



中國首控集團有限公司

China First Capital Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1269

2020

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT





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About the Report



The Report provides information about the Group's work on ESG in the 2020 Financial Year, which mainly covers environmental and social issues that its stakeholders are concerned about and are related to the Group's sustainable development, to allow all stakeholders to better understand the Group's philosophy, relevant measures and performance, etc., in relation to sustainable development. The Group looks forward to providing objective and reliable non-financial information to stakeholders in the form of annual reporting, to promote stakeholders' understanding and participation in the Group's sustainable development. In order to gain a comprehensive understanding of the Group's relevant performance, the Report shall be read in conjunction with the Company's 2020 annual report (in particular the Corporate Governance Report contained therein).

REPORTING BOUNDARY

The Report covers the Group's education operation business in China, financial services business in China and Hong Kong, and automotive parts business in China. Unless otherwise specified, the disclosure period for information and data covered in the Report is the 2020 Financial Year, which is from 1 January 2020 to 31 December 2020.

BASIS OF REPORT PREPARATION

The Report was prepared in accordance with the ESG Reporting Guide. The Group discloses its management policies, strategies and targets on various environmental and social aspects in different sections of the Report. The Report was also prepared in accordance with the "comply or explain" provisions and reporting principles as set out in the ESG Reporting Guide, which include:

Materiality: The Group identified sustainability issues that were of paramount importance to stakeholders by conducting materiality assessment through an online survey in 2018. Since there were no significant changes on the Group's business nature between the 2020 Financial Year and previous years, the ESG Working Group re-examined the applicability of the existing sustainability issues pool for the 2020 Financial Year and updated the Group's sustainability issues pool with consideration given to the Group's business development direction and the materiality assessment results of previous years by stakeholders, while taking reference to the focus areas of companies in the same industry as well as international reporting guidelines. Subsequent to the Board's confirmation of the material issues for the 2020 Financial Year, the disclosure focus of the Report was then formed for the Group to respond to stakeholders' concerns in a detailed manner.

About the Report (*Continued*)

Quantitative: All business segments under the Group have in place a customised data collection tool, continuously recording and monitoring environmental and social performance indicators that are relevant to their business natures. The Report provides the data of environmental performance indicators for the three years ended 31 December 2020 to present annual performance changes and lay a foundation for the Group to set environmental performance targets in the future.

Balance: The Report discloses the challenges faced and efforts put forth by the Group in its sustainable development, reflecting the Group's state of operation objectively.

Consistency: Unless otherwise specified, data calculation methods and disclosure formats that are consistent with the past were used in the Report to ensure comparability.

SOURCE OF INFORMATION

The Group regularly collects information from all business segments through its internal mechanism. Information cited in the Report is mainly sourced from the Group's statistics and official documents. The Board monitors the content of the Report to ensure that it does not contain any false representations, misleading statements or material omissions.

APPROVAL AND ENDORSEMENT

The Report was confirmed by the ESG Working Group and was approved by the Board.

ACCESS TO THE REPORT

You can download the electronic version of the Report from the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.cfcg.com.hk.

STAKEHOLDERS' FEEDBACK

The Group strives for excellence. If you have any comments or suggestions on the work reported or ESG performance of the Group, you are welcome to share your valuable comments with us via email at ir@cfcg.com.hk.



Chairman's Statement



Dear stakeholders,

2020 is a year full of challenges, to which all levels of CFCG have responded positively in a united way. We understand that today stakeholders are not only concerned about corporates' business performance, but also their sustainability performance. Therefore, we have formulated the sustainable development philosophy, which has become the purpose of our day-to-day operations. While we strive to generate ideal investment returns for Shareholders, we endeavour to create values from sustainable development for stakeholders. We strive to reduce the negative impact on the environmental and social aspects of our operations through strong corporate governance practices and our commitment to the environment and society, putting effort into turning ESG risks into opportunities, and moving towards the goal of sustainable development.

Chairman's Statement (*Continued*)

It is our dream and also our duty to enable every child to have the privilege to receive quality education. In 2020, we put unremitting effort into and insisted on "Suspending Classes without Stopping Learning" even during the COVID-19 epidemic, by conducting live broadcast teaching through online teaching platform, deepening education and classroom reform and introducing famous teachers for the betterment of research and teaching. Furthermore, we strived for exploring education innovations by means of Smart Classroom and STEAM teaching to realise our mission of "Finance Empowers Education, Education Lights Up Future".

The Group also keeps abreast of market developments and brings forth new financial products and services to continuously consummate its financial services system. With our diversified financial services licences alongside various financial tools and strategies, we assisted listing applicants or listed companies and enhanced our capabilities in delivering boutique investment banking services.

We remain true to our original aspiration, gesture toward the future and keep our mission firmly in mind. Driven by the aim of being "people-oriented", we put more resources in the rights and incentives for our staff, thereby creating a level playing field. In the meantime, we provide our employees with a platform to grow, which also brings employees together and allows them to give full play to their capabilities, working together to achieve the Group's operational targets. We are also very concerned about operational safety, providing our employees with a healthy and safe working environment to prevent, control and eliminate occupational hazards, with an aim to achieve zero accident in our operation process.

We take the initiative in managing green operations and green office and putting them into practice, to combat climate change and to minimise our negative impact on the environment. It is the responsibility of each and every one of us to protect the environment and we focus on developing children's awareness and habits in this aspect, actively promoting green education in schools, while raising employees' awareness on environmental protection alongside the implementation of a series of green office measures. Besides, the automotive parts business puts green manufacturing into practice, reducing the emissions of pollutants, as well as improving resource efficiency.

In 2021, we will continue to uphold the sustainable development philosophy, maintain close communication and work together with our stakeholders. We aspire to promote sustainable development while growing our business, bringing positive impacts to the society. We welcome your comments and look forward to sharing with you our sustainability performance again.

Dr. Wilson SEA

Chairman and Executive Director

1. About CFCG

1.1 CFCG BUSINESSES

The Company is an investment holding company. Before 2014, the Group was mainly engaged in the automotive parts business. Since the end of 2014, the Group has started to set foot in the financial services business, which can provide services such as listing sponsorship, underwriting and placement, dealing in securities, financing consultancy, merger and acquisition agency, financial advisory, asset management, private equity fund management, credit financing and migration finance. Since 2016, the Group has continued to diversify its business, with the mission of “Finance Empowers Education, Education Lights Up Future” and established a trinitarians interactive business model, which capitalises on educational operations as bases and educational management and financial service as cradles. The Group aspires to become “a globally influential financial services group focusing on education”.



1. About CFCG (Continued)

1.2 AWARDS AND HONOURS



The Company was awarded the Platinum Winner Worldwide at the 2019 Vision Awards hosted by the League of American Communications Professionals LLC (LACP) for its 2019 annual report, which was also nominated in the Top 100 Reports Worldwide. The Group also gained three awards at the 34th International ARC Awards organised by MerComm, Inc. and the IADA 2020 selection organised by The International Annual Report Design Awards (IADA)



Edukeys Group won the “2020 Influential Education Group” award at the 2020 “Echoes of China” Tencent Annual Education Ceremony* (2020「迴響中國」騰訊教育年度盛典) for the PGA (Project of Global Access) high school international programme under its operation



The kindergarten of Fuqing Xishan and the Kindergarten of Jiangxi Xishan were both certificated and named as “Featured National Football Kindergarten” by the Ministry of Education

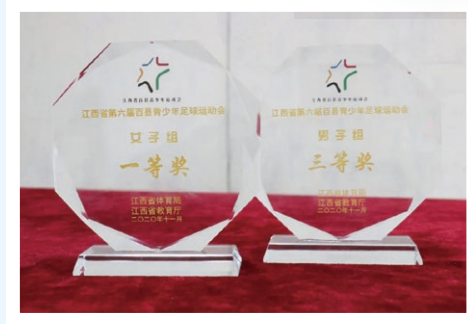


Jiangxi Xishan was elected as one of the first 15 high schools with characteristic in Jiangxi Province and it was the only private school on the list

1. About CFCG (Continued)



Jiangxi Xishan won the first prize in Girls Group A, the second prize in Girls Group B and the first prize in Boys Group B in the 2020 Jiangxi Youth Football Tournament* (江西省青少年足球錦標賽)



Jiangxi Xishan won the first prize in the Primary School Girls Group and the third prize in the Primary School Boys Group in the Sixth Hundred Counties Youth Five-a-side Football Tournament in Jiangxi Province* (江西省第六屆百縣青少年「五人制」足球比賽)



Fuqing Xishan won the second prize in the High School Boys Group and the third prize in the High School Girls Group in the Fujian Youth Campus Football League cum Secondary School Football Tournament* (福建省青少年校園足球聯賽暨中學生足球錦標賽)



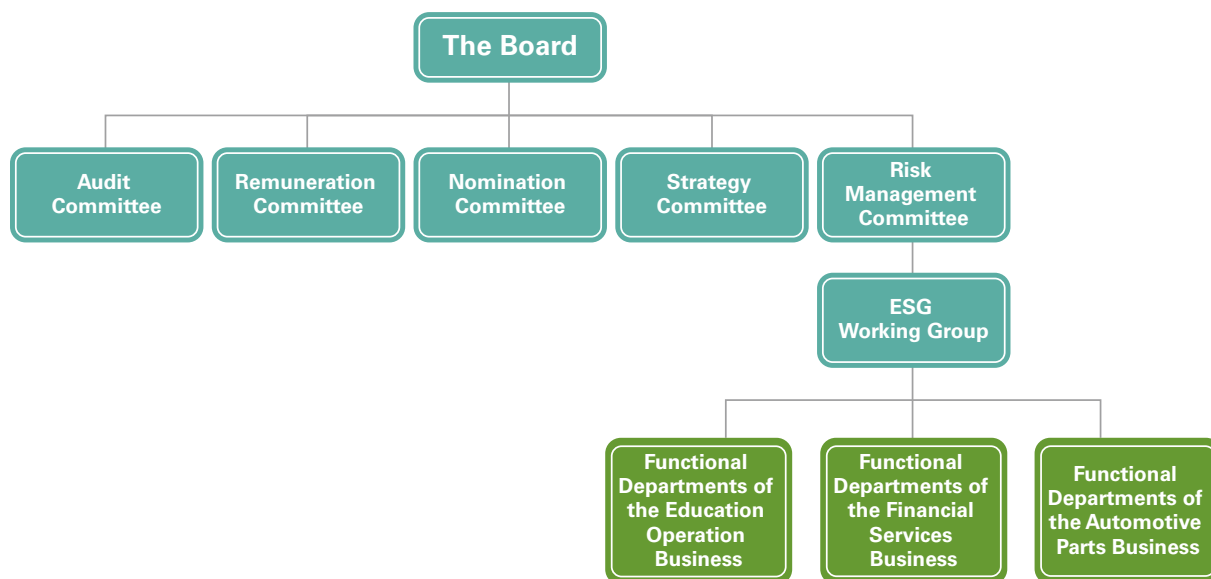
Fuqing Xishan won the second prize (group award) in the Fuzhou Youth Sports Science and Technology Innovation Competition* (福州市青少年體育科技創新大賽)

2. Corporate Governance

2.1 ESG GOVERNANCE STRUCTURE

The Board is the top decision-making body of the Group for ESG management, and is ultimately accountable for the Group's ESG management policies, strategies and reporting. The Board has established five Board committees, among which the Risk Management Committee is responsible for deciding the risk level and risk tolerance of the Group, reviewing the Group's risk management and internal control systems, ESG policies and guidelines, to ensure the effective implementation of the risk management, internal control systems and ESG work. The Risk Management Committee also regularly reports to the Board on material ESG matters.

The Group has formulated an ESG Working Group to manage issues related to sustainable development. Functional departments of each of the business segment of the Group regularly collect ESG data and submit to the ESG Working Group. The ESG Working Group is led by the brand development department of the Company. It works with responsible personnel of departments under each business segment of the Group and assists business segments to implement ESG-related policies. It also conducts materiality assessment, prepares ESG reports, and from time to time reports to the Board and the Risk Management Committee on potential ESG risks and opportunities that the Group may come across. The ESG Working Group also regularly reviews the Group's sustainable development strategy and reports thereon to the Board and the Risk Management Committee, to meet the ever-changing expectations and demands of the stakeholders.



2. Corporate Governance (Continued)

2.2 SUSTAINABLE DEVELOPMENT PHILOSOPHY

The Group actively performs its environmental and social responsibilities and develops sustainable development strategies to continuously reduce the adverse impacts of its business operations on environment and society and further create sustainable development values for its stakeholders. The Group integrates the concept of sustainable development into all of its business segments and continues to promote sustainable development in its education operation, financial services and automotive parts business segments. Through a top-down and inside-out approach, the Group aims to have its management, employees and other stakeholders adhere to the Group's sustainable development philosophy thoroughly, and to incorporate environmental and social responsibilities into their daily work and lives. The Board is fully aware of the importance of sustainable development to the long-term development of the Group, and treats creating long-term value for stakeholders as an imperative goal.



To implement the Group's sustainable development philosophy and to create long-term value for its stakeholders, we are committed to:

- operating the Group's businesses with good ethical practices and in full compliance with applicable laws and regulations;
- integrating environmental education into the Group and encouraging stakeholders to contribute to environmental protection to reduce environmental impact;
- protecting the safety and health of the Group's employees, customers and students;
- with regard to the education operation business, introducing domestic and international quality educational resources into general education, targeting to achieve quality education for the general public in order to offer quality education to every family and child;
- with regard to the financial services business, continuing to provide diversified financial services for all types of enterprises to support their development; and
- with regard to the automotive parts business, continuing to aim for "Top Quality and Customer Satisfaction" and improving product quality and customer satisfaction.

2. Corporate Governance (Continued)

2.3 Robust Operation

The Group aims for robust operation and adheres to compliant and safe operation. On one hand, all of our business segments strictly comply with laws, regulations and industry regulatory requirements that have a significant impact on the Group's operations. Relevant departments regularly review the updates on current laws and regulations and change the Group's policies accordingly to ensure that the relevant internal control systems of the Group align with pertinent requirements, while providing compliance trainings to employees. On the other hand, in response to the impact of the COVID-19 epidemic and the changing operational environment, all the Group's business segments kept optimising its organisational and staffing structures according to their respective business attributes and characteristics. Efforts were also made to focus on core business resources, take all necessary measures for cost reduction and efficiency enhancement, integrate and explore development opportunities, and boost our competitiveness against the uncertainties of the external environment.

Intellectual Property Rights and Information Protection

In order to protect intellectual property rights, prevent infringement and ensure the confidentiality of business information, the Group formulated measures and processes for intellectual property management, such as stipulating that the names of our new companies or products shall undergo trademark screening or patent registration, comply with regulations on intellectual property rights and file trademark or patent application timely. Feedback on such application shall be followed up on an on-going basis, with relevant documents filed by respective business segments. The education operation business segment takes charge of regulating the use of school brand logos, improving material approval procedures and registering the copyright of our textbooks in the PRC. The automotive parts business formulated the information security management system, which identifies the departments related to trade secrets such as the R&D centre and archive rooms as confidential areas where no unrelated personnel are allowed to enter casually. Meanwhile, the Group enters into confidentiality contracts or terms of confidentiality with employees and customers in employment contracts and commercial contracts, respectively. Each of our financial service business segments has a separate office area with separate access cards and strict access control.



2. Corporate Governance (*Continued*)

Anti-corruption

The Group attaches great importance to employees' integrity and is committed to maintaining high ethical standards in its business operations and taking a zero-tolerance approach to any form of corruption and bribery. The Group strictly complies with laws and regulations that have a material impact on the Group's operations in relation to anti-corruption, implements relevant systems according to the industry practices of each business, and puts the concept of business integrity into practice to build a clean and honest working atmosphere. In the 2020 Financial Year, the Group was not aware of any confirmed cases or public legal proceedings relating to corruption that involved the Group or its employees, or any non-compliance with the laws and regulations on preventing bribery, extortion, fraud and money laundering that had a significant impact on its operations.

