

# Huijing Holdings Company Limited 滙景控股有限公司

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 9968

INSPIRING GROWTH  
TOGETHER



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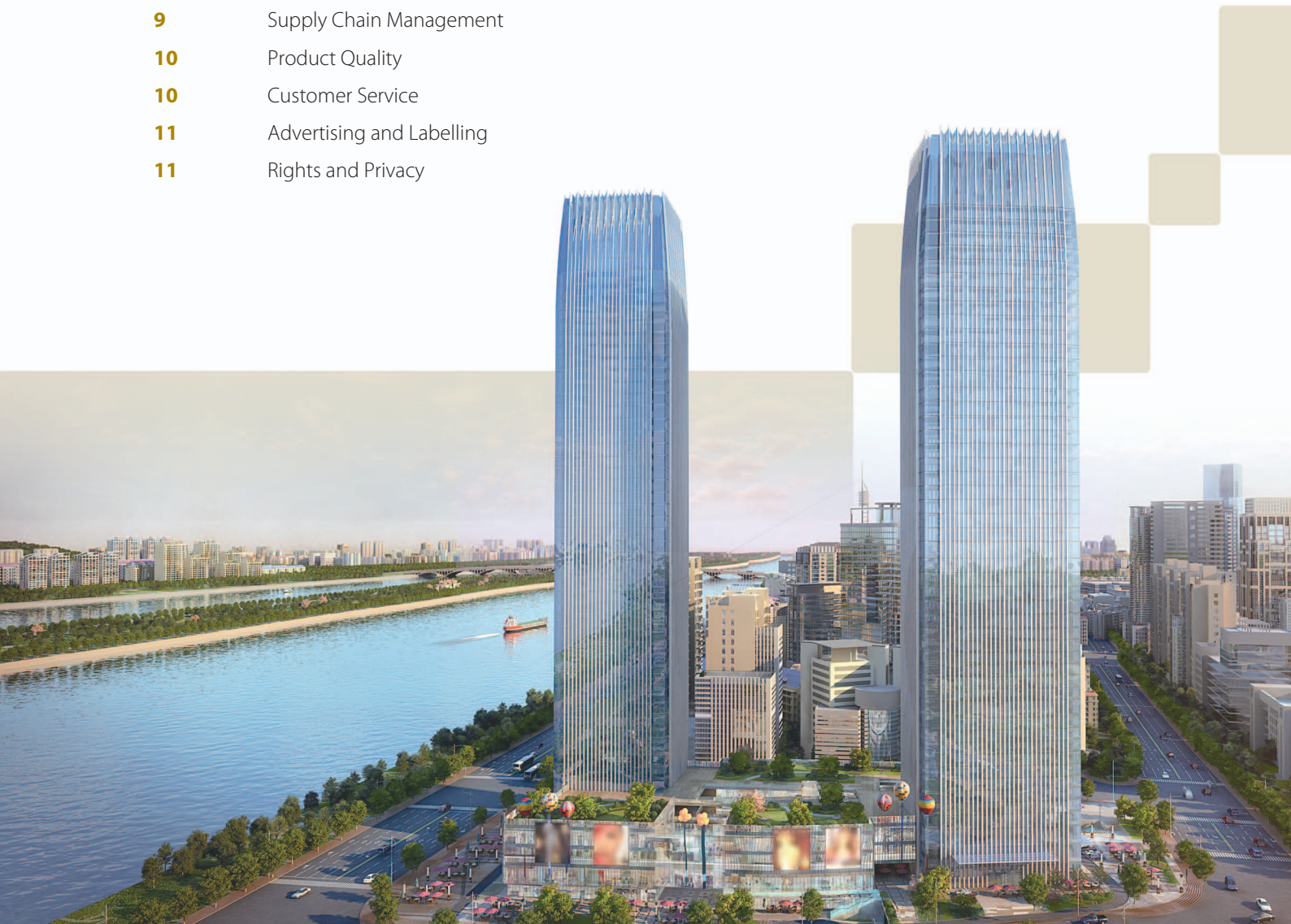
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# ABOUT THIS REPORT

This is the first standalone environmental, social and governance (collectively referred to as “ESG”) report of Huijing Holdings Company Limited (hereinafter referred to as “Huijing Holdings” or the “Group”). The purpose of this ESG report is to communicate the Group’s visions, commitments, performances and strategies relating to material social and environmental issues. Sustainable environmental development, corporate commitment and sound corporate governance are the cornerstones of the Group’s long term development.

## Reporting Period and Scope

Unless otherwise specified, the report covers the Group’s progress and performance on ESG issues from 1 January 2019 to 31 December 2019 (the “Reporting Period”). The reporting scope of this report only covers the Group’s operations in Dongguan, China, where the majority of the Group’s property projects are situated. Unless otherwise specified, all environmental Key Performance Indicators (“KPIs”) are limited to the Group’s operations in Dongguan, while all social KPIs cover all information from the Group level. We shall continue to strive for more comprehensive data management system to ensure transparency and accuracy.

