>

During the Year, carbon emissions from Shenzhen Office were mainly attributable to direct greenhouse gas emission from petrol burning of vehicles. In addition to a set of energy saving measures above, the Group intends to promote various ways to minimize emissions, including use of equipment with higher energy efficiency, fostering promotion and training on environmental protection and encouraging staffs to develop habit of energy saving in order to achieve consistent improvement to its environmental performance.

The Group has a obtained more intuitive understanding of the use of internal resources through this carbon assessment, which helps review the effectiveness of the existing emission reduction measures and formulate long-term carbon reduction targets and specific measures. The Group will continue to assess, record and disclose its greenhouse gas emissions and other environmental data annually, and compare those data with future data to further set out its emission reduction target.

<sup>5</sup> SZDB/Z 69-2012 “Specification with Guidance for Specification and Reporting of the Organization’s Greenhouse Gas Emissions” (《組織的溫室氣體排放量化和報告規範及指南》)

## THE GROUP AND THE ENVIRONMENT

For air pollutants, during the Year, the Group's Shenzhen Office generated sulfur oxide, nitrogen oxide and particulate matters during its operations. All three types of air pollutants were generated from exhaust emissions of company's vehicles.

Air Pollutant Emissions	
Gas emission categories	Emissions (Kg)
Nitrogen Oxides	4.8
Sulfur Oxides	1.6
Suspended Particles	0.5

In the future, the Group will adopt practical administration on the business trips of the employees and on the use of gasoline by company's vehicles. In order to reduce exhaust emissions caused by the business trips of the employees, the Group will try its best to set up video conferences to allow its employees to conduct remote meetings with various customers at any time.

### Sewage

Besides, sewage generated from Wan Long Xing Ye is from the daily use of employees, which will be discharged from local water pipelines to sewage treatment plant for treatment.

### Wastes

The Group places high attention to proper disposal of wastes. Wan Long Xing Ye has clearly set out ways of office waste disposals, including general waste, toner cartridges, waste paper, computers and accessories and batteries, in the "Environment Guidelines". It has established a waste sorting system for recycling, and contacted contractors to recycle used toner cartridges from time to time to reduce wastes.

Major wastes generated by Wan Long Xing Ye are non-hazardous wastes, including office papers, newspapers and other domestic wastes. During the Year, our Shenzhen Office produced 0.01 ton of non-hazardous wastes (food packaging) in total, all of which were sorted and recycled by qualified contractors. No hazardous waste was produced.

## ENVIRONMENTAL AND NATURAL RESOURCES

The operations of the Shenzhen Office do not involve soil pollution, land erosion or biodiversity conservation. Given the impact of edible palm oil on the ecological environment, the trading business of Wan Long Xing Ye has expanded to other finished edible oil products to alleviate the impact on the environment.

The Group understands the importance of the environment and natural resources. Wan Long Xing Ye is committed to developing a sustainable environment. It emphasizes the importance of preventing the pollution of natural resources, such as rivers, air and land, in the "Code of Conduct for Staff", and the use of biodegradable or non-phosphorus detergents is required under the "Environment Guidelines" to reduce negative impact on the environment.

The Group complies with national and regional laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and the Regulations of the Shenzhen Special Economic Zone on Environmental Protection (《深圳經濟特區環境保護條例》). During the Year, the Group's Shenzhen Office has not identified any non-compliance of laws or regulations in relation to emissions or environment.

The Group is committed to building long-term and close relationships with its suppliers and customers, and is convinced that these relationships are based on the Group's responsible and honest business operations.

## SUPPLY CHAIN MANAGEMENT

As a company bearing social responsibilities, the Group understands that a good supply chain relationship is a prerequisite for continuous improvement of product quality, thus the Group

has certain expectations on the suppliers' business approaches. In order to strengthen environmental and social risk management of the supply chain, Wan Long Xing Ye amended the "Supplier Selection Policy" during the Year, to put the environmental, social and governance policies in consideration when managing suppliers. The Group also insists on selecting suppliers with product quality assurance, contractual spirit and business ethics, assesses factors such as the quality of goods, licenses, punctuality of supply and product diversification, etc. so as to control social risks in the supply chain.