In order to strengthen employees' integrity and self-discipline and have orderly production and operating activities, the automotive parts business of the Group has established the Supervisory Audit Committee to audit all expenses, requires employees to sign the *Letter of Undertaking of Integrity*, and strictly prohibits employees from soliciting bribes from any supplier or using their positions to seek private gain in the course of business. The Group attaches great importance to the promotion and education of anti-corruption policies and regularly organises relevant activities. At the start of the school season, both Xishan Schools and Yinghua School held anti-corruption training seminars for their teaching staff. The Group's offices in Shenzhen and Hong Kong also convened online meetings for anti-corruption training.



Case study 1

Moral conduct and anti-corruption training for teachers

Fuqing Xishan organised its Moral Conduct and Anti-Corruption Training for Teachers, where teachers took oath and signed a letter of undertaking to uphold their professional ethics and good practice.

3. Stakeholder Engagement

3.1 REGULAR COMMUNICATION

Stakeholder engagement is an indispensable process to the Group's promotion of sustainable development. The Group maintains good communication with stakeholders through diversified communication channels to fully understand their views and expectations, allowing the Group to take into full account of stakeholders' major concerns when operational decisions are made. This is also conducive to the Group's formulation of the appropriate sustainable development policy as well as its fulfillment of corporate social responsibilities. The key stakeholders of the Group are organisations and individuals who are affected by the Group's operations or that may affect the operations of the Group, including the Shareholders, government and regulatory bodies, employees, students and parents, customers, suppliers, professional organisations and local communities. We communicate regularly with our stakeholders to foster reciprocity and mutual trust, to fully comprehend the focus of their concerns and to respond through different channels correspondingly.

Our primary channels of communication with stakeholders, frequencies and focuses of their concerns are as follows:

Types of Stakeholders	Primary Communication Channels	Frequencies	Focuses of Stakeholders' Concerns
Shareholders	<ul style="list-style-type: none"> Annual/interim report Announcement/circular Annual/extraordinary general meeting Official website, email and hotline 	<ul style="list-style-type: none"> Half-yearly Irregularly Annually/irregularly Irregularly 	<ul style="list-style-type: none"> Investment return Corporate governance Robust operation
Government and Regulatory Bodies	<ul style="list-style-type: none"> Annual/interim report Announcement/circular 	<ul style="list-style-type: none"> Half-yearly Irregularly 	<ul style="list-style-type: none"> Compliance with laws and regulations
Employees	<ul style="list-style-type: none"> Employee performance appraisal Meeting and training Email, WeChat, notice board 	<ul style="list-style-type: none"> Quarterly Irregularly Irregularly 	<ul style="list-style-type: none"> Employee remuneration and benefits Occupational health and safety Employee development and training
Students and Parents	<ul style="list-style-type: none"> Daily interaction Parent-teacher conference Survey to understand teachers' moral behaviour Family visit Student satisfaction survey 	<ul style="list-style-type: none"> Irregularly Every semester Every two months Every summer break Every semester 	<ul style="list-style-type: none"> Teaching quality Student's health and safety Teachers' moral conduct

3. Stakeholder Engagement (*Continued*)

Types of Stakeholders	Primary Communication Channels	Frequencies	Focuses of Stakeholders' Concerns
Customers	<ul style="list-style-type: none"> Customer satisfaction survey Interview and site visit Customer service hotline and email 	<ul style="list-style-type: none"> Irregularly Irregularly Irregularly 	<ul style="list-style-type: none"> Excellent products and services Protection of customers' interests
Suppliers	<ul style="list-style-type: none"> Public tender Satisfaction assessment of suppliers Interview and site visit Meeting with suppliers 	<ul style="list-style-type: none"> Irregularly Irregularly Irregularly Annually 	<ul style="list-style-type: none"> Fairness and openness of procurement Win-win cooperation
Professional Organisations	<ul style="list-style-type: none"> Satisfaction assessment of professional organisations Email, hotline and interview 	<ul style="list-style-type: none"> Irregularly Irregularly 	<ul style="list-style-type: none"> Win-win cooperation
Local Communities	<ul style="list-style-type: none"> Media conference Charitable activity Donation Face to face interview Forum and seminar 	<ul style="list-style-type: none"> Irregularly Irregularly Irregularly Irregularly Irregularly 	<ul style="list-style-type: none"> Community engagement Awareness on environmental protection Supporting community development

3. Stakeholder Engagement (Continued)

3.2 MATERIALITY ASSESSMENT

The management of sustainable development is a dynamic process. We must continuously comprehend the everchanging concerns and expectations of our stakeholders, and combine them with the Group's operational focus and our understanding of the external business environment. We regularly assess sustainability issues that are of paramount importance to our stakeholders and to provide them response in a timely manner. In the meantime, the assessment is also conducive to the Group to understand its possible risks and opportunities in sustainable development.

The Group conducted a materiality assessment in 2018, which stakeholders such as the Shareholders, government and regulatory bodies, employees, students and parents, customers, suppliers, professional organisations and local communities were invited to participate in an online survey to rank the 12 environmental issues and 17 social issues of the Group according to their level of concern. Subsequent to analysis and validation by the Group's management, a total of 7 environmental issues and 8 social issues were considered to be of high importance, and were particularly elaborated in the 2018 ESG Report of the Company.

Since there were no material changes in the Group's business nature between the 2020 Financial Year and previous years, online survey for materiality assessment had not been carried out again. The Group's materiality assessment process for the 2020 Financial Year is as follows:

The First Step – Analysis

The ESG Working Group re-examined the applicability of the existing sustainability issues pool for the 2020 Financial Year and updated the Group's sustainability issues pool with consideration given to the Group's business development direction and the materiality of previous years, while making reference to the focus areas of companies of the same industry as well as international reporting guidelines. As the "use of packaging materials", "employee remuneration and benefits", "employee development and training", "prohibition of misleading, advertising and labelling" and "sensitive and personal information protection for students, teachers and parents" issues received a lower level of concern from stakeholders amid the 2020 COVID-19 epidemic and changing business environment, we decided to temporarily remove these 5 issues from the sustainability issues pool. On the other hand, to keep up with industry trends across all our business segments and to respond to them, the Group made reference to international reporting guidelines and the focus areas of companies of the same industry, and decided to include "climate change", "management and sorting of domestic waste", "protection of students' mental and physical well-being", "food safety and nutrition management", "control and management of teaching quality" and "e-office and teaching" issues into the sustainability issues pool of the 2020 Financial Year, and to integrate "sensitive and personal information protection for students, teachers and parents" into "customer privacy protection". After review and update, the sustainability issues pool of the 2020 Financial Year comprises of 12 environmental issues and 19 social issues.

3. Stakeholder Engagement (Continued)

The following table outlines the sustainability issues of the Group for the 2020 Financial Year:

Environmental Issues	Social Issues
1. Air emissions and management	1. Occupational health and safety
2. Wastewater discharge and management	2. Protection of students' mental and physical well-being [#]
3. Solid waste handling and management	3. Food safety and nutrition management [#]
4. Water usage and efficiency	4. Employment policy
5. Energy usage and efficiency	5. Labour standard
6. GHG emissions and management	6. Customer complaint handling mechanism
7. Use of new, renewable or clean energy	7. Supply chain management
8. Environmental education and publicity/practice	8. Product responsibility
9. Green office	9. Skills and qualities of teachers
10. Management of environment and natural resources	10. Development of innovative curriculum and diversified education
11. Climate change [#]	11. Customer privacy protection
12. Management and sorting of domestic waste [#]	12. Community engagement and contribution
	13. Product recall procedures and rate
	14. Control and management of teaching quality [#]
	15. E-office and teaching [#]
	16. Customer service
	17. Students and parents satisfaction rate
	18. New product development and technological innovation
	19. Anti-corruption and whistleblowing procedures

[#] Issues that are newly added into the pool of sustainability issues in the 2020 Financial Year

3. Stakeholder Engagement (Continued)

The Second Step – Assessment

Following the update of the sustainability issues pool, the ESG Working Group led a discussion with the Group's management and the responsible personnel of all business segments to examine and adjust the level of importance of each sustainability issue in the pool. A total of 10 environmental issues and 10 social issues were considered to be of high importance for the 2020 Financial Year.

The Third Step – Confirmation

The ESG Working Group presented the materiality assessment results to the Board for review and confirmation of the issues of high importance for the 2020 Financial Year.

The Fourth Step – Evaluation

The Group regularly communicates with stakeholders as a means to evaluate the issues of high importance and the impact they bring forth to ensure that the Group's sustainable development direction is in line with stakeholders' expectations.

The Report elaborates in the subsequent sections the work and progress made by the Group in the 2020 Financial Year regarding the 10 environmental issues and the 10 social issues that were considered highly important. We will strengthen our emphasis on managing the issues of high importance in our operations by formulating appropriate strategic policies, making policy improvements, setting long-term goals as a continual process to respond to stakeholders' expectations, while reporting on the efforts we put forth on ESG.

The following table lists out the issues of high importance to the Group for the 2020 Financial Year:

Issues of high importance		Aspect	Corresponding sections in the Report
1.	Air emissions and management	Environment	7.1 Environmental Impact
2.	Wastewater discharge and management	Environment	7.1 Environmental Impact
3.	Solid waste handling and management	Environment	7.1 Environmental Impact
4.	Water usage and efficiency	Environment	7.2 Use of Resources
5.	Energy usage and efficiency	Environment	7.2 Use of Resources
6.	GHG emissions and management	Environment	7.1 Environmental Impact
7.	Use of new, renewable or clean energy	Environment	7.2 Use of Resources
8.	Environmental education and publicity/practice	Environment	7.4 Environmental Education
9.	Climate change [#]	Environment	7.3 Climate Change
10.	Management and sorting of domestic waste [#]	Environment	7.4 Environmental Education

3. Stakeholder Engagement (*Continued*)

Issues of high importance	Aspect	Corresponding sections in the Report
11. Occupational health and safety	Social	6.3 Health and Safety
12. Protection of students' mental and physical well-being [#]	Social	6.3 Health and Safety
13. Control and management of teaching quality [#]	Social	4.5 Control and Management of Teaching Quality
14. Customer complaint handling mechanism	Social	5 Excellent Products and Services
15. Supply chain management	Social	5 Excellent Products and Services
16. Product responsibility	Social	5 Excellent Products and Services
17. Skills and qualities of teachers	Social	4.3 Quality Educational Resources
18. E-office and teaching [#]	Social	4.4 E-office and Teaching
19. Food safety and nutrition management [#]	Social	6.3 Health and Safety
20. Community engagement and contribution	Social	8 Community Investment

[#] Issues that were newly added in 2020 Financial Year and were considered to be of high importance

4. Innovation in Education

4.1 ADVANCED EDUCATIONAL PHILOSOPHY

Allowing every child to enjoy quality education is not merely a dream of every educator, but also a huge responsibility for them to bear. The Group is committed to the original educational thoughts of “Whoever you are, you have a right to learn (有教無類)” and “Everyone can become a successful man (人人皆可成才)”. With the mission of “Finance Empower Education, Education Lights Up Future (金融賦能教育、教育改變命運)”, the Group incorporates advanced educational concepts and methods through its international insight, allocates quality eastern and western educational resources, and supports holistic education and quality education for the general public, in order to offer quality education to every family and child, and light up the journey of success for every child.

The Group explores potential educational projects through our strategic composition of the education industry, and achieve industry empowerment and value creation of educational projects through diversified financial, management and operational services, aspiring to bring benefits to every family and child and to drive the society as a whole to move towards quality education for the general public.

4.2 UNIQUE EDUCATION MODEL

The Group regards diversified education as its educational aim, and aspires to stimulate students’ potential in both brainy and brawny activities with unique style through different education models with distinctive features.



4. Innovation in Education (*Continued*)

Cultivating Every Students' Unique Personality

The distinctive features of each school bestow them an expression of uniqueness. For this reason, the Group advocates diversified education models and establishes “refined, distinctive and internationalised” schools of excellent quality and emphasises on developing every student’s global vision and unique personality.



Yinghua School

Yinghua School adopts a modern quality education model and makes every effort to enable students to learn to be a decent man, to live, work and aestheticise from every education opportunity. In addition to the fundamental courses required by the state, the school also provides diversified courses such as software programming, calligraphy and martial arts, and organises “Moral Education Lecture” as a means to construct a learning system that combines the school with moral education, promoting all-round development of students.



Xishan Schools

“All are for the development of children” has always been the educational aim of Xishan Schools. The school teaches students according to their aptitude and centres on “arts and science learning, physical and intellectual development, personality promotion and character building”. It advocates the “two-teaching-in-one” (兩教合一) model for quality education which covers both moral education and intellectual education, providing students having expertise with a good growing environment and opportunities for development.



Singapore Raffles Music College

Singapore Raffles Music College is a tertiary music institution that aims at nurturing future musicians, music production and music management talents. The institution boasts well-established curriculums, excellent facilities, innovative teaching and a team of professional teachers, providing students with the quality education in the art of music that lays a solid foundation for their artistic careers.

4. Innovation in Education (*Continued*)

Developing Global Vision

To bring about students to achieve their dreams in pursuing education in prestigious schools overseas and to pave the way for their future, the Group has been dedicated to the integration of international courses, placing emphasis on the personalised development and the development of integrated capabilities of students. We also provide students with study exchange opportunities to broaden their horizons and enrich their knowledge, leading them a step forward to their dreams.



Edukeys Group

Edukeys Group is the operator of the PGA (Project of Global Access) high school international programme. The programme is customised according to the features of Chinese high school students in order to make it more suitable for Chinese students, and has become an influential and professional brand in the sphere of running basic education business internationally. Graduates of the programme are accepted by leading universities in the US, UK, Canada and Australia, including Oxford University, Imperial College London, Cornell University and Rice University.



Kingsley School

Established in 1884, Kingsley School is a long-established private co-educational boarding school located in the coastal region of South West England, admitting students from nursery to high school. The school aims to provide a holistic quality education, providing a wide range of subjects for students to choose from according to their interests and potential. Kingsley School has become sister schools with Xishan Schools and Yinghua School, such that they could share their respective strengths and exchange and cooperate in various areas.

4. Innovation in Education (*Continued*)

4.3 QUALITY EDUCATIONAL RESOURCES

Teaching Management and Teacher Cultivation

The Group believes that the teaching quality of teachers is one of the important factors in determining the quality of a school. The Group controls the teaching process through an excellent team of teachers, together with organised teaching management. In the meantime, the Group works together with renowned educators to promote education and classroom reform, and commits to taking teaching quality to a higher level.

In October 2020, *The Overall Plan for Deepening the Reform of Education Evaluation in the New Era** (《深化新時代教育評價改革總體方案》) issued by the Central Committee of the Communist Party of China and the State Council stressed the need to improve the institutional mechanism of “Developing morality and shaping character”, reverse the unscientific direction of education evaluation, resolutely address the chronic preference of score and academy, reform student evaluation, and promote the overall development in moral, intellectual, physical, aesthetic and labouring terms. To further improve teaching quality, Xishan Schools have been upholding the teaching philosophy of “Building a happy classroom, shaping a beautiful mind”. Xishan Schools formulated various measures to implement classroom reform systematically and in stages in order to improve students’ academic results and their well-being at school.

Xishan Schools encourage teachers to focus on the research of classroom and education reform and collect excellent lesson plan designs, video recordings of teaching, research case studies and discussion papers, etc., especially the research on special topics within and outside the school for the new college entrance examination, new curriculum standards and new teaching materials, for the purpose of enhancing their achievements in classroom reform. Apart from the basic induction trainings for new teachers, Xishan Schools also adopted a one-year mentoring programme between “the Experienced and the New”, allowing experienced teachers to lead new teachers on class preparation, classroom teaching, lesson planning, classroom management and other areas, enabling new teachers to quickly adapt to Xishan Schools’ teaching culture, and at the same time infusing fresh elements into Xishan Schools. In addition, Xishan Schools offer professional development opportunities for teachers to improve teachers’ teaching management by organising activities such as the “Class teacher experience exchange and speech contest” and the “Teaching skills competition”.



