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德信中国控股有限公司

Dexin China Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2019

2019

ENVIRONMENTAL SOCIAL AND
GOVERNANCE REPORT



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REPORT INTRODUCTION

Dexin China Holdings Company Limited (“the Company”), together with its subsidiaries (collectively the “Group”, “we” or “Dexin”), is pleased to announce the second environmental, social and governance report (“this Report” or “the ESG Report”), which aims to set out the Group’s system construction and work performance in respect of environmental, social and governance (“ESG”), objectively disclose the Group’s management and effectiveness in sustainable development in response to the expectations of stakeholders and the public.

SCOPE AND BOUNDARY OF THE REPORT

This Report discloses the Group’s management and results in sustainable development during the period from January 1, 2019 to December 31, 2019 (the “Reporting Period” or “this year”), with some information covering the previous years or the first quarter of 2020. This Report covers the Group’s main business, including property development and sales. For details of the Group’s business, please refer to the Group’s 2019 Annual Report.

BASIS OF PREPARATION

This Report has been prepared in strict compliance with the requirements of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”), Appendix XXVII to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HKEX” or “Hong Kong Stock Exchange”). The content index for the ESG Reporting Guide is listed in Appendix II to this Report for the convenience of readers.

SOURCE AND RELIABILITY ASSURANCE

The information and data disclosed in this Report are derived from the Group’s statistical reports and official documents, which have been reviewed by the relevant authorities. The Group undertakes that there are no false records or misleading statements in this Report and that it is responsible for the authenticity, accuracy and completeness of the content. The settlement currency of the monetary amount involved in this Report is RMB.

PROCESS OF PREPARATION

The report is prepared based on a systematic procedure, including working team establishment, identification of key stakeholders, stakeholder interviews, identification and alignment of key ESG issues, determination of ESG Report boundaries, collection of relevant materials and data, determination of framing, report preparation, report design, departmental and senior management reviews.

CONFIRMATION

This Report has been confirmed by the board of directors on April 22, 2020.

ACCESS AND RESPONSE TO THIS REPORT

The electronic version of the report is available on the official website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk>. If you have any comments or suggestions on the environmental, social and governance disclosure and performance of the Group, please communicate them through Annex III to the report.

Statement of the Management

Looking back on this milestone year, Dexin continued to achieve steady growth. It entered the capital market through the successful listing on the Hong Kong Stock Exchange, and ushered in a new stage of enterprise development. This year, the enterprise strength of Dexin was significantly enhanced, the sales scale was steadily increased, the confidant culture was constantly deepened, and the national deployment was continuously promoted. The Group has a vision of the times. While realizing its own business development, the Group also attaches great importance to the social responsibility of corporate citizens and constantly practiced the concept of sustainable development of Dexin.

Under the test of time, Dexin, adhering to Hangzhou workmanship, created high-quality products based on high standard construction quality management system, and won the recognition of the market and customers. Based on the platform for standardized online management throughout the whole life cycle of the project, we carried out all-rounded quality risk screening and control, implemented standardized quality management procedures in all aspects of project development, construction and operation, continuously innovated and upgraded products, and created high quality real estate for customers, promoting the human settlements of new era.

In the process of deepening the confidant culture and concept, based on the customer-oriented principle, we established the “companion confidant” customer service system, upgraded rainbow bridge plan 2.0 community life service system, continued to focus on the real needs of customers through the listener plan and made constant improvement. At the same time, Dexin actively exerted its resources advantages and market operation ability to strengthen communication with suppliers and deploy diversified cross-border strategic cooperation, with an aim to open a new chapter of mutual benefit and win-win between the upstream and downstream of the industry and different industries.

As a responsible corporate citizen, Dexin is well aware of the importance of the promotion and practice of green operation to the harmony of community ecological environment. We focused on environmental management in the whole process of project design and construction, actively promoted and applied environmental protection technology and equipment, made great efforts to create green building projects, and adhered to green construction, with an aim to build resource-saving and environment-friendly sites. Meanwhile, we vigorously promoted and implemented the concept of green office, and actively participated in the construction of harmonious nature in every detail.

“Dexin Team” is the most valuable wealth and the most solid strength of Dexin. We expanded the reserve of “Dexin Team” based on the concept of diversification and equality, continued to build a multi-level and multi-echelon talent team through the optimized training system and projects, paid attention to the health and safety of employees in the office area, constantly communicated with the employees and improved the compensation management and performance system, with an aim to build an open, efficient and harmonious team.

The growth of Dexin cannot be separated from the support and promotion of the society. Adhering to the concept of “bit by bit for public good, action first”, we actively participated in public welfare volunteering activities and education support projects. Upon the outbreak of COVID-19, we immediately launched a funding initiative to contribute our efforts and give back to the community.

There is a long way to go, and you can cover the long distance only when you are determined to start and go. Looking forward to 2020, we will continue to work with upstream and downstream partners in the industry to continuously improve the sustainable development management and performance, embrace and go all out for the beautiful future.

Chairman
Hu Yiping

1. Acquaintance: Adhere to the Belief of Dexin

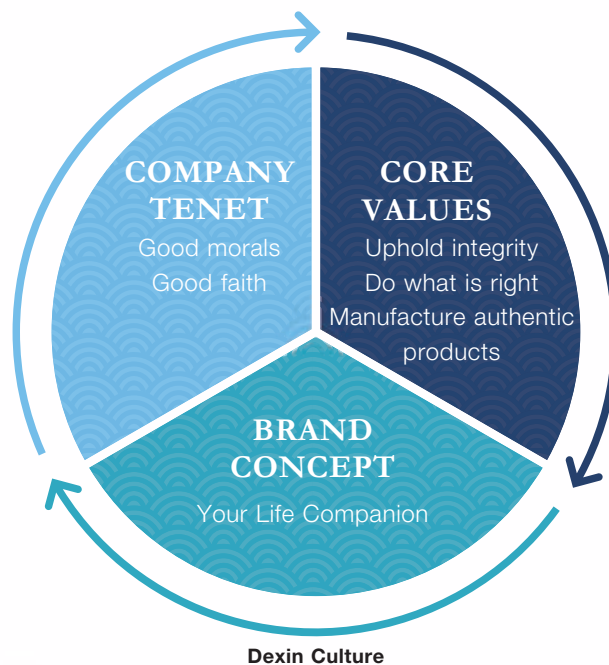
In the course of 24 years, Dexin has become a doer of both moral and faith. The “moral” of Dexin is the spirit to gather people by virtue, persist in making progress, and assume the responsibility and mission of the industry and even society. The “faith” of Dexin is the courage to shoulder task and maintain integrity based on the professional ability and insight. The transparent corporate culture and common core values enable like-minded people to be pragmatic, unite, collaborate and pursue excellence. We will continuously improve corporate governance and ESG governance, and make great strides towards the goal of “becoming the most valuable real estate enterprise brand in China”.

1.1 ABOUT DEXIN

Dexin China Holdings Company Limited is a leading comprehensive property developer based in Zhejiang Province, China, focusing primarily on the development of residential properties and the development, operation and management of commercial and mixed-use properties. Adhering to the principle of “sound and gradual development”, the Group has kept a steady pace of development and deeply implemented the deployment strategy of “rooted in Zhejiang, focusing on the Yangtze River Delta, and extending to key hub cities of China”, focusing on the unique high-quality development strategy of “one body two wings”: continuously improve the operation efficiency, optimize the business structure, and continue to improve the Company’s core competitiveness by focusing on the principal business of residential property and developing the supporting business of commercial property and industry city. With the vision of “saluting the city, saluting the land”, the Group wishes to grow together with the city, and build the habitat model of bosom friend life.

• Corporate culture

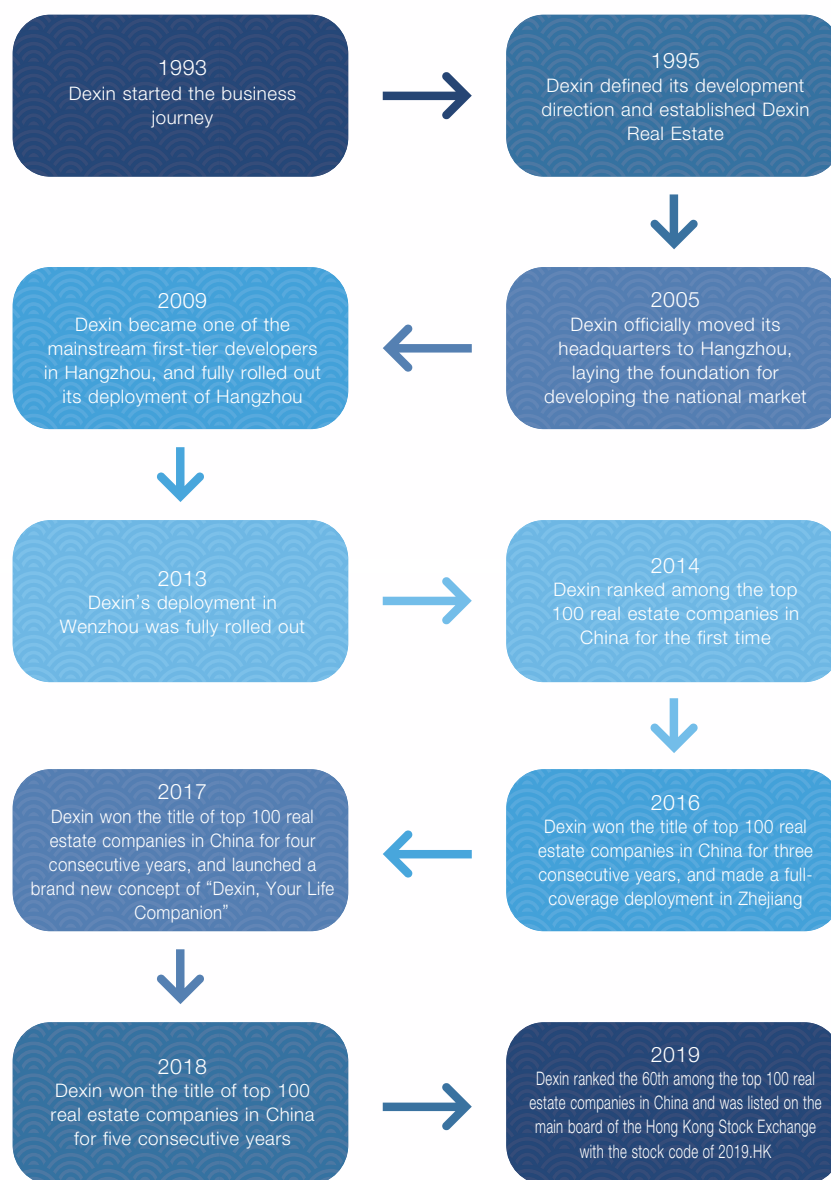
Corporate culture is an inexhaustible driving force for the development of enterprises. The Group will continue to consolidate and deepen the brand positioning of “Your Life Companion” and the quality influence of “Hangzhou workmanship”, strengthen the construction of talents and echelons of the Company, so that employees can better understand and agree with the mission and vision of the Company, form a strong cohesive force, so as to implement the corporate culture into the action, and promote the better development of the Company.



1. Acquaintance: Adhere to the Belief of Dexin

• Development history

Looking back over the past 20 years, the Group has maintained a steady and high-quality development, continuously expanded its deployment across the country, deepened its confidant culture and enhanced its core competitiveness, and successfully listed on the Hong Kong Stock Exchange during the Reporting Period.



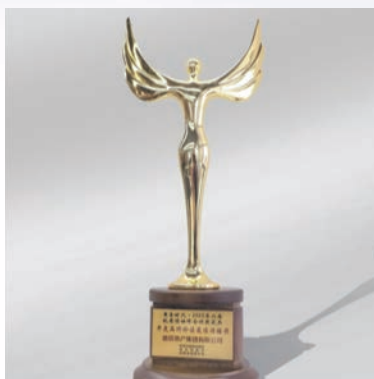
Development History

• Social recognition

With its steady business performance and outstanding brand influence, the Group has won many industry awards and gained recognition from the industry and society. From 2014 to 2019, the Group won the title of top 100 real estate companies in China jointly awarded by the Institute of Enterprise, Development Research Center of the State Council, Institute of Real Estate, Tsinghua University and China Index Institute for six consecutive years, with ranking improved year by year, rising to the 60th place during the Reporting Period. In the List of Top 100 Real Estate Brands in China for 2019 jointly elected by zgfdcbs.cn, fangchan.com and creb.com.cn, Dexin ranked the 54th.

1. Acquaintance: Adhere to the Belief of Dexin

Best Brand Value Communication Award in 2019



The Famous Brand Real Estate Enterprises in China (Hangzhou) in 2019



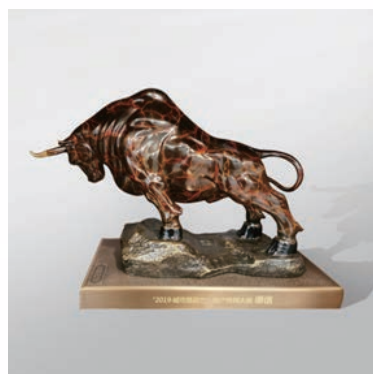
The Famous Brand Real Estate Enterprises in 2019



The Famous Brand Real Estate Enterprises in Zhejiang in 2019



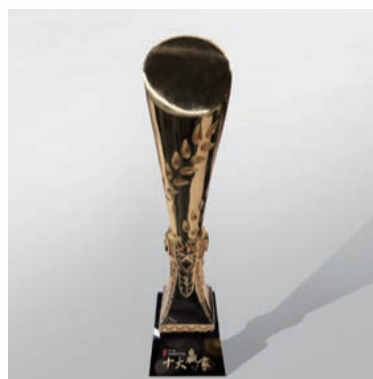
Urban Impulse Real Estate Media Award in 2019



Top 40 Real Estate Brands in China in 2019



The Top 10 Winners in China's Real Estate Sector in 2019



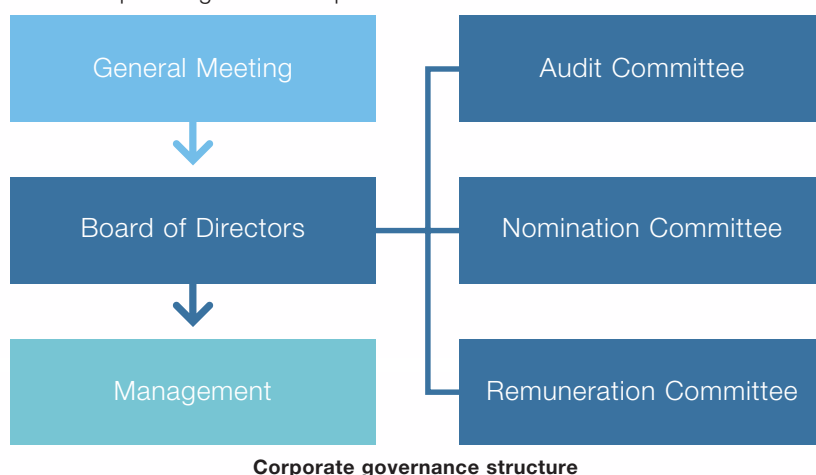
Honors and awards during the Reporting Period

1. Acquaintance: Adhere to the Belief of Dexin

1.2 CORPORATE GOVERNANCE

In strict accordance with the Company Law of the People's Republic of China and the regulatory requirements of the Hong Kong Stock Exchange, the Group has established a sound listed company governance structure to protect the interests of shareholders and other stakeholders through the management system, and continuously improved the company value, management transparency and accountability traceability. The board of directors is responsible for comprehensively leading and supervising the strategic decisions of the Group, and responsible for the overall governance, supervision and regular review of the Group, in order to bring long-term benefits to the Company and stakeholders.

The Group believes that a high level of corporate governance is the cornerstone to protect shareholders' equity and ensure the Company's compliant operations. We will continue to optimize our governance processes and maintain high standards of corporate governance practices.



- Risk management and control**

The Group has formulated the *Internal Audit System of Dexin Real Estate Group*, the *Economic Responsibility Audit System of Dexin Real Estate Group* and the *Staff Audit Guidelines of Dexin Real Estate Group* based on the actual conditions of the Group and in strict accordance with the *Auditing Law of the People's Republic of China* and other relevant laws and regulations, in order to provide clear guidelines on audit work, ensure compliant operation and continuously improve corporate governance of the Group.

The Group has established a well-structured and clearly defined risk management and internal control system. It has an audit risk control center, which conducts risk management work on a regular basis, cooperates with various business departments to conduct risk assessment and due diligence on major projects, and timely develops solutions to problems and obstacles identified to ensure the Group's sustainable and steady business development. The Group has established a sound risk management process to systematically sort out, mitigate and monitor risks. In addition, the Group ensure that management is fully aware of relevant laws, regulations and policies by conducting regular internal risk management and control training for management and employees.



