

百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code : 1168



*Environmental,
Social and
Governance Report
2020*

* For identification purpose only

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1. About the Report

This is the fifth Environmental, Social and Governance (“ESG”) report (the “Report”) issued by Sinolink Worldwide Holdings Limited (“Sinolink” or the “Company”) and its subsidiaries (collectively the “Group” or “we”). The aim of this Report is to summarize the principles and concepts of sustainable development upheld by the Group in fulfilling corporate social responsibility.

Reporting Standards

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The report is prepared based on four reporting principles, namely: materiality, quantitative, balance and consistency, and it has complied with the “comply or explain” provisions and recommended disclosure requirements in the Guide. Readers can refer to Appendix II herein: Index of the Guide of Hong Kong Stock Exchange for ease of reference. The report has been reviewed and approved by the Board of Director (the “Board”) of the Group.

Reporting Scope

This Report sets out the overall performance of the Group in practicing of sustainable development and fulfilling of corporate social responsibility from 1 January to 31 December 2020 (the “Year”). Unless otherwise specified, the content mainly covers the core business of the Group, and is consistent with the scope of the annual report. The Report also discloses the key performance indicators in the environmental subject area of the office areas of Sinolink Properties Limited and Sinolink Property Management Co., Ltd, The Vi City, and O Hotel. For details of the Group’s corporate governance, please refer to the section headed “Corporate Governance Report” of the 2020 Annual Report and the official website of Sinolink (www.sinolinkhk.com).

Reporting Language

This Report is published in Traditional Chinese and English. In case of any discrepancies, the Traditional Chinese version shall prevail.

Contact

The stakeholders’ feedback towards the ESG Report is highly valued by the Group. Your precious opinions are important for the continuous improvement of our performance for sustainable development. If you have any enquiries or advice, please feel free to contact us via email (email address: ir@sinolinkhk.com).

2. Group Profile

The high-end real estate projects developed by the Group have excellent quality and advanced home furnishing equipment, which not only won the respect of the industry and consumers, but also established a well-known brand. We uphold the corporate values of "Building with sincerity, Serving with perseverance" and are committed to improving the living environment of people and improving their quality of life. We contributed to improving the environment for society, and created a miracle of our development. Our products and services of us always prioritize the needs of people and the quality of life, making them a model of modern urban life.

In addition to real estate development, we have also developed financial services business, asset financing management, commercial real estate investment, operational property management, and actively explore opportunities to promote the development of financial technology as our core business.

3. Sustainable Development Concept

We understand that good and sound corporate governance is the foundation to the sustainable development of a company. The Group has referred to the requirements of the “Corporate Governance Code” in Appendix 14 of the Listing Rules and the “Guide” in Appendix 27, combining them with the actual development of the Group, actively improved the Group’s sustainable governance system. The Group has also planned to establish an ESG team to manage its ESG risks, promote various ESG policies, monitor their implementation, and regularly report the Group’s performance in related areas to the Board. The Board of the Group assumes full responsibility for ESG strategies and reporting, and is also responsible for assessing and determining all ESG risks, ensuring the appropriateness and effectiveness of related risk management and internal control systems, and implementing the sustainable development policies into daily business operations.

3.1 Stakeholder Engagement

The opinions of the stakeholders help the Group discover the current and potential opportunities and risks, and they are the indispensable part of the stable development of our business. Therefore, the Group pays special attention to the communication with various stakeholders. During the Year, we communicated with customers, shareholders, employees, investors, business partners, regulatory agencies, suppliers, peers, and communities/ non-governmental organizations via various channels, to grasp their main concerns. This serves as the important reference for formulation of the Group’s sustainable development strategy.

Main stakeholders	Main communication channels
Customers	• Customer satisfaction and opinion form
	• Customer service centre
	• Customer relationship manager visit
	• Daily operation/ communication
	• Online service platform
	• Phone
Shareholders	• Interim and annual report
	• Results announcement
Employees	• Employee opinion survey
	• Work performance appraisal
	• Staff intranet
Investors	• Results announcement
	• Senior management meeting
Business partners	• Report
	• Meeting
	• Visit
Regulatory agencies	• Meeting
	• Written response of public consultation
	• Compliance report

Main stakeholders	Main communication channels
Peers	<ul style="list-style-type: none"> • Communication meeting
Suppliers	<ul style="list-style-type: none"> • Supplier management procedures
	<ul style="list-style-type: none"> • Meeting
	<ul style="list-style-type: none"> • Supplier/ contractor evaluation system
	<ul style="list-style-type: none"> • On-site inspection
Communities / Non-governmental organizations	<ul style="list-style-type: none"> • Volunteer activity
	<ul style="list-style-type: none"> • Community activity

3.2 Material Issues

During the Year, we referred to the requirements of the Guide, the Sustainability Accounting Standards Board (SASB) materiality issue database and independent consultants' professional recommendations, combined with stakeholders' expectations and opinions, evaluated the actual development of the Group, and identified following material issues, which have been confirmed by the Board. The following material issues will be disclosed in this report accordingly. We will optimize the resource allocation of the Group based on the identified material issues and improve the overall performance. We will also further optimize the process of materiality assessment in the future, set corresponding targets and measures to achieve the targets based on the importance of material issues, to enhance the sustainable development performance of the Group.