### Supplier Management Measures of Wan Long Xing Ye

- Suppliers' environmental, social and governance policies, including emissions, use of resources, environmental and natural resources, health and safety, staff development and training, the prevention of child labour, product responsibility and anti-corruption
- To deploy dedicated staff to work on-site in the office of the individual large suppliers to conduct continuous quality inspection
- To conduct unscheduled quality inspection
- To protect product supply and reduce risks through decentralized procurement
- To formulate acceptance criteria and procedures, which are detailed in the procurement contract, for each type of products

## PRODUCT RESPONSIBILITY

The Group strictly controls each aspect of the product trading process and prohibits any product with existing or potential quality and safety issues from entering the market. Wan Long Xing Ye is mainly engaged in the trading of edible oil products. It imposes stringent control over food safety and quality, and provides safe and quality products to customers.

Except for the pre-market product selection and supply chain management, Wan Long Xing Ye also formulates and implements the "Product Liability System". This system classifies after-market incidents which jeopardize public health and safety by on its actual condition into ordinary, material and serious rankings. Based on the rankings, the responsible officers of Wan Long Xing Ye of each functional departments at various levels are required to respond timely so as to mitigate the hazards and risks to the social communities.

Rankings of product liability incidents	Allocation of Responsibility by Positions
Ordinary	To be handled under the authorization and instruction of accounting officer
Material	To be handled jointly by accounting officer and general manager
Serious	To be handled by joint team formed by directors and legal person of the Group and insurance company

## THE GROUP AND OUR PARTNERS

Wan Long Xing Ye cares about the health and safety of customers, so performance of product liability in all aspects is of vital importance. As to edible oil, Wan Long Xing Ye would examine Business License, Food Business License (《食品經營許可證》) and Food Circulation License (《食品流通許可證》) of refined oil suppliers and raw material manufacturers as well as the food inspection report from Quality Supervision of Food Inspection Station (Dongguan) in Guangdong Province when selecting supply goods in order to safeguard the health of customers and the public and to ensure food safety. During the year, all of the edible oil of Wan Long Xing Ye has passed the inspection.

As to trading products, when adding labels on products, Wan Long Xing Ye follows “GB 7718-2011 General Standards for the Labelling of Pre-packaged Foods” (《GB 7718-2011 食品安全國家標準：預包裝食品標籤通則》).

In the coming year, the Group will formulate labelling management guidelines and relevant policies regarding customers’ privacy to safeguard customers’ information, and improve the product labelling monitoring measures.

The Group’s Shenzhen Office does not involve in any advertising-related matters.

The Group complies with the provisions concerning product liability as set out under Product Quality Law of the People’s Republic of China (《中華人民共和國產品質量法》) and Administrative Regulations of Shenzhen Special Economic Zone on Product Quality (《深圳經濟特區產品質量管理條例》) and other laws and regulations. During the Year, the Group’s Shenzhen Office had not identified any non-compliance of laws and regulations in relation to product liability (including customers’ health, safety, advertising, labelling and customers’ privacy-related matters). Wan Long Xing Ye had not received any complaint in relation to product or service and had not identified any case in relation to leakage, theft or loss of customers’ information.

### ANTI-CORRUPTION

Anti-corruption is one of the basic principles in corporate social responsibility defined in the international society. The Group also recognizes the importance of anti-corruption. Wan Long Xing Ye has formulated and implemented a Policy of Integrity Management (《廉政管理制度》), under which it not only strengthens the governance of its staff teams but also requires employees to learn and enforce regulations in relation to integrity and self-discipline of leading cadres announced by Central Commission for Discipline Inspection of the Communist Party of China and the Rules of Integrity (《廉政準則》), and to strictly comply with relevant laws and regulations. In addition, this system also prohibits staffs from accepting any expensive offerings such as monetary gift, credit card, cash voucher, and etc. If employees have difficulties to decline money and gift for special reasons, they are required to hand it over to finance department for registration and discretionary handling in accordance with relevant regulations.

Furthermore, the “Code of Conducts for Staff” of Wan Long Xing Ye also sets forth the basic principles of anti-corruption, and states that employees should make appropriate adjustment in terms of benefits, for example, employees are not supposed to make any personal gain through the exercise of their official duties or they are supposed to avoid arousing suspicion and report to relevant authorities when dealing with business involving in their relatives’ benefits in accordance with regulations.

The “Code of Conducts for Staff” also stipulates the relevant whistleblowing system. Staff could directly report to their supervisors or human resources department as well as other relevant competent departments about any violation of the “Code of Conducts for Staff”, while the departments and officers handling those cases are required to bear the responsibility of confidentiality.