1. Acquaintance: Adhere to the Belief of Dexin

• Anti-corruption

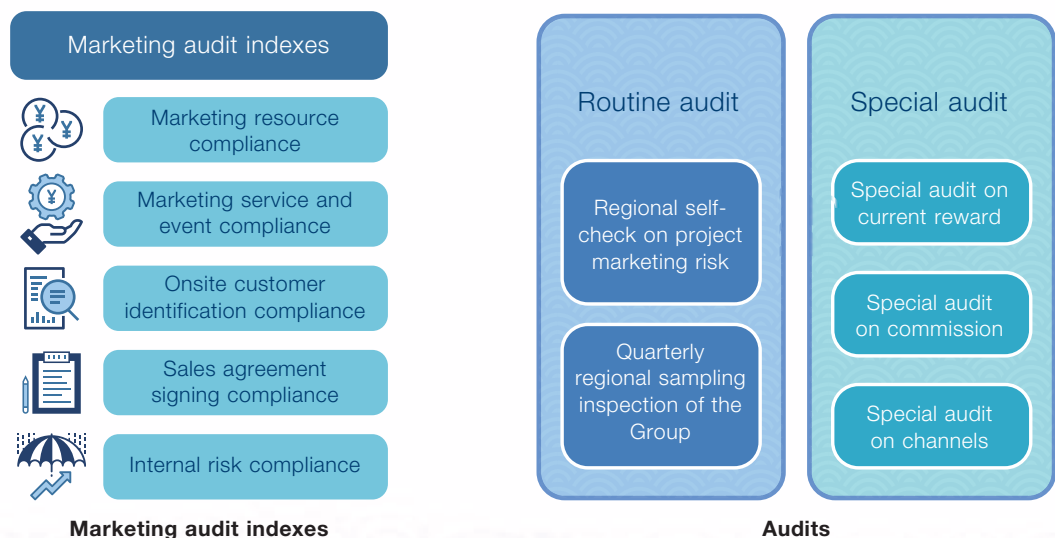
Anti-bribery and anti-corruption are the basic principles for building a clean and transparent business society. The Group would not tolerate any form of bribery and corruption, and require all employees to conduct business in a professional, fair, clean and honest manner. The Group, in strict accordance with the *Law of the People's Republic of China against Improper Competition*, the *Interim Provisions on Banning Commercial Bribery* and other relevant laws and regulations, has formulated and implemented such internal systems as the *Trial Version of Accountability System for Violations of Rules and Regulations of Dexin Holding for Dexin Real Estate*, and the *Audit Integrity Reporting System of Dexin Real Estate*, and regularly carried out promotion and education activities, in order to regulate the practices of the employees, improve its capability of preventing and controlling such improper practices as fraud, extortion, corruption, money laundering, and investigate and punish the violations according to law and regulations. Once any employee is found to be involved in violation of rules and regulations, the Group will investigate the responsibility of the employee through financial punishment, criticism, demerit recording, demotion, salary reduction, dismissal, transfer to the judiciary and other forms.

The Group has set up the audit risk control center as a management institution for clean governance reporting work, which is responsible for the formulation, modification and implementation of the internal reporting work system, as well as the organization of the investigation, analysis and nature determination of the reported internal operation defects or violations. The group has set up a number of reporting channels, including clean governance reporting hotline and email address, and designated visit address, in order to encourage staff and other sectors to report corruption. At the same time, the audit risk control center has a duty of confidentiality for whistleblowers and ensures that all employees are not subject to any unfair treatment for refusing to participate in bribery and corruption or reporting corruption in good faith.

During the Reporting Period, the Group did not have any corruption or malpractice lawsuit.

• Compliant marketing

During the Reporting Period, the Group continued to build and improve the marketing inspection system, revised the *Marketing Audit System of Dexin Real Estate (2019)*, further clarified the operation specifications such as the *Mysterious Customer Evaluation Specification and Evaluation Form* and the *Specification for Return Visit to Customer via Telephone*, promote standardized services and improve product reputation starting from basic services.



1. Acquaintance: Adhere to the Belief of Dexin

During the Reporting Period, the Group simultaneously carried out internal routine audits and special audits on risks, with the marketing audit items covering all the marketing operation projects of the Group, in order to ensure that the information conveyed in the marketing process is true, legal, scientific and accurate, and create a transparent sales and promotion environment.

In addition, based on the construction of the marketing audit system, the Group revised the guidelines for the construction of the city company platform for city companies of different sizes and control ranges, and established new standardized systems such as the *Standardized Manual of Marketing Information System* and the *Confidant Manual* to clarify the standardization of information system according to the needs of sales management. In order to enable employees to further implement the newly established and revised audit systems, the Group promoted and implemented the systems through regular meetings of marketing managers. After the completion of publicity and implementation of the Group headquarters, each city company carried out the publicity and implementation of each project, and required the project marketing personnel to sign on the revised system to confirm the understanding of the content of publicity and implementation, so as to strengthen the compliance awareness of front-line marketing personnel.



Publicity and implementation of marketing audit system

1. Acquaintance: Adhere to the Belief of Dexin

1.3 ESG GOVERNANCE

The Group has always been committed to integrating social responsibility into all aspects of enterprise management. Based on our own business and development, we continuously optimized management in the aspects of achieving win-win with customers, product quality, employee development, and environmental protection, actively carried out stakeholder communication, and continuously strengthened corporate governance, in order to achieve sustainable economic, social and environmental development. At the same time, by building a social responsibility management structure, we translated the Group's responsibility concept and commitment to stakeholders into concrete actions. The board of directors is responsible for assessing and determining the Group's ESG risks, ensuring that the Group has in place an appropriate and effective ESG risk management and internal monitoring system, and for approving ESG related policies and reports. In addition, the Group has set up an inter-departmental ESG working team, which is responsible for the collection of ESG related data and the preparation of reports, so as to ensure the continuous and effective implementation of the Group's social responsibility work.

- **Stakeholders engagement**

The Group attaches great importance to the communication with stakeholders. It has established a regular communication mechanism with shareholders, customers, employees, governments, regulatory authorities, communities and other groups that have important influence on the sustainable development of the Group, deeply understood the opinions and suggestions of all parties, and incorporated the concerns of stakeholders into the Group's operational decision-making process, so as to realize the combination of social responsibility and daily operation, create shared value and drive the sustainable development of the Group.

During the Reporting Period, we identified the following key stakeholders that have decision-making power and influence over the Group and are closely related to the Group:



1. Acquaintance: Adhere to the Belief of Dexin

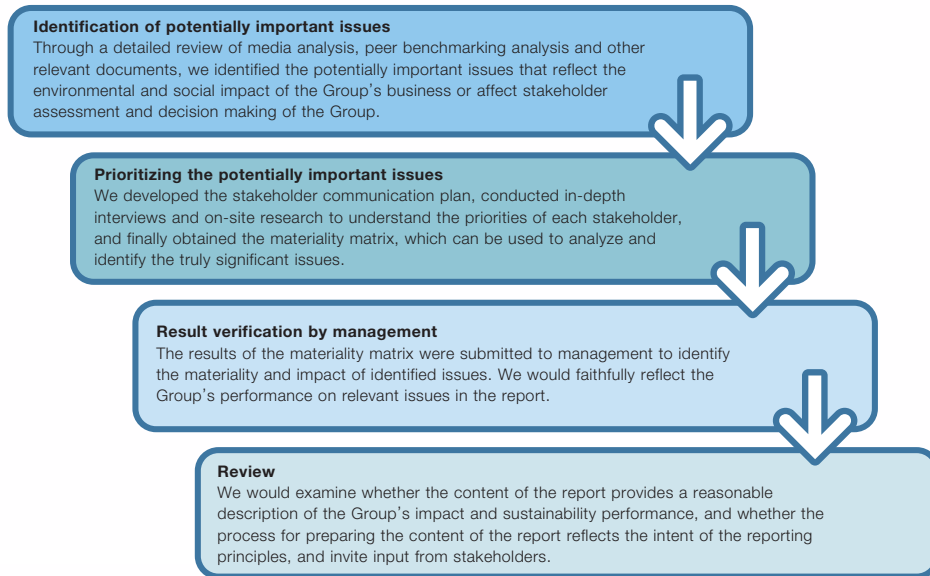
The Group actively communicated with different stakeholders through various forms such as exchange meetings and in-depth interviews to understand their concerns, adjusted its ESG plan and reviewed the effects of the relevant actions based on the communications, and continuously improved the communication channels to reflect the views of stakeholders more comprehensively. The ESG issues of interest from different stakeholder groups during the Reporting Period, as well as the ways and frequencies of Group feedback are set out in the following table:

Stakeholder Group	Issue of interest	Communication channel/ feedback means	Frequency/times
Employees	Employee recruitment and team building Safety and health Development and training	<ul style="list-style-type: none"> – Various staff activities – Internal publications (newspapers and magazines) – Employee performance appraisal 	<ul style="list-style-type: none"> – Hold staff training regularly every year – Organize union activities from time to time – Conduct annual employee satisfaction survey
Shareholders/ Investors	Business development Corporate governance Economic performance	<ul style="list-style-type: none"> – General Meeting/ Extraordinary General Meeting – Results announcement press conference – Press release/ Announcement – On-site survey 	<ul style="list-style-type: none"> – Hold a general meeting every year – Organize extraordinary meetings from time to time – Conduct road show and reverse road show at least once a year
Government and regulatory authorities	Compliant operation Compliance with laws and regulatory rules Environmental pollution	<ul style="list-style-type: none"> – On-site survey – Annual report 	<ul style="list-style-type: none"> – Provide regular report/ Temporary announcement
Customers	Confidentiality of privacy information Service quality and satisfaction Project quality management	<ul style="list-style-type: none"> – Customer satisfaction survey – Customer service hotline – Customer market research – Official media platform 	<ul style="list-style-type: none"> – It will be carried out irregularly according to the specific situation
Suppliers and partners	Transparency and fairness Win-win cooperation Growing together	<ul style="list-style-type: none"> – Supplier meeting – Supplier qualification review – Supplier field research 	<ul style="list-style-type: none"> – Organize annual supplier meeting – Conduct supplier evaluation every half year – Conduct supplier access evaluation
Communities	Protecting the community environment Devoting to community welfare Building a harmonious society	<ul style="list-style-type: none"> – Press release/ Announcement – Philanthropy activities 	<ul style="list-style-type: none"> – It will be carried out irregularly according to the specific situation

1. Acquaintance: Adhere to the Belief of Dexin

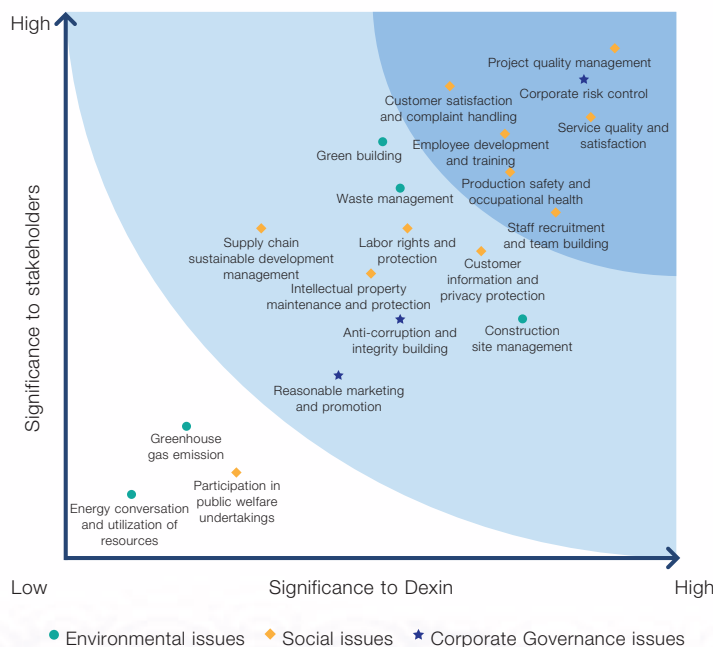
• Identification and determination of major issues

During the Reporting Period, we conducted media analysis, industry benchmarking and 14 in-depth interviews with stakeholders to understand their views and expectations on the Company's environment, society and governance performance, and to provide a strong basis for the Group to develop a long-term ESG strategy and revise its social responsibility model. During the Reporting Period, the Group evaluated and analyzed major issues through the following assessment processes:



Materiality assessment steps

Based on the assessment results of major issues in 2018, we adjusted and divided some issues according to the Group's operating conditions and the communication results of stakeholders. We divided the major issues into "Environmental issues, Social issues and Corporate governance issues", and added "construction site management", "waste management" and "greenhouse gas emissions" under "Environmental issues". During the Reporting Period, we identified 7 issues of high importance, 9 issues of medium importance and 3 issues of low importance for the Group through the above assessment process. The issues of high importance constitute the focus of this Report, and we will disclose the relevant contents in detail in this Report.



2019 ESG Materiality Matrix of the Group

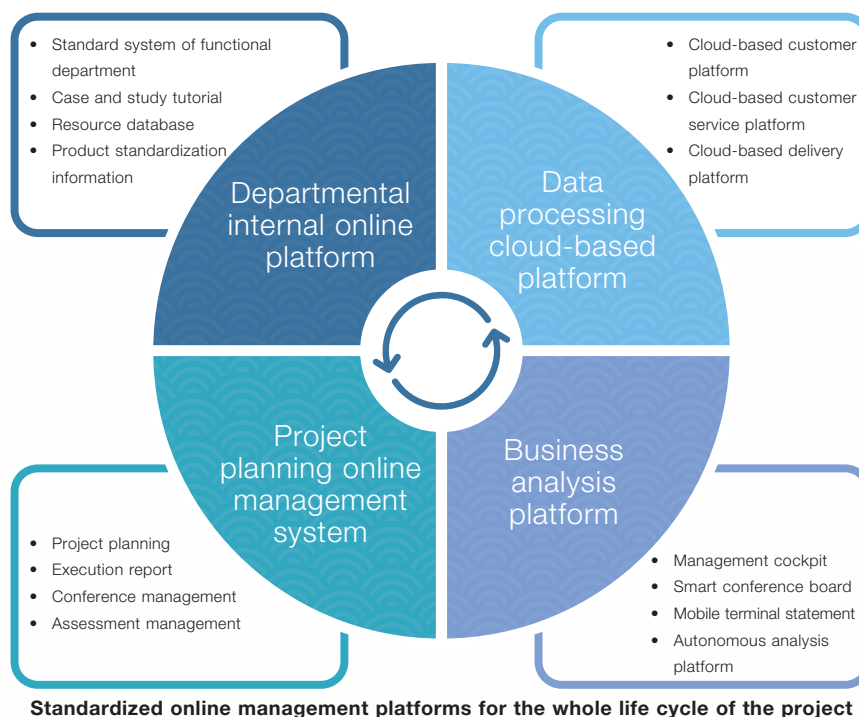
2. Concomitance: Become Customers' Confidant

Treating customers as confidants is the best expression of the relationship between Dexin and the owners. Based on the new starting point of listing, Dexin will, centering on the customer demand, forge ahead with the works of times based on "Hangzhou workmanship", and extend its presence to each city, trying to understand each owner, make every family a better place, and provide the wonders of "Hangzhou workmanship" to all our confidants.

2.1 QUALITY FIRST

With the consistent "Dexin ingenuity", the Group strives to focus on quality improvement and product standardization system construction on the basis of "Hangzhou workmanship", realizes higher quality life for the owners, and provides international and high-quality living experience for better urban life.

The Group has developed and strictly followed the quality management system such as the *Operating Guidelines for Product Quality Control of Dexin Real Estate*, carried out standardized management in the whole life cycle of the project by building an online management platform, integrated resources across departments, optimized project management and control process, and improved project quality.



• Quality risk management

The Group has established a three-level risk management and control mechanism of "group operation management center-regional subsidiaries-project" to identify and classify potential risks in the project, and conduct the star rating according to the degree of risk. Meanwhile, the Group has identified the risk investigation nodes, and the responsibilities and measures of risk management and control, alerted and controlled project risks, and enhanced the risk prevention capability of the project in the whole process. In addition, the Group formulated the *20 Red Lines for Quality Risks*, which mainly included 20 modules such as basement, toilet, outer wall, outer window and roof and focused on the prevention and treatment of common quality problems and sensitive points of customer complaints, in order to improve the management focus, increase the customer focus of management intensity while fully implementing the specification and drawing design requirements.