Case study 1

Jiangxi Xishan held “Teaching Cadres’ Workshop on Liberation of Thinking”

Senior High School of Jiangxi Xishan held “Teaching Cadres’ Workshop on Liberation of Thinking” to improve teaching management, teaching behaviour, curriculum reform and teaching quality.

4. Innovation in Education (*Continued*)

The Group's recruitment process gatekeeps teachers' quality. Teachers employed by the Group are mostly full-time teachers who graduated from teaching schools and fit the employment conditions of teachers as stipulated in the *Teachers Law of the PRC** (《中華人民共和國教師法》) and the *Regulations on the Qualifications of Teachers** (《教師資格條例》).

The Group actively strengthens training in nurturing virtues of teaching teams, and continuously improves the long-term mechanism for maintaining teachers' virtue. Fuqing Xishan established a leadership team and office for the publicity and implementation of all activities on the development of teachers' virtue. All teaching staff of Fuqing Xishan signed the *Letter of Undertaking of Maintaining Teachers' Virtue*, and students' opinions on teachers' moral behaviour are collected through survey. In addition, for the purpose of setting a good example for students in their everyday lives, Fuqing Xishan formulated *The Fuqing Xishan Implementation Plan for Handling Gift, Gratuity and Red Packet*, which prohibits all teaching staff from accepting any forms of benefit or gift.

In order to prevent and manage fraud risk systematically, Yinghua School established a Disciplinary Inspection Committee and formulated the Anti-Fraud and Whistleblowing System of Jinan Shijiyinghua Experiment School. In the meantime, the school sets up reporting message box and hotline to encourage employees to report on any suspicious fraud cases directly to the school's audit department, which will carefully handle the reports and conduct proper investigations in accordance with the whistleblowing procedures to ensure that whistleblowers are protected during their assistance to investigations.

Technology Empowers Education for Innovative Classroom Features

The Group's success in running schools not only relies on its teacher's quality and teaching management, but also on its perseverance in exploring curriculum innovation. In order to enable students to fully unleash their potential, the Group shifted from conventional education into life-wide learning to inspire students to unleash their potential and creativity in every way and to cultivate their uniqueness through diverse forms of classes and education programmes with distinctive features.

The development of science and technology has led to an increasingly extensive application of multimedia technology in learning platforms, which not only allows teachers to teach with modern techniques, but also improves classroom interaction and students' engagement.

The Group keeps pace with the educational development trend, and shifted from the "Science, Technology, Engineering and Mathematics (STEM)" education to the "Science, Technology, Engineering, Arts and Mathematics (STEAM)" education, actively engaging in quality literacy education focusing on STEAM education and conducting exploration and research into innovative teaching of Smart Classroom.

4. Innovation in Education (*Continued*)

What is Smart Classroom?

- Smart Classroom is an intelligent and efficient classroom that is based on constructivism learning theory, "Internet+" mindset and the new generation of information technology such as big data and cloud computing. It is, in essence, intended for data-based teaching decision, real-time evaluation feedback, multi-dimensional interaction and intelligent resources recommendation through analysis on dynamic learning data and the use of "cloud, web and terminal" (雲、網、端). The classroom helps shape a learning environment that is conducive to collaborative communication and meaning construction. With smart teaching and learning, we will promote the intelligence development for all students that match their personalised laws of growth.



Case study 1

Fuqing Xishan Initiates Smart Classroom for Targeted Teaching

Fuqing Xishan initiates Smart Classroom by proactively exploring the possibility of applying information technology to teaching and learning. Through pre-course assessment and analysis, in-class evaluation and feedback, post-course evaluation and follow-up feedback, we are able to analyse students' learning status and effectiveness and accordingly formulate well-tailored teaching plans and guidance strategies. These will assist students in consolidating their strengths while overcoming areas of weakness.

Launching the School-based STEAM Curriculum System

- Xishan Schools have been active in developing the School-based STEAM Curriculum System which develops students' ability to innovate, cooperate and learn on their own in a full-immersion learning environment. In the summer of 2020, a robotics club was established in the primary school of Fuqing Xishan, equipped with a dedicated robotics classroom and staffed by two professional teachers.

Case study 1

Fuqing Xishan Organised Robot Football Tournament

The robot football game organised by the primary school of Fuqing Xishan aims to improve students' skills in mechanical structure design, motion control and teamwork. The robotics curriculum incorporates "problem identification, problem solving, experimental evidence and integrated application", promoting students' scientific thinking and literacy.



4. Innovation in Education (*Continued*)



Building Schools with Sports and Arts Features

In the traditional exam-oriented education model, little attention was paid to arts and sports as many parents worried that children's participation in arts and sports activities would affect their academic results. However, the Group believes that arts and physical education is an indispensable part of the development of quality education, and has been upholding the teaching model that "considers classroom learning as principal, with sports and arts as distinctive features" throughout the years. Meanwhile, Chinese President Xi Jinping emphasised at The National Education Conference 2018 the importance to "cultivate socialist builders and successors with all-around moral, intellectual, physical and aesthetic grounding", which strengthened the Group's determination to continue to improve our arts and physical education system, and to bring the conventional exam-oriented education back to life.

The Group organises a wide range of arts and sports interest classes according to students' preferences, providing an all-around platform for students to practise arts and sports. Moreover, Fuqing Xishan and Jiangxi Xishan have been identified as "National Specialist Youth Football Schools", the kindergarten of Fuqing Xishan and the kindergarten of Jiangxi Xishan were both certificated and named as "Featured National Football Kindergarten" by the Ministry of Education, showcasing the Group's remarkable achievements in its arts and physical education.



4. Innovation in Education (*Continued*)

4.4 E-office and Teaching

Since the *Outline of the National Medium- and Long-Term Programme for Education Reform and Development (2010-2020)** (《國家中長期教育改革和發展規劃綱要(2010-2020年)》) emphasised the “modernisation of educational content and teaching methods”, new media teaching featuring advanced equipment and audio-visual content have gained wide use. Following the development of information technology in education, Xishan Schools have equipped every classroom with multimedia equipment such as the Seewo whiteboard to improve the interactivity and teaching efficacy. Moreover, we take advantage of online platforms such as Xuekwang (學科網) and Haofenshu (好分數) to enrich our teaching resources and improve electronic marking and work efficiency.



Case study 1

Fuqing Xishan Introduces Multi-media Teaching

With the introduction of smart interactive electronic whiteboard during class, Fuqing Xishan's teachers enrich teaching elements through this user-friendly instrument by writing or drawing on the screen, creating mind maps and setting up interesting classroom games to stimulate student's appetite for learning.

4.5 Control and Management of Teaching Quality

In 2019, the Central Committee of the Communist Party of China and the State Council issued the *Opinions on Deepening the Reform of Education and Teaching and Comprehensively Improving the Quality of Compulsory Education** (《關於深化教育教學改革全面提高義務教育質量的意見》). It notes that schools must perfect their teaching management procedures, co-ordinate the formulation of teaching plans and optimise teaching process. It also points out that, to improve nurturing and training quality of teachers, their education must be reformed and strengthened in accordance with the requirements for teachers' quality and the national curriculum standards in the new era.

The schools under the Group actively participated in various teaching and research activities organised by local education authorities, coordinated between departments, teaching and research groups and invited famous teachers. All teachers are provided with informative, practical and effective trainings, so as to raise their level of expertise. Also, the Group joins hands with teaching and research institutes, educational research institutes, universities and education companies to bring in teaching resources such as educational experts, famous teachers and superior educational projects for high-quality, high-standard and multi-level teaching services.

4. Innovation in Education (*Continued*)

Xishan Schools have instituted a competition mechanism, under which mass class preparation teams as well as teaching and research groups are established for each department to research and improve subject teaching and research by means of “teaching skills competition”, “class listening” and “class evaluation”. Monthly training on “going out, bringing in” and “quality analysis meetings” are organised for admissions and teaching staff to conduct review and analysis on their teaching work, the result of which will be included in teachers’ performance assessment to monitor and ensure teaching quality.



Case study 1

Analysis Meeting for Mid-term Examinations held by Teaching and Research Groups of Fuqing Xishan and Honglu Junior High School

With the teaching philosophy of “learning from each other and promoting each other”, the teaching and research groups of Fuqing Xishan and Honglu Junior High School conducted teaching and research activities for the mid-term examinations of three subjects, Language, Mathematics and English, for grade seven in order to further promote teaching quality through analysis and sharing.



5. Excellent Products and Services

The Group endeavours to provide customers with excellent products and services (including but not limited to automotive shock absorbers that meet or exceed international and domestic industry standards, quality teaching and daily life services, compliant and professional financial services), and strictly complies with laws and regulations that have a significant impact on the Group's operations in relation to the health and safety, advertising, labelling and privacy matters, and methods of redress of its products and services. In the 2020 Financial Year, the Group was not aware of any violations of the laws and regulations that had a significant impact on the Group's operations relating to the health and safety, advertising, labelling and privacy matters, and methods of redress of the products and services provided by the Group.

5.1 DIVERSIFIED FINANCIAL SERVICES

The Group has established a sound financial services business system with diversified financial service licences, providing services such as listing sponsorship, underwriting and placement, dealing in securities, financing consultancy, merger and acquisition agency, financial advisory, asset management, private equity fund management, credit financing, and migration finance. The Group strictly complies with the *Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission* and the codes and guidelines related to the SFO.

The Group firmly believes that honesty, integrity and equity are the fundamental values of doing business, and is committed to operating through best practices and with ethical standards upheld. In order to bolster the Group's anti-corruption management, the Group formulated the *Compliance Manual* and provided employees with trainings of integrity and conduct. To ensure that all employees of the Group are financially sound, competent, honest, reputable and reliable in order to allow customers to use the Group's financial services with confidence, employees of the Group are required to make a self-declaration on their performance in areas such as honesty, capability and financial soundness. The Group formulated the *Conflicts of Interest Policy* for the identification and management of conflicts of interest, requiring employees to avoid any forms of conflicts of interest and proactively report those that have occurred, demanding employees to uphold integrity at all times.

The Group formulated the *Anti-Money Laundering and Counter-Financing of Terrorism Policy and Procedures*. Prior to providing services to customers, we conduct the Know Your Customer (KYC) due diligence and complete the Risk Profiling Questionnaire. This allows us to understand customers' knowledge and experience on investment products, current financial position and investment objectives and expectations. This could help us to have a clear understanding of the actual risk tolerance of customers. It also provides our customers with a full picture of the products and their associated risks and expected results. Meanwhile, this policy is also conducive to preventing and discerning any forms of bribery, extortion, fraud and money laundering led by customers or employees, to avoid any illicit financial flows used for financing terrorism activities through the Group. We will report to relevant authorities for any suspicious transaction.

The Group attaches great importance to the protection of customers' privacy, formulated the *Measures for the Management of Customer Privacy Protection* and entered into a confidentiality agreement with each customer. The Group employs an encrypted user management system to regulate the access to the personal data collected, to which only authorised employees are granted with access. In addition, the Group is also highly concerned about the collection and handling of customers' personal data and established the *Personal Information Collection Statement*, to ensure that customers' information is used in a proper manner.

5. Excellent Products and Services (*Continued*)

The Group also has a *Business Contingency Plan*, where contingency measures were established for our securities trading business. Due to the instability of the electronic trading platform, responsible personnel of relevant departments will initiate a direct connection to the temporary trading platform of the Stock Exchange in the event of any interruption of or disturbance to the online trading platform, and at the same time the information technology department will be notified to follow up and carry out emergency remedial works. Concurrently, all customers will be informed of the disruption of the trading system by text message or email. The information technology department will subsequently verify the cause of the system disruption with the software vendor and develop a programme to avoid the recurrence of the same type of incident.

The financial services business of the Group collects customer complaints mainly by issuing opinion forms irregularly and setting up customer service hotlines and email mailbox. Responsible personnel investigate written or verbal complaints from customers of the Group by grading the complaints into different levels and responding to them without delay.

The Group developed the *Guidelines for Production of Marketing Materials*, stipulating that all marketing materials shall meet regulatory requirements, and in addition, materials that contain information that may be subject to copyright or licencing restrictions could only be reproduced, distributed or used when necessary permissions or licences are obtained and the fees are paid.

Major suppliers of the financial services business of the Group are financial institutions. Legality, safety and quality are fundamental considerations in the selection of financial service providers. Financial service providers must be licenced institutions or enterprises that are socially responsible, financially sound and compliant to local laws. The Group regularly reviews whether all suppliers have been rebuked or penalised by local regulatory bodies.

5.2 QUALITY AUTOMOTIVE PARTS

The Group places high emphasis on the quality of products and sets “Top Quality and Customer Satisfaction” as the core value of the Group’s automotive parts business, targeting to become a world-renowned automotive parts company to achieve “Where there is a car, there is Cijan”. Our shock absorbers for passenger cars, commercial vehicles and railway vehicles are currently used by over 40 automotive manufacturers worldwide. Quality requirements vary amongst different products. Thus, the Group has established product monitoring and quality control procedures for timely inspection, monitoring and control of outsourced parts and raw materials purchased in bulk, to ensure that they meet the requirements on product quality and normal production takes place. The Group also has control procedures for defective products in place, to prevent unintended use or delivery of such products and provide clear indications of the product status. At the same time, the Group has put forward an incentive system for quality assurance, setting out reward and punishment measures with respect to quality. In terms of product quality standards, the shock absorbers of passenger cars must align with OE standards; those of commercial vehicles must be equipped with a meticulous valve system based on driving and loading needs to effectively dampen vibrations; and those for railway vehicles must effectively suppress the vertical vibration amplitude between the steering rack and wheels. All products shall be provided with a 3-year/100,000-kilometre warranty for accessories and a one-year after-sales warranty.

5. Excellent Products and Services (Continued)

As a national high-tech enterprise, Nanyang Cijan was conferred the title of the “Top 100 Outstanding Suppliers of Automotive Parts in China” for consecutive years. In the 2020 Financial Year, Nanyang Cijan successfully developed new vehicle manufacturer markets such as Great Wall Motors, BYD Commercial Vehicles, Shaanxi Heavy Duty Automobile, CRRC Changchun Railway Vehicles, XPeng Motors and NIO Inc. and completed the R&D of new shock absorber products for respective vehicle models. The Group has become the global supplier for the shock absorbers of Sweden Volvo Commercial Automobile Company and German Daimler Commercial Automobile Company, respectively, as a result of passing their assessment. The Group also set up an R&D centre in Shanghai to enhance its technological innovation capabilities in automotive suspension and shock absorbers.



What are automobile shock absorbers?

Automobile shock absorbers are used to suppress the vibrations and impacts from road surface when the suspension system is impacted, so as to improve automobile stability and passenger comfort when driving, and are usually mounted above the wheels of the car.

The automotive parts business of the Group has a comprehensive quality management system, which has successfully obtained the ISO9001 Quality Management System certificate, the IATF16949:2016 Automotive Quality Management System certificate, the QS9000 and VDA6.1 quality system certificates and other qualifications.

Product Quality Control

The Group implements full monitoring of product safety and quality and executes a triple-inspection system in its production process, i.e., “First Inspection, Patrol Inspection and Final Inspection”. The Group also keeps abreast of the latest production situation and quality performance through performing real-time data collection by the Manufacturing Execution System (MES), providing timely feedback to responsible personnel on the implementation of the production plan so that they can respond quickly to any emergency at the production site. Since shock absorber is not a hazardous product, it poses no health risk to consumers. We customise product labels according to the requirements of our customers with instruction manuals formulated for each product accordingly. Specialised personnel are then arranged to check the product labels to ensure that all the information is correct. Furthermore, the Group provides “three guarantees” service to automobile manufacturers, under which all products with quality issues will be repaired, replaced or returned. As the Group mainly works with automobile manufacturers, end-consumers can contact automobile manufacturers directly for any problems found in the product. In the 2020 Financial Year, the automotive parts business of the Group did not recall any products sold due to safety and health reasons.