The Group adheres to regulations such as China’s Efforts to Combat Corruption and Build a Clean Government (《中國的反腐敗和廉政建設》) and Anti-bribery Management Systems (《反賄賂管理體系》). During the year, the Group’s Shenzhen Office had not identified any case of non-compliance of laws and regulations in relation to bribery, blackmail, fraud and money laundry nor received any relevant report.

## THE GROUP AND OUR EMPLOYEES

The Group strives to provide our employees with a good working environment and extensive room for professional development, thus, the Group has adopted a series of policy measures relating to employment system, occupational safety and health, trainings as well as labour standards, with a view to achieving win-win situation between employees and employers.

### EMPLOYMENT SYSTEM

Recruitment and retainment of talented people play a critical role in the sustainable development of the Group. Wan Long Xing Ye enters into employment contracts with its employees, in which packages involving remunerations, dismissal, recruitment, promotion, working hours, statutory holidays, social

insurance and welfare and benefits, as well as the issues relating to human resources are clearly stipulated, so that employees have full understanding of their rights and responsibilities.

The Group is dedicated to creating a fair, diversified and inclusive working environment. Wan Long Xing Ye formulates policies addressing "Promotion, Equal Opportunities, Diversity and Anti-discrimination" to make sure every staff being treated fairly in terms of recruitment process, remuneration and benefits, training opportunities, working arrangement, promotion and disciplinary punishment. Employees enjoy equal treatment regardless of their nationality, ethnicity, race, gender, age, colour, religious belief, social background, disability, marital status or sexual orientation.

Total number of employees	Male to female ratio	Staff turnover rate
5	1:1.5	0%

The Group complies with the laws and regulations in relation to employment and equal opportunities such as the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), Law on the Protection of Persons with Disabilities (《殘疾人保障法》), the Employment Promotion Law (《就業促進法》) and the Regulations on the Wage Payment to Employees of Shenzhen (《深圳市員工工資支付條例》). During the year, the Group's Shenzhen Office had not identified any case of non-compliance of laws and regulations in relation to remunerations and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other relevant packages and benefits.

### SAFETY AND HEALTH

The Group attaches high attention to the health and welfare of each and every employee. Wan Long Xing Ye has established and implemented a "Health and Safety System", striving to build a healthy and safe working environment for our employees.

Wan Long Xing Ye sponsors the occupational health examination before, after and during their induction for early detection of latent illness and timely medical treatments. Besides, for any staff suffering from infectious diseases, Wan Long Xing Ye will timely allow sick leaves for him/her to receive proper medical treatment and arrange segregation of relevant departments as well as vaccination for staff who have insufficient antibodies. First aid kits are also available in Shenzhen Office and labour protective equipment satisfying the national safety and health standards are also provided. In order to ensure the employee's awareness of occupational safety, all newcomers must receive safety training to identify, reduce or eliminate occupational risks.

Due to our business nature, the operation of the Group's Shenzhen office mainly involves clerical work and no position has been identified as having high safety risks. However, the Group understands that our staff spend most of the time on computer work, therefore we plans to enhance education in relation to office health and safety for employees, such as promoting safety use of office equipment and correct working postures, or organize workshops for workplace stretching exercises to reduce the possibility of injury and occupational diseases.



## THE GROUP AND OUR EMPLOYEES

The Group complies with laws and regulations in relation to health and safety, such as the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and Regulations on Work-related Injury Insurance (《工傷保險條例》). During the year, Group's Shenzhen Office recorded no work-related injury or death nor was there any non-compliance of laws and regulations in relation to health and safety.

### DEVELOPMENT AND TRAINING

The Group values the continuous development of staff and strives to enable our staff to grow alongside with the Group. Wan Long Xing Ye has formulated and implemented a "Development and Training System" for a comprehensive training system, which sets out the administrative duties of the officers of training teams under each department and the related policies, and provides corresponding learning and training courses for employees, thus allowing continuous updating of job knowledge and skills of employees.

In addition to the internal trainings delivered by external lecturers and the inspections and assessments afterwards, such as the finance and taxation training courses by the Finance Department to update the knowledge of finance and taxation regulations. Wan Long Xing Ye also encourages and provides subsidies to employees to participate training courses held by other institutions in a compensated way, so as to enhance job-required knowledge and enrich their skills. Besides, the "Code of Conducts for Staff" sets out training and development policies for newcomers, including the arrangements and contents of trainings, in order to help them quickly learn about job-required knowledge and adapt to the working environment.