2. Concomitance: Become Customers' Confidant

During the Reporting Period, the Group updated and optimized the *Inspection Method for Operation Stop Point of Dexin Real Estate*, including the project risk control mechanism and the project operation stop point management mechanism, to guide the project risk management and control.

Commencement of the project	<ul style="list-style-type: none"> • Within 3 days of the first pile foundation construction, implement the preliminary construction drawing review, the relevant opinions issued by the departments of fire control, sanitation and environmental protection one by one, and review the main project plan according to the site conditions • At the same time, focus on the risks of unlicensed construction and civil disturbance complaints, and resolve the risks through various means such as engineering and contract, so as to ensure the smooth progress of the early stage of the project
Demonstration area risk screening	<ul style="list-style-type: none"> • In 5 days before the opening of the demonstration area, conduct risk investigation on the project demonstration area and the future customer retention according to the site situation, focusing on the problems existing in the demonstration area, and prevent and solve the legal risks of sales in advance
Pre-launch risk investigation	<ul style="list-style-type: none"> • In 15 days before the initial launch of the project, conduct pre-launch risk investigation to prevent and solve the legal risks of sales in advance, and reduce disputes and complaints • Review the progress of risk resolution in the <i>Project Risk Management and Control Table</i>
Intermediate operation stop point	<ul style="list-style-type: none"> • In 3 days after the building is capped and at the halfway point of the project operation cycle, review the plan again and assess the schedule risk. Make the first systematic review and assessment of the project delivery risk • Review the progress of risk resolution in the <i>Project Risk Management and Control Table</i>
Joint acceptance prior to delivery	<ul style="list-style-type: none"> • In 2 months before the delivery, conduct the last assessment of delivery risks and the pre-assessment of delivery results. Ensure the delivery is completed on time and with good quality • Review the progress of risk resolution in the <i>Project Risk Management and Control Table</i>, ensure smooth project delivery and improve customer satisfaction

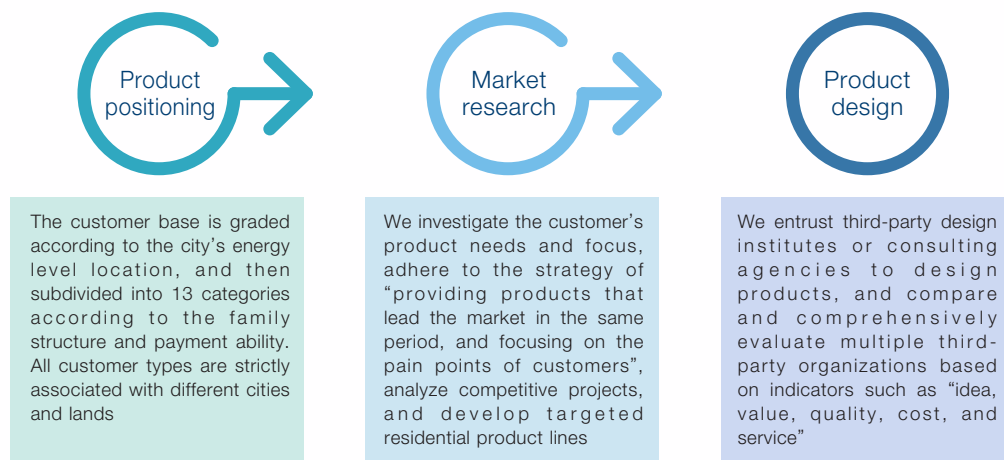
Risk screening for the 5 stop points

In view of the project risks brought by climate change and extreme weather, the Group focused on severe climate dynamics such as typhoon, rainstorm, high temperature and severe convective weather in summer and autumn, organized various special inspections in a targeted manner to comprehensively investigate potential quality and safety risks, comprehensively sorted out and identified the quality and safety risks brought by climate change, and adopted corresponding contingency plans to minimize the impact of extreme weather on project schedule and quality.

2. Concomitance: Become Customers' Confidant

• Project development quality management

In order to standardize the quality management in the development stage of the project, the Group formulated the *Guidance on the Management of Project Development Plan of Dexin Real Estate* and the guidance on the standardized catalog of design, which include five aspects of standardization system: product series and adaptation standards, control systems, module standards, technical standards and product research and development (thematic research). In addition, the Group developed a complete quality management process for the project development stage to improve the level of standardized management.



Quality management process during project development stage

During the Reporting Period, to strengthen the research, planning and positioning of the front end of product development and implement the product development requirements of "improving quality, enhancing efficiency and enabling quality", the Group established a product research strategy working team and a product review working team, formulated the *TOP Grade Product Line Value System and Configuration Standard*, the *Product Line Planning*, the *Product Positioning of High-end Product Series*, the *Key Points for Refined Control of Design Cost*, the *Professional Quality Promotion Points* and the *Professional Product Curing Standards*, and refined the detailed standard and control process of product design, with an aim to further enhance the quality of the project. The product research strategy working team and product review working team of the Group are mainly responsible for the following tasks, which are designed to optimize the product quality level:



Product research strategy working team

- Fully clarify the product logic of Dexin, make clear the product proposition, and focus on product characteristics (differentiation competition point) through scientific and accurate customer research and on the basis of product positioning as well as the cultural connotation and strategic objectives of the Group
- Thoroughly sort out the relationships among land, customers and products, optimize and improve the product line classification and its corresponding relationship, and define the corresponding product value system and configuration standard based on the input conditions of customer demand and product positioning
- Focus on investigation and analysis of high-end and new era customer living demand, form a clear and farsighted positioning standards and research direction, optimize and improve product standards and management and control standards, and define the corresponding guarantee conditions
- Continuously improve product cognition, and strengthen product brand and value point promotion package, taking benchmark project as the carrier and marketing as the port



Product review working team

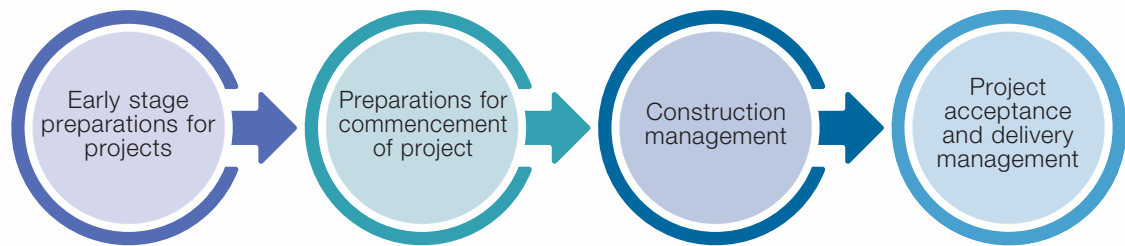
- Evaluate and summarize the delivery projects in 2017 and beyond, and formulate specific strategies and detailed plans for "cost optimization and quality improvement" based on each profession, with the goal of "cost optimization and quality improvement"
- Formulate the corresponding reward and punishment system as a guarantee mechanism, optimize and improve product standards and management and control standards
- Each regional company and the project company shall strictly implement and effectively implement the objectives, systems, standards and regulations set by the working team, and the team shall evaluate the implementation results according to the work plan

Work contents of product working team

2. Concomitance: Become Customers' Confidant

• Project quality management

The Group strictly complied with the *Construction Law of the People's Republic of China*, *Regulations on Quality Management of Construction Projects* and other laws and regulations, as well as the requirements of the place of operation, and formulated the *Guidelines on Project Management Throughout the Project Cycle*, which covers the engineering management process and key points of management and control in each stage from commencement to post-delivery evaluation, so as to realize all-round project quality supervision and control.



Full cycle project management

In the process of full cycle project management, the Group will timely discover and improve the deviations in the construction process through the patrol inspection and acceptance and delivery evaluation.



The Group attaches great importance to the ability training of engineering talents to ensure the quality of engineering projects. During the Reporting Period, the Group carried out three engineering manager qualification examinations to improve the comprehensive ability of engineering managers. The exams covered the deputy engineering manager and above and the management trainee of each city company. The exam contents involved the actual measurement standard, the project management knowledge, the project plan preparation, etc.

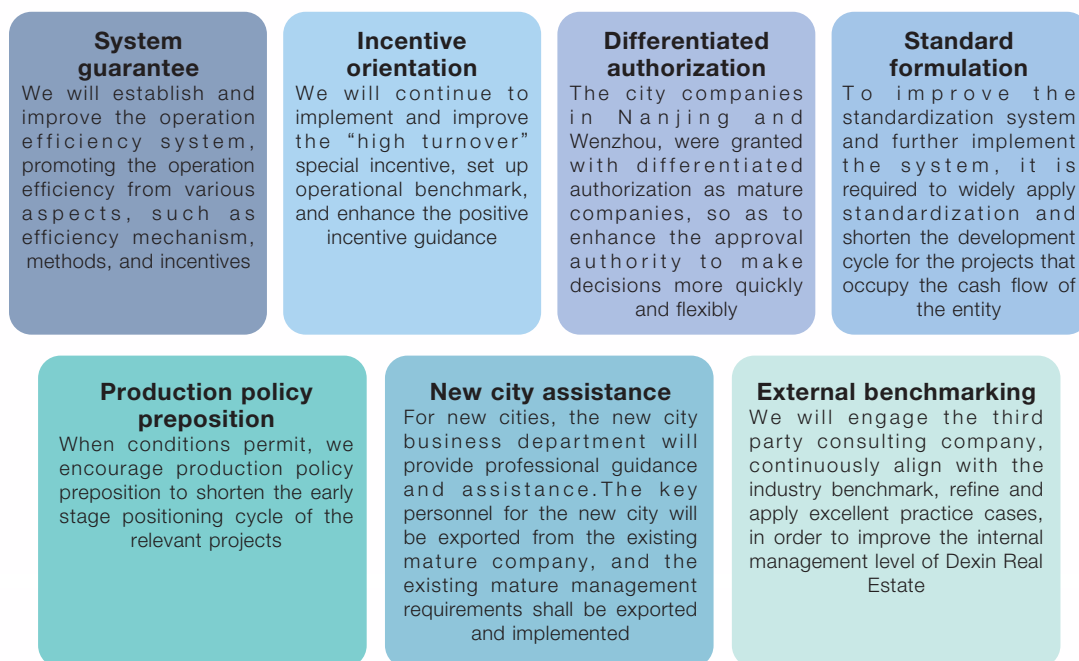


Engineering manager qualification examination site

2. Concomitance: Become Customers' Confidant




• Operation quality management

The Group not only pays attention to the quality management of the project development and construction stage, but also improves the operation efficiency through system guarantee, incentive orientation, differentiated authorization, standard formulation, production policy preposition, new city assistance, and external benchmarking.



Measures to improve operation efficiency

In addition, the Group has developed an operation assessment system and relevant indicators for city companies to promote the operation efficiency and level of each city company and seek improvement in stability.

	Completion rate of assessment milestone nodes	The overall achievement rate of the Group was 84.5%, among which Guangzhou, as a new city in 2019, achieved 100% of the plan completion rate, and the four mature city companies (Hangzhou, Nanjing, Wenzhou, Ningbo) achieved the node completion rate of higher than 85%
	Completion rate of supply plan	The supply plan was prepared and assessed in the second half of 2019, and the overall completion rate of the Group in the second half of the year was 99.9%
	Information system report	For the information system data update, we regularly reported the completion status in terms of timeliness, accuracy and other aspects

Operation assessment system and achievement

Through the life cycle quality control, the Group has set up a series of quality benchmark projects in numerous beautiful cities. For every building which grew out of nothing, we have devoted the spirit of the best quality. During the Reporting Period, a number of projects of the Group won the 14th Kinpan Award and the 2019 Beauty Pageant • Meishang Award respectively.

2. Concomitance: Become Customers' Confidant

Hangzhou · Jiuxi Mansion – The Best Pre-sale Property of the Year in the 14th Kinpan Award



Hangzhou · Wangqiantang Mansion – The Best Pre-sale Property of the Year in the 14th Kinpan Award



Taizhou · Xihu Mansion – The Best Villa of the Year in the 14th Kinpan Award



Wenzhou · Majestic Mansion – The Best Pre-sale Property of the Year in the 14th Kinpan Award



Hangzhou · Shichen Mansion – The Best Pre-sale Property of the Year in the 14th Kinpan Award



Jiuxi Mansion – 2019 Beauty Pageant · Meishang Award – Silver Prize for the Ultimate Architectural Aesthetics Award of Residential Type Real Estate



Xihu Mansion – shortlisted in 2019 Beauty Pageant · Meishang Award – the Most Valuable Collection Award for Residential Type Real Estate



Dexin Mansion was elected as one of the TOP50 real estate projects in terms of brand value in 2019



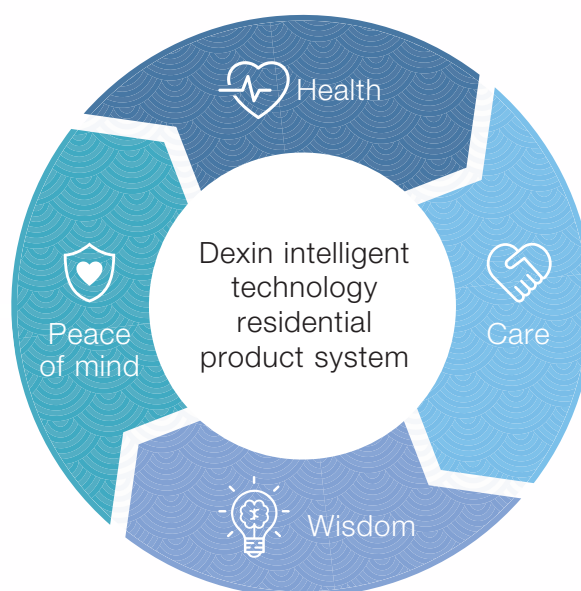
Honors and awards for the projects during the Reporting Period

2. Concomitance: Become Customers' Confidant

2.2 CONSTANT INNOVATION

The Group has always adhered to the development strategy of fine construction of high-quality human settlements, upheld the forward-looking awareness of continuous innovation and upgrading products, with a vein of inheritance of Hangzhou workmanship. We constantly make new exploration in such aspects as community planning, architectural design, garden building, scientific and technological intelligence and hardcover, continue to engage in research and development, so as to provide each family member with continuously improved products and services, and create a warm and rich life experience for the owners.

The Group continuously promotes the development of intelligence and digitalization, builds Dexin intelligent technology residential product system, and integrates the new generation of information technologies such as Internet of things, cloud computing and mobile Internet, in order to create a safe, comfortable, convenient modern smart community, comprehensive optimization of community facilities and service capabilities for the customers.



The intelligent technology residential product system

Based on the smart technology residential product system, the Group also initiated the smart home and excellent + life customized home projects:

Smart home



- ☐ New experiences of touching the body and mind with technology, including intelligent lighting, curtains, security, home appliances control, environmental monitoring, human-computer interaction and network coverage
- ☐ To enable life with intelligent technology, promote the improvement of the quality of life, and make livable life more superior
- ☐ Smart home scene lighting mode was implemented in such projects as Canal Mansion, Jiuxi Mansion, Sky City, and Shixin Palace

Excellent + life customized home



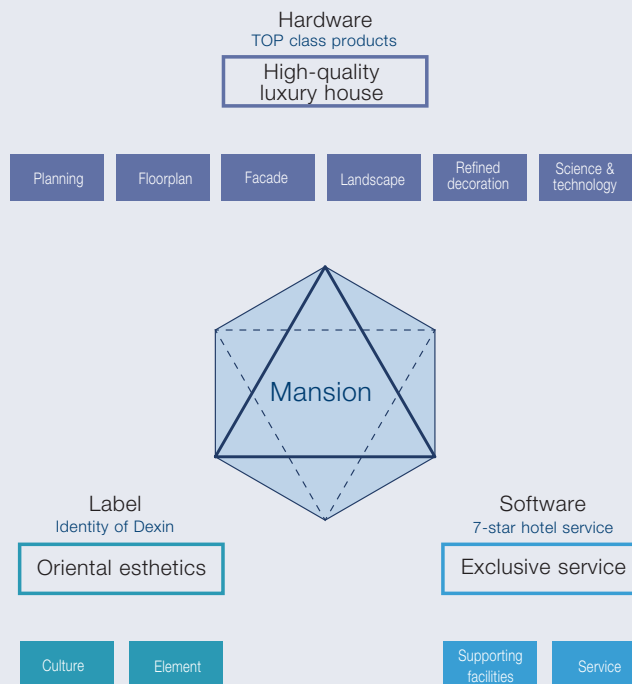
- ☐ To solve the contradiction full decoration based on personalized needs, analyze and restructure the needs of human settlements, and achieve the effective combination of personalized choice and mass promotion
- ☐ Starting from the three modules of quality building products, selection system and soft outfit implication, it takes the individual demand as the guidance, classifies the consumer groups vertically, matches the four product series, and superpositions product resources horizontally, presenting five optional installation systems
- ☐ To provide free selection and matching of fully furnished household products and integrate four soft outfit styles to realize flexible construction of household scenes and provide one-stop home integration services for owners

2. Concomitance: Become Customers' Confidant

Dexin Mansion series, with the core concept of “west lake temperament, Zhuangzi style and oriental fashion” and based on 8 major supporting systems and 4 major science and technology systems, has achieved comprehensive product innovation and upgrading

From Xihu Mansion, Jiuxi Mansion, Qiantang Mansion to Canal Mansion, Yanlan Mansion, Mogan Mansion...The Group insisted on choosing a site in the context of each city, and presented the dynamic east rooted in the heart with the oriental form under the global aesthetics. The Group will also continue to create unique Hangzhou style residential products, and present a better and rich confidant life.