The automotive parts business of the Group performs quality control strictly at all stages of the production of shock absorbers through a wide range of measures, such as putting up “reminder signs for key quality control procedures” next to factory production lines to remind employees of the common reasons for non-conforming products. The Group also puts up quality control slogans in the factory to promote its core value of “Top Quality” to its employees. Each shock absorber produced by the Group is subject to rigorous quality testing to ensure that the products we produced are of excellent quality and meet customers’ requirements.

5. Excellent Products and Services (*Continued*)

Supplier Management

To ensure product quality and safety, the automotive parts business of the Group established a sound *Suppliers Management System* to regulate raw materials procurement. Nanyang Cijan performs on-site reviews of all potential suppliers, and suppliers should meet the requirements on quality, product development capabilities, product compliance, production capacity, cost control capabilities and environmental protection. They are also required to be certified with the ISO/TS16949 or the ISO9001 Quality Management System. In addition to strict quality control requirements, Nanyang Cijan also gives priority to the procurement of products with less negative environmental impact and sets out specific environmental requirements in tender documents, actively promoting green procurement.

Nanyang Cijan reviews all suppliers annually according to the passing rate of incoming product quality inspection, the rectification rate of service quality, the number of after-sales complaints, the timeliness of delivery and price trends. In this way, suppliers are graded into three categories, A, B and C, where unqualified suppliers are categorised as C-grade. Suppliers who are graded as unqualified are required to carry out prompt rectification. If no improvement is made within a specific period of time, the supplier shall fall into the *Unqualified Supplier Register* and shall not be invited to participate in any tender. In the 2020 Financial Year, a total of three suppliers were categorised as C-grade by Nanyang Cijan due to issues such as quality, the timeliness of delivery and the degree of cooperation, and were eliminated from our supplier register.

In terms of supply chain management, Nanyang Cijan has introduced a range of measures for the management, screening and grading of all suppliers, mainly comprising (1) daily management of suppliers with performance monitoring and process auditing under supplier management processes and quality agreements entered into with suppliers; (2) screening of suppliers according to the *Guidelines for Selection and Approval of New Suppliers*; and (3) grading of suppliers pursuant to the *Document on Evaluation of Supplier Performance*, by preparing monthly evaluation forms based on zero-kilometre PPM values, after-sales PPM values, quality complaints, delivery timeliness, additional cost ratios, supplier evaluation results, supplier's price changes and monthly red supply performance information. According to the form, suppliers are appraised semi-annually by the purchasing department, the quality assurance department, the R&D centre and the product department, to prepare the *Qualified Supplier List*.

Customer Satisfaction

The automotive parts business of the Group has maintained two-way communication with customers, who are welcome to give advice to the Group through channels such as the official WeChat platform, the 24-hour service hotline and site visits. Nanyang Cijan conducts monthly customer satisfaction surveys, in which aspects such as the proportion of malfunctioning shock absorbers that were recalled before the vehicle was sold, the number of customer complaints and feedback, and downtime in manufacturing lines, are rated. In the 2020 Financial Year, the Group did not receive any complaints about its products and services.

Customer satisfaction

Score out of 10

Achievement for the 2020 Financial Year

10

5. Excellent Products and Services (Continued)

To ensure that prompt reply is provided to our customers, the automotive parts business of the Group has introduced the Quality Management System (QMS) to manage customers' demands in a centralised manner and resolve problems in a quicker and standardised way. Relevant departments perform proactive analysis on customers' feedback and ensure that all issues are resolved within 30 days.

Continuous Innovation

The Group attaches great importance to R&D investment and technological innovation, and has formulated the *Incentive Scheme for Science and Technological Innovation* to encourage employees to innovate proactively. Incentives and recognition can be provided for employees who are awarded with certificates of scientific and technological achievements, file patents of shock absorbers or other automotive parts inventions, participate in the development or revision of international, national or industry standards, publish papers or obtain professional qualifications. As a “High and New Technology Enterprise”, Nanyang Cijan saw its R&D centre certified as the National Enterprise Technology Centre and selected as an “Academician Workstation” and “Post-doctoral Workstation” of Henan Province. In recent years, through extensive cooperation with Beijing Institute of Technology, Southwest Jiaotong University and other higher education institutions, Nanyang Cijan has delivered abundant achievements in “Production, Education and Research”, including 234 patents (including 21 invention patents), 6 provincial and municipal-level special projects undertaken in the past 5 years and over 1,000 shock absorbers of different specifications developed in the last decade.

Each year, Nanyang Cijan's investment in R&D and technological innovation accounts for more than 5% of its annual expenditure. In the 2020 Financial Year, Nanyang Cijan invested a total of approximately RMB54 million in R&D and has been granted 46 certifications for new techniques or processes.



Case study 1

Obtaining patent certificate

Nanyang Cijan's "Cooling Device for the Endurance Test of Automobile Shock Absorbers" technology was granted a utility model patent certificate by China National Intellectual Property Administration

6. People-oriented

The Group firmly believes that employees are one of the Group's most important assets, and its business success is inseparable from the dedicated efforts of its employees. The Group has formulated a sound human resources policy, with the purpose of being a "people-oriented" business, in order to attract and retain outstanding talents, bringing employees together and increasing their sense of belonging to the Group. The Group encourages a diversified employee portfolio which brings a variety of skills, experience and innovative ideas to the Group.

The Group strictly complies with laws and regulations that have a significant impact on the Group's operations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, other benefits and welfare and other employment-related matters, to ensure that employees are provided with legal and reasonable remuneration and benefits and are treated fairly. The Group also enters into employment contracts with employees and formulated the *Employee Manual*, outlining the rights and obligations of employees.

6.1 NURTURING TALENTS

The Group has a sound *Measures for Recruitment and Dismissal Management*, which systematically advances the building and growing of teams of talents, so that the staff can better align with the business development needs of the Group. The human resources department ensures that the recruitment and dismissal processes are standardised and transparent, and regularly reviews and updates relevant human resources policies in accordance with the latest laws and regulations. During the recruitment process, the Group considers factors such as candidates' working experience, expected work capacity and internal budget of the Group, and observes candidates' personality, enthusiasm, development potential and other personal qualities. Meanwhile, the Group strictly prohibits any unfair or unreasonable dismissal, and termination of the employment contract must be lawful and reasonable.

The Group established the robust *Remuneration Management System and Performance Appraisal Management Plan*, and carries out work performance appraisals at least once a year to assess employees' work ability and performance while taking into account the market remuneration level for the position and the internal budget of the Group. The results of the appraisals serve as references for the Group to make decisions on promotion and remuneration adjustments for outstanding employees. When there is a job vacancy, the Group gives priority to internal promotion or deployment.

To elevate talent development at a steady pace, the Group provides employees with a smooth and clear career path. Nanyang Cijan clearly outlines the career progression for technical and management employees, providing them with a dual-track approach of career development to enable them to select a suitable path and to plan for their own career development.

The Group respects all employees and formulated the *Equal Employment Policy*, under which no employee should be discriminated because of race, religion, gender, nationality, sexual orientation, marital status and disability during employment, training, performance management, selection, promotion and remuneration adjustment, to ensure a fair and just practice and to create an inclusive and diverse workplace. Meanwhile, the Group has zero tolerance for any workplace discrimination or harassment. In the event of any violation of the *Equal Employment Policy*, corresponding actions will be taken by the Group. In the 2020 Financial Year, the Group did not receive any complaints regarding the infringement on the rights and interests of employees and was not aware of any violations of employment-related laws and regulations that had a significant impact on the Group's operations.

6. People-oriented (Continued)

The Group prohibits any recruitment and employment of child labour and prohibits any form of forced labour, and strictly complies with the laws and regulations that prohibit child and forced labour. The human resources department of the Group requires the employees to provide valid identification documents before taking up their duties, to prove that legal age requirement for employment. If any child labour is found, the Group would immediately terminate the employment relationship with the person concerned. Nanyang Cijan established the *Regulations on the Management of Employees Working Overtime*, which stipulates that employees can only work overtime with the prior approval of their head of department. Employees will be granted compensation leave or overtime pay afterwards to ensure that no employee is forced to work overtime. The human resources department regularly reviews the implementation of the human resources policies with a view to eradicating the risks of child and forced labour. In the 2020 Financial Year, the Group was not aware of any violation of the laws and regulations relating to the prevention of child or forced labour that had a significant impact on the Group's operations.

6.2 CARING FOR EMPLOYEES

The Group's *Employee Manual* and the *Employee Working Hours System and Policy* outline the working hours and rest periods of employees, which are both in compliance with relevant local employment laws and regulations. In addition to providing statutory paid leave, Mandatory Provident Fund or social insurance and housing provident fund, medical insurance, business travel accident insurance and a competitive remuneration system, the Group also ensures that its employees are entitled to marriage leave, maternity leave, pre-maternity leave, compassionate leave, etc. In addition, Nanyang Cijan provides employees with high-temperature vacation in July, one of the hottest months of the year, to reduce employees' exposure to health risks posed by working in high temperatures. The Group's Shenzhen office has rolled out staff care initiatives such as the newly added one-day paid sick leave per month and grants employees two hours of early departure on their birthdays.

The Group regularly presents employees with outstanding employee performance awards, including the Award for Teaching Management, the Best Attendance Award, the Model Employee, and the Outstanding Employees, and rewards outstanding employees through a formal letter of appreciation or bonus.



Case study 1

Jiangxi Xishan honours outstanding teaching staff

Jiangxi Xishan holds an annual event honouring its outstanding teaching staff for their stellar performance and dedication in teaching activities.

6. People-oriented (Continued)

In order to promote friendship among employees, build team harmony at work and foster employees' sense of belonging to the Group, the Group organises different types of employee activities each year, such as birthday parties, welcome lunches with new employees, Christmas parties, badminton games, outdoor activities, and staff sports meets.



The Group's Shenzhen office celebrated the birthdays of its employees every month, during which each of them was gifted with an inspirational book to grow together with the Group.



The Group's Hong Kong office had staff Christmas celebration, where a lucky draw took place in preparation for the new year.



Fuqing Xishan organised a sports meet to enrich the teaching staff's cultural and sports activities and strengthen team cohesion.



The Fuqing Xishan labour union organised activities to care for the life of its teaching staff, sending them Chinese New Year purchases.

6. People-oriented (Continued)

The Group firmly believes that good interactive communication with employees not only benefits the Group's operation and management, but also helps the Group in promoting its sustainable development. To ensure continuous, effective and two-way communication between employees and the management, the Group encourages employees to express their opinions and suggestions on the working environment, remuneration and benefits and other aspects through e-mail, bulletin boards, WeChat, the Employee Manual and meetings.



Case study 1

Promoting internal communication through the *People of Cijan*

Nanyang Cijan has published the *People of Cijan*, its internal newsletter where employees from various departments are invited to write articles, with a view to promoting corporate culture, enhancing employees' understanding of the Company and promoting their recognition of the Company's corporate values.

6.3 HEALTH AND SAFETY

The Group strives to provide employees with a healthy and safe working environment, while strictly complying with the laws and regulations that have a significant impact on the Group's operations in relation to employees' health and safety, including providing a safe working environment and protecting employees from occupational hazards. To ensure that employees at all levels of our business segments duly work on safety management, the Group established the *Occupational Health and Hygiene Management System* to prevent, control and eradicate any occupational hazards, and to minimise employees' risks in their working environment. For the three years ended 31 December 2020, the Group had no fatalities caused by work.

Occupational Health and Production Safety

In order to effectively prevent major accidents and occupational diseases and to ensure the personal safety and health of our employees, the automotive parts business of the Group has been conscientiously implementing the policy direction that "Safety is of utmost priority with prevention as the primary focus". It put into practice the liability system for production safety and set up the Production Safety Management Committee and the Occupational Health Leading Group, with the responsibilities of each unit under the production safety management system clearly specified. Nanyang Cijan formulated and implemented relevant measures according to the *GB/T28001-2011/OHSAS18001:2007 Occupational Health and Safety Management Systems – Requirements* and has been certified to be in conformity with the standard.

Production safety target

Zero major safety incident

Achievement of the target for the 2020 Financial Year

100%

6. People-oriented (*Continued*)

The automotive parts business of the Group formulated the *Safety Inspection System*, under which a comprehensive factory-level safety inspection is organised no less than twice a year, along with weekly workshop safety inspection and occasional safety inspection on new potential risk factors such as new equipment and new technology. The safety inspection team will issue criticisms against any department or employee that violates the rules, and appropriate punishment will be given according to the severity of violation. In addition, Nanyang Cijan regularly organises safety training for in-service staff, and only those who passed the training exam are allowed to work.



Case study 1

Active promotion of production safety and occupational health

The primary task of production safety management is to bolster employees' safety awareness. To effectively eliminate safety hazards, Nanyang Cijan standardises employees' operation safety by disseminating occupational health information through safety warning signs and workplace health publicity boards.

In the 2020 Financial Year, there were six minor-injury accidents related to the use of machinery and equipment in the Group. Upon such accidents, the safety responsible personnel reported to the safety department within 30 minutes to start a comprehensive investigation. Subsequent to the confirmation of the cause of the accident, a corresponding rectification plan was developed. The Group has already applied for work injury on behalf of the injured employees, and arranged compensation leave for them to recover. The Group also provided them with necessary financial assistance according to the *Regulation on Work-Related Injury Insurances*. Such employees may take other suitable work positions according to their personal preference.

Office Health and Safety

The Group is immensely concerned about employees' health and safety in the office and established relevant policies and measures. The Group illustrated in the *Employee Manual* the health and safety precautions of the office working environment and formulated the *Smoke Free Workplace Policy* to prohibit smoking in the office. The Group provides employees with annual health check-ups, organises health talks, places green plants in offices, cleans the air conditioning system and disinfects carpets regularly in the office. With regard to the education operation business, to avoid damage to teachers' vocal cords due to their long lectures with students, our schools provide a microphone in each classroom for teachers to use during classes. Other than that, employees of the Group's Shenzhen office regularly participate in the fire drills organised by the property management companies of their buildings, with a view to fostering their emergency response capacity.

The Group is also very concerned about employees' mental well-being. We communicate with employees regularly to keep track of their mental health and provide timely counselling for them. Well aware of the pressure on its teachers, the Group has set up a counselling room for them with psychological counselling provided by principals and supervisors.

In the 2020 Financial Year, the Group was not aware of any violation of laws and regulations in relation to health and safety that had a significant impact on the Group's operations.

6. People-oriented (Continued)

Epidemic Prevention and Safety

In 2020, the Group actively responded to the COVID-19 epidemic by setting up an epidemic prevention and control team, arranging and implementing various epidemic prevention measures in an orderly manner. The Group's financial services business has implemented dynamic management of its employees, adopted flexible working methods that combine work from home and rotation to work, gave anti-epidemic subsidies and supplies to employees, and hired professional staff to offer regular disinfection to office premises to fully protect the physical and mental health and safety of employees. In accordance with the *Guidelines for COVID-19 Prevention and Control in Primary and Middle Schools*, schools of the Group actively formulated various prevention and control plans and systems, including the *Implementation Plan for the Start of the School Year during the Epidemic Period*, the *Emergency Plan for Public Health Emergencies* and the *Gate Access Management System*. The schools also publicised the epidemic prevention and control measures through the school's WeChat account, home visits, letters to parents, etc., and established four levels of joint prevention, namely school, class, parents, and teachers and students. The schools have implemented fully enclosed management, purchased epidemic prevention supplies such as masks, disinfectants and temperature measuring guns, set up temporary regional isolation points, arranged for external disinfection vehicles to perform comprehensive disinfection of the entire campus, and conducted nucleic acid testing on all staff to protect the lives and health of students and staff.