Environmental aspect	Social aspect	Governance aspect
<ul style="list-style-type: none"> • Energy efficiency • Waste management • Green building • Emission management • Water resources management • Eco-friendly material 	<ul style="list-style-type: none"> • Employee health and safety • Employee training and development • Employment management • Labour standards • Diversity and inclusion • Employee rights • Customer privacy and security • Customer service and satisfaction • Responsible marketing • Responsible procurement • Product quality and safety • Anti-corruption • Information disclosure transparency • Customer health and safety • Product design & lifecycle management 	<ul style="list-style-type: none"> • Risk control • Business ethics

4. Compliance Operation

4.1 Anti-corruption

The Group strictly complies with the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Law of the People's Republic of China on Anti-Money Laundering (《中華人民共和國反洗錢法》), the Guidelines for the Assessment of Money Laundering and Terrorism Financing Risks and Categorized Management of Clients of Financial Institutions (《金融機構洗錢和恐怖融資風險評估及客戶分類管理指引》), and the Anti-Money Laundering Ordinance (《打擊洗錢條例》), Prevention of Bribery Ordinance (《防止賄賂條例》), Drug Trafficking (Recovery of Proceeds) Ordinance (《販毒(追討得益)條例》) and the Organized and Serious Crimes Ordinance (《有組織及嚴重罪行條例》) and the United Nations (Anti-Terrorism Measures) Ordinance (《聯合國(反恐怖主義措施)條例》) of the Hong Kong Special Administrative Region Government ("HKSAR") and other laws and regulations.

The Group has developed the accountability management system, which standardizes the scope of accountability, classification of issues and handling procedures for ensuring legal compliance of the operational activities. The Group prohibits employees from soliciting or accepting any benefits or entertainment from those who has business dealings with the Group like customers, suppliers, contractors, and the employees must also avoid any situation that causes or is considered to cause a conflict of interest. If it cannot be rejected or avoided for various reasons, employees should submit a declaration form to the department head and the administration department, which is to be approved by the Chief Executive Officer (the "CEO").

The Group has also established the "Reporting Policies and Procedures" (《舉報政策及程式》) to provide employees with safe and confidential reporting channels and guidelines to encourage the reporting of suspected violations of business ethics. We welcome employees to report in person or in written form. All documents must be sent to the CEO, Chairman or Chairman of the audit committee in encrypted form. The Group will carefully handle the obtained information, conduct a fair and impartial investigation of the reported incident, and take corrective measures for the misconduct. The audit department will conduct a rigorous investigation of the reported incident in accordance with "Investigation Procedure" (《調查程式》) of the Group. If the case is found valid, the Group will handle it in accordance with the law.

We have formulated the "Risk Management Measures" (《風險管理辦法》) to strengthen our ability to prevent and control risks of the financial business. We require the Department of Finance to abide by the national finance, taxation laws, regulations and departmental rules, strictly implement the accounting system and accounting operating procedures, and ensure the authenticity, integrity, and legality of accounting information. We strictly forbid employees to set up off-book accounts and hidden reserves, nor prepare or submit false accounting information. We will conduct a due diligence and assessment of our partners to prevent any form of fraud.

During the Year, the Group did not have any lawsuits against the Group or its employees or any cases of corruption, bribery, extortion, fraud, or money laundering.

4.2 Information Security

Our business involves the collection, usage, analysis, and storage of customers' personal information. Therefore, safeguarding information security is an essential aspect of the Group's operations. The Group strictly complies with the Regulations on the Security Protection of Computer Information Systems of the People's Republic of China (《中華人民共和國計算機信息系統安全保護條例》), Network Security Law of the People's Republic of China (《中華人民共和國網路安全法》), Provisions on Technical Measures for Internet Security Protection (《互聯網安全保護技術措施規定》), Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》), Security Protection of Computer Information Network International Networking Management Measures (《計算機信息網路國際聯網安全保護管理辦法》) and other relevant laws and regulations to comprehensively maintain information security.

We have formulated the "Information Management System" (《信息管理制度》), "Network Security Management Measures" (《網路安全管理辦法》), "Data Management Measures" (《數據管理辦法》), "Administrative Measures on Customer Privacy" (《賓客隱私保護管理辦法》) and "Employee Occupational Code" (《員工職業守則》), which are aimed to strengthen information security management of the Group and employees' professional ethics. The Group collects and uses customer information through legal channels. If retrieval of customer's information is necessary, an approval process must be initiated. After approval, the output information must be encrypted. The installation of software and programs in all our computers must be approved by the management, and virus removal is performed on a regular basis. We classify the information according to the level of confidentiality and perform encryption. To prevent data loss, each of our databases is backed up on at least three different storage devices.

The Group implements information authority management and prohibits employees from using any means to obtain unauthorized information, as well as illegal or disciplinary actions that tamper with or peddle company information, or endanger the information security of the Group. Unless approved by the general manager, employees are not allowed to use USB ports, optical drives, recorders, and other devices that may cause data leakage.

For customers staying in hotels, we require the front desk staff to not disclose the privacy of the customer such as the room number, occupancy days, companions, and hobbies to others. We also provide "confidential service", "filtering service" and "do not disturb service" for customers staying in the hotel, so that we can handle visitors' inquiries accordingly. We also strictly prohibit non-monitoring personnel from entering the monitoring room. Except for the surveillance personnel stipulated by the hotel, no one shall disclose surveillance videos or relevant information to other people. If one needs to view the relevant information, he or she must obtain the consent of the Service Department and fill in the "Application Form for Access to Surveillance Video Data" first.

To improve the work efficiency and service level of employees of the Group's property management projects, we manage data through a third-party intelligent platform, and formulated the "Third-party Platform Information Management Standards" (《第三方平台信息管理規範》). The use of the third-party office platform is limited to non-confidential information, and its management is handled by special personnel from the administrative personnel department and the information department of the Group. The authority of the employees is set according to job responsibilities and authorizations and is supervised by the CEO of the Group. We implement real-name accounts, and if relevant personnel are transferred from their positions, his or her account on third-party platforms should be cancelled. All confidential information, such as owner's files must not be processed through a third-party office platform. If it is necessary to borrow for work, it must be approved by the CEO of the property management company. If the regulations are violated and accidents such as serious leaks are caused, we will hold relevant employees accountable in accordance with the Law of Confidence (《保密法》) and related regulations.