As a high-end product line of the group, the Mansion series has comprehensively upgraded the Group's product line configuration from eight aspects of planning, facade, floorplan, landscape, hardcover, supporting facilities, science & technology and service, leading the high-end product market.



The Mansion series is equipped with eight systems, namely, the education growth system, the sports entertainment and play system, the social contact system, the physical and mental health system, the health care system, the outdoor sharing system, the park wall painting system and the private sharing storage system, and the four technological systems of “health, peace of mind, care and wisdom”, to define life from the heart.

The Mansion series, a high-end product line of the Group, was elected as one of the 2019 TOP50 real estate projects in terms of brand value during the Reporting Period.

- ### Intellectual property management

The Group has strictly complied with the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and the *Copyright Law of the People's Republic of China* and other IP laws and regulations, and formulated and implemented the *Management System for Intellectual Property of Dexin Real Estate*. The Group has an intellectual property center responsible for the application, use and protection of intellectual properties such as trademarks, copyrights and patents. The Group strictly investigates infringements and focuses on strengthening relevant personnel's awareness of intellectual property protection in daily management to ensure that the Group's intangible assets are not infringed. During the Reporting Period, the Group applied for 12 trademark rights and obtained 2 trademark rights authorizations.

2. Concomitance: Become Customers' Confidant

2.3 CUSTOMER SERVICES

Understand what you think, know what you haven't think, and act beyond your expectation. Based on the confidant concept of "Acquaintance, belief and concomitance", the Group pays close attention to the individual meticulous needs of each confidant, and makes great effort to understand and constantly interpret the ideal of bosom friend, improve product construction, and enrich more warmhearted concomitance.

The Group has developed internal systems such as *the Customer Service Specifications for Dexin Real Estate* and *the Management Regulations for Customer Service System Platform of Dexin Real Estate* to standardize customer service operation procedures. During the Reporting Period, according to the daily business and management needs, the Group formulated the *Customer Service Operation Guide for All Decoration Projects* (2019 Version), *the Cost Schedule for the Full Cycle Customer Service Management* (2019 Version) and *the Measures for Marketing Risk Control and Quality Construction Management of Demonstration Areas* (2019 Version), and revised the *Operation Guidelines for Joint Inspection of Project Delivery Risks* (2019 Version), *the Project Delivery Implementation Plan* (2019 Version), *the Joint Inspection Mechanism between Dexin Real Estate and Shengquan Property* (2019 Version), and *the Implementation Measures for Communication with Property Management Company and Quality Inspection Mechanism of Dexin Real Estate* (2019 Version), in order to further improve the customer service standards and operation procedures.

• Customer care

The Group has created a "companionate confidant" customer service system, which is divided into three modules, i.e. "companionate escort, companionate advancement, and companionate life", covering maintenance, service, planning, and risk control, to effectively solve customer problems, actively maintain customer relationships, and strive to provide high-quality services to customers. During the Reporting Period, the Group carried out the following optimization work for the customer service system:

- We carried out quarterly standardized inspection of internal affairs and supervised the implementation of group system
- For mature regions, while improving the functional system, we also enhanced the ability of independent management and carried out appropriate pilot projects of management innovation. For the immature areas, we invited internal lecturers and external experts to conduct training and support work. During the Reporting Period, 4 customer service workshops were conducted

The Group has established Shengquan Property Service Co., Ltd. ("Shengquan Property"), which is responsible for the property management and service of the Group's projects. During the Reporting Period, in order to better serve the owners and improve the overall quality of the community, the Group revised the *Joint Inspection Mechanism between Dexin Real Estate and Shengquan Property*, divided the projects into three grades: basic, quality and high-end, carried out classified management, and put forward corresponding quality objectives, which mainly involve image management, order maintenance, environmental sanitation, greening maintenance, public facilities and equipment management, decoration management, safety management, customer service and special management. At the same time, the Group cooperated with Shengquan Property to jointly carry out property quality inspection work. During the Reporting Period, the Group visited and inspected four major regions, covering projects developed and delivered in the past 1 to 5 years, and further improved the property service quality of the community through such methods as scoring mechanism incentive, on-site feedback of inspection problems, monthly supervision and rectification, and quality supervision and management by owners.

2. Concomitance: Become Customers' Confidant

Rainbow bridge plan 2.0 community life service system

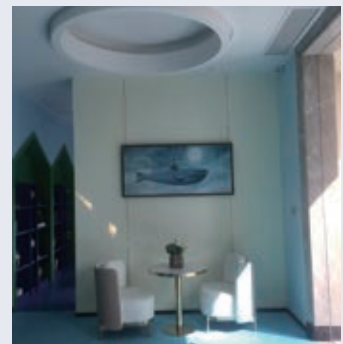
From 2017 to now, after two years of painstaking efforts, the “rainbow bridge plan” of Dexin has already taken root in the whole country. From Hangzhou Qianjiang Mansion, Quzhou Celebrity Mansion to Wenzhou Cloud Class, we set up the optimal community resource allocation system with “full age, full time and full function” to meet the living needs of the owners, and fostered community culture and neighborhood feelings, to bring more harmonious atmosphere to the community. During the Reporting Period, the Group continued to follow the path of those beautiful people and beautiful things, re-considered and reorganized the community's lifestyle and service contents, with an aim to comprehensively upgrade the rainbow bridge plan to a version 2.0 community life service system, and advocate every resident to build a bosom friend community and a better life together.

Rainbow bridge plan 2.0 covers 5 major regions, 30+ communities and tens of thousands of Dexin owners, creating a “4+4+2” customer care activity system:

- Four thematic activities: happy neighborhood, childlike innocence, happy old age, and happy festivals, 28+ sub-activities, nearly 100 extended activities
- Four active services: roof beautifying and water control, gold wrench, safe elevator, and thermos cup, which will be held in nearly 30 communities every quarter
- Two good plans: renewal plan and knocking plan, which will be held in 23+ community
- Rainbow tetralogy: adding characteristic theme, and implementing rainbow garden, happy rainbow reading and colorful community life



Rainbow bridge plan 2.0 has brought an overall upgrade to rainbow life. It is no longer a collection of simple physical space functions, but aims at improving the living quality of the owners, upgrading from the traditional property service to the community comprehensive service, focusing on humanity, in order to gradually improve the life service system with shared space and shared emotions and help the owners enjoy a wonderful life through the comprehensive renewal of the family optimization system, the establishment and operation of the community, the practice of the neighborhood convention, and the comprehensive integration of neighborhood themed activities.



Demiao plan – it is carried out for young owners in each summary holiday, focusing on reading and painting, with an aim to enrich the cultural life of the community, strengthen the communication and interaction with owners, and establish the brand image of customer care. During the Reporting Period, Demiao plan covered 4 regions and 32+ communities. We invited celebrities, such as Yajun and Yihua, and the previous participating owners to be the image spokespersons. Meanwhile, we broadcast the original audio program in the Himalayas and launched online voting. Over 10,000 owners enthusiastically participated.

Rainbow all over communities – refreshment and maintenance operation of rainbow bridge facilities and equipment, to prepare for the creation of rainbow bridge space, and refresh children's facilities and create colorful children dreams, covering 5 regions, 30 + projects.

2. Concomitance: Become Customers' Confidant

The customer service center of Dexin accompanied the confidants to stand their ground in the fight against the epidemic and embrace the beautiful spring day

Facing the severe challenge of COVID-19, the Group's customer service center and Shengquan Property adopted flexible work patterns, such as working in different time and telecommuting to be on standby all the time. In addition, in order to satisfy the owner's demand while reducing the risk of cross-infection, we launched online emergency response service to respond to the owner's demand thoroughly.

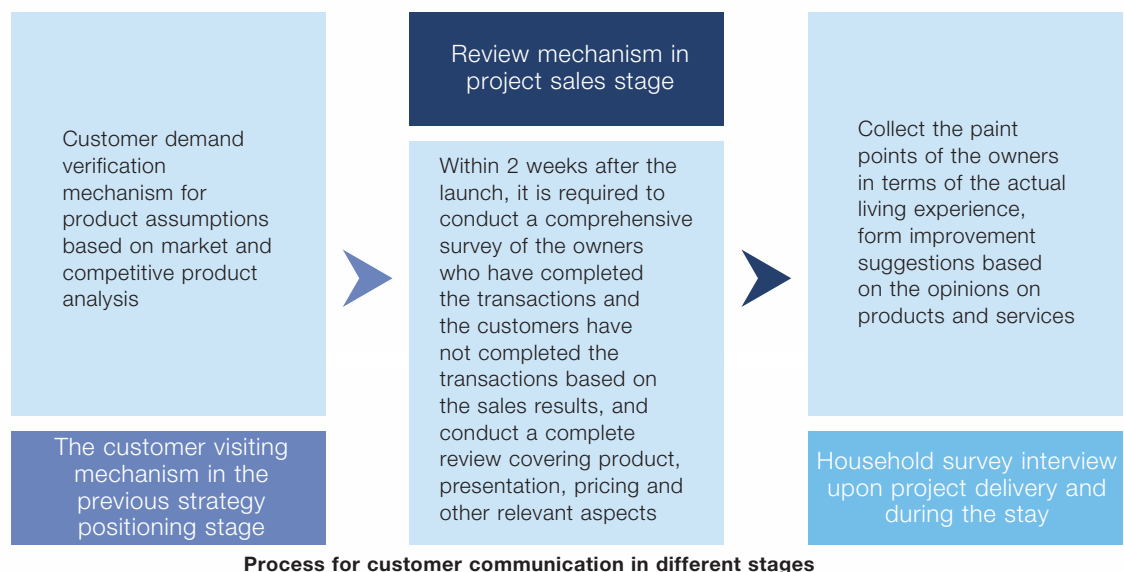
- Emergency maintenance and suggestions for Dexin owners during epidemic prevention period can be reported through Mingyuan Customer Service App of Dexin Real Estate (24 hours online) or the front desk of the project property service center (business hours). The maintenance personnel in local customer service department will immediately contact the owner, and arrange on-site inspection according to the emergency level of the relevant issue;
- The maintenance engineer and maintenance personnel of the customer service department in each city to implement the health card system every day, to ensure that they are healthy and have no abnormality. Workers returning from other places can work only after they are isolated according to relevant requirements of government departments;
- During the epidemic prevention period, the door-to-door service personnel shall apply adequate protection, and wear masks, disposable gloves, carry disinfection alcohol, temperature gauge and other epidemic prevention tools in strict accordance with the relevant requirements, in order to provide safe and reliable maintenance services for the owners and customers;
- In case of other emergencies of customers, the local customer service department of Dexin Real Estate shall arrange staff to provide on-site service within 2 hours after the report and confirmation by the property company and the relevant community government departments;
- The community property companies are responsible for the epidemic prevention of public facilities in the communities. We shall cooperate with the community and the property companies to provide convenience services for the special family owners of Dexin during the epidemic period. Once there are suspected or confirmed cases in Dexin community, we shall cooperate with the community and the government departments in a timely manner to ensure the safety and health of all the owners of the community.



2. Concomitance: Become Customers' Confidant

• Customer communication

The Group pays attention to listening to the needs of customers, and constantly improves our services through customer communication in different stages and customer demand analysis. During the Reporting Period, the Group mainly carried out work on the customer visiting mechanism in the previous strategy positioning stage and the review mechanism in the project sales stage. In the positioning stage, nearly 30 new projects were conducted in strict accordance with the Group's standardization requirements, including questionnaire survey on product demand verification of target customers and in-depth customer demand interview, so as to improve accurate positioning. During the year, nearly 15 new projects completed review after initial launch, which tested the resistance/suggestion of the floorplan, the satisfaction of the demonstration area/hardcover, summarized and further verified the customer's product requirements of the area, and was used for rapid replication of the projects with the same land attributes.



In order to better conduct customer demand research, the Group has formed a mechanism of listener planning and customer research, and actively promoted and encouraged customers to actively provide feedback and voice. We understand customers' expectations and intentions on products, architectural style, landscape design, floorplan and other aspects through the listener plan, so as to improve customers' value perception of products and services. Taking Nanjing Yanlan Mansion as an example, after entering Nanjing, we conducted a 5-day offline and online survey and collected more than 1,200 valid questionnaires. Based on the research results, we effectively promoted product improvement, demonstration area experience and service response.

In addition, the Group has formulated and strictly implemented the *Information Management Requirements for Major and Hot Complaints from Customers of Dexin Real Estate*. The Group's customer service center and regional companies have customer service hotlines. Meanwhile, we have launched the Mingyuan customer service system for the customers to apply for repair and give feedback through our WeChat official account. The customer service center will classify the complaints into daily complaints, major complaints, group complaints, etc., and handle them according to the timeliness and circulation procedures specified in the internally-developed Dexin Real Estate's Customer Complaints/Recommendations Handling and Circulation List. For the opinions and suggestions put forward by the customers, the customer service center will also designate special personnel for follow-up and subsequent communication to ensure that the customer's appeals are resolved in a timely and sound manner. During the Reporting Period, the Group received nearly 200 complaints, and the completion rate was more than 90%.

2. Concomitance: Become Customers' Confidant

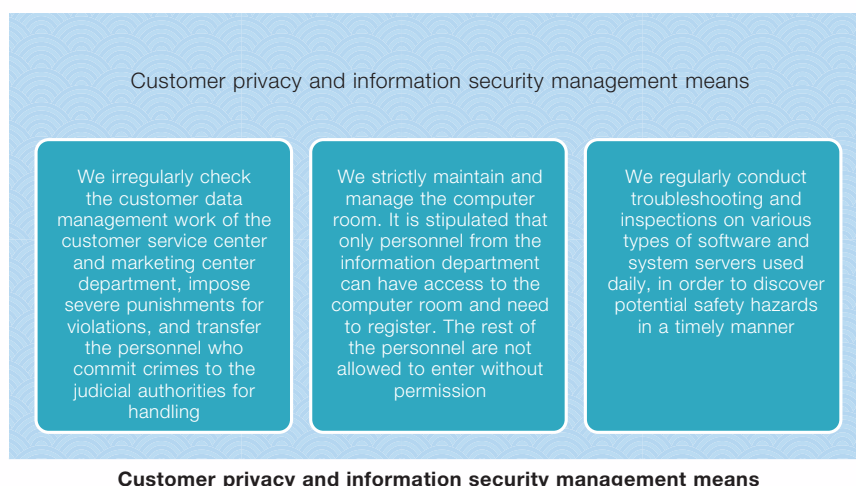
• Customer satisfaction survey

The Group, always standing in the perspective of the customer, has insight into and listens to every meticulous needs, and makes efforts to achieve the improvement of customers' quality of life from every small detail. The Group developed the *Customer Satisfaction Assessment and Evaluation Management Measures of Dexin Real Estate*, employed a third-party survey company, China Index Academy, to control customer satisfaction throughout the Reporting Period, and conducted a satisfaction survey on the owners in the sales period, delivery period and stay period. The Group mainly conducted surveys through Internet and telephone interviews. The main indicators include overall satisfaction, sales service, post-contract care, delivery service, community environment and planning, housing design, housing quality, rectification and maintenance, complaint handling and property services. We carried out targeted closed-loop treatment according to the problems found to continuously improve customer satisfaction.

In early 2019, the Group formulated the target satisfaction value of each city company and each functional center according to the target value of real estate satisfaction, and decomposed the target satisfaction value of the city company into each project. Thanks to the joint efforts of all the staff, the Group has successfully achieved the satisfaction target of 2019.

• Customer privacy and information security

The Group attaches great importance to customer privacy and information security, and strictly abide by the laws and regulations related to information security protection such as the *Network Security Law of the People's Republic of China* and the *Provisions on the Protection of Personal Information of Telecommunications and Internet Users*. We have developed and issued the *Notice on Doing a Good Job in Security of Customer Information* and other documents, which set forth strict regulations on the use, storage and handover of customer's data.