Campus Safety

Students are substantial stakeholders of the Group, and protecting their safety is both the top priority of the school and the responsibility of every member of its teaching staff. The Group is committed to enabling students to enjoy the pleasure of learning in a safe environment, while strictly complying with the laws and regulations that have a significant impact on the Group's operations in relation to students' safety. The Group formulated the *School Safety Management Manual* for schools under its management, allowing employees of different job positions to effectively manage and implement measures related to the daily safety of schools, ensuring the personal safety and mental health of students, and enabling them and their parents to have full confidence in our schools.

Each year, schools of the Group set annual safety targets to effectively prevent all kinds of accidents through strengthening safety education and safety management, with safety measures being put into practice. At the beginning of each semester, Xishan Schools arranged its teaching staff to sign the *Letter of Safety Responsibility*, which clearly defined the responsibilities of each member of the teaching staff for the implementation of safety programmes. In the 2020 Financial Year, there were no campus safety incidents at our schools that had a significant impact on our school operations.

As the schools operated by the Group are all boarding schools where students spend most of their time, the teaching staff are arranged to provide care for students during classes, rest periods at dormitories and meal breaks, looking after them in every detail. Meanwhile, the schools strengthen gatekeeping management to ensure that each school gate is equipped with security guards and a complete set of security equipment, strictly controlling the entry and exit of external personnel and vehicles.

6. People-oriented (Continued)

In addition to day-to-day campus safety work, the Group also formulated emergency response plans for all kinds of campus emergencies such as typhoons and rainstorms, fire accidents and public health accidents, to ensure that teaching staff and relevant departments are able to act promptly and take appropriate measures as stipulated in the plans in the event of any accidents.



Case study 1

Fuqing Xishan conducted fire emergency drills

Fuqing Xishan conducts fire emergency drills regularly to inspect teachers and students' emergency response capacities under simulation exercises.



Case study 2

Fuqing Xishan conducted education seminars on rule of law

In order to raise students' safety awareness and legal consciousness, Fuqing Xishan invited the cadres and policemen of Jingyang Township Police Station to provide a lecture on legal education for the new semester.

6. People-oriented (Continued)

Students' Physical and Mental Well-being and Safety

The Group places high emphasis on students' physical health, arranges annual health check-ups for its students, and disseminates health knowledge to them through health talks. Furthermore, the health service department of schools regularly provides the teaching staff with trainings in relation to hygiene, medication and health, on topics such as common infectious diseases in schools and first aid knowledge, enabling the teaching staff to take appropriate measures promptly whenever they are aware of a suspected outbreak of an infectious disease.

The Group also pays considerable attention to students' mental well-being, promoting mental health knowledge to students through measures such as setting up psychological counselling rooms, developing school-based psychology courses, organising mental health talks, designing classroom bulletin boards and establishing online mental health education columns, supporting students to grow up healthily.



Case study 1

Jiangxi Xishan popularised the knowledge of physical and mental health during adolescence

In order to popularise the knowledge of physical and mental health during adolescence, improve mental health literacy and enhance the awareness of self-protection, Jiangxi Xishan invited the National Principal of Excellence in Mental Health Education and the National Level II Psychological Counsellor to conduct a safety education seminar for female students.

Food Safety and Nutrition Management

The Group attaches great importance to food safety at school canteens, to prevent students from food poisoning or other foodborne illness. Schools of the Group formulated the *Regulations on the Hygiene Management of School Canteens and Students Eating Together* and the *Health Management System for Employees of the Catering Department*, stipulating hygiene requirements and monitoring methods for canteen equipment and the catering staff. Meanwhile, all catering staff are required to obtain the *Health Certificate* and have regular health check-ups. In the 2020 Financial Year, there were no incidents related to food safety at our schools that had a significant impact on their operations.

To further ensure food safety, the schools operated by the Group formulated the *Food Procurement System of School's Catering Department*, which stipulates that canteen food buyers must purchase food from business units with health permits and a stable supply, and refrain from purchasing substandard goods without a production date, quality certification and name of manufacturer shown on goods, or from purchasing food that have expired, rotten or gone bad. Our schools set "Quality, Cost, Delivery and Service" as the basic criteria for procurement, with "Quality" being the most important factor to ensure that the ingredients purchased are fresh and hygienic. Our schools established the *Food Safety Supervision System* and a food safety self-inspection team to regularly supervise and inspect canteen hygiene, food safety and nutrition of ingredients to protect the health of students.

6. People-oriented (*Continued*)

“One Code for Each Product” food safety information traceability management platform

- Fuqing Xishan made use of the “One Code for Each Product” platform to understand information related to the production chain of each piece of food “from farm to table”, which also enabled the school to have a comprehensive understanding of the food safety information of each supplier, strengthen the school’s identification and control of food safety risks, and allow the school to monitor and have an early warning system for food safety risks.

Schools of the Group have set up procedures for reviewing and grading suppliers, who are reviewed annually. Suppliers who are graded as unqualified will be blacklisted by the schools according to the *Supplier Supervision and Management Approach*, and the cooperation will be terminated immediately.

Privacy Protection for Students and Parents

In addition to campus safety, the Group is also very concerned about the privacy protection for the personal information of students and parents, which are kept in strict confidence by responsible personnel assigned for information management. Students’ information is submitted by their class teachers directly to the school’s information management office to reduce the possibility of information leakage. In the 2020 Financial Year, schools operated by the Group did not receive any complaints regarding privacy matters.

6.4 CAREER ADVANCEMENT

The Group regards every employee as its valuable asset and strives to connect employees’ personal growth with the Group’s future development. The Group formulated the *Training Management System* and the *Annual Training Plan* to facilitate further development of the Group’s business by enhancing the professional standards and work capacities of our employees through regular trainings.

Yinghua School allocates about 2% of the total wages of its teaching staff as training budget each year, and at the same time requires the teaching staff to participate in no less than 20 hours of training per year. The school also encourages the teaching staff to take part in trainings during non-working hours, and provides the teaching staff with study leave and subsidies as appropriate.

6. People-oriented (Continued)

Four Key Training Objectives

To Support Employees' Career Advancement

The Group organises induction training for each employee on their first day of work to provide them with onboard guidance and an introduction of the company, in order to ensure that they have adequate expertise and capabilities for day-to-day work. In the meantime, the Group provides a wide range of job skills trainings for existing employees.



Case study 1

Jiangxi Xishan's training on the discussions of STEAM curriculum

Jiangxi Xishan invited experts in STEAM curriculum to hold specialised training on STEAM curriculum, providing primary and secondary school teachers with an in-depth explanation of the scientific principles and key teaching points, to drive the rapid development of STEAM education innovation of Jiangxi Xishan.



Case study 2

Nanyang Cijan Technical Skill Contest

Nanyang Cijan organised a technical skill contest amongst its business departments in May 2020, aiming to cultivate an active learning environment that encourages employees to "compare, learn, catch up, help and surpass", and improve employees' personal literacy comprehensively and operational skills.

6. People-oriented (*Continued*)

To Raise Compliance Awareness of Staff

The Group provides employees with trainings on compliance and risk management, relevant laws and regulations, and occupational health and safety, to boost employees' awareness of compliance and to ensure that the business operations of the Group are in compliance with laws and regulations.

Licensed employees of the Group's financial services business must continuously participate in a certain number of continuing professional trainings each year to meet regulatory requirements.

With regard to the education operation business, the Group incorporated trainings on education-related laws and regulations into teachers' training plan, enabling teachers to have a clear understanding of education policies and industry development trends, thereby facilitating the identification of potential opportunities or risks for the schools.

With regard to the automotive parts business, Nanyang Cijan organises occupational health and safety training at least twice a year to guide employees and to implement production safety and compliance measures in order to build a safe working environment together.

To Cultivate CFCG Core Culture

During the transformation and upgrading of its business, the Group also pays attention to reshaping and upgrading its corporate culture. The Group conducts activities such as new employee induction trainings, systems trainings and team building activities, to allow employees to understand the basics, culture, development strategy and systems of the Group, thereby facilitating their understanding of the Group's core values, promoting their recognition of its corporate culture, and enhancing their sense of belonging to the Group.

To Facilitate CFCG's Innovation

The Group is committed to innovative development. It encourages employees to actively explore innovative ways and inspires their creative thinking through expert sharing, exchange of opinions and innovation incentive programmes, in the hope of bringing more development opportunities to the Group.



Case study 1

Nanyang Cijan actively promotes innovation

Nanyang Cijan attaches immense importance to innovative development, and formulated the *Implementation Plan for the Management of Innovative Activities* and the *Implementation Plan for Technological Innovative Activities*, to encourage employees to reduce energy consumption, enhance productivity and increase economic benefit by continuously optimising their work methods in corporate management and technological R&D, researching and developing new products, and introducing new technologies.

7. Environmental Protection

The Group incorporates green concepts across its every business segments, and fully considers the environmental impacts caused by each of the business segments. The Group is fully aware of the fact that the production process of its automotive parts business and the day-to-day operations of its education operation business will affect the environment to a certain extent. Therefore, it actively set up measures to reduce the negative environmental impact from factories and schools, putting green operations into practice. Meanwhile, the Group also understands that it is an integral part of environmental protection to raise the environmental awareness among employees and students, we therefore proactively promote environmental education in offices and schools to encourage employees and students to adopt environmentally friendly habits.

The Group strictly complies with laws and regulations that have a significant impact on the Group's operations in respect of air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and noise pollution. In the 2020 Financial Year, the Group did not receive any confirmed violations or complaints in respect of air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and noise pollution that have a significant impact on the Group's operations. In the meantime, the data of environmental performance indicators for the three years ended 31 December 2020 have been provided in Section 10 of the Report, so as to present the changes in annual performance, and to lay a foundation for the Group to set environmental performance targets in the near future.

Policies have been formulated in respect of the automotive parts business of the Group to manage emissions and use of resources according to the *GB/T24001-2016/ISO14001:2015 Environmental Management Systems – Requirements with Guidance for Use*, and certificate has been obtained in respect of the environmental system certification. The Group also regularly entrusts third party organisation to monitor the emissions of pollutants, in accordance with relevant standards and specifications, during the operation of the automotive parts business to ensure compliance of factories.

Environmental management target for production

Achievement of the target for the 2020 Financial Year

Zero major environmental pollution incident

100%

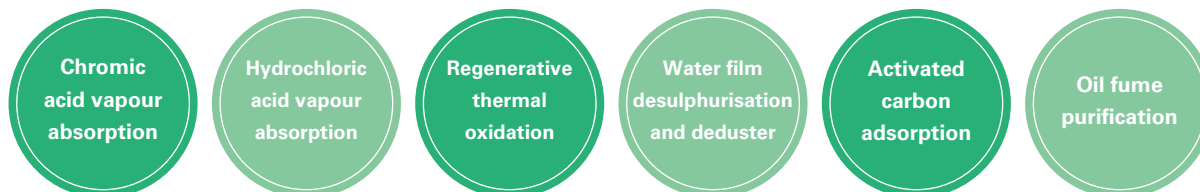
7.1 ENVIRONMENTAL IMPACT

Air Pollutants

The Group's emissions of air pollutants mainly come from the production equipment of the automotive parts business, as well as the cooking and heating equipment of the education operation business. On top of implementing emission reduction measures for various pollution sources, the Group further strengthens the maintenance and management of pollution prevention and control facilities, so that the facilities are always in good condition to ensure a stable discharge of pollutants while meeting the emission standards. The production equipment in Nanyang Cijan is equipped with the end-of-pipe treatment technology to ensure that all kinds of air pollutants are effectively treated.

7. Environmental Protection (Continued)

End-of-pipe Treatment Technologies of Air Pollutants



In early 2020, the Group required that all emissions should be reduced by more than 5% year-on-year, while Nanyang Cijan had set a reduction target of 20% year-on-year. To further reduce the emissions of air pollutants, Nanyang Cijan has replaced some of the diesel forklifts with electric forklifts for transporting goods. In order to be in line with China's proactive implementation of the "coal-to-gas" initiative, the Group actively reduces its dependence on coal and switched to clean energy instead, for the purpose of reducing air pollution and combating smog. Yinghua School uses natural gas instead of coal for heat supply and for cooking at canteens, reducing its coal consumption, and installed physical purification devices to achieve a grease removal rate of about 60%.



The Group's automotive parts business uses natural gas, a clean energy, as its energy source to reduce pollutant emissions as compared to coal combustion, meeting the requirements of clean production.

GHG Emissions

The use of boilers and electricity consumption are the Group's main sources of GHG emissions. We have actively implemented energy conservation measures in our operations to reduce GHG emissions and set appropriate control targets, requiring a year-on-year reduction of GHG Emissions of more than 5%. In particular, Nanyang Cijan has formulated the emission target of a reduction of 20% year-on-year. Detailed measures are elaborated in section 7.2.

In the 2020 Financial Year, Nanyang Cijan reduced emissions of VOCs, PM2.5, PM10 and other emissions by more than 20% compared to the previous year through effective control and reduction of exhaust and GHG emissions, making due contribution to local haze control and air quality assurance.



Case Study 1

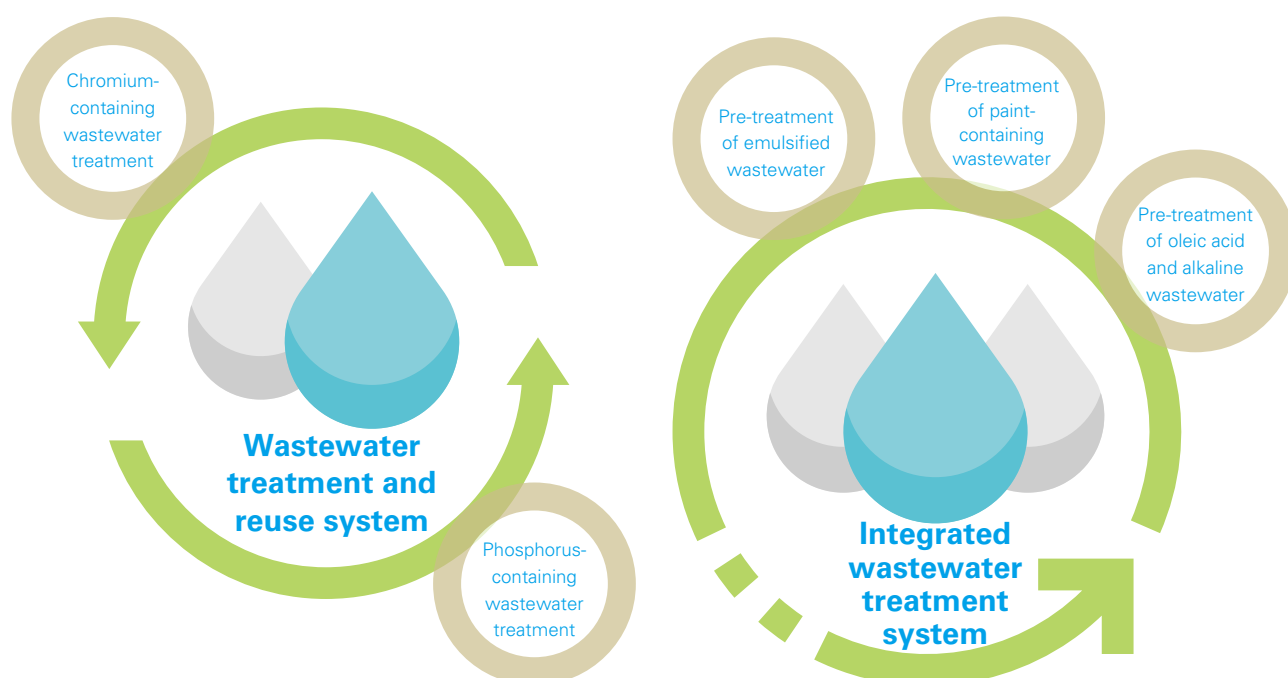
Nanyang Cijan has replaced activated carbon in each quarter to increase the efficiency of filtering waste gas. The replaced activated carbon is also stored in a standardised manner, and a disposal contract has been signed with an entity with hazardous waste treatment qualifications.