In terms of financial business, our wholly-owned subsidiaries follow the Guiding Opinions of the General Office of the State Council on Strengthening the Protection of Financial Consumers' Rights and Interests (No. 81 [2015] State Office) (《國務院辦公廳關於加強金融消費者權益保護工作的指導意見》(國發辦[2015]81號)), the "Notice by the China Banking and Insurance Regulatory Commission of Issuing the Interim Measures for the Supervision and Administration of Financial Leasing Companies" (No. 22 [2020] of the China Banking and Insurance Regulatory Commission) (《中國銀保監會關於印發融資租賃公司監督管理暫行辦法的通知》(銀保監發[2020]22號)) and the Regulations of Shanghai Municipality on Local Financial Supervision and Administration (《上海市地方金融監督管理條例》) and other laws and regulations, and formulated the "Privacy Policy" of the industry regulatory systems. The "Privacy Policy" lists out the scope of customer information that needs to be collected, collection purposes and usage principles, information sharing and disclosure principles, and information security protection measures, etc., and it ensures that the customer information will not be kept, sold, or made public illegally or accidentally.

4.3 Protecting Intellectual Property Rights

The Group strictly complies with the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), Patent Law of the People's Republic of China (《中華人民共和國專利法》), Detailed Rules for the Implementation of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), Trademark Law of the People's Republic of China (《中華人民共和國商標法》), Intellectual Property Law of the People's Republic of China (《中華人民共和國知識產權法》) and other laws and regulations. We respect and protect intellectual property rights within the Group and the market, and regulates intellectual property management including trademark rights, patent rights and copyrights, etc.

We have formulated the "Administrative Measures for Hotel Channel Media Resources" (《酒店渠道媒體資源管理辦法》), "Management System and Standards in Posting Hotel Promotional Printed Matters" (《酒店宣傳類印刷品張貼管理制度及標準》) and "Flowcharts for Approval of Hotel Promotion Products" (《酒店宣傳製品審批流程圖》). All promotional products and advertisements must be approved by the general manager before they can be exported. All our public information needs to be strictly reviewed to ensure that it complies with legal requirements and is not false or misleading.

The Group did not sell properties this Year, and we had no related advertising activities.

In terms of financial business, the Group requires the audit department to strictly review relevant information and ensures the authenticity and accuracy of the information on the sale of financial products.

4.4 Quality Assurance

We strictly comply with the Consumer Rights Protection Law of the People's Republic of China (《中華人民共和國消費者權益保護法》), and strictly monitor the quality of our products and services.

We have formulated the "Administrative Measures for Check and Acceptance and Handover" (《驗收與移交管理辦法》) so that our engineering projects and property projects can achieve a higher standard when they are being taken over. During the check and acceptance of work, the Project Construction Management Department and the relevant departments will take the following as the main acceptance targets, which includes the design of the project, the actual functions, the convenience of maintenance, and the risk of usage. Project check and acceptance adopts a combination of completion check and acceptance, sub-item check and acceptance and process check and acceptance. Completion check and acceptance is a comprehensive acceptance of the contract scope, subject matter, construction period, quality. Sub-item acceptance is the implementation of sub-projects that need to be independently accepted during the process. Process acceptance process is the process of the acceptance of concealed works and materials. The inspector should assort the problems existing in the acceptance. For the engineering projects classified as "in need of repair" should be rate as not qualified. The unqualified report for the acceptance should be signed by the acceptance team and submitted to the person in charge of the property centre for approval. It will be sent to the supplier for rectification, then carried out in accordance with the aforementioned procedures after the rectification is completed. During the rectification period, the subject matters under rectification are not allowed to be carried out.

When we are taking over the property project, our property company will re-inspect the property to ensure a safe construction and a high satisfaction of usage for the property. After confirming the acceptance date with the developer, the property company, and the construction unit will form a joint team to inspect the project and complete the "Acceptance Form" (《驗收表》). The "Acceptance Form" shall include the signatures of the three parties, in triplicate, and each party shall hold one copy. The tripartite joint team will conduct detailed inspections on the property rights and technical materials which include, the government completion acceptance materials, the water and electricity supply contracts and other materials, as well as the building-related facilities and decorations. If a non-structural problem is found during the check and acceptance, the check and acceptance team shall report the problem to the developer as soon as possible. After the developer completes the rectification, another re-inspection will be conducted until it is qualified. If problems that affect the structure safety or the usage of facilities and equipment are found during the check and acceptance, we will complete the "Rectification List" form and submit to the construction unit for further rectification. We will then arrange a time for the acceptance. The reinforced inspection result will be also requested and kept as a record. If problems related to the functions of the property are found during the check and acceptance (such as the lack of water and electricity supply), we will urge the developer to solve it, and then arrange for the acceptance after the conditions of acceptance are met.

In terms of financial business, we strictly comply with the "Guarantee Law" (《擔保法》) and implement the following procedures:



We strictly prohibit the issuance of factoring payments without preliminary evaluation, review, and final review. After the official approval for the factoring project, the Legal Department will be responsible for drawing up a full set of contracts and agreements and completing the relevant procedures. The business department will then be responsible for signing contracts with customers to ensure the project proceed legally.

In this Year, we did not recall any products due to safety or health problems.

4.5 Customers' Health and Safety

To ensure that our customers can stay comfortably in our hotel or property management projects, we have formulated the "Emergency and Abnormal Situation Handling Procedures" (《突發事件和異常情況處理常式》) and "Safety Management Measures" (《安全管理辦法》). In terms of property management, the manager of our management office is responsible for organizing trainings for employees to deal with emergencies and abnormal situations, to ensure that emergencies or abnormal situations can be dealt with quickly and decisively to ensure the safety of the owner's life and their properties. At the same time, we uniformly manage access rights, and visitors must be registered. For hotels, we strictly regulate the behaviour of our employees, and arrange for physical training, service skills training, and fire emergency handling training every week, to ensure that employees have professional service attitudes and rapid and accurate response capabilities. At the same time, to ensure the cleanliness of the O Hotel's kitchen, we have signed an agreement with a professional cleaning company to clean the kitchen equipment regularly to ensure that the kitchen is clean, free of grease and oil, and strictly control the spread of odours.