In order to evaluate employees' working performance and potential in an efficient way, Wan Long Xing Ye has established and implemented the "Employee Promotion Policy", so as to set up a fair and comprehensive competition and promotion mechanism as well as to motivate our staff to enhance their working quality and capability. Staff can apply for internal transfer within the Group according to their own personal development needs.

### LABOUR STANDARDS

The Group observes the requirements of labour laws so as to protect the rights of employees. Wan Long Xing Ye prohibits child labour and has formulated and implemented the "Policy of Child Labour", stating that the employment principles of Wan Long Xing Ye are based on the requirements in respect of children's right of the United Nation Convention and the International Labour Organization. Individuals under the age of sixteen are forbidden to be employed and their identity documents must be examined during the recruitment process, so as to prevent hiring child labour mistakenly. In the event that there is any mistakenly-hired child labour, Wan Long Xing Ye will immediately suspend his/her work, inform his/her parents or legal guardians and return him/her to his/her residence, and bear all the costs incurred.

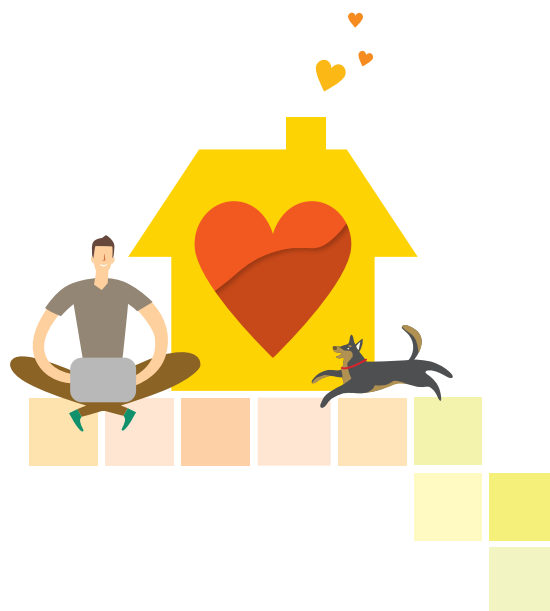
The Group bans the employment of forced labour in any ways and ensure all job duties are in compliance with labour contracts. It is clearly stated in the labour contracts that employees have the right to refuse any dangerous work arrangement. Our staff can immediately terminate the labor contract and obtain economic compensations if they are forced to perform such job duties by means of violence, threats or illegal restrictions on personal freedom. The Group will never force employees to work overtime. Once employees work overtime, Wan Long Xing Ye will provide compensation. If labour disputes are found, employees can seek for mediation by the labour union or labour dispute mediation committee of Wan Long Xing Ye and they can also apply for arbitration with Labour Dispute Arbitration Committee directly.

The Group adheres to laws and regulations such as Law on the Protection of Minors (《未成年人保護法》), Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and Regulations on the Wage Payment to Employees of Shenzhen (《深圳市員工工資支付條例》). During the year, Group's Shenzhen Office had not identified any non-compliance of laws and regulations in relation to child labour and forced labour.

Wan Long Xing Ye endeavours to perform its corporate responsibilities and has formulated its “Policy of Community Investment” to establish the principles of community investment, which include five aspects as follows:



In the future, Wan Long Xing Ye will take actions to understand the different needs of the community in which we operate by leveraging on our own expertise, so as to formulate more concrete plans for community investment, prepare various activities and measures addressing the above five aspects and consolidate the linkage between Wan Long Xing Ye and the local community.





## SUMMARY OF KEY PERFORMANCE INDICATORS

## ENVIRONMENTAL PERFORMANCE

## Air Emissions

Types	Emissions
Nitrogen Oxides (kg)	4.8
Sulphur Oxides (kg)	1.6
Suspended Particles (kg)	0.5

## Greenhouse Gas Emissions

Types	Emissions
<b>Greenhouse gas (GHG) emissions in total (tonnes CO<sub>2</sub>e)</b>	
Scope 1: Direct greenhouse gas emissions	49.5
Scope 2: Energy indirect greenhouse gas emissions	4.8
Scope 3: Other indirect greenhouse gas emissions	1.2
Greenhouse gas emissions in total	55.5
Greenhouse gas intensity (calculated as per employee, i.e. tonnes CO <sub>2</sub> e of GHG emissions/ employee)	11.1
(calculated as per m <sup>2</sup> , i.e. tonnes CO <sub>2</sub> e of GHG emissions/m <sup>2</sup> )	0.07