2. Concomitance: Become Customers' Confidant

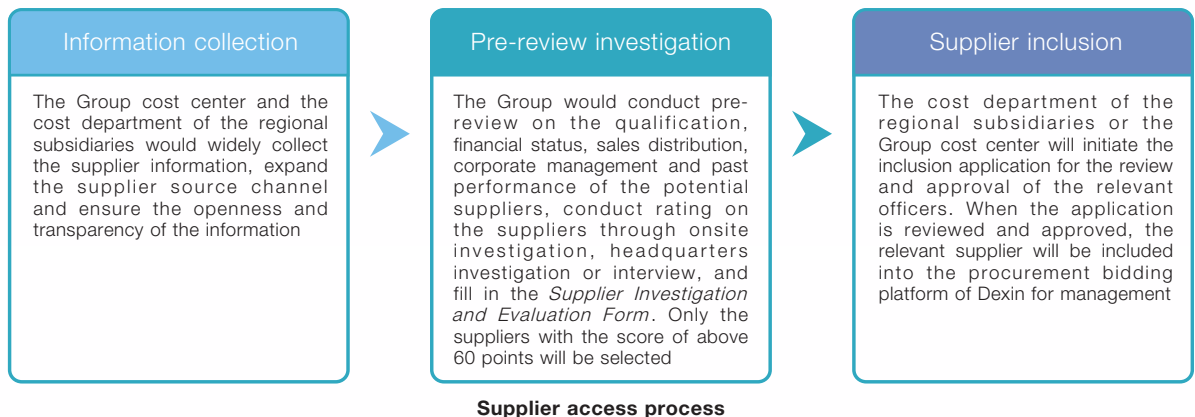
2.4 WIN-WIN AND SHARING

From the era of demand to the era of quality, and then to the era of works, Dexin strives to build a number of aesthetic demonstration areas, which are created and realized in the continuous exploration of customer demand and the cooperation and sharing between the upstream and downstream of the industry.

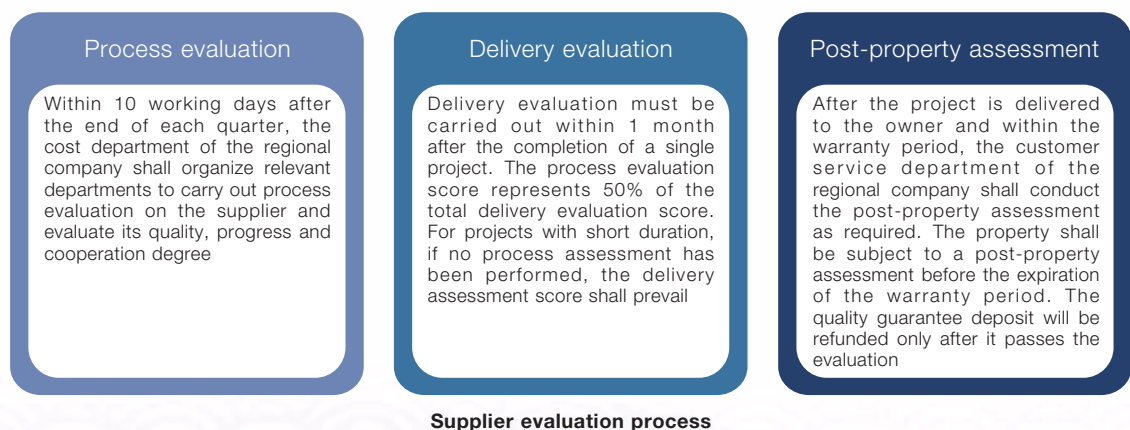
• Supply chain management

We believe that the steady development of suppliers is closely related to the continuous improvement of the Group's products and service quality. By formulating and continuously refining the *Supplier Management Measures of Dexin Real Estate Group*, the Group has standardized the supply chain management, actively carried out supplier communication and support activities, and continuously improved the management level and supply quality of suppliers.

The Group developed and strictly implemented the supplier access process, including information collection, pre-review investigation and supplier inclusion processes. The suppliers can be included into the list of suppliers of the Group only when they have successfully passed all the three processes.



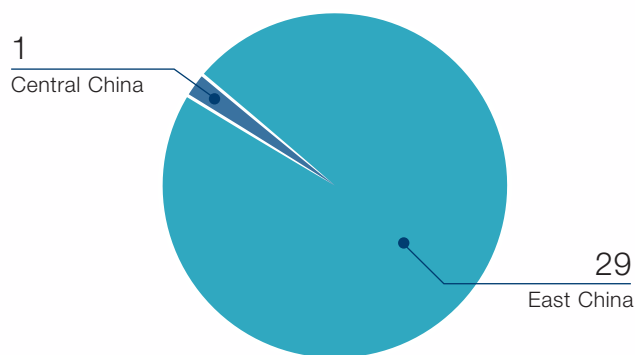
For the elected suppliers, the Group has established the supplier performance evaluation system to control the performance of the suppliers. The functional centers, regional companies and their subordinate project companies of the Group shall follow the principles of objectivity, fairness, impartiality and seeking truth from facts, and objectively analyze and rationally judge the performance of suppliers based on the facts on the basis of strictly fulfilling the responsibilities and obligations of both parties. The Group followed the principle that "the user shall be responsible for evaluation", and carried out process assessment, delivery assessment and post-property assessment according to the assessment standard in the *Performance Assessment Form of Various Suppliers of Dexin Real Estate*. Based on the results of supplier evaluation, the Group divided the suppliers into superior suppliers, qualified suppliers, trial suppliers and unqualified suppliers.



2. Concomitance: Become Customers' Confidant

During the Reporting Period, the Group cooperated with a total of 30 suppliers, including service, construction and material equipment suppliers. In order to improve the integrity of the supply chain, the Group required suppliers to sign the *Integrity Cooperation Agreement*.

Number of suppliers by region (number of entities)



Number of suppliers during the Reporting Period

In order to strengthen the business exchanges and cooperation with suppliers, deepen cooperation between supply side and demand side, develop more high quality suppliers for the Group, and boost the Company's business development, the Group carried out supplier communication and training activities, hoping that both parties can face up to and effectively solve problems in the cooperation process, so as to achieve smoother and more efficient cooperation in the future. During the Reporting Period, the Group organized two supplier trainings, which mainly included the cooperation concept, the Group's corporate culture and its future strategic planning.

"Bosom friends work together to embrace the future"- 2019 supplier exchange month series activities

In this exchange activity, the Group selected representative suppliers in the cooperation and invited their senior executives to come into the Group to have in-depth one-to-one business communication with our senior executives. 16 suppliers were invited for exchange, involving the general contracting, batch finishing, flooring, cabinets and other cooperative industries. During the on-site interaction, the heads of the business departments of both sides sorted out and summarized the problems and opinions in the cooperation process. The senior executives of both sides communicated on the multi-dimensional and whole process of the cooperation in the early stage, the cooperation process and the follow-up business planning. The communication process was more relaxed, and the business negotiation was more focused and targeted.



2. Concomitance: Become Customers' Confidant

• Industry cooperation

The Group hopes to share cutting-edge information technology with industry partners while achieving its own development to jointly promote the progress of the industry. As of December 31, 2019, the Group has joined four industry associations:

Industry Association	Position
China Real Estate Association	Director
Zhejiang Real Estate Association	President
Hangzhou Real Estate Association	Vice President
Taxpayers' Advocate Association	Member

The Group not only actively participated in the industry association and promoted the industry development, but also carried on the business exploration with the numerous enterprises, established the cooperative relationship to form the business ecology. During the reporting period, the Group carried out strategic cooperation projects with a number of enterprises to achieve common development and make brilliant achievements.



Dexin Real Estate and Ping An Trust signed a strategic cooperation agreement



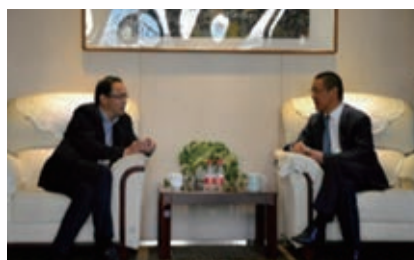
Dexin Holding and New Century Hotel Group reached a strategic cooperation



The Chairman of Dexin Holding visited the President of the Zhejiang branch of Agricultural Bank of China to deepen bank-enterprise cooperation



The Chairman of Dexin Holding and the President of Hangzhou branch of Postal Savings Bank of China to discuss cooperation



The Chairman of Dexin Holding met with the President of the Hangzhou branch of Bank of Shanghai to deepen bank-enterprise cooperation

Strategic cooperation projects of Dexin during the Reporting Period

2. Concomitance: Become Customers' Confidant

Dexin Holding cooperated with Alibaba Group to build a smart 5G digital platform

Dexin Holding Group Co., Ltd. ("Dexin Holding") and Alibaba Group made a joint statement to build the AIOT digital platform of Dexin smart community and embrace the future of Internet of everything with 5G + AI technology. Through vision consensus and expert consultation, we have determined the application matrix of 115 scenarios in 8 scenarios domains to comprehensively reshape the safety, experience, cost and efficiency of the community. In the future, the digital platform of Dexin smart community will integrate the user data of more than 100,000 customers of the Group, link with the diversified real estate industry of Dexin holding, and form the business ecology of Dexin + Partners.

Dexin Holding cooperated with China Telecom to jointly build an AI + 5G future smart community

Dexin Holding and Hangzhou Branch of China Telecom Corporation Limited signed a strategic cooperation framework agreement. The two sides will, based on the principle of "complementary advantages, shared resources and win-win cooperation", give play to their respective advantages, promote the in-depth integration of real estate and information and communications, and work together to build an AI+5G smart community in the future.

Under the macro background of implementing the strategy of "network power" and vigorously promoting information and communication construction and the integrated development of related industries, and guided by market demand, the two sides will firmly seize the strategic opportunity of high-speed development of "Internet +", focus on the Internet of things, smart community, 5G application, smart office, smart public rental housing, sunshine education and other core industries, and carry out long-term and in-depth cooperation, in order to jointly create an intelligent information service business ecological chain featuring strategic synergy, complementary advantages, resource sharing and symbiotic development.



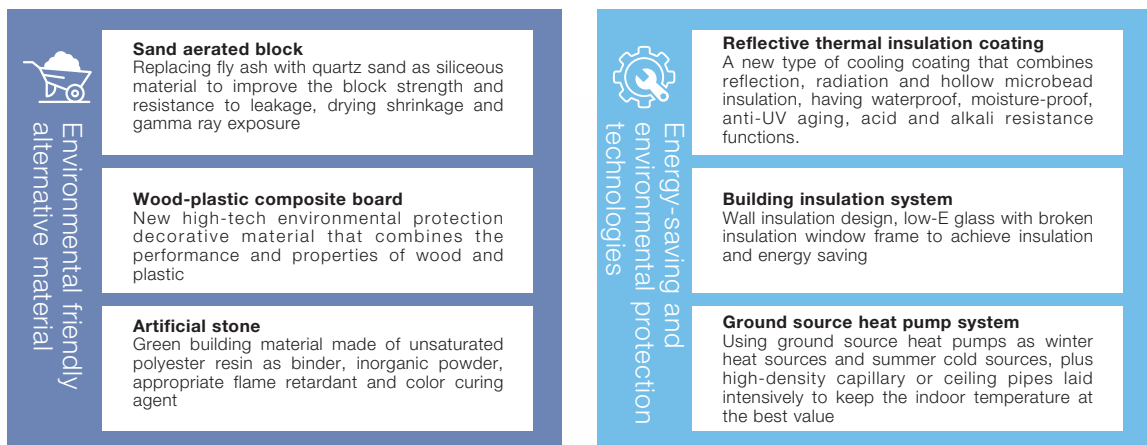
3. Harmony: Practice Green Operation

There is a touch of green in each home and city built by Dexin for its confidants. We believe that sustainable products can not only provide customers with high-quality life, but also beautify the ecological environment of surrounding communities by introducing the concept of green environmental protection, and promote the harmonious coexistence between human and nature.

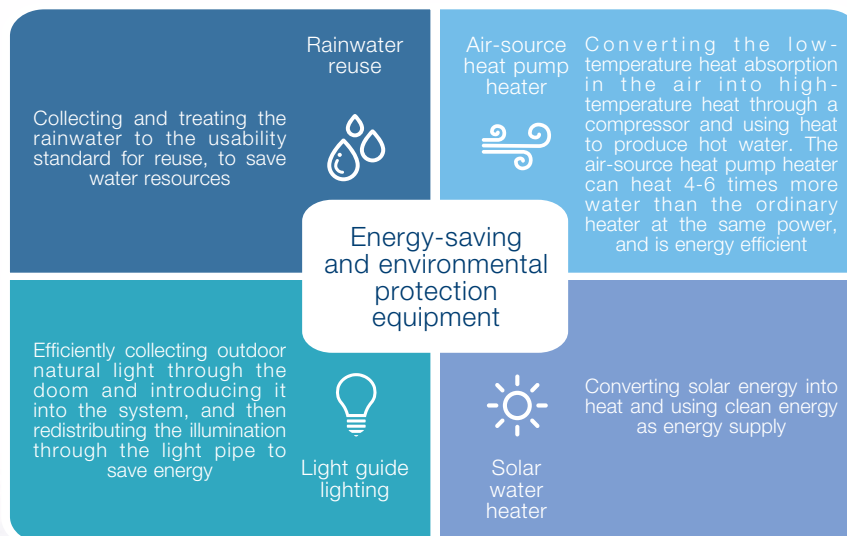
Dexin strictly follows the environmental protection laws, regulations and industrial standards of the country and the place of operation, such as the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, the *Regulations on Environmental Protection Management of Construction Projects*, and the *Management Measures on Environmental Protection Acceptance for Construction Project Completion*. It pays attention to the omni-directional environmental management from the design to the construction of the project, and continuously improves the environmental protection management system through the environmental protection management measures of each link, trying to reduce the environmental impact brought by its own business. In addition, the Group actively promotes green office in its daily operation, and further promotes the awareness of green environmental protection among employees while realizing energy conservation and emission reduction.

3.1 DEVELOPMENT OF GREEN PRODUCTS

In the stage of product design and development, the Group insists on not only satisfying the quality and functionality of the project products, but also taking the environmental protection attribute of the products as an important factor. The Group actively uses environmental friendly alternative materials and energy-saving and environmental friendly technologies, and adopts energy-saving and environmental friendly equipment. It strictly carries out environmental impact assessment and energy conservation assessment, and strives to build green building projects.



Energy conservation and environmental protection materials and technology development



Energy-saving and environmental protection equipment

3. Harmony: Practice Green Operation

During the Reporting Period, the Group piloted and gradually promoted a number of energy-saving and environmentally friendly process practices and new materials, including reflective heat insulation coating, gypsum mortar, bubble concrete floor, etc.



Hangzhou Majestic Mansion project adopted bubble insulation building ground to improve the insulation effect and engineering quality



Hangzhou Sky City project adopted plaster painting, mechanical painting plaster painting to reduce the possibility of air drum cracking and improve the thermal insulation performance

The Group strictly follows the relevant laws and regulations such as the *Environmental Impact Assessment Law of the People's Republic of China* and the *Green Building Regulations of Zhejiang Province*, and conducts environmental impact assessment and energy conservation assessment for all the projects. The Group will identify and analyze the possible impacts and potential hazards in the construction process of the project, prepare an EIA report and submit it to the government for approval and acceptance. At the same time, the Group will invite the third party organization to carry out the project energy conservation assessment. After on-site inspection and verification, the third party organization will issue an energy-saving evaluation report to provide urban environmental databases of different regions for the development of subsequent projects and promote the construction of green energy-saving projects. Since 2017, the Group's residential projects in Zhejiang province have all met the one-star green building requirement.

Ningbo East Mansion project: obtained the two-star green building rating of Ningbo



The Ningbo East Mansion project combined local cultural heritage, modern facilities and energy-saving and environmental protection measures. The project adopted energy-saving insulation technology and equipment such as exterior wall insulation, roof insulation, floor insulation, low emissivity glass and air-source heat pump heaters, which met six standards (i.e., land saving and outdoor environment, energy saving and energy use, water saving and water use, material saving and material use, and indoor environmental quality and operation) stipulated in the *Evaluation Standard for Green Building* (GB/T50378-2006), and obtained the two-star green building rating of Ningbo. The project integrated the green development concept into the architectural design to reduce the environmental impact of the project. It is a successful exploration of the Group in the field of low carbon green buildings.