During the pandemic, we actively prevent the pandemic. To ensure the safety of owners, we have established a pandemic prevention and control team, promoted knowledge of pandemic prevention and control through various methods, and enhanced owners and employees' understanding and prevention awareness of the COVID-19. In addition, we have prepared protective and disinfection supplies. We disinfect the property management area twice a day. We conduct safety inspections through warm reminders, home inspections, and entry and exit registrations. We also provide thermometer at each lobby and each entrance of the properties to monitor the body temperature of outsiders, properly register them, and make timely notification of the pandemic situation in the property management area.

To ensure the safety of our customers in hotels and shopping malls, we conduct comprehensive cleaning, disinfection and ventilation control in the hotels and shopping malls every day and provide disinfection supplies to employees and customers. At the same time, we place ultraviolet antivirus lamps in air conditioning facilities and air-handling unit room, limit the number of people in elevator to maintain social distance, check the body temperature of all persons entering the hotel or shopping mall, and only allow those with normal body temperature to enter.

4.6 Customer Satisfaction

We listen to the suggestions of our customers with a humble and open attitude, and handle complaints and disputes efficiently and properly with the "Administrative Measures on Handling Customer Complaints" (《客訴處理管理辦法》). The information channels for receiving complaints include emails, phones, and visits.

After the customer service receives a complaint, we will keep record and forward the content of the complaint to the person in charge of operations. The person in charge of operations will verify the situation with the relevant departments as soon as possible. If the complaint is a general complaint, the person in charge of the relevant department will provide feedback on the handling results and the current situations according to the customer's request. If the complaint involves a more serious matter, the person in charge of the operation centre will handle it in accordance with the established procedures. If the complaint is about the products, service quality or maintenance quality of the retailers housed under our projects, we will initiate a comprehensive investigation and communicate with the person in charge of the retailers and the customer, and the results agreed by both parties will be made. If the complaint is about the service quality or hardware facilities of the Group, we will pass on to the person in charge of the relevant department, follow up the progress of the process, and report the results of the processing to the customer in a timely manner. We will classify and archive all complaints, and conduct customer satisfaction surveys to make necessary improvements.

During the Year, the Group received no major complaints from customers.

4.7 Supply Chain Management

The Group is committed to establishing sustainable partnerships with suppliers. Therefore, the Group have formulated the "Supplier Management Measures"(《供應商管理辦法》), "Purchasing Department Management System"(《採購部管理制度》) and "Purchasing Management Policy"(《採購管理政策》) to standardize the selection and evaluation process of suppliers. At the same time, we have identified supply chain risks, and through the establishment of multiple information transmission channels, we have achieved transparency in the supply chain management and effectively managed supply chain risks. We use Vendor Managed Inventory (VMI) and Supplier Managed Inventory (SMI) and other supply chain management technologies to achieve cooperation between supply chain partners, in order to reduce the total cost of supply chain and improve the efficiency of supply chain.

We will sign the "Integrity Agreement"(《誠信約定書》) with suppliers and partners, and explicitly prohibit acts that violate the principle of integrity such as any form of benefit transfer, fraud, falsification, bid rigging, and collusion, acts that violate laws and regulations such as disclosing business secrets and violating business agreements. If the above behaviour occurs, we will deal with the violations of laws and regulations in accordance with the relevant regulations of the Group.

The procurement management department needs to screen out multiple candidate suppliers for each type of material according to business needs, and collects the supplier data, office and site inspections, inspections of related partners, supplier contacts, and supplier product surveys. During these processes, the inspection results are provided to the evaluation team including the general manager, the deputy general manager in charge, and the person in charge of the financial department for evaluation and making the final decision. The approved suppliers are compiled into the "Annual Company Qualified Suppliers List" by the purchasing management department. The inspection factors of the Suppliers include qualifications, product and service quality, delivery capabilities, price levels, technical capabilities, support services, human resources, etc.

We will fill in the "Supplier's Supply Status and Rating Table" (《供方供貨情況及定級表》) for each supply and service status of the supplier and use it as the basis for annual assessment. We will classify suppliers into level A, B, and C according to the "Supplier's Supply Status and Rating Table (《供方供貨情況及定級表》)". If the supplier is rated as C-level for above a certain percentage, the supplier is regarded as unqualified; If the supplier is rated as A-level for higher than a certain percentage, the supplier is considered excellent; the supplier is otherwise rated as qualified.

This Year, we have 151 suppliers, mainly including safety management supplies, engineering/maintenance services, landscaping/cleaning supplies, marketing promotion, business services, electricity services, food and ingredients, alcohol, and consumables (paper towels, wash), office supplies, printed matter, intelligent products, and service providers, all from Guangdong Province.

5. People-Oriented

The Group strictly complies with the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and Implementation Regulations of the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》), The Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》), the Provisions on Prohibition of Child Labour (《禁止使用童工規定》) and The Employment Ordinance (《僱傭條例》) promulgated by the HKSAR and other relevant laws and regulations. We have also formulated a corresponding system to standardize the employment system and welfare system to protect the rights and interests of employees, so that every employee can realize their strengths and potentials.