## Wastes

Types	Volumes
Total hazardous waste produced (kg)	
Hazardous waste intensity (calculated as per employee, i.e. kg/employee)	N/A
Total non-hazardous waste produced (ton)	0.01
Non-hazardous waste intensity (calculated as per employee, i.e. tonnes/employee)	0.002

## Usage of energy

Types	Consumption
Direct energy – Petrol (GJ)	686.8
Indirect energy – Purchased electricity (MWh)	9.1
Energy intensity (calculated as per employee, i.e. GJ/employee)	143.9

## SUMMARY OF KEY PERFORMANCE INDICATORS

17

### Water consumption

Types	Consumption
Total water consumption (m <sup>3</sup> )	136
Water consumption intensity (calculated as per employee, i.e. m <sup>3</sup> /employee)	27

### SOCIAL PERFORMANCE

#### No. of Employees

Gender	Grading	Below aged 30	Aged 30-40	Aged 41-50	Number of staff by gender	Total number of staff	
Male	Chief management staff	0	0	0	2	5	
	Senior management staff	0	0	0			
	Middle management staff	0	0	0			
	General staff	0	1	1			
Female	Chief management staff	0	0	0	3		
	Senior management staff	0	0	0			
	Middle management staff	0	0	1			
	General staff	0	0	2			

Ratio of Remuneration Male : Female	Staff turnover rate	Ratio of new staff
1.2:1	0%	0%

#### Number of work-related fatalities or injuries

Gender	Number of work-related fatalities	Number of work-related injuries and lost working days	Rate of work-related injuries (per thousand employees)
Male	0	0	0
Female	0	0	

## SUMMARY OF KEY PERFORMANCE INDICATORS

## Percentage of staff attending trainings

Grading	Male	Female	Percentage of total staff attending trainings
Chief management staff	N/A	N/A	40%
Senior management staff	N/A	N/A	
Middle management staff	N/A	100%	
General staff	0%	50%	

## Average training hours

Grading	Male (hour)	Female (hour)	Overall average training hours
Chief management staff	N/A	N/A	9.6
Senior management staff	N/A	N/A	
Middle management staff	N/A	24	
General staff	0	12	

## Ratio of staff receiving reviews

Grading	Male	Female	Percentage of total staff receiving reviews
Chief management staff	N/A	N/A	40%
Senior management staff	N/A	N/A	
Middle management staff	N/A	100%	
General staff	0%	50%	

# CONTENT INDEX OF THE REPORT

SUBJECT AREAS	CONTENT	PAGE INDEX/ REMARKS
<b>A ENVIRONMENTAL</b>		
<b>A1 Emissions</b>		
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.	7, 10
A1.1	The types of emissions and respective emissions data	9, 10, 16
A1.2	Greenhouse gas emissions in total and intensity	9, 16
A1.3	Total hazardous waste produced	The scope of reporting does not involve generation of hazardous waste
A1.4	Total non-hazardous waste produced	10, 16
A1.5	Description of measures to mitigate emissions and results achieved	9-10
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	10
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7
A2.1	Direct and/or indirect energy consumption by type in total and intensity	7, 16
A2.2	Water consumption in total and intensity	7, 16
A2.3	Description of energy use efficiency initiatives and results achieved	7-9
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	7-9; no issue in sourcing appropriate water within the reporting scope
A2.5	Total packaging material used for finished products and, with reference to per unit produced.	9

## CONTENT INDEX OF THE REPORT

### A3 Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	7-8, 10-11
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	10

### B SOCIAL

#### 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.	13
B1.1 (partial)	Total workforce by gender, employment type, age group and geographical region	13, 17
B1.2 (partial)	Employee turnover rate	13, 17

#### 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	13-14
B2.1	Number and rate of work-related fatalities	13-14, 17
B2.2	Lost days due to work injury	13-14, 17
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	13-14

#### B3 Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	14
B3.1	The percentage of employees trained by gender and employee category	18
B3.2	The average training hours completed per employee by gender and employee category	18

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### B4 Labour Standards

General Disclosure	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	14
B4.1	Description of measures to review employment practices to avoid child and forced labour	
B4.2	Description of steps taken to eliminate such practices when discovered.	

### B5 Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain	11
B5.2 (partial)	Description of practices relating to engaging suppliers, and how they are implemented and monitored	

### 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.	11-12
B6.2(partial)	Number of products and service related complaints received	12
B6.4(partial)	Description of quality assurance process	12

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### B7 Anti-corruption

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	12-13
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	
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	

### 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	15
B8.1	Focus areas of contribution	