7. Environmental Protection (Continued)

The Group has also planted a total of 20,854 trees in areas within our factories and schools to reduce the GHG emissions. It has offset the Group's GHG emissions by approximately 480 tonnes of carbon dioxide equivalents.

Wastewater

The automotive parts business of the Group has in place different types of wastewater treatment facilities for the collection and treatment of wastewater generated during the production process. Maintenance is performed on the wastewater treatment facilities regularly to ensure normal operation of the system, and has set an emissions reduction target of more than 20% year-on-year.



In respect of the automotive parts business of the Group, chemical oxygen demand (COD) online analysers and flowmeters have been installed at the discharge points of the wastewater treatment facilities to monitor the wastewater quality online, and to ensure that the discharge is up to standard. In the 2020 Financial Year, the quality of wastewater discharged from the automotive parts business of the Group was in accordance with the limits as required under the Emission Permit. The Group has not been penalised by relevant environmental protection departments for exceeding any discharge limits.

In the 2020 Financial Year, Nanyang Cijan reduced wastewater discharge through measures such as control box management of storage tanks and transmission pipes, control of the discharge volume, and installation of online monitoring devices to control the discharge concentration; and reused approximately 11,811 tonnes of wastewater, that is 2,900 tonnes more than that of the previous year, achieving a 20% improvement in efficiency in reducing emissions and saving water resources.

The waste water generated from the Group's education operation business is domestic sewage. Each of our schools has in place facilities for sewage treatment. Furthermore, Yinghua School treated and reused domestic sewage. Sewage from offices of the financial services business of the Group is domestic sewage, which is discharged into municipal pipelines through the drainage systems of the building.

7. Environmental Protection (*Continued*)



Case study 1

Yinghua School has put in place its own wastewater treatment facility, and the treated water is used to water the school's greenery and the orchard.



Case study 2

Fuqing Xishan has in place two sewage treatment stations (high school sewage treatment station and junior high school sewage treatment station), and the domestic wastewater is discharged to the municipal sewage network after treatment and sedimentation in the sewage treatment stations.



Case study 3

In the 2020 Financial Year, approximately 2,100 tonnes of domestic wastewater and approximately 29,700 tonnes of industrial wastewater were treated in Nanyang Cijan, of which some wastewater was re-purified for recycling and some was discharged collectively after treatment to meet the standards.

7. Environmental Protection (Continued)

Wastes

The Group strictly manages the handling of wastes and formulated specific handling methods, and has achieved the waste reduction target, which required a year-on-year reduction of more than 5% of waste, while Nanyang Cijan set a waste reduction target of 20% year-on-year reduction.

The non-hazardous wastes generated from the Group's operations comprised of domestic waste and office waste, which are collected and disposed of by the responsible personnel from the property management companies or the refuse handling stations. Also, our schools and factories generate non-hazardous wastes such as food waste from canteens and sludge from domestic sewage treatment facilities.

The automotive parts business is the main source of the Group's hazardous wastes, which generates hazardous waste oil, waste oil containers, paint waste from paint-spraying process and chromium-containing sludge from electroplating wastewater treatment. Our schools and offices generate a smaller amount of hazardous wastes, which include mercury-containing lamps, e-waste, waste batteries and ink cartridges. In addition, the chemistry laboratories of our schools also generate trace amount of non-hazardous wastes during classroom activities. The Group manages hazardous wastes in accordance with the *Directory of National Hazardous Wastes* and the *Standard for Storage and Pollution Control on Hazardous Wastes*, and set up waste separation facilities to collect and transfer hazardous wastes. Following the *Measures for the Management of Duplicate Forms for Transfer of Hazardous Wastes*, the Group transfers its wastes to an eligible organisation for disposal. The Group also adopted measures to prevent the leakage of hazardous wastes in order to avoid contamination.

The automotive parts business of the Group formulated the *Chromium Residue Management System* and the *Hazardous Wastes Management System*, which strictly stipulated the procedures for the generation, collection, storage, transfer and disposal of hazardous wastes. Nanyang Cijan transfers chromium-containing waste, paint waste and hazardous waste oil to eligible organisations for handling, while waste oil containers are recycled and reused by manufacturers.

In the 2020 Financial Year, Nanyang Cijan disposed of some of its 180kg vibration damper metal oil drums and replaced some of them with reusable 1,000kg plastic drums which can be reused to reduce waste and save costs. This will result in saving an average of 1,200 vibration damper metal oil drums per year.

Schools operated by the Group classify and recycle all heavy metal-containing waste, strictly prohibit the mixing of incompatible wastes, and will only reuse or dispose of them upon proper handling.

The Group minimises waste generation in its business operations by reusing reusable items and sorting recyclables. Nanyang Cijan reused all non-hazardous waste oil in the rolling mill during the pipe manufacturing process, with about 525kg of waste oil reused in the 2020 Financial Year.

For schools, in the 2020 Financial Year, Jiangxi Xishan fully implemented the waste separation, collection and disposal measures and recycled approximately 44,800kg of paper, 6,830kg of plastic, 20,550kg of metal and 90kg of glass; Fuqing Xishan recycled approximately 45,760kg of paper, 1,050kg of plastic and 80,400kg of metal; and Yinghua School recycled approximately 1,750kg of waste paper in a year.

7. Environmental Protection (*Continued*)



Case study 1

Yinghua School endeavoured to reduce waste on campus

Yinghua School implemented various measures for environmental protection and waste reduction, and formulated the *Implementation Plan for the Classification of School Wastes*, which targets on the recycling of paper, plastic and glass. To reduce the consumption and disposal of paper, the school applied a paperless teaching system and encouraged the reuse of textbooks. The school also reduced the use of disposable plastic products in canteens by providing students with reusable cutlery. Dairy containers were also changed into reusable glass containers and were recycled by dairy factories. In addition, the school reused broken desks and chairs as components for repairing purpose, minimising the amount of wastes sent to landfills.

The Group implemented waste reduction measures in its offices, while the Hong Kong office was successfully awarded the “Wastewi\$e Certificate (Basic Level)”, acknowledging our efforts in reducing wastes. Such adopted waste reduction measures include:

- recycling and reusing courier packaging
- emptying rubbish bins regularly to reduce the frequency of replacement of plastic rubbish bin bags
- reducing the use of disposable cups for serving guests
- providing reusable utensils for employees to reduce the use of disposable tableware
- placing waste paper recycling boxes next to the printers to re-use waste paper
- arranging paper recycling boxes for collection of waste newspapers and paper

Noise Control

The Group’s noise pollution is emanated from the production equipment of the automotive parts business. In order to reduce noise pollution, the Group established the *Noise Protection Management System* for noise-generating areas, and different noise abatement measures are employed according to the characteristics of the equipment, proactively conducting noise controls at source and on the noise propagation.

In order to reduce noise, Nanyang Cijian takes a number of measures to tackle the noise problem at its source:

- installing sound-deadening cylinders
- installing sound absorbing panels
- installing vibration damper and elastic air cushion in the item of equipment with high vibration
- pasting sound insulation cotton in an item of equipment

The Group also monitors the noise levels at the boundary of the manufacturing plant regularly to ensure that the noise level generating from the operation of the equipment meets the requirements of the *Emission Standard for Industrial Enterprises Noise at Boundary* and would not cause noise nuisance to neighbouring residents.

7. Environmental Protection (Continued)

7.2 USE OF RESOURCES

In line with the concept of “scientific management, punctual supply, rational usage, and wastage elimination”, the Group manages the use of resources in each business segment to enhance the efficiency of resource utilisation, requiring for more than 5% year-on-year improvement on efficient utilisation.

Energy Use

The Group strictly regulates the use of energy and encourages employees to actively propose energy-saving and consumption reduction measures, seeking opportunities to reduce the use of energy together with employees.

The automotive parts business of the Group formulated the *Energy Management Measures*, which strictly regulates the use of various electrical equipments, allowing responsible units to carry out timely maintenance of equipment in the event of anomalies to reduce electricity wastage. All of the low-voltage distribution rooms locating in the manufacturing plant of Nanyang Cijan are equipped with reactive power compensation system, which improves the power factor, reduces the wearing of transformers and transmission lines, and hence improves the efficiency of power supply.

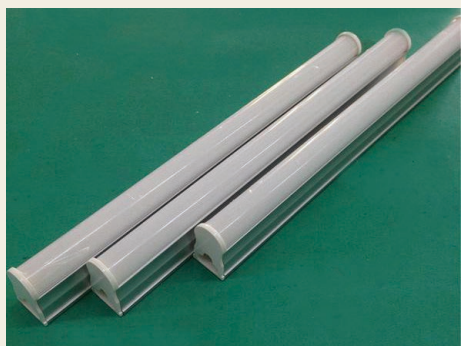
Schools operated by the Group formulated the *Regulations on the Management of Use of Electricity* and the *Regulations on the Management of Air-Conditioning Usage at School*, regulating electricity consumption behaviour to create a campus which promotes resource conservation and achieves low-carbon operations.



Case study 1

Yinghua School introduced solar power equipment

Yinghua School introduced solar power equipment, and installed solar water heaters on the roofs of teaching buildings to reduce the consumption of purchased electricity. The school also installed solar-powered street lighting systems in open areas, roads and playgrounds of the school, covering the entire campus. In the 2020 Financial Year, the solar power equipments of Yinghua School generated about 10,000kWh of electricity.



Case study 2

Fuqing Xishan used energy-efficient LED lights

Fuqing Xishan gradually replaced the energy-consuming lights with energy-efficient LED lights. A total of 55 LED lights were installed in the 2020 Financial Year.

7. Environmental Protection (*Continued*)

Case study 3

Jiangxi Xishan Hot Water and Drinking Water Supply System



Jiangxi Xishan replaced the old boiler system for the supply of hot water and drinking water by renting an air energy water heaters and drinking water machines. Such air energy water heaters and drinking water machines were installed in the student dormitory building while drinking water machines were installed in the teaching building to ensure the supply of bath water and drinking water. In the 2020 Financial Year, a total of 46 units of Zxin air energy water heaters and 129 units of drinking water machines were installed in Jiangxi Xishan, reducing students' drinking water costs by approximately RMB200,000/year and canteen boiler wood and labour costs by approximately RMB220,000/year.

To raise the environmental awareness of employees and to encourage and cultivate their environmental protection behaviours, the Group implemented a series of green office measures focusing on energy conservation and the reduction of material consumption. The Hong Kong office was awarded the "Energywi\$e Certificate (Basic Level)", acknowledging our efforts in reducing energy consumption. Such energy consumption reduction measures adopted include:

- promoting a paperless office with files saved in shared drive for circulation or distributed through email
- switching off lights when no one is using the office area
- setting computers to enter sleep mode or shut down when being idled for 15 minutes
- promoting the use of public transport or cycling for commuting to and from work

7. Environmental Protection (Continued)

Use of Water Resources

The Group's education operation business and financial services business use municipal water, while its automotive parts business uses groundwater. The Group have not come across with any difficulties in sourcing water.

The Group has been implementing a variety of water-saving measures, targeting to reduce water consumption by 5% or more annually, including:

- strengthening the daily maintenance and management of water appliances and closely checking if there is any water leakage problem so that timely repair can be carried out
- regularly consulting repair technicians to conduct inspection on the water valves and water pipelines
- developing employees' water-saving habits to consciously control the water flow manually when using water, and turning off the faucet after use in order to save water
- systematically upgrading sanitary equipment and gradually installing water-saving devices
- strengthening the management of water-saving equipment to improve water efficiency
- strictly enforcing daily scheduled water supply with no overtime or non-timely water supply



Case study 1

Shenzhen office promoted a vigorous drinking water conservation programme

In order to promote the ideas of cherishing water resources and rational consumption of water, and pursuing a vigorous water conservation programme, the Group's Shenzhen office has fully implemented the supply of direct drinking water programme and achieved a significant reduction in the cost of drinking water as compared with the consumption of buckets of distilled water, while strictly enforcing safe drinking water regulations to ensure the quality of drinking water and strengthening the management of the supply of hot drinking water so as to effectively reduce drinking water and power consumption.



Case study 2

Yinghua School actively promoted water-saving measures



Yinghua School formulated the *Regulation on the Watersaving Management for School*, which strengthened the management of water conservation, and introduced induction toilet tanks to replace the old ones so as to eliminate the problem of non-stop running water, and installed individual water meters for the office and living areas to facilitate quarterly and annual water consumption statistical analysis by responsible personnel. Besides, Yinghua School has sewage treatment facilities in place and reuses some of the treated water. In the 2020 Financial Year, Yinghua School reused about 4,850 tonnes of treated water.

7. Environmental Protection (*Continued*)

Use of Paper and Packaging Materials

In the 2020 Financial Year, we encouraged adoption of an electronic and paperless workplace in our Hong Kong and Shenzhen offices, and took active steps such as saving and reusing office paper, storing outdated newspapers and magazines, and sorting courier packaging materials for re-use, in order to protect the environment and utilise resources better.

The Company's annual reports are available in Chinese and English versions, and are delivered according to Shareholder's preference. Shareholders are encouraged to receive the reports in electronic form in order to reduce the number of printed copies and save paper. The paper used for the annual report is derived from responsible forest resources and certified by the Forest Stewardship Council. In addition, the Company's Environmental, Social and Governance Report is prepared separately from the Annual Report and is available in electronic form only, with no printed copies available.

Fuqing Xishan vigorously implements its paperless office strategy to reduce the use of paper. Internal documents are circulated in electronic form. Except official documents, double-sided printing is encouraged for the efficient use of paper and strict office paper supply system is implemented to improve the efficiency of resource utilisation and reduce resource waste.

Packaging materials are mainly used for the finished products of the automotive parts business of the Group, which can be categorised into paper, metal, plastic and wood. Nanyang Cijan has introduced the use of shared logistics boxes since 2017, aiming to reduce consumption of packaging materials and costs of packaging through the new cycle packaging. Within Nanyang Cijan's major customer base, nine automobile manufacturers have already adopted the shared logistics boxes. Besides, Nanyang Cijan has also been planning to promote the use of shared logistics boxes to all of its customers and raw material suppliers to further reduce the consumption of packaging materials.

7.3 CLIMATE CHANGE

Environmental and climate change may have a negative impact on the production and operations of a business, such as the acute risks associated with extreme weather events; and extreme events such as heavy rainfall, floods, droughts, typhoons, heat waves, etc. may cause direct damage to the Company's assets or result in additional capital expenditure, reduced revenue and asset impairment, or affect the safety of the Company's premises, operations, supply chain, transportation and employees. Climate change may also lead to chronic risks, such as an increase in the average temperature of the earth and a rise in sea level due to cumulative climate change, which may affect the productivity and level of output of an enterprise, or impact water supply resources, water sources and quality, food safety and other aspects.

Each of the Group's business segments has always followed the principle of "respect for nature; harmony between mankind and nature". At the same time, we also require our business units to guard against natural risks, especially the impact of extreme weather events on production and operations.

7. Environmental Protection (Continued)

The campus of Fuqing Xishan was hit by a strong typhoon in August 2020, resulting in collapse of trees and ground damage, causing loss of approximately RMB2,000. Jiangxi Xishan is located in a thunderstorm area where seasonal thunderstorms occur throughout the year. In February and May 2020, some of the school's surveillance and network equipment was damaged by thunderstorms, resulting in a loss of approximately RMB3,600 and RMB3,000 respectively for the repair and replacement of such equipments.

To address the potential risks of climate change, the Group has put in place a series of countermeasures and contingency mechanisms to proactively address the possible impacts and risks of climate change; to prevent possible hazards and losses; and to use it as a chance to grasp the potential opportunities that lie ahead. For example, we can mitigate and adapt to the negative impacts of climate change through measures such as developing alternative energy sources and improving resource efficiency.