5.1 Employment Convention

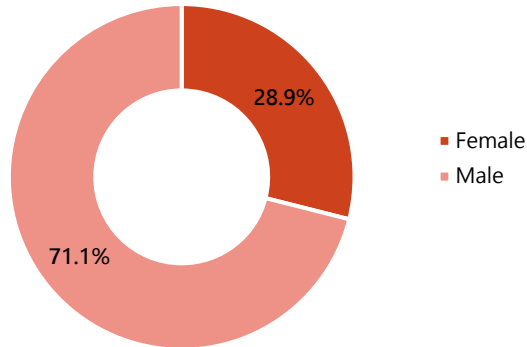
Employees are the precious asset of the Group. The Group is committed to creating an equal, inclusive, healthy and safe working environment by avoiding any discrimination related to gender, marital status, age, race, colour, disability, and religion, so as to achieve the common development of the Group and employees.

We have formulated the "Employee Handbook" (《員工手冊》) and "Recruitment and Employment Management Measures" (《招聘與錄用管理辦法》), in compliance with the principle of "Equal competition, merit-based recruitment, and encouragement of recommendation", recruiting talents through a variety of methods, and with consideration of their educational background, work experience and other relevant factors. During the recruitment process, the human resources department requires applicants to present identification documents to prevent child labour as stipulated by laws and regulations. Once the applicant is admitted, the Group will sign a legally binding "Job Commitment" (《入職承諾書》) and "Labour Contract" (《勞動合同》) with the newly recruited employee on the basis of equality, voluntariness and in accordance with legal provisions and consensus, to protect the rights and interests of both parties. To attract and retain talents, we provide competitive salaries and benefits. In addition to statutory paid holidays, endowment insurance, unemployment insurance, employment injury insurance, medical insurance and maternity insurance as well as housing provident fund, we also provide employees with sick leave, marriage leave, maternity leave, family planning leave, compassionate leave, jury leave, bereavement leave. Resignation methods include resignation, dismissal, termination of labour relations and voluntary resignation. We will arrange resignation interviews, understand the reasons for employees' resignation, identify and manage resignation-related issues, and make necessary improvements. Resigned employees must complete the handing over of work within the notice period stipulated in the contract and sign the "Labour Relations Termination Agreement" (《勞動關係解除協議》) with the Group.

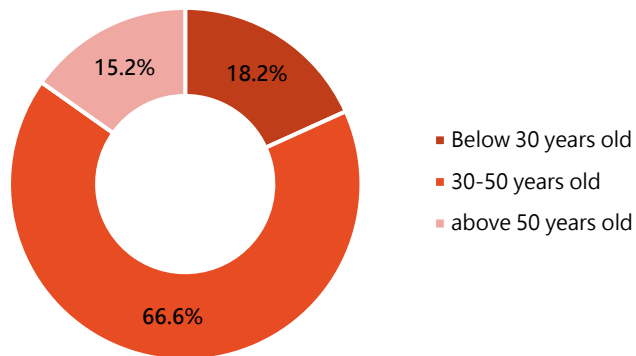
The Group also prohibits forced labour. The working hours of employees have been clearly listed in the "Employee Handbook". If it is necessary to work overtime, we will compensate employees according to the various situations listed in the "Employee Handbook". If any violation is found, it will be dealt in accordance with the "Employee Handbook".

During the Year, the Group did not have any violations of child labour or forced labour. This Year, the Group has a total of 691 employees, all of whom are in southern China. Their distribution is as follows:

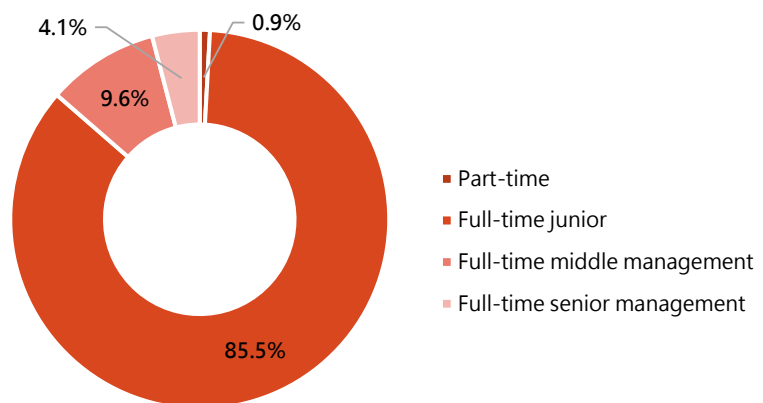
Total number of employees by gender



Total number of employees by age group



Total number of employees by employment type



5.2 Health and Safety

The Group pays attention to the health and safety of employees, and complies with our compliance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), Safety Production Law of the People's Republic of China (《中華人民共和國安全生產法》), Safety Production Law of the People's Republic of China (《中華人民共和國安全生產法》), Regulations on the Supervision and Management of Occupational Hygiene in Workplaces (《工作場所職業衛生監督管理規定》), Insurance Ordinance (《工傷保險條例》) and HKSAR's Occupational Safety and Health Ordinance (《職業安全及健康條例》) and other relevant laws and regulations.

We arrange annual physical examinations for employees while implementing the following measures in office to protect employees:

- Regularly hold rescue and fire escape drills;
- Discipline the employees who commit acts that endanger the safety of themselves or others;
- Establish emergency measures, such as a fire or explosion response plan;
- General safety education for new employees and employees starting a new job, including company safety regulations and emergency measures;
- Equip office with fire protection equipment; and
- Place first-aid kit in conspicuous place and ensure that the sufficiency of first-aid supplies.

Since the Group's business involves engineering development, we actively pay attention to the relevant regulations and standards of safety management in areas where we operate, regularly review and timely adjust the Group's safety management structure, continue to improve the safety management system, implement safety production responsibilities, and fully protect employees' health and safety. We have formulated the "Safety Management System" (《安全管理制度》) to standardize the behaviour of employees during work and avoid unnecessary injuries. We have also formulated "Operation Guidelines" (《操作指引》) for the operation of various equipment to ensure the personal safety of operators.