3. Harmony: Practice Green Operation

3.2 GREEN CONSTRUCTION

Dexin not only pays attention to the green nature of the project, but also attaches great importance to the environmental management during the project construction. The Group has formulated the *Standard Guidelines for Safe and Civilized Construction* to strictly regulate the environmental protection management process during the project construction, in order to implement green construction in every process of construction projects, and build resource-saving and environment-friendly sites.

- **Waste water discharge management**

The Group attaches great importance to waste water discharge management at the construction site, and is committed to reducing waste water generation and discharge through source control. It has formulated the following management regulations:

1. Build drainage ditch to keep drainage smooth;
2. Prohibit the outflow of mud, sewage and waste water;
3. Set up sedimentation tanks to ensure that construction sewage can be discharged into municipal pipe network or river channels only after precipitation (sewage discharge permission was required). The sediment in the sedimentation tank should be cleaned up in time.

- **Waste management**

For all kinds of wastes generated at the construction site, the Group has established a management system to clarify the requirements for the classification, collection, storage, transfer and disposal of wastes:

1. Establish cleaning system at the construction site, assign full-time cleaners;
2. Ensure classified treatment, timely clearance and transportation of construction waste;
3. It is strictly prohibited to burn all kinds of wastes.

- **Dust management**

Dust pollution is the management focus of construction projects. The Group has adopted strict management measures to reduce its negative impact:

1. To prevent dust generation through measures such as sprinkling, ground hardening, enclosure, close net covering and sealing;
2. To seal or cover the cement and other building materials that will cause flying fine particles.

3. Harmony: Practice Green Operation

During the Reporting Period, the Group used special slotting machine for mechanical slotting in the refined decoration project to avoid dust generation.



The grooving effect of Hangzhou Sky City project using the special slotting machine

- **Noise reduction management**

In the construction site, the Group, based on the *Environmental Noise Emission Standard at the Construction Site Boundary*, monitors, records and analyzes the noise at the site boundary, and reduces the potential noise pollution by adopting the following noise reduction measures:

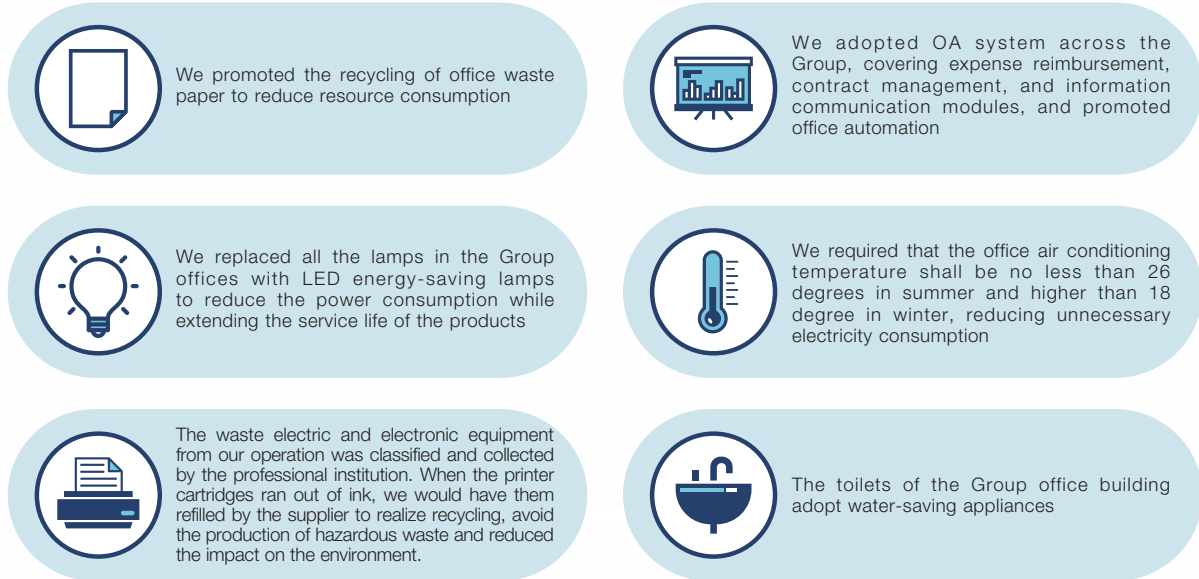
1. Using low-noise, low-vibration equipment, and adopting sound insulation and vibration isolation measures at the construction site;
2. High-noise equipment is set at the side far away from residential areas and noise reduction measures are taken;
3. If it is necessary to carry out construction in excess of the noise standard at night due to special requirements, it should be approved by the relevant department before proceeding.

During the Reporting Period, with our strict management and implementation of green construction, the Group's River Qiantang project was awarded the honorary titles of standardized site and Hangzhou model migrant worker school.

3. Harmony: Practice Green Operation

3.3 GREEN OFFICE

The concept of green environmental protection is not only deeply practiced in the Group's construction projects, but also runs through every detail of the daily office works. The Group advocates green office, and constantly updates the advanced green office, hoping to work with every employee to create a low-carbon and energy-saving office environment.



Green office initiatives

During the Reporting Period, the group promoted printing by swiping card. Previously, a printer produced an average of 0.7kg-1kg of waste paper per month. Now, no waste paper is produced after the implementation of the swiping card method. In addition, the Group promoted the paperless system in the conference room. The white board and white board pens are no longer used in the conference room; the on-screen operating system is used instead. In order to create an atmosphere of energy saving and environmental protection in the office, the Group also posted energy saving and emission reduction awareness communication tips in the office area, encouraging employees to make a contribution to environmental protection anytime and anywhere.



Tips for spreading awareness of energy conservation and emission reduction

3. Harmony: Practice Green Operation

Environmental data performance sheet for 2019

Key Performance Indicators	2019	Unit
Direct energy use		
Natural gas	3,617.00	standard cubic meter
Liquefied petroleum gas	561.34	standard cubic meter
Gasoline	20,179.40	Liter
Indirect energy use		
Total electricity consumption	1,466,779.74	kWh
Energy consumption		
Direct energy consumption	26.34	Ton of standard coal equivalent
Indirect energy consumption	180.27	Ton of standard coal equivalent
Comprehensive energy consumption	206.61	Ton of standard coal equivalent
Energy intensity	0.016	Ton of standard coal equivalent/square meter
Greenhouse gas emissions		
Scope I greenhouse gas	56.23	Ton of CO ₂ equivalent
Scope II greenhouse gas	1,031.88	Ton of CO ₂ equivalent
Total greenhouse gas emissions (scope I + scope II)	1,088.11	Ton of CO ₂ equivalent
Greenhouse gas emission intensity	0.084	Ton of CO ₂ equivalent/square meter
Water resources		
Total water consumption	84,434.00	Ton
Water consumption intensity	6.517	Ton/square meter
Total wastewater discharge	28,562.97	Ton
Wastewater discharge intensity	2.205	Ton/square meter
Waste		
Total non-hazardous waste	8.96	Ton
Discharge intensity of non-hazardous waste	0.692	Kilogram/square meter
Total hazardous waste	0.07	Ton
Discharge intensity of hazardous waste	0.005	Kilogram/square meter
Exhaust Emission		
SOx	0.30	Kilogram
NOx	188.43	Kilogram
Particulate matter	13.87	Kilogram

3. Harmony: Practice Green Operation

Description of environmental data:

- The collection time of environmental data covered the period from January 1, 2019 to December 31, 2019. The collection scope of environmental data included the office area, sales center and staff canteen of **Ruian Dexin Real Estate Co., Ltd., Dexin Real Estate (Lishui) Co., Ltd., Dexin Real Estate (Ningbo) Co., Ltd., Zhejiang Deguang Real Estate Co., Ltd., Deqing Deyu Real Estate Co., Ltd., Deqing Dening Real Estate Co., Ltd., Hangzhou Dexin Shushan Real Estate Co., Ltd., Hangzhou Dexin Jinyu Real Estate Co., Ltd., Wenzhou Dexin Dongchen Real Estate Co., Ltd. and Zhejiang Dechen Real Estate Co., Ltd.**
- The intensity of the environmental data was calculated by dividing the total volume of data in 2019 by the amount of floor space calculated.
- Exhaust Emissions were generated from the gasoline consumption of the official vehicles. Emission calculations were based on *Appendix II: Guidelines for Reporting Environmental Key Performance Indicators* in the *How to Prepare Environmental, Social and Governance Reports* issued by the Hong Kong Stock Exchange.
- The main source of greenhouse gas emissions (Scope I) includes the natural gas, liquefied petroleum gas and gasoline; Greenhouse gas emissions (Scope II) come from the purchased electricity. The calculation of greenhouse gas emissions was based on the *Guidelines on Greenhouse Gas Emission Accounting Methods and Reporting of Enterprises in Other Industrial Sectors (Trial)* issued by the National Development and Reform Commission.
- Direct energy sources included natural gas, liquefied petroleum gas and gasoline, while indirect energy sources included purchased electricity. The energy consumption calculation was based on national standards of China, the *General Principles of Comprehensive Energy Consumption Calculation* (GB2589-2008T).
- The non-hazardous waste included the office garbage and food garbage produced in the office area and the staff canteen.

4. Belief: Promote Staff Development

Dexin regards talents as the power source of enterprise development. The Group constantly improves the human resource system. It has developed a series of standardized and humanized human resource management systems to cultivate outstanding talents with core competitiveness. The Group attaches great importance to the development and promotion of employees. It has developed a diversified staff development and training plan, which endows employees with sufficient ability and vitality to achieve self-improvement. The Group is committed to building an open, efficient and harmonious team, so as to achieve a win-win situation in which talent development and group benefits advance together.

4.1 EMPLOYEE PROFILE

The Company strictly abides by the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors* and other laws and regulations, as well as Hong Kong laws, such as *Employment Ordinance*, and resolutely prohibits the employment of child labor and forced labor. The Group's recruitment guidelines ensure that employees are of legal working age and that child labor is eliminated. During the Reporting Period, the Group revised the *Attendance and Vacation Management System of Dexin Real Estate Group (2019 Revision)*, strictly implemented the dual vacation system and 40 working hours a week, and required all city companies and project companies to follow the work and rest standards of the Group. For overtime work, the overtime application process shall be initiated by the staff on the attendance system in advance and the approval procedures shall be strictly implemented. During the Reporting Period, the Group did not have any employment of child labor and forced labor.

During the Reporting Period, the Group revised the *Recruitment Management System of Dexin Real Estate Group Co., Ltd.*, continuously improved the *Employment Criteria of Dexin Real Estate Group*, the *Background Questionnaire*, the *Interview Process Sheet of Dexin Real Estate Group*, unified the recruitment standards of the functional centers, city companies and project companies of the headquarters, and improved the efficiency of recruitment, to improve the talent selection mechanism of the Group. The Group adheres to the recruitment principles of "having both ability and morality, putting morality first", "matching person and post, selecting the best candidates", "one-vote veto power", respects differences in gender, age, education, race and other factors, and opposes any form of discrimination in the recruitment process. During the Reporting Period, the Group hired three disabled people to function in appropriate positions, insisted on treating all employees equally, and pledged to protect the legitimate rights and interests of all employees.

In terms of recruitment, the Group has set up online recruitment channels, and conducted recruitment from the society through large domestic recruitment platforms such as 51job.com, zhaopin.com and liepin.com. In addition, the Group also adopts internal recommendation, headhunter recruitment, social special recruitment and campus recruitment channels, in order to attract outstanding talents through a wide range of recruitment channels, and promote the healthy and orderly development of the Group.



Special recruitment in 2019

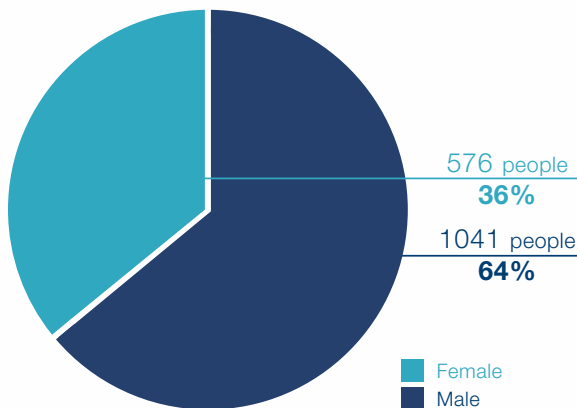


Campus Recruitment in 2019

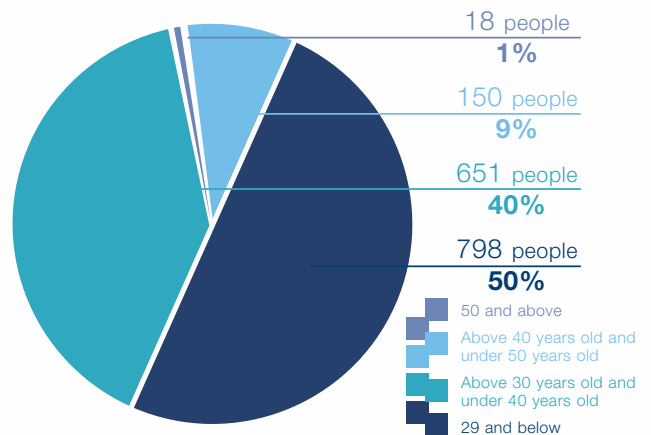
4. Belief: Promote Staff Development

During the Reporting Period, the Group actively recruited outstanding talents in various professional fields with the concept of openness and diversity, so as to build a strong team and maintain the overall business growth of the Group. As of December 31, 2019, the group had a total of 1,617 employees. The specific employee distribution is as follows:

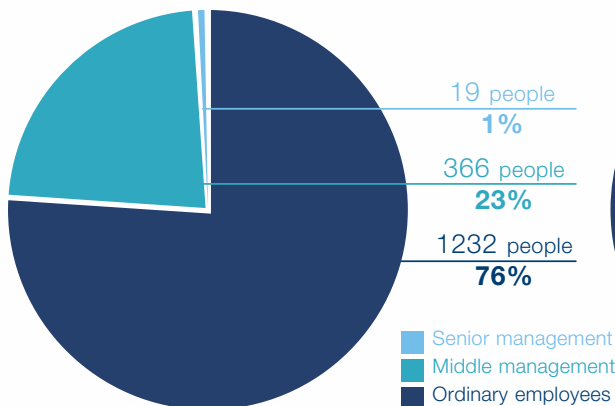
The proportion of employees by gender



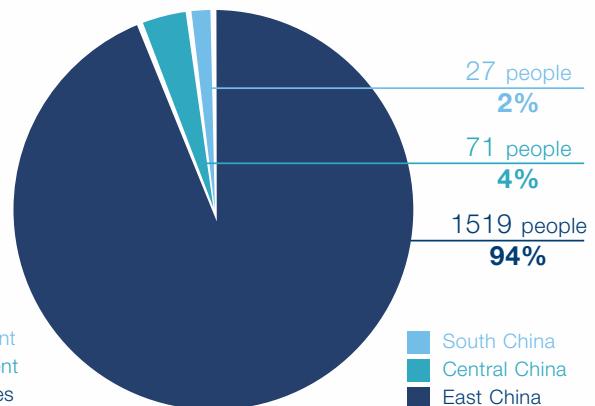
The proportion of employees by age



The proportion of employees by rank



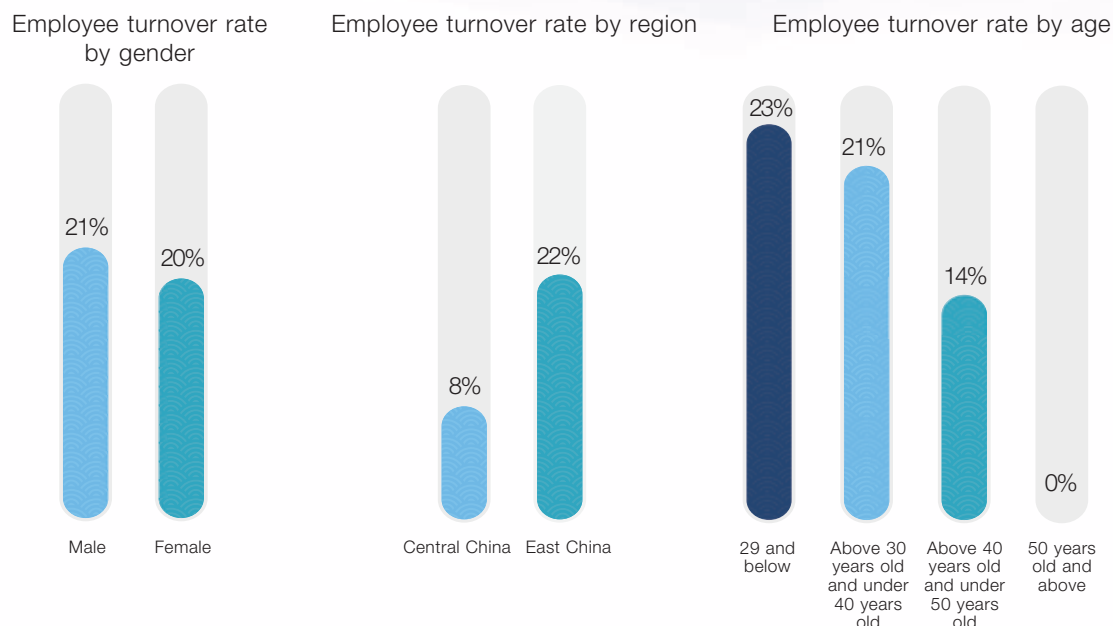
The proportion of employees by region



The Group strictly implemented the *Employee Performance Management Standards of Dexin Real Estate Group* to achieve the purpose of unifying post salary and risk responsibility, regulating market value and internal equity, and rewarding high-performing and high-level talents, thus effectively increasing employees' sense of identity to the Company and motivate them to improve their self-contribution. The Group has the right to determine the employee who has failed the performance appraisal for two consecutive times as "incompetent" and negotiate the dismissal of the employee. For employees who resign voluntarily, the Group will conduct a resignation interview with them, to talk about the reasons for resignation, working experience in Dexin, future planning, etc. Meanwhile, the Group will provide the employees with warm tips to remind them of social security, provident fund, commercial insurance and salary settlement considerations, and help them make a smooth transition to new jobs.