To prepare for typhoons and reduce unnecessary losses caused by climate change, Fuqing Xishan has put in place a series of preventive and control measures. In recent years, the damage caused by typhoons to the school has been manageable, and there were no injuries or fatalities. The relevant preventive and control measures include: (1) members of the logistical support team must be in place throughout the typhoon period, and the leadership team members are arranged to be on duty at the school 24 hours a day, and the staff on duty should patrol the campus from time to time. If he/she finds a dangerous situation, he/she should immediately report it to the school's management; (2) if the building is tilted or cracked during a typhoon, the site commander should immediately direct emergency personnel to evacuate teachers and students from the site to a safe area and disconnect the power supply of the building. If anyone is injured, the medical ambulance team must treat him/her on site or take him/her to hospital. A perimeter should be set up around the dangerous building and designated staff should be assigned to closely observe the condition of the building.

Since Jiangxi Xishan is located in a thunderstorm area, it has set up an emergency response team for extreme weather and has strengthened its education and preparedness in daily teaching and school life, and has extensive experience in dealing with extreme weather hazards from thunderstorms. The relevant precautionary measures include: (1) classrooms, office buildings, dormitories, canteens, gymnasiums, libraries and other school buildings are equipped with lightning arrestors (e.g. lightning rods, lightning strips), which are flat, straight and firmly welded, with open lead wires firmly, flat and well away from entrances and exits, and with an insulating layer 1.8m below ground level; (2) the main distribution cabinet, distribution cabinet, important information server room (network server room, programme control switch room, electronic teaching network centre server room, monitoring server room) in all school buildings are set up with power surge protectors of more than two levels, and fine protection is adopted; (3) the satellite receiving device is protected against electromagnetic pulses of lightning by corresponding signal surge protectors (signal lightning arrestors) at the indoor and outdoor feeder ports, at the external network interface of the information network (metal conductors) and at the important ports of the network switch.

Nanyang Cijan takes measures to suspend or restrict the production of welding and painting processes that produce exhaust gases according to the different meteorological warnings (such as red, orange, yellow and green) issued by the government authorities under the smog conditions, and actively cooperates with the governments at all levels to prevent and control the smog, and makes positive efforts to prevent and control haze, to ensure air quality and to promote climate improvement in the region.

7. Environmental Protection (Continued)

7.4 ENVIRONMENTAL EDUCATION

It is the responsibility of each and every one of us to conserve resources and protect the environment. Schools operated by the Group focus on developing students' personal attributes and habits by raising their environmental awareness through education and encouraging students to protect the environment in action.

Xishan Schools launched the theme of "Waste Separation – Party Members First* (垃圾分类 黨員先行)" to promote waste separation through the leadership of party building, and conducted special training on how to separate and put away waste; and distributed leaflets on waste separation to the public in the community, giving detailed information on the basics of waste separation; and increased the publicity and training on waste separation on campus to fully utilise the exemplary role of party members and cadres, to enhance the awareness and participation of teachers and students in waste separation, and to continue to promote waste separation in detail and in practice.



向群众发放垃圾分类宣传传单，讲解垃圾分类基本知识

Case study 1

Distribute waste separation leaflets to the public and explain the basic knowledge of waste separation



学生手绘海报

主题班会

制作智能垃圾分类桶

垃圾分类进社区

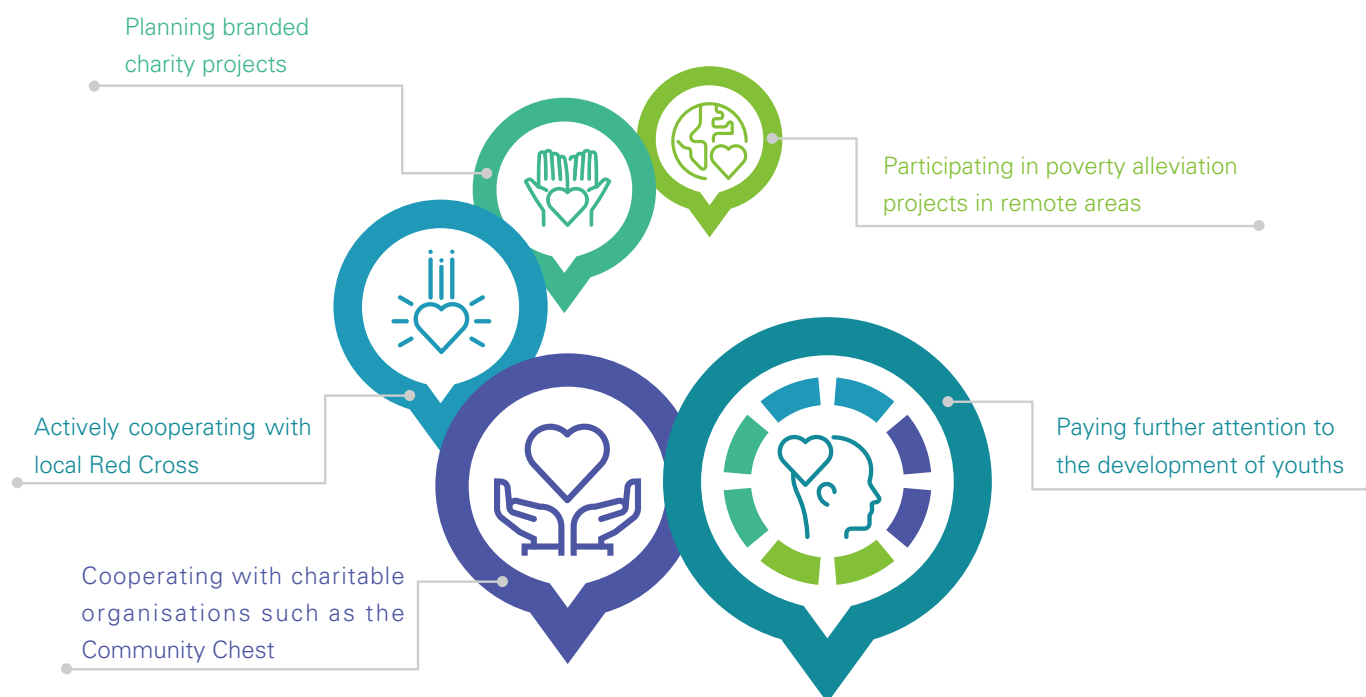
Case study 2

Waste separation starts with school education

8. Community Investment

The Group is well aware of the importance of making positive contributions to the community it thrives in and treats the community interests as one of its social responsibilities. In addition to focusing on the Group's business development, we have also been actively involved in charitable activities to spread warmth and care to the community. To this end, the Group formulates community investment management systems and policies, allocates a certain percentage of its annual operating budget as project funds, plans its annual programme and reviews the programme on a regular basis. For example, it participates in poverty alleviation projects in remote areas, plans branded charity projects and actively cooperates with local charitable organisations such as the Red Cross and the Community Chest. During the 2020 Financial Year, the Group allocated approximately RMB1.03 million of donations for education, cultural, health, and public welfare undertakings.

The Group has for many years cared for groups with different needs in the community, strengthened the cooperation and exchange within the education industry, and supported the development of cultural undertakings. In recent years, the Group has paid further attention to the development of youths by offering exchange and internship opportunities, and by striving to provide youths with multiple development opportunities and to path their way to success.



8. Community Investment (Continued)

CARING FOR THE COMMUNITY



Case study 1

Nanyang Cijan donated to the frontline of epidemic prevention and control

During the epidemic in 2020, Nanyang Cijan donated RMB500,000 to the Xichuan Red Cross* (浙川县红十字会) to support the prevention and control of the epidemic in the whole county.



Case study 2

Fuqing Xishan supports educational efforts aimed at alleviating poverty

Fuqing Xishan donated RMB300,000 to the Fujian Poverty Alleviation Foundation* (福建省扶贫基金会) and RMB100,000 to the Education Bureau of Basu County, Tibet Autonomous Region (西藏自治区八宿县教育局) to support educational efforts.

DEEPENING THE COOPERATION AND EXCHANGE WITHIN THE EDUCATION INDUSTRY



Case study 1

Participating in the 2020 Echoes of China Tencent Annual Education Ceremony* (2020「迴響中國」騰訊教育年度盛典)

FC Fund was invited to participate in the 2020 Echoes of China Tencent Annual Education Ceremony* (2020「迴響中國」騰訊教育年度盛典) held in Beijing, and participated in the roundtable discussion. With the theme of "Embracing challenges, winning tomorrow", the Tencent Annual Education Ceremony attracted a large number of practitioners in education industry to discuss the responses, innovations, changes and future development opportunities under the new situation of the education industry.

8. Community Investment (Continued)

SUPPORTING THE FUTURE DEVELOPMENT OF YOUTHS



Case study 1

Nanyang Cijan co-organised with an institute to train professional and technical personnel

Nanyang Cijan co-organised a course with Nanyang Institute of Technicians to train professional and technical personnel. Students first learned theoretical knowledge at school, and went for internship at Nanyang Cijan at the final year of the course. In order to bring theoretical knowledge closer to the production needs of Nanyang Cijan, Nanyang Cijan would send skilled technicians to the school regularly to conduct relevant course training.



Case study 2

Providing live broadcast charitable online lectures to secondary students in the Guangdong-Hong Kong-Macao Greater Bay Area

In April 2020, CFCG co-organised with the Tencent charitable platform – “Youth Travel at the Greater Bay Area”, live broadcast charitable online lectures to secondary students in the Guangdong-Hong Kong-Macao Greater Bay Area with the theme of “Essential lessons for secondary students in the future workplace”. “Youth Travel at the Greater Bay Area” is a charitable platform of Tencent that connects famous enterprises and well-known social institutions in the Guangdong-Hong Kong-Macao Greater Bay Area, providing opportunities for youths from the area to participate in different fields of social service and learning.

9. Future Prospect

Looking forward, we will continue to invest time and resources to realise the Group's sustainable development philosophy with a top-down approach and to continuously understand the expectations and needs of our stakeholders. We look forward to further creating values from sustainable development for our stakeholders by improving policies and measures in four aspects: the provision of quality education for the general public; being a people-oriented enterprise; operating in a sound manner; and protection of the environment.

With regard to quality education for the general public, we will join hands with the team of education experts and focus on classroom reform, continuously optimising and integrating quality educational resources so that every student can enjoy quality education.

With regard to our aim to be a people-oriented enterprise, we will advance the construction and development of teams of talents through the implementation of a series of human resources policy, aligning employees' personal growth with the Group's future development and ensuring that employees give full play to their capabilities while working for the Group.

With regard to sound operation, we will continue to perfect the relevant policies and measures to provide a healthy and safe work and study environment, striving to protect the safety and health of our employees, customers and students.

With regard to environmental protection, we will integrate environmental values and education into the Group's operations, encouraging stakeholders of the Group to contribute to environmental protection to mitigate environmental impact.

We will fulfill corporate social responsibility and adhere to our sustainable development strategy. We will try our best to mitigate the environmental and social impact of our business operations and turn ESG risks into opportunities. In the meantime, we will work closely with our stakeholders, and continue to contribute to the society through joint efforts.



10. Performance Data

10.1 ENVIRONMENTAL PERFORMANCE DATA¹

		For the year ended 31 December					
		2020		2019		2018	
Type	Unit	Total	Intensity (units/no. of employees) ²	Total	Intensity (units/no. of employees)	Total	Intensity (units/no. of employees)
Emissions of pollutants							
Air pollutants³							
Sulphur oxide (SO _x)	Kg	14,147.19	4.29	13,453.46	3.69	7,627.00	1.98
Nitrogen oxide (NO _x)	Kg	8,407.74	2.55	10,100.07	2.77	6,275.50	1.63
Particulate matter (PM)	Kg	31,581.80	9.57	85,156.14	23.35	38,426.44	9.99
Carbon monoxide (CO)	Kg	2,772.93	0.84	4,516.98	1.24	2,653.75	0.69
GHG Emissions							
Total GHG emissions ⁴	Tonnes CO ₂ e	24,565.42	7.44	30,014.23	8.23	31,724.86	8.25
Direct GHG emissions (Scope 1) ⁵	Tonnes CO ₂ e	7,273.16	2.20	10,037.05	2.75	9,159.34	2.38
Indirect GHG emissions from energy use (Scope 2) ⁶	Tonnes CO ₂ e	17,771.90	5.38	20,176.54	5.53	22,586.50	5.87
Reduction of GHG emissions from planted trees (Scope 1) ⁷	Tonnes CO ₂ e	479.64	0.15	199.36	0.05	20.98	0.01

¹ The scope of environmental performance data disclosure of the Group for the 2020 Financial Year is consistent with that for the year ended 31 December 2019.

² Sources of emissions of the Group for the 2020 Financial Year included the use of boilers, cooking, vehicles, generators and machinery and equipment. The number of employees used for calculating the intensities of environmental performance indicators for the three years ended 31 December 2020 is the number of employees at the end of the relevant year.

³ The calculation methods and related emission factors of the emissions of stationary sources, non-road mobile sources and on-road mobile sources were referenced to the Discharge Coefficients of Industrial Pollutants in the First National General Survey of Pollution Sources and the Discharge Coefficients of Urban Life Pollutants in the First National Survey of Pollution Sources issued by the Institute of Standards of the Ministry of Ecology and Environment of the PRC, the Non-road Mobile Source Air Pollutant Emission Inventory Preparation Technical Guide (Trial) and the Road Vehicles Air Pollutant Emission Inventory Preparation Technical Guide (Trial) issued by the Ministry of Ecology and Environment of the PRC, and the EMEP/EEA Air Pollutant Emission Inventory Guidebook 2016 issued by the European Environment Agency. The air pollutants of the use of boilers from the automotive parts business were recorded by a monitoring system.

⁴ The total GHG emissions were calculated to include the Group's direct GHG emissions (Scope 1) and indirect GHG emissions from electricity (Scope 2) in the three years ended 31 December 2020, with the deduction of emissions due to planted trees.

⁵ Scope 1 GHG emissions were calculated using the calculation methods and relevant emission factors from the How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs issued by the Stock Exchange.

⁶ Scope 2 GHG emissions were calculated using calculation methods and relevant emission factors from the 2019 China Regional Grid Baseline Emission Factor for Emission Reduction Project issued by the Ministry of Ecology and Environment of the PRC and the Sustainability Report 2019 issued by the HK Electric Investments Limited.

⁷ The GHG emissions reduced from the planted trees were calculated using the How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs issued by the Stock Exchange.

10. Performance Data (Continued)

		For the year ended 31 December					
		2020		2019		2018	
Type	Unit	Total	Intensity (units/no. of employees) ²	Total	Intensity (units/no. of employees)	Total	Intensity (units/no. of employees)
Emissions of pollutants (Continued)							
Hazardous wastes⁸							
Waste oil containers and waste mineral oil	Tonnes	13.00	3.94×10^{-3}	12.90	3.54×10^{-3}	12.85	3.34×10^{-3}
Hazardous sludge generated from the wastewater treatment facilities	Tonnes	10.50	3.18×10^{-3}	12.00	3.29×10^{-3}	–	–
Paint waste	Tonnes	10.00	3.03×10^{-3}	3.60	9.87×10^{-4}	–	–
Laboratory waste from schools	Tonnes	0.37	1.12×10^{-4}	0.33	8.97×10^{-5}	0.16	4.03×10^{-5}
Waste mercury-containing tubes	Pieces	658.00	0.20	1,319.00	0.36	2,095.00	0.54
Ink or toner cartridge	Pieces	110.00	0.03	143.00	0.04	882.00	0.23
Waste battery	Pieces	1,397.00	0.42	988.00	0.27	60.00	0.02
Non-hazardous wastes⁹							
Total non-hazardous wastes	Tonnes	6,481.69	1.96	8,854.73	2.43	8,394.99	2.18
Domestic waste	Tonnes	2,864.72	0.87	4,413.88	1.21	5,682.78	1.48
Food waste	Tonnes	599.77	0.18	1,226.04	0.34	2,700.00	0.70
Paper	Tonnes	98.08	0.03	157.03	0.04	6.21	1.61×10^{-3}
Non-hazardous sludge generated from the wastewater treatment facilities	Tonnes	28.71	8.70×10^{-3}	97.20	0.03	6.00	1.56×10^{-3}
Waste oil	Tonnes	0.53	1.61×10^{-4}	0.60	1.64×10^{-4}	–	–
Plastic	Tonnes	23.62	7.16×10^{-3}	26.71	0.01	–	–
Metal	Tonnes	104.98	0.03	73.27	0.02	–	–
Glass	Tonnes	0.09	2.73×10^{-5}	3.28	8.98×10^{-4}	–	–
Iron	Tonnes	2,754.19	0.83	2,849.17	0.78	–	–
Wood	Tonnes	7.00	2.12×10^{-3}	7.56	2.07×10^{-3}	–	–

⁸ The data scope of waste oil containers and waste mineral oil, hazardous sludge generated from the wastewater treatment facilities and paint waste only includes the automotive parts business. The data scope of laboratory waste from schools and clinical waste only includes the education operation business. The data scope of waste mercury-containing tubes, ink or toner cartridge and waste battery includes the education operation business and the financial services business.