We also provide employees with a three-level education and quarterly publicity on safe production. In addition, we organize and assist in formulating or perfecting the responsibility system for safe production positions at all levels and the safe operation regulations of various machinery and equipment, and regularly supervise and inspect the implementation of these systems and regulations. At the same time, we guarantee seasonal safety production, labour protection, flood prevention, heatstroke prevention and cooling, protection against cold conditions, and safe use of electricity, etc. We also urge employees to use personal protective equipment rationally and regularly distribute health supplements. We conduct regular safety inspections on hotel workplaces and assist in solving problems, and flammable and explosive hazardous locations and various machinery and equipment are the key areas of inspection. If hidden accidents are found, personnel, measures, and rectification within a time limit should be determined.

During the pandemic, to protect the health and safety of employees, we formulated the New Coronavirus Pandemic Prevention Manual (《新型冠狀病毒疫情防範手冊》), which includes protection guidelines and knowledge about the new coronavirus. In the meantime, we provide training for employees to allow them to scientifically protect themselves from infection. We provide masks for employees, disinfect the staff canteen after each meal and the staff dormitory every day. Employees must consciously report their itinerary to the Company, and must quarantine themselves at home for 14 days when necessary.

During the Year, the Group had no work-caused casualties.

5.3 Cultivating Employees

To provide employees with equal opportunities for promotion and salary adjustment, and encourage their rapid growth, we have formulated the "Performance Appraisal Management System" (《績效考核管理制度》). We have formulated corresponding assessment indicators according to the nature of different departments, so that the assessment indicators are closely integrated with job responsibilities. Based on the principle of objectivity and fairness, we implement frank, fair, and cross-organizational performance evaluation and communication to ensure transparency of the performance and conduct a systematic and objective evaluation. If the assessed person believes that the assessment result does not conform to the actual situation, they can appeal to the Human Resources and Administration Department as soon as possible after receiving the performance feedback.

We believe that the ability of our employees is very important in maintaining and strengthening our competitiveness, so we provide various kinds of trainings for all employees. Our trainings include internal and external trainings. The teaching of internal lecturers and participating in the external trainings will broaden employees' horizons, and improve their professional skills and knowledge. We will also reimburse the training fees and necessary travel expenses for employees who participate in external trainings, to alleviate their financial concerns. According to the needs of employees, we will regularly review the effectiveness of the trainings and plan the future training plan.

In the mid-2020 conference, we shared the results of organizational performance evolution, introduced the digital logic of core business, and through team building activities, we improved the cohesion of the team and promoted the construction of corporate culture.

This Year, the employee training rate is 100%, and the training status is as follows:

2020		
Average training hour of each employee by gender		
Female	Hour	105.9
Male	Hour	144.2
Average training hour of each employee by employee category		
Short-term contact/part-time employees	Hour	1.0
Full-time junior	Hour	131.0
Full-time mid-level management	Hour	101.6
Full-time senior management	Hour	175.5

6. Green Operation

The Group has not been involved in businesses that are regulated by applicable Chinese laws and regulations and that cause water, air, and land pollution. We minimize the environmental impact caused by our business operation and management activities, operate our business cautiously, and encourage employees to improve the efficiency of our use of resources. The Group strictly complies with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Pollution Prevention Law of the People's Republic of China (《中華人民共和國污染防治法》) and Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) and other relevant laws and regulations, and is also committed to improving the environmental awareness of the employees.

During the Year, the Group did not violate any environmental protection laws or cause major accidents affecting the environment and natural resources, and the Group did not receive any notice of penalties or litigation in environmental protection.

6.1 Energy Management

We have formulated the "Energy Conservation Management System" (《節能管理制度》), established an energy conservation management team to monitor the energy consumption of the Group, and raised employees' environmental awareness through publicity in the hope that employees will develop the habits of turning off lights and air conditioners after leaving the workplace. We use low-emissivity glass to block ultraviolet rays that generate heat and reduce the use of air-conditioner. We use electronic equipment with energy-saving labels, choose power-saving switches, dimming control or sound and light control switches for lighting system and set up independent controllable switches in different lighting areas to reduce unnecessary use of light. We prohibit employees from arbitrarily adding, changing, or increasing electrical equipment and facilities, including electric fans and light bulbs, and prohibit unauthorized wiring and installation of any electrical equipment.

When there is only a small number of customers in hotels, the hotel staff should arrange the rooms for guests centrally and reasonably, implement partitioned power and cooling to raise energy efficiency. In the property management public area, we replaced all lights with LED lights.

During the Year, the total power consumption of the Group during its operations was 2,315,879.0 kWh, while the electricity consumption intensity was 72.0 kWh per square meter. Due to the effective implementation of the above-mentioned energy-saving measures and the epidemic, our power consumption decreased by 6.8% compared with the previous year. In the coming year, we will continue to monitor the power consumption of our business operations to effectively save electricity.

6.2 Emission Management

To support China's 2060 "carbon neutrality" goal, the Group follows the important policies of the National Climate Change Plan (2014-2020) (《國家應對氣候變化規劃(2014-2020年)》), the National Climate Change Adaptation Strategy (《國家適應氣候變化戰略》), and the 2020 Annual Report on China's Policies and Actions to Address Climate Change (《中國應對氣候變化的政策與行動2020年度報告》). And the Group also adopts a variety of energy-saving and emission-reduction measures.

Our greenhouse gas (GHG) emissions are mainly derived from the use of fuel generators and the gasoline consumption of its vehicles (Scope 1) and purchased electricity (Scope 2). In addition to the energy saving measures mentioned in the "Energy Management" section, we regularly maintain the Group's fleet and perform necessary maintenance and repairs. The Group also provides driving training for the drivers from the Group, so that they can develop good driving habits to reduce unnecessary wearing of vehicles and gasoline consumption.