4. Belief: Promote Staff Development

During the Reporting Period, the total employee turnover rate was 21.08%. The specific employee turnover rate is as follows:



4.2 EMPLOYEE DEVELOPMENT

Excellent talents are the source power of the sustainable development of enterprises and the core competitiveness of the healthy development of enterprises. During the Reporting Period, the Group revised the *Training Management System of Dexin Real Estate Group in 2019 (2019 Revision)*, continued to improve the Company's training system, promoted the standardization, rationalization and systematic development of training work, and specified the training management methods, procedures, work guidelines and implementation standards, with an aim to help employees grow in all aspects.

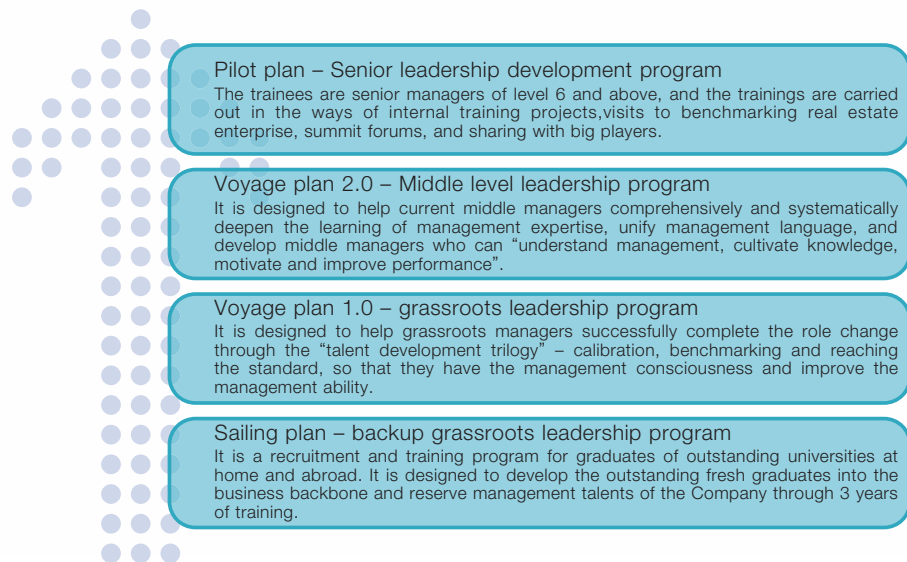
The Group's multi-level and perfect training system and projects mainly include the "Three Plans" of talent echelon (Sailing plan, Voyage plan, Pilot plan), new employee training program, professional knowledge training program and training system guarantee program.



4. Belief: Promote Staff Development

• “Three Plans” of talent echelon

The “Three Plans” of talent echelon are designed to provide backup grassroots leadership, grassroots leadership, middle-level leadership and high-level leadership training programs for different employees, aiming to build a multi-level and multi-echelon talent team. The Group has carefully studied and formulated systematic and stepped training and development programs for key talents at different occupational levels.



“Three Plans” of talent echelon

• New employee training

In order to help new employees quickly integrate into the team, we carry out training activities in the week of new employees’ entry, including Group introduction, operating instructions of common office systems and processes, and instructions of various systems. In addition, we hold regular communication meetings with new employees and organize trainings at the end of each quarter for new employees who enter the Company in the relevant quarter to further deepen their understanding of the Group and the projects, transfer the guidance of corporate culture and company philosophy, and help them adapt to and integrate into the Group atmosphere more quickly.

New employee sharing session

In order to further deepen the understanding of the new employees on the Company and the projects, and to enhance the communication between employees of different cities, the new employee exchange meetings in each quarter of 2019 were held in rotation by different city companies. During the Reporting Period, we held 5 training activities themed “Bosom friends go together on the journey of Dexin” for new employees in Hangzhou, Chengdu, Ningbo and Guangzhou. The exchange meeting for new employees is designed to help the employees have an in-depth understanding of the development process and culture of the Group, systematically study the management and control mode of each major, and to hone the will of new employees and consolidate team morale.



4. Belief: Promote Staff Development

• Professional knowledge training programs

In order to improve the professional knowledge and skills of the staff, the Group regularly provides professional skills training opportunities for the staff through internal training by external experts, internal trainings of business line and the Dexin lecture hall, so as to improve the staff's management ability and professional ability.

During the Reporting Period, in order to comprehensively promote marketing standardization and enhance the position competency of marketing managers, centering on the talent development principle of "talent selection, talent cultivation, talent utilization and talent retention" of project marketing operators, "the 2019 operators training camp of Dexin Academy" carried out the inventory of marketing system talents and interviews with core talents according to the competency model of marketing operators. After a series of multi-dimensional and multi-level talent selections, 15 trainees were finally selected to enter the "operators training camp" in 2019 for systematic and comprehensive training.

Operators training camp of Dexin Academy

With the courses designed from the dimensions of professional learning, skill improvement, management practice and benchmarking tour, the "2019 operators training camp" covered 20 courses in total, including marketing, product, finance, engineering, cost, management practice and case sharing.

The operators training camp adopted the point system in class management, set up the class committee, and organized activities such as class opening, graduation ceremony and league building. In terms of coaching and teaching, it empowered the tutors and improved the communication effect. In terms of the training effect, the form of professional theory examination + completion report + practical operation reply was adopted. The Dexin talent certification committee, consisting of 4 judges, would evaluate the trainees according to their oral defense and actual work and learning performance.

During the Reporting Period, 10 qualified operators were output through systematic 20 courses, tutorial, project visit and action learning, providing core marketing talents for the development of the Group.



4. Belief: Promote Staff Development

In addition to the training camp for operators, the Group has also set up all-round and multi-level training programs for Dexin talents, such as training camp for new troops, training camp for new marketing forces, training camp for vanguards, training camp for management, and big training for Dexin teams.

Training camp for new troops

During the Reporting Period, three new troops training camps were organized, with a total of more than 180 person-times of training, which provided a strong guarantee for the new employees to quickly integrate into the Group and take up their posts.

Training camp for new marketing forces

6 marketing management trainees were trained in rotation, with a total of 50 sets of achievements, so as to cultivate talent reserves for the future development of Dexin.

Training camp for management

3 training courses of management training camp and 7 regular meetings of marketing management were carried out for managers and above, which further broadened the vision and industry cognition of managers.

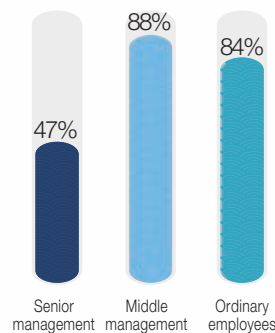
Big training for Dexin teams

In April 2019 and January 2020, we organized two large-scale training activities covering all members of Dexin. Through the militarization expansion activities, we exercised the physical strength of employees and cultivated the spirit of the Dexin talents to march forward bravely and achieve its mission.

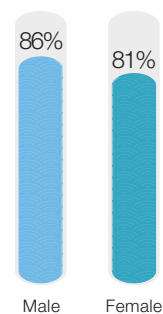
Achievements of Dexin talent training programs

During the Reporting Period, the total number of trainees in the Group was 1,362. The ratio of each type of training and the number of hours of training per person are as follows:

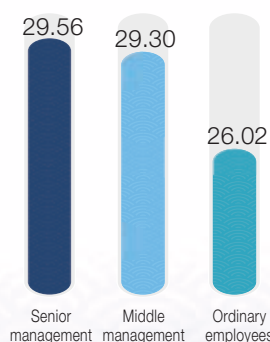
Percentage of trainees by rank



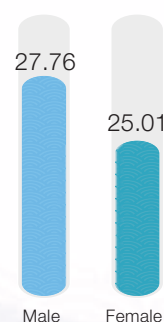
Percentage of trainees by gender



Average number of hours of training per employee by rank (hours)



Average number of hours of training per employee by gender (hours)



4. Belief: Promote Staff Development

4.3 EMPLOYEE HEALTH

Dexin strictly abides by the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other laws and regulations, as well as the requirements of Hong Kong laws, such as *Occupational Safety Health Ordinance* and strives to create a comfortable, healthy and safe working environment for employees. During the Reporting Period, the Group formulated and strictly implemented the *Red and Yellow Cards System for Safe Production*, focusing on bottom-line management in 9 modules, such as falling from high altitude, throwing objects from high altitude, mechanical installation and disassembly, fire fighting, etc., with an aim to eradicate construction risks, comprehensively improve the safety awareness of employees, and deepen their understanding and attention to occupational health and safety.

It is clearly stipulated in the *Red and Yellow Cards System for Safe Production* that: if safety production problems are found by the group, regional and local inspection teams during inspections, 1 yellow card will be issued in a single inspection item and a red card warning will be issued if 3 yellow cards have been issued. It also stipulates that if the project receives two consecutive red card warnings, the Group will take measures to suspend the project and carry out rectification. In addition, the Group includes the accidents into the assessment of engineering system responsibility. The inspection results will be submitted to the corresponding functional departments of the Group to form a red and black list, which will be publicized at the general manager meeting. During the Reporting Period, the Group did not have any major accidents.

Safety training activities

During the Reporting Period, we conducted 7 safety training activities in total. The training content covered such modules as construction power supply, work at heights, outer frame setup and dismantling, and the training form included the individual training of each city company and the unified training at the group level.



In August 2019, we conducted training on key points of security control at the city company level



In July 2019, special training on production safety was conducted in the engineering system

The Group also attaches great importance to the health and safety of its employees in the office area. Since the outbreak of COVID-19 in December 2019, Dexin Real Estate Wenzhou actively responded to government policies, and resolutely implemented the measures and requirements of the municipal government and the Group. It formulated the *COVID-19 Prevention and Control Emergency Plan*, set up the epidemic prevention and control working team, and strengthened the responsibility supervision and scientific deployment, with an aim to prevent and control the epidemic and ensure the health and safety of employees comprehensively by implementing strict prevention and control and taking multiple measures.

In view of the severe situation of epidemic prevention and control, while the city companies and project companies cooperated with the local governments to do the prevention and control work, the Group also realized healthy and orderly operation through scientific resumption of work. We developed the *Manual for Home Office Psychology Construction under Epidemic* to help the staff relieve and ease the psychological pressure, actively guide the staff to make the psychological adjustment, and help the staff actively fight the epidemic.

4. Belief: Promote Staff Development

We are united in fighting the COVID-19

In order to meet the needs of returning to work under the epidemic, Dexin Real Estate Wenzhou purchased sufficient supplies such as masks, temperature meters, disposable gloves, disinfection potions, hand sanitizers, etc., and equipped the staff with “protection package for returning to work” (masks, disposable gloves, alcohol cotton tablets, alcohol spray, epidemic prevention and control manual for resumption of work of Dexin Real Estate, epidemic prevention publicity materials), in order to help each employee achieve scientific prevention and control and protect themselves. We also strengthened the storage and distribution management of epidemic prevention materials to ensure that they are used safely and effectively in a timely manner.

In addition, we provided each department with disinfectant water, hand sanitizer, spray bottle disinfection tools, and the health commissioner of each department carries out full-coverage disinfection and sterilization on the office area at regular intervals every day. We carried out disinfection in strict accordance with the standards, and eliminated the neglected corners of public hygiene in time. We frequently sterilized the key parts such as elevators, handrails, access control and public toilets with high staff mobility and high frequency of contact, so as to ensure the health and safety of the office area and create a healthy and comfortable office environment for employees.



4.4 EMPLOYEE CARE

Dexin attaches great importance to employees' working experience, keeps in-depth communication with employees, and constantly improves the salary management and performance system. We also try our best to create a warm and harmonious working atmosphere for our employees, and enhance their sense of belonging to the group with every bit of care.

• Employee communication

During the Reporting Period, the Group conducted a satisfaction survey for all employees. The survey included the Company's policies, work flow, salary and welfare, corporate culture, spiritual incentive, training and development. A total of 1,192 valid questionnaires were collected. According to the survey results, we found that employees had a strong sense of corporate culture, especially in the acquisition of cross-departmental business collaboration and spiritual incentives. Based on the results of the satisfaction survey and the employees' demands on salary incentives and personal career development, the Group revised and released the *Bonus Incentive System of Dexin Real Estate Group (2019 Version)* to further improve employee satisfaction with practical actions.

With the rapid expansion of the Group's national strategic deployment and talent team, the Group held an exchange meeting for new management members in order to help the new middle and senior managers to understand and integrate into the Group culture and to listen to employees' suggestions for the Company's future development.

4. Belief: Promote Staff Development

Exchange meeting for new management members

In October 2019, the exchange meeting for new management members of Dexin Real Estate Group with the theme of “Bosom friends go together on the journey of Dexin” was successfully held. 19 new managers of level 6 and above attended this exchange meeting, and the President of Dexin Real Estate Group also attended the meeting as a guest. At the exchange meeting, the president introduced and answered questions of the managers about the Company’s strategic development, operation management, operation control and other aspects, and put forward relevant requirements for the new managers. This exchange meeting enhanced the understanding of the Group’s strategy and management ideas, further deepened the relationship between senior management and new employees, and pointed out the direction for the Group to better serve employees and improve employee satisfaction in the future.



• Remuneration and Benefits

The Group strictly abides by the *Labor Contract Law of the People’s Republic of China*, the *Provisions on Minimum Wage of the People’s Republic of China* and other laws and regulations related to compensation and welfare guarantee of employees, the applicable Hong Kong laws, such as *Employment Ordinance*, as well as the actual situations of the Group. The Group developed a sound compensation and welfare system. During the Reporting Period, we carried out two regular salary adjustments according to the *Provisions on the Compensation Management System of Dexin Real Estate Group* and the *Salary Verification and Adjustment Management Measures of Dexin Real Estate Group*, issued the “notice on the implementation of the 2019 semi-annual staff salary review” and the “notice on the implementation of the 2019 annual staff salary verification work of Dexin Real Estate Group” to ensure the provision of an industry-competitive salary system for employees.

In addition to the sound salary system, the Group formulated and issued the *Attendance and Vacation Management System of Dexin Real Estate Group (2019 Revision)* by referring to the national policies and relevant regulations, which stated that female workers enjoy the right of maternity leave, prenatal check-up leave and lactation leave, and made it clear that their salaries shall not be withheld during the prenatal check-up leave. In addition, the Group also provides its employees with a complete welfare system including statutory benefits, inclusive benefits, post benefits and other benefits.

Mandated benefits	Inclusive benefits	Post benefits	Others
<ul style="list-style-type: none"> Social insurance (pension insurance, medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance) Housing allowances 	<ul style="list-style-type: none"> Vacation Benefit High temperature labor insurance benefits Supplementary commercial insurance Health checkup Meal allowance 	<ul style="list-style-type: none"> Travel allowance Communication allowance 	<ul style="list-style-type: none"> Transportation and rental subsidies for personnel dispatched to other places

Benefit system of the Group

4. Belief: Promote Staff Development

• Staff activities

We not only provide competitive salary and benefits to our employees, but also hold various activities including basketball league, employee sports meeting, quality development and annual meeting after work to help employees achieve work-life balance.