⁹ The data scope of glass only includes the education operation business. The data scope of non-hazardous sludge generated from the wastewater treatment facilities includes the automotive parts business and the education operation business. The data scope of food waste and metal includes the education operation business and the automotive parts business. The data scope of waste oil, iron and wood only includes the automotive parts business.

10. Performance Data (Continued)

		For the year ended 31 December					
		2020		2019		2018	
Type	Unit	Total	Intensity (units/no. of employees) ²	Total	Intensity (units/no. of employees)	Total	Intensity (units/no. of employees)
Emissions of pollutants (Continued)							
Recycled goods							
Recycled goods (including non-hazardous wastes such as paper, waste oil, plastic and metal)	Tonnes	3,035.47	0.92	4,866.35	1.33	3,590.08	0.93
Percentage of non-hazardous waste recycled	Percentage	46.83%		54.96%		42.76%	
Wastewater¹⁰							
Total wastewater	Tonnes	1,112,879.00	337.13	1,169,081.00	320.52	1,275,025.00	331.39
Industrial wastewater	Tonnes	29,683.00	8.99	42,651.00	11.69	55,985.00	14.55
Domestic Sewage	Tonnes	1,083,196.00	328.14	1,126,430.00	308.82	1,219,040.00	316.84
Use of Resources							
Energy¹¹							
Electricity	MWh	21,129.94	6.40	36,398.06	9.98	41,090.03	10.68
Gasoline	Litres	103,364.85	31.31	145,395.02	39.86	126,864.82	32.97
Diesel	Litres	138,142.02	41.85	139,254.34	38.18	79,105.77	20.56
Natural gas	m ³	712,391.00	215.81	736,065.95	201.80	618,314.00	160.71
Coal	Tonnes	1,970.02	0.60	2,520.79	0.69	3,518.16	0.91
Wood	Tonnes	80.00	0.02	1,321.86	0.36	–	–
Hot water	Tonnes	2,340.00	0.71	1,670.00	0.46	7,900.00	2.05

¹⁰ The data scope of wastewater includes the education operation business and automotive parts business. Since the domestic sewage generated by offices of the financial services business was discharged through municipal pipelines and was controlled by third-party property management companies, relevant data was not included into the data scope.

¹¹ The data scope of natural gas includes the education operation business and automotive parts business, whereas the data scope of coal, wood and hot water only includes the education operation business.

10. Performance Data (Continued)

		For the year ended 31 December					
		2020		2019		2018	
Type	Unit	Total	Intensity (units/no. of employees) ²	Total	Intensity (units/no. of employees)	Total	Intensity (units/no. of employees)
Use of Resources (Continued)							
Water¹²							
Municipal water	Tonnes	1,369,731.00	414.94	1,527,805.00	418.86	1,753,503.00	455.75
Groundwater	Tonnes	33,766.00	10.23	53,882.00	14.77	51,265.00	13.32
Wastewater reused	Tonnes	16,661.00	5.05	13,861.00	3.80	12,000.00	3.12
Paper¹³							
Paper	Tonnes	88.75	0.03	39.00	0.01	83.83	0.02

		For the year ended 31 December					
		2020		2019		2018	
Type	Unit	Consumption	Intensity of consumption (units/quantity of finished products)	Consumption	Intensity of consumption (units/quantity of finished products)	Consumption	Intensity of consumption (units/quantity of finished products)
Use of packaging materials¹⁴							
Paper	Tonnes	1,550.00	2.44×10^{-4}	2,179.00	3.07×10^{-4}	4,758.53	4.88×10^{-4}
Metal	Tonnes	2,277.00	3.58×10^{-4}	4,900.00	6.90×10^{-4}	9,137.15	9.36×10^{-4}
Plastic	Tonnes	109.00	1.72×10^{-5}	337.00	4.75×10^{-5}	483.54	4.95×10^{-5}
Wood	Tonnes	792.00	1.25×10^{-4}	1,281.00	1.80×10^{-4}	2,584.13	2.65×10^{-4}
Shared logistics boxes	Tonnes	3,333.00	5.24×10^{-4}	1,413.37	1.99×10^{-4}	–	–

¹² The data scope includes the education operation business and automotive parts business.

¹³ The paper consumption of Fuqing Xishan Vocational and Technical School accounted for a large proportion in paper consumption of the Group for the 2020 Financial Year.

¹⁴ The data scope includes the packaging materials used by the automotive parts business.

10. Performance Data (Continued)

10.2 SOCIAL PERFORMANCE DATA¹⁵

				As at 31 December 2020	
Type			Unit	No.	Rate
Total Workforce ¹⁶					
No. and rate of employees	Total		Employee	3,301	100.00%
	By gender	Male	Employee	1,868	56.59%
		Female	Employee	1,433	43.41%
	By employment category	Senior management	Employee	59	1.79%
		Middle management	Employee	218	6.60%
		General	Employee	3,024	91.61%
	By employment type	Full-time	Employee	3,299	99.94%
		Part-time	Employee	2	0.06%
	By age group	Age 30 and below	Employee	793	24.02%
		31 to 40	Employee	1,161	35.17%
		41 to 50	Employee	819	24.81%
		Above 51	Employee	528	16.00%
	By geographical region	China	Employee	3,268	99.00%
		Hong Kong	Employee	33	1.00%

¹⁵ The number of employees used for calculating the social performance indicators (including employee turnover rate, rate of employees trained, rate of work-related fatalities and injuries) is the average of the number of employees at the beginning and at the end of the 2020 Financial Year.

¹⁶ The number of employees within the reporting scope of the Report as of 31 December 2020.

10. Performance Data (Continued)

				For the year ended 31 December 2020	
Type			Unit	No.	Rate
Employee Turnover					
No. and rate of employee turnover	Total		Employee	672	19.60%
	By gender	Male	Employee	352	18.10%
		Female	Employee	320	21.56%
	By employment category	Senior management	Employee	3	5.00%
		Middle management	Employee	14	6.32%
		General	Employee	655	20.81%
	By age group	Age 30 and below	Employee	250	30.66%
		31 to 40	Employee	208	16.98%
		41 to 50	Employee	91	10.96%
		Above 51	Employee	123	22.06%
	By geographical region	China	Employee	659	19.44%
		Hong Kong	Employee	13	34.21%
Development and Training					
No. and percentage of employees trained	Total		Employee	2,595	75.69%
	By gender	Male	Employee	1,503	77.29%
		Female	Employee	1,092	73.58%
	By employment category	Senior management	Employee	32	53.33%
		Middle management	Employee	123	55.53%
		General	Employee	2,440	77.53%
Average no. of training hours per employee	Average		Hour	73.98	
	By gender	Male	Hour	71.78	
		Female	Hour	76.87	
	By employee category	Senior management	Hour	238.35	
		Middle management	Hour	114.38	
		General	Hour	70.49	

10. Performance Data (Continued)

				For the year ended 31 December 2020	
Type			Unit	No.	Rate
Occupational Health and Safety					
No. and rate of work-related fatalities			Employee	0	0.00%
No. and rate of work injury			Employee	13	0.38%
No. of lost days due to work injury			Day	468	
Supply Chain Management					
No. and percentage of suppliers	Total		Supplier	201	100.00%
	By geographical region	China	Supplier	195	97.01%
		Hong Kong	Supplier	6	2.99%
Product Responsibility					
Complaints received concerning products or services	No. of complaints received		Case	20	
	No. and rate of complaints resolved		Case	20	100.00%
Products sold or shipped subject to recalls for safety and health reasons ¹⁷	Total products sold or shipped		Piece	5,788,583	
	No. and rate of total products subject to recalls for safety and health reasons		Piece	0	0.00%
Anti-corruption					
No. of concluded legal cases regarding corrupt practices brought against the Group or our employees			Case	0	
Community Investment					
Donation amount			RMB'000	1,032	
Employees' volunteering hours			Hour	4,733	

¹⁷ The data scope only includes the Group's automotive parts business.

11. Lists of Laws and Regulations

Laws and regulations that have a significant impact on the Group's operations in China and Hong Kong are as follows:

ESG Aspects	China	Hong Kong
Environmental	Environmental Protection Law of the PRC Law of the PRC on Environmental Impact Assessment Environmental Protection Tax Law of the PRC Regulation on the Implementation of the Environmental Protection Tax Law of the PRC Atmospheric Pollution Prevention and Control Law of the PRC Water Pollution Prevention and Control Law of the PRC Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes Law of the PRC on Prevention and Control of Pollution from Environmental Noise	Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong)
Employment and labour standards	Labour Law of the PRC Labour Contract Laws of the PRC Social Insurance Law of the PRC Law of the PRC on the Protection of Minors Provisions on the Prohibition of Using Child Labour	Employment Ordinance (Chapter 57 of the Laws of Hong Kong) Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong) Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong) Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong)
Workplace health and safety	Law of the PRC on the Prevention and Control of Occupational Diseases Production Safety Law of the PRC Fire Protection Regulation of the PRC Regulation on the Safety Management of Hazardous Chemicals Regulations on Safety Supervision over Special Equipment	Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)

11. Lists of Laws and Regulations (*Continued*)

ESG Aspects	China	Hong Kong
Product responsibility	Intellectual Property Law of the PRC Patent Law of the PRC Trademark Law of the PRC Product Quality Law of the PRC Teachers Law of the PRC Law of the PRC on the Protection of Minors Education Law of the PRC Non-state Education Promotion Law of the PRC Food Safety Law of the PRC Measures for the School Hygiene Work Regulations on the Qualifications of Teachers	Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong) Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Anti-corruption	Anti-money Laundering Law of the PRC Interim Provisions on Banning Commercial Bribery	Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) Independent Commission Against Corruption Ordinance (Chapter 204 of the Laws of Hong Kong) Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

12. ESG Reporting Guide Content Index

General Disclosures and KPIs	Description	Relevant Section
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 nonhazardous waste.	7.1
KPI A1.1	The types of emissions and respective emissions data.	10.1
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10.1
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10.1
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10.1
KPI A1.5	Description of the emission target(s) set and steps taken to achieve them.	7.1
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of the waste reduction goals established and the steps taken to achieve them.	7.1

12. ESG Reporting Guide Content Index (Continued)

General Disclosures and KPIs	Description	Relevant Section
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.2
KPI 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).	10.1
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	10.1
KPI A2.3	Description of the energy use efficiency target(s) set and steps taken to achieve them.	7.2
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	7.2
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	10.1
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	7.2
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7.2
Aspect A4: Climate change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.3
KPI A4.1	Description of significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	7.3

12. ESG Reporting Guide Content Index (*Continued*)

General Disclosures and KPIs	Description	Relevant Section
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.	6.1 and 6.2
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	10.2
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	10.2
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.	6.3
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years (including the reporting year).	6.3 and 10.2
KPI B2.2	Lost days due to work injury.	10.2
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.3

12. ESG Reporting Guide Content Index (Continued)

General Disclosures and KPIs	Description	Relevant Section
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.4
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	10.2
KPI B3.2	The average training hours completed per employee by gender and employee category.	10.2
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	6.1
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.1
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	6.1
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.1 and 5.2
KPI B5.1	Number of suppliers by geographical region.	10.2
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.1 and 5.2
KPI B5.3	Description of the practices for identifying environmental and social risks in each segment of the supply chain, and how they are implemented and monitored.	5.1 and 5.2
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.2

12. ESG Reporting Guide Content Index (Continued)

General Disclosures and KPIs	Description	Relevant Section
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.	4.4, 4.5, 5.1 and 5.2
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	10.2
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.1, 5.2 and 10.2
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.3 and 5.2
KPI B6.4	Description of quality assurance process and recall procedures.	5.2
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.1
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.	2.3, 4.3, 5.1 and 5.2
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2.3 and 10.2
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	2.3, 4.3, 5.1 and 5.2
KPI B7.3	Description of anti-corruption training provided to directors and staff.	2.3
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.	8
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	8 and 10.2

13. Glossary

In this Report, unless the context otherwise requires, the following expressions shall have the meanings set out below:

"2020 Financial Year"	the financial year ended 31 December 2020
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China, which for the purpose of this Report, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company"	China First Capital Group Limited, a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on the Main Board of the Stock Exchange with stock code of 1269
"Director(s)"	the director(s) of the Company
"Edukeys Group"	the Xinjiang Edukeys International Education Services Co., Ltd.* (新疆中際育才教育諮詢有限公司) together with its subsidiaries
"ESG"	Environmental, social and governance
"ESG Reporting Guide"	the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange
"ESG Working Group"	the ESG working group of the Group
"FC Fund"	First Capital Fund Management Company Limited* (首控基金管理有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Fuqing Xishan"	the Fuqing Xishan School* (福清西山學校)
"GHG"	greenhouse gas
"Group" or "CFCG"	the Company and its subsidiaries
"HK\$"	Hong Kong dollar, the lawful currency of Hong Kong

13. Glossary (*Continued*)

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Jiangxi Xishan"	the Jiangxi Xishan School* (江西省西山學校)
"KPI(s)"	key performance indicator(s)
"Nanyang Cijan"	Nanyang Cijan Automobile Absorber Company Limited* (南陽淅減汽車減振器有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company
"Nomination Committee"	the nomination committee of the Company
"R&D"	Research and development
"Remuneration Committee"	the remuneration committee of the Company
"Report"	the 2020 Environmental, Social and Governance Report of the Company
"Risk Management Committee"	the risk management committee of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	the holder(s) of the Share(s)
"Share(s)"	ordinary share(s) of HK\$0.02 each in the share capital of the Company
"Singapore"	the Republic of Singapore
"STEAM"	Science, Technology, Engineering, Arts and Mathematics
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of the Company
"Xishan Schools"	collectively, Fuqing Xishan, Fuqing Xishan Vocational and Technical School* (福清西山職業技術學校), Jiangxi Xishan and Xishan Education Group* (西山教育集團)
"Yinghua School"	Jinan Shijiyinghua Experiment School* (濟南世紀英華實驗學校)
"%"	per cent

Feedback Form

Thank you for reading the “2020 Environmental, Social and Governance Report” of the Company. In order to provide you and other stakeholders with more valuable information and improve the Group’s ability to implement the overall environmental, social and governance work, we sincerely welcome any opinions and suggestions you may offer on the report via:

Address: Units 4501-02 & 12-13, 45/F., The Center, 99 Queen’s Road Central, Hong Kong

Email: ir@cfcg.com.hk

1. Which of the following stakeholder types applies to you?

A Government

B Regulatory Authority

C Shareholder

D Customer

E Employee

F Supplier and Partner

G Community

H Public and Media

I Others: _____

2. Do you think this report has fully satisfied your expectations for the Group?

A Yes

B No. Which of your expectations do you think have not been reflected in this report?

3. Do you think the Group has met your expectations well?

A Yes

B No. Which of your expectations do you think have not been met well?

4. Do you think the arrangement of content and layout design of this report provide easy reading?

A Excellent

B Good

C Fair

D Poor

5. What other opinions and suggestions do you have on our environmental, social and governance efforts and this report?

Thank you again for your participation!



中國首控集團有限公司
China First Capital Group Limited