We have conducted the GHG emissions audit for the Group, including the office areas of Sinolink Properties Limited, Sinolink Property Management Co., Ltd., The Vi City, and O Hotel, in accordance with the GHG Protocol by the World Resources Institute and World Business Council for Sustainable Development and the ISO14064-1 prepared by the International Organization for Standardization. Our GHG emissions during the Reporting Period are as follows:

	Unit	2020
Direct GHG emissions (Scope 1)	tonnes CO ₂ equivalent (tCO ₂ e)	375.9
Indirect GHG emissions (Scope 2)*	tonnes CO ₂ e	1,412.9
Total GHG emissions (Scope 1 and 2)	tonnes CO ₂ e	1,788.8
GHG intensity (per square meter) (Scope 1 and 2)	tonnes CO ₂ e/m ²	0.1

*This Year's indirect greenhouse gas emission data has been updated to be calculated based on the relevant electricity emission factors provided by the National Development and Reform Commission

Due to the aforementioned reduction measures, our total GHG emissions (scope 1 and 2) have been reduced by 28.6% compared to the previous year. In the future, we will continue to improve emission reduction measures and monitor emission reductions.

6.3 Water Resources Management

The water of the Group comes from municipal water supply, and there is no water intake problem. The property projects and hotel restrooms use equipment with water-saving labels, reduce water pressure to the lowest possible level, and use infrared-sensing toilet equipment, placing water-saving labels in each restroom to enhance the water-saving awareness of our employees. In addition, we regularly check the readings of the water meter and whether there is any hidden water leakage. We regularly conduct leakage tests for hidden water pipes and check the overflowing water tanks, and perform timely maintenance. Besides, we require hotel employees to recycle water as much as possible to reduce water consumption.

During the Year, the total water consumption of the Group during its operations was 12,122.0 tonnes, while the water consumption intensity was 0.4 tonnes per square meter. Due to the effective implementation of the above-mentioned water-saving measures and the epidemic, our water consumption has dropped by 2.3% compared to the previous year. We will continue to monitor our water consumption and improve the water-saving measures.

6.4 Waste Management

The Group encourages employees to reduce the pressure on landfills and improve the efficiency of the resource through sorting, recycling, and reusing. We have formulated the "Office Supplies Management System" (《辦公用品管理制度》) and regularly evaluate the materials used to avoid excessive inventory and use recyclable products as much as possible. We promote paperless office and use electronic communication technology to transmit information as much as possible to reduce the use of paper and use internet fax to filter out junk faxes. Computers and printers are set to double-sided printing and ink saving mode by default, and notices are posted next to the copier/printing machine to remind employees to use double-sided photocopying or reuse paper for documents that must be printed. We will also monitor the number of prints on a regular basis, and we will find out the reasons for abnormal paper usage and make necessary improvements. We have set up a wastepaper recycling box, and non-confidential wastepaper is sent to a qualified recycling company for reuse.

Our property management company has formulated the "Rules for the Management of Waste and Old Materials" (《廢舊物品管理細則》). For obsolete, scrapped, second-hand, inventory, and production items, we have set up special warehouses and dedicated personnel to manage them, and regularly recycle, sell, or destroy waste according to its nature. We have also launched a publicity campaign for garbage recycling, hoping that owners will develop a good habit of sorting garbage.

During the Year, the Group generated 328.4 tonnes of non-hazardous waste, with a generation intensity of 0.6 tonnes per person. The amount of hazardous waste generated is 10.0 kg. All wastes have been properly treated. In the future, we will continue to monitor the amount of non-hazardous waste and hazardous waste generated by the Group in order to further improve waste management measures and ensure effective waste reduction.

7. Social Contribution

While actively developing our business, the Group does not forget to support various community participation projects to give back to society. We will use our expertise and advantages in the industry to actively cooperate with charities in the future and participate in different community investments and charity activities. The Group encourages employees to voluntarily participate in voluntary projects and/or community activities and strive to have positive influence on different aspects of community construction. Gazing into future, the Group will make full use of the Group's business advantages, formulate community investment plans, invest more resources in public welfare activities, and make more contributions to the community.

We have carried out fire safety activities within the scope of property management to improve the owners' fire safety knowledge, fire protection and escape skills. We also provide owners with free repairing services for reusing old objects. While providing convenience to owners, we hope that owners can save resources.

Appendix I: Sustainability Data Statement

The summary of the environmental sustainability data for the Year is as follows:

	Unit	2020
Emissions		
Nitrogen oxides (NO _x)	kg	9.7
Sulphur oxides (SO _x)	kg	0.2
Suspended particles (PM)	kg	0.7
GHG Emission		
Direct GHG emissions (Scope 1)	tonnes CO ₂ equivalent (tCO ₂ e)	375.9
Indirect GHG emissions (Scope 2)	tCO ₂ e	1,412.9
Total GHG emission	tCO ₂ e	1,788.8
GHG emission intensity (Scope 1 and 2)	tCO ₂ e/m ²	0.1
Energy consumption		
Total electricity consumption ¹	kWh	2,315,879.0
Electricity consumption intensity	kWh/m ²	72.0
Fuel (petrol) consumption of motor vehicles	Litre	16,124.0
Natural gas consumption of fixed equipment ²	m ³	113,082.0
Fuel (petrol) consumption of fixed equipment	m ³	34.0
Water consumption³		
Total water consumption	m ³	12,122.0
Water consumption intensity	m ³ /m ²	0.4
Paper consumption		
Paper consumption	kg	3,901.9
Average consumption of paper	kg/person	6.6
Waste production		
Production of non-hazardous waste	tonnes	328.4
Non-hazardous waste production intensity	tonnes/person	0.6
Recycling of non-hazardous waste	tonnes	1.2
Production of hazardous waste	kg	10
Recycling of hazardous waste	kg	10

¹ The electricity consumption data of the office area of the Sinolink Properties Limited is managed uniformly by the independent property, so the electricity consumption data only includes the office areas of Sinolink Property Management Co., Ltd, The Vi City, and O Hotel.