Basketball league



Team building activity



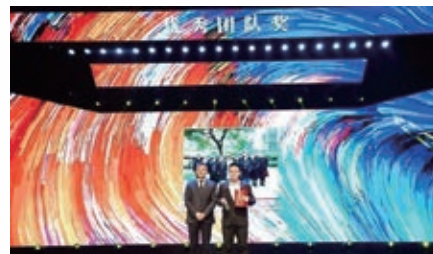
Employee qualification development



The group always advocates “platform thinking” to build a development platform for employees and help them achieve self-breakthrough and self-value improvement. In order to thank every employee for his contribution to the Company and set up a model and a benchmark for all employees, the Group held an annual meeting with the theme of “getting united and gathering forces, moving forward with determination”, and rewarded the Dexin people who worked hard in 2019.



We granted the “best new talent award” to the new employees who grew and changed rapidly and were able to work independently with a conscientious work attitude.



We granted “excellent team award” to many excellent teams that united as one and supported the development of the Company.



We granted the “loyal employee award” to the employees who were rooted in the Group, down-to-earth and pragmatic.



We granted the “best mentor award” to the new employee mentors who can help new employees get familiar with the working environment, understand the work content, integrate into the Company and be competent in the work as soon as possible.

5. Be together: Practice the Virtue of Making Self-Achievement by Helping Others and Benefiting the Society

Dexin always believes that the progress of enterprises and the development of society are closely linked. The Group is committed to giving back to the society with practical actions and actively supporting and participating in the development of social public welfare undertakings. During the Reporting Period, the Group, based on the concept of “bit by bit for public good, action first”, continued to practice corporate social responsibility by subsidizing outstanding poor students, supporting educational public welfare projects, and donating money and materials. The Group was awarded the “Social Responsibility Award for Listed Real Estate Enterprises in China in 2019” by Gelonghui.



The Social Responsibility Award for Listed Real Estate Enterprises in China in 2019

5.1 GIVING BACK TO THE COMMUNITY

As a participant and contributor of the community, the Group is always committed to giving back to the society, actively integrating its own resources, assuming corporate citizenship responsibilities, contributing to public welfare in social activities, and advancing together with the community.

2019 Zhejiang elite marathon and Deqing Moganshan international bamboo sea marathon

In December 2019, under the guidance of Zhejiang provincial sports competition center, sponsored by the People's Government of Deqing County, organized by the sports bureau of Deqing County and the People's Government of Moganshan Town, the “Dexin Real Estate • 2019 Zhejiang elite marathon and Deqing Moganshan international bamboo sea marathon” was officially held. Relying on its own resources, the Group cooperated with many well-known media to promote the event, and called on and organized our owners and employees to participate in the event, creating a strong atmosphere for the event. At the event site, we provided a variety of warm care including special blue tents, which became a unique scene on the field. All people there, whether contestants or the audience, spread the marathon feast in different ways, passing on the love of Deqing city for marathon and sports.



5. Be together: Practice the Virtue of Making Self-Achievement by Helping Others and Benefiting the Society

At the end of 2019, a sudden outbreak of the COVID-19 epidemic swept the country into a smokeless war and had a major impact on many industries. The Group paid close attention to the development of the epidemic, and started the financial support immediately. It donated RMB3,000,000 in cash to the Red Cross Society of Zhejiang province, which was used to assist the anti-epidemic frontline in Hubei and Zhejiang provinces, to further practice the group's corporate tenet of "Good morals, good faith" with practical actions, and to fulfill our corporate civil social responsibilities.



5.2 DEXIN BLUE EDUCATION FOUNDATION

The group set up Hangzhou Dexin blue education foundation on December 4, 2017 with the purpose of building an education platform to realize dreams by providing more learning opportunities for outstanding students and creating a broader space for improvement. During the Reporting Period, Dexin Blue cooperated with many partners to help people with faith and ideals, eager to use knowledge to change the fate to achieve their dream of learning; to help the children who have difficulties in school get the chance to change and improve themselves, and form the driving force of love for students, promote the change of social values.

Sunshine Education Foundation: inspirational lecture hall for the growth of rural youth

In August 2019, Hangzhou Daily Express and Hangzhou Dexin blue education foundation jointly launched the "outstanding students come" -- "Dexin Blue" inspirational lecture hall for the growth of rural youth in 2019. After previous visits, we selected outstanding sunshine students in Lanxi and Yongkang, Jinhua and Jingning, Qingyuan and Liandu, Lishui to share their learning experience and life experience with the students who will take the college entrance examination. The event attracted more than 1,000 participants, including parents, teachers and students.

In addition, Hangzhou Dexin blue education foundation and 100 representatives of sunshine students from all over the province gathered in Lishui to attend the "student report meeting and grant delivery ceremony for 2019 student aid action of Hangzhou Daily Express and Sunshine". "2019 student aid action of Hangzhou Daily Express and Sunshine" provided assistance to a total of 210 sunshine students of fine qualities and fine scholar from poor families, including 22 college students.



5. Be together: Practice the Virtue of Making Self-Achievement by Helping Others and Benefiting the Society

“Zhejiang philanthropic city and countryside synchronous classroom” education public welfare project

In 2019, “comprehensively promoting ‘Internet + compulsory education’” became one of the practical livelihood projects of Zhejiang provincial government. On this basis and under the guidance of the livelihood work leading group office of Zhejiang Education Department for mutual supports of urban and rural schools of Zhejiang province in Internet + compulsory education, Zhejiang education technology center, Teaching and Research Office of Zhejiang Education Department, Hangzhou Dexin blue education foundation cooperated with Zhejiang Jinjiang public welfare foundation, Ningbo Huamao education foundation, Hangzhou Daily Express initiated the public welfare project of “Zhejiang philanthropic city and countryside synchronous classroom” to promote balanced development of education, and donated RMB360,000.

In September 2019, the public welfare project “Zhejiang philanthropic city and countryside synchronous classroom” was launched in Lishui. It is planned to donate 50 sets of synchronous classroom hardware equipment to Lishui city and Quzhou City in two batches within a year, and install them in the relevant rural schools (mainly small-scale schools) that are involved in the plan of mutual support between schools in rural and counties and urban areas, and create 100 pilot programs of synchronous teaching in 100 small-scale schools in urban and rural areas, so as to achieve the “balanced development of compulsory education, equitable education for everyone to benefit”.



Annex I List of Laws, Regulations and Policies

SN	Doc Name
I. External laws, regulations and related rules	
1	General Principles of Comprehensive Energy Consumption Calculation (GB2589-2008T)
2	Guidelines on Greenhouse Gas Emission Accounting Methods and Reporting of Enterprises in Other Industrial Sectors (Trial)
3	Company Law of the People's Republic of China
4	Anti-unfair Competition Law of the People's Republic of China
5	Work Safety Law of the People's Republic of China
6	Construction Law of the People's Republic of China
7	Trademark Law of the People's Republic of China
8	Patent Law of the People's Republic of China
9	Labor Contract Law of the People's Republic of China
10	Labor Law of the People's Republic of China
11	Regulations on Minimum Wage of the People's Republic of China
12	Copyright Law of the People's Republic of China
13	Cyber Security Law of the People's Republic of China
14	Audit Law of the People's Republic of China
15	Environmental Protection Law of the People's Republic of China
16	Environmental Impact Assessment Law of the People's Republic of China
17	Prevention and Control of Occupational Diseases Law of the People's Republic of China
18	Construction Engineering Quality Management Regulations
19	Measures for the Administration of Environmental Protection Acceptance upon Completion of Construction Projects
20	Regulations on Environmental Protection Management of Construction Projects
21	Environmental Noise Emission Standard at the Construction Site Boundary
22	Green Building Regulations of Zhejiang Province
23	Employment Ordinance
24	Regulations on the Protection of Telecom and Internet Users' Personal Information
25	Evaluation Standard for Green Building
26	Occupational Safety Health Ordinance

Annex I List of Laws, Regulations and Policies

SN	Doc Name
27	Interim Provisions on Banning Commercial Bribery
II. Internal management policies	
1	TOP Grade Product Line Value System and Configuration Standard
2	Measures for Marketing Risk Control and Quality Construction Management of Demonstration Areas (2019 Version)
3	Customer Service Operation Guide for All Decoration Projects (2019 Version)
4	Professional Quality Promotion Points
5	Professional Product Curing Standards
6	Standard Guidelines for Safe and Civilized Construction
7	Red and Yellow Cards System for Safe Production
8	Standardized Manual of Marketing Information System
9	Confidant Manual
10	20 Red Lines for Quality Risks
11	Manual for Home Office Psychology Construction under Epidemic
12	Product Positioning of High-end Product Series
13	Operation Guidelines for Joint Inspection of Project Delivery Risks (2019 Version)
14	Project Delivery Implementation Plan (2019 Version)
15	Guidelines on Project Management Throughout the Project Cycle
16	Cost Schedule for the Full Cycle Customer Service Management (2019 Version)
17	Product Line Planning
18	Key Points for Refined Control of Design Cost
19	Integrity Cooperation Agreement
20	COVID-19 Prevention and Control Emergency Plan
21	Performance Assessment Form of Various Suppliers of Dexin Real Estate
22	Marketing Audit System of Dexin Real Estate (2019)
23	Customer Complaints/Recommendations Handling and Circulation List of Dexin Real Estate
24	Customer Service Specifications for Dexin Real Estate
25	Customer Satisfaction Assessment and Evaluation Management Measures of Dexin Real Estate

Annex I List of Laws, Regulations and Policies

SN	Doc Name
26	Customer Service System Platform of Dexin Real Estate
27	Information Management Requirements for Major and Hot Complaints from Customers of Dexin Real Estate
28	Operating Guidelines for Product Quality Control of Dexin Real Estate
29	Management System for Intellectual Property of Dexin Real Estate
30	Training Management System of Dexin Real Estate Group in 2019 (2019 Revision)
31	Internal Audit System of Dexin Real Estate Group
32	Recruitment Management System of Dexin Real Estate Group
33	Bonus Incentive System of Dexin Real Estate Group (2019 Version)
34	Compensation Management System of Dexin Real Estate Group
35	Attendance and Vacation Management System of Dexin Real Estate Group (2019 Revision)
36	Supplier Management Measures of Dexin Real Estate Group
37	Staff Audit Guidelines of Dexin Real Estate Group
38	Employee Performance Management Standards of Dexin Real Estate Group
39	Economic Responsibility Audit System of Dexin Real Estate Group
40	Guidance on the Management of Project Development Plan of Dexin Real Estate
41	Inspection Method for Operation Stop Point of Dexin Real Estate
42	Implementation Measures for Communication with Property Management Company and Quality Inspection Mechanism of Dexin Real Estate (2019 Version)
43	Joint Inspection Mechanism between Dexin Real Estate and Shengquan Property (2019 Version)
44	Joint Inspection Mechanism between Dexin Real Estate and Shengquan Property
45	Notice on Doing a Good Job in Security of Customer Information
46	Audit Integrity Reporting System of Dexin Real Estate Group
47	Trial Version of Accountability System for Violations of Rules and Regulations of Dexin Holding for Dexin Real Estate
48	Mysterious Customer Evaluation Specification and Evaluation Form
49	Specification for Return Visit to Customer via Telephone
50	Employment Criteria of Dexin Real Estate Group
51	Salary Verification and Adjustment Management Measures of Dexin Real Estate Group

Annex II Content Index of HKEx ESG Reporting Guide

Main categories, levels, general disclosure and key performance indicators		Index
A. Environment		
Aspect A1: Emissions		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3. Harmony: practice green operation
Key Performance Indicators A1.1	The types of emissions and respective emissions data.	3.3 Green office
Key Performance Indicators A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.3 Green office
Key Performance Indicators A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.3 Green office
Key Performance Indicators A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.3 Green office
Key Performance Indicators A1.5	Description of measures to mitigate emissions and results achieved.	3.2 Green construction 3.3 Green office
Key Performance Indicators A1.6	Description of how hazardous and nonhazardous wastes are handled, reduction initiatives and results achieved.	3.2 Green construction 3.3 Green office
Aspect A2: Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	3. Harmony: practice green operation
Key Performance Indicators A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	3.3 Green office
Key Performance Indicators A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.3 Green office
Key Performance Indicators A2.3	Description of energy use efficiency initiatives and results achieved.	3.1 Development of green products
Key Performance Indicators A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	3.1 Development of green products
Key Performance Indicators A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business does not involve the use of packaging materials.

Annex II Content Index of HKEx ESG Reporting Guide

Main categories, levels, general disclosure and key performance indicators		Index
Aspect A3: Environment and Natural Resources		
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	3.2 Green construction
Key Performance Indicators A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.2 Green construction
B. Society		
Employment and Labor Practices		
Aspect B1: Employment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4.1 Employee profile
Key Performance Indicators B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1 Employee profile
Key Performance Indicators B1.2	Employee turnover rate by gender, age group and geographical region.	4.1 Employee profile
Aspect B2: Health and Safety		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.3 Employee health
Key Performance Indicators B2.1	Number and rate of work-related fatalities.	4.3 Employee health
Key Performance Indicators B2.2	Lost days due to work injury.	4.3 Employee health
Key Performance Indicators B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.3 Employee health

Annex II Content Index of HKEx ESG Reporting Guide

Main categories, levels, general disclosure and key performance indicators		Index
Aspect B3: Development and Training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.2 Employee development
Key Performance Indicators B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.2 Employee development
Key Performance Indicators B3.2	The average training hours completed per employee by gender and employee category.	4.2 Employee development
Aspect B4: Labor Standards		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labor.	4.1 Employee profile
Key Performance Indicators B4.1	Description of measures to review employment practices to avoid child and forced labor.	4.1 Employee profile
Key Performance Indicators B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Employee profile
Operating Practices		
Aspect B5: Supply Chain Management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	2.4 Win-win and sharing
Key Performance Indicators B5.1	Number of suppliers by geographical region.	2.4 Win-win and sharing
Key Performance Indicators B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	2.4 Win-win and sharing
Aspect B6: Product Responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2. Concomitance: Become customers' companion

Annex II Content Index of HKEx ESG Reporting Guide

Main categories, levels, general disclosure and key performance indicators		Index
Key Performance Indicators B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The business of the Group does not involve product recalls.
Key Performance Indicators B6.2	Number of products and service related complaints received and how they are dealt with.	2.3 Customer services
Key Performance Indicators B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.2 Constant innovation
Key Performance Indicators B6.4	Description of quality assurance process and recall procedures.	2.1 Quality first
Key Performance Indicators B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	2.3 Customer services
Aspect B7: Anti-corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.2 Corporate governance
Key Performance Indicators 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.	1.2 Corporate governance
Key Performance Indicators B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1.2 Corporate governance
Communities		
Aspect B8: Community Investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	5. Be together: Practice the virtue of making self-achievement by helping others and benefiting the society
Key Performance Indicators B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	5. Be together: Practice the virtue of making self-achievement by helping others and benefiting the society
Key Performance Indicators B8.2	Resources contributed (e.g. money or time) to the focus area.	5. Be together: Practice the virtue of making self-achievement by helping others and benefiting the society

Annex III Report Feedback

Dear readers:

Thank you for reading this Report! This Report is the 2019 Environmental, Social and Governance Report issued by the Group. I welcome your comments on this Report and your valuable advice to help us continuously improve the management of sustainable development and raise the level of responsibility assumption, to create value for building green ecology and a harmonious society.

Your information:	
Name:	Unit:
Tel.:	Email:

Your comment
1. What do you think of the overall report on environment, society and governance in 2019?
<input type="checkbox"/> Very good <input type="checkbox"/> Good <input type="checkbox"/> So so <input type="checkbox"/> Poor <input type="checkbox"/> Very poor
2. What do you think of the information disclosed in the report on environment, society and governance in 2019?
<input type="checkbox"/> A lot <input type="checkbox"/> Quite a lot <input type="checkbox"/> So so <input type="checkbox"/> Little <input type="checkbox"/> Very little
3. What do you think of the information disclosure quality in the report on environment, society and governance in 2019?
<input type="checkbox"/> Very high <input type="checkbox"/> High <input type="checkbox"/> So so <input type="checkbox"/> Low <input type="checkbox"/> Very low
4. Which parts of the 2020 environmental, social and governance report you would like to have in rich presentation form:
<input type="checkbox"/> Description of management ideas <input type="checkbox"/> Data graphs <input type="checkbox"/> Cases <input type="checkbox"/> Special topic <input type="checkbox"/> Image
5. What topics would you like to add to the 2020 environmental, social and governance report of Dexin?
<input type="checkbox"/> Corporate governance type, please specify:
<input type="checkbox"/> Environmental protection type, please specify:
<input type="checkbox"/> Social advancement type, please specify:
<input type="checkbox"/> Other types, please specify:

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