² The natural gas consumption of fixed equipment in 2019 only includes O Hotel, and the natural gas consumption of 2020 includes the Vi City, and O Hotel, so the data has increased compared with last year.

³ The water consumption data of the office area of the Sinolink Properties Limited is managed uniformly by the independent property, so the water consumption data only includes the office areas of Sinolink Property Management Co., Ltd, The Vi City, and O Hotel.

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The summary of the social sustainability data of the Group for the Year is as follow:

	Unit	2020
Total workforce⁴	no. of people	691
Workforce by gender		
Female	no. of people	200
Male	no. of people	491
Workforce by employment type		
Short-term contact/part-time employees	no. of people	6
Full-time junior	no. of people	591
Full-time mid-level management	no. of people	66
Full-time senior management	no. of people	28
Workforce by age group		
Aged below 30	no. of people	126
Aged 30-50	no. of people	460
Aged above 50	no. of people	105
Workforce by geographical region		
South China region	no. of people	691
Employee turnover rate⁵		
Total employee turnover rate	%	24.7
Employee turnover rate by gender		
Female	%	11.0
Male	%	13.7
Employee turnover rate by age group		
Aged below 30	%	13.6
Aged 30-50	%	10.0
Aged above 50	%	1.2
Employee turnover rate by geographical region		
South China region	%	24.7
Workplace safety and health		
No. of fatalities due to work	no. of people	0
Lost days due to work injuries	no. of days	149.8

⁴ Calculated based on the number of employees as at 31 December 2020

⁵ Calculated as the percentage of the total number of employee turnover for the Year to the sum of the total number of employees and the total number of employee turnover

	Unit	2020
Employee Training		
Percentage of trained employee by gender		
Female	%	100.0
Male	%	100.0
Percentage of trained employee by employment category		
Full-time junior	%	100.0
Full-time mid-level management	%	100.0
Full-time senior management	%	100.0
Average training hours by gender		
Female	Hour	105.9
Male	Hour	144.2
Average training hours by employment category		
Short-term contact/part-time employees	Hour	1.0
Full-time junior	Hour	131.0
Full-time mid-level management	Hour	101.6
Full-time senior management	Hour	175.5

Appendix II: Index of the Guide of Hong Kong Stock Exchange

			Related Section(s) / Remark
A. Environmental			
A1 : Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6. Green Operation; 6.2 Emission Management; 6.3 Water Resources Management; 6.4 Waste Management
	A1.1	The types of emissions and respective emissions data.	Appendix I: Sustainability Data Statement
	A1.2	Greenhouse gas emissions in total and, where appropriate, intensity.	6.2 Emission Management; Appendix I: Sustainability Data Statement
	A1.3	Total hazardous waste produced and, where appropriate, intensity.	6.4 Waste Management; Appendix I: Sustainability Data Statement
	A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	6.4 Waste Management; Appendix I: Sustainability Data Statement
	A1.5	Description of measures to mitigate emissions and results achieved.	6.2 Emission Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	6.4 Waste Management
A2 : Use of Resources	General Disclosure	Policies on the efficient use of resources.	6.1 Energy Management; 6.3 Water Resources Management
	A2.1	Direct and/or indirect energy consumption by type in total and intensity.	6.1 Energy Management; Appendix I: Sustainability Data Statement
	A2.2	Water consumption in total and intensity.	6.3 Water Resources Management; Appendix I: Sustainability Data Statement
	A2.3	Description of energy use efficiency initiatives and results achieved.	6.1 Energy Management
	A2.4	Description of whether there is any issue insourcing water that is fit for purpose, water efficiency initiatives and results achieved.	6.3 Water Resources Management
	A2.5	Total packaging material used for finished products and the amount per unit produced.	The Group's business does not involve packaging materials

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			Related Section(s) / Remark
A3 : The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	6. Green Operation
	A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them	6. Green Operation
B. Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	5. People-Oriented; 5.1 Employment Convention
	B1.1	Total workforce by gender, employment type, age group and geographical region.	5.1 Employment Convention; Appendix I: Sustainability Data Statement
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Sustainability Data Statement
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.	5.2 Health and Safety
	B2.1	Number and rate of work-related fatalities.	5.2 Health and Safety; Appendix I: Sustainability Data Statement
	B2.2	Lost days due to work injury.	5.2 Health and Safety; Appendix I: Sustainability Data Statement
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.2 Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.3 Cultivating Employees
	B3.1	The percentage of employees trained by gender and employee category.	5.3 Cultivating Employees; Appendix I: Sustainability Data Statement
	B3.2	The average training hours completed per employee by gender and employee category.	5.3 Cultivating Employees; Appendix I: Sustainability Data Statement

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			Related Section(s) / Remark
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.	5.1 Employment Convention
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Employment Convention
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Employment Convention
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.7 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	4.7 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.7 Supply Chain Management
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.	4.2 Information Security; 4.4 Quality Assurance
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	4.4 Quality Assurance
	B6.2	Number of products and service related complaints received and how they are dealt with.	4.6 Customer Satisfaction
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.3 Protecting Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	4.4 Quality Assurance
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.2 Information Security
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.	4.1 Anti-Corruption
	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.	4.1 Anti-Corruption
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	4.1 Anti-Corruption

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			Related Section(s) / Remark
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.	7. Social Contribution
	B8.1	Focus areas of contribution.	7. Social Contribution
	B8.2	Resources contributed.	7. Social Contribution