## Reporting Framework

The report is prepared in accordance with the requirements as set out in the ESG Reporting Guide (the “Reporting Guide”), under Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. To provide stakeholders with a more comprehensive understanding of the Group’s ESG performance, the report not only discloses KPIs included in the “Comply or Explain” provision, but also reports relevant KPIs under the “Recommended Disclosures” provision of the Reporting Guide.

This report adheres to the following Reporting Principles, as outlined in the Reporting Guide:

|                     |   |
|---------------------|---|
| <b>Materiality</b>  | Through continuous communication and engagement with our stakeholders, as well as developing a deeper understanding of the Group’s ESG-related risks and opportunities, Huijing Holdings have been able to assess their material economic, environmental and social impacts, and subsequently formulate four major ESG strategic pillars: Our Environment, Our Operations, Our People, and Our Community. |
| <b>Quantitative</b> | The report discloses environmental KPIs from the Group’s operations in Dongguan, China, and social KPIs from the Group as a whole. The relevant KPIs are quantifiable in order to measure the effectiveness of ESG policies and management systems.   |
| <b>Balance</b>      | The report provides an unbiased picture of the Group’s ESG performance.   |
| <b>Consistency</b>  | As this is the first ESG report published by the Group, the extent to which the methodologies are consistent with previous reports cannot be evaluated. In future reports, consistent methodologies will be implemented to allow for comparison disclosure of ESG data over time. If comparative factors changes were to be made, the rationale would be thoroughly explained.                            |

## Feedback Contact

Your feedback on this report is highly valued. If you have any questions or suggestions regarding the content or information of this report, please post to Unit 2403–2408, 24/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong.

# ABOUT HUIJING HOLDINGS

## Corporate Profile

Founded in 2004, Huijing Holdings is a leading property developer in China. Our real estate projects are mainly located in Dongguan, also in the Guangdong and Hunan provinces. Starting with property projects in Dongguan, we have gradually spread to other cities situated in the Pearl River Delta (i.e. Heyuan), the Yangtze River Delta Urban Cluster (which includes Anhui Province and Zhejiang Province) and the Yangtze Mid-stream Urban Cluster (which includes Hubei Province, Hunan Province and Jiangxi Province).

We are dedicated to offering quality properties to our customers, and such efforts have largely been recognised by the market in the past few years. Our Group's properties have been awarded various accolades from different organisations in the last decade, including the "Exquisite Taste Luxury Home Award" awarded by Wen Wei Po, the Hong Kong Institute of Architects, and the Hong Kong Institute of Designers in 2010, "Dongguan's Most Influential Brand Real Estate Enterprises" by Sohu in 2014, and "Anhui Top-10 City Complex Annual Award" by the Graduate School of Real Estate of Hefei University in 2016, among others.

Looking forward, we are determined to continue offering award-winning, high quality properties and aspire to achieve our corporate mission of "maintaining foothold in the Greater Bay Area; striving to develop Dongguan market; eyeing on Pearl River Delta, Central China and East China".

## Business Overview

The Group's business operations mainly include property development. The property projects of Huijing Holdings can be classified into three main categories: residential property projects — which consist of apartments, townhouses, mansions and villas; integrated property projects — which combine residential properties with commercial properties; focusing on urban renewal projects and property projects promoting specific industries, such as Innovative Technologies and Tourism-healthy Living projects. Moreover, in order to generate a stable and recurring source of income, the Group has also selectively retained ownership of commercial properties deemed valuable for investment purposes.



# ABOUT HUIJING HOLDINGS

## Our Approach to Sustainability

### Stakeholder Communications

Huijing Holdings understands the importance of interacting and communicating with stakeholders. Strengthening environmental protection, enhancing corporate social responsibility awareness, and ensuring efficient corporate governance are other business concepts that we prioritise and strive for. Maintaining an open and ongoing dialogue with our stakeholders and responding to their concerns is a top priority of the Group. Accordingly, we have established effective communication channels that enable us to interact with and collect feedback from our stakeholders.

| Stakeholder Groups         | Key Engagement Channels   |
|----------------------------|---|
| Investors and Shareholders | <ul style="list-style-type: none"><li>• Annual general meeting</li><li>• Press releases and announcements</li><li>• Annual and interim reports</li><li>• Circulars</li><li>• Meetings and correspondences</li></ul> |
| Employees                  | <ul style="list-style-type: none"><li>• Regular conferences</li><li>• Performance appraisal meetings</li><li>• New hire orientation programs</li></ul>  |
| Customers                  | <ul style="list-style-type: none"><li>• Regular contact</li><li>• Company website</li><li>• Social media</li><li>• Satisfaction surveys</li></ul>   |
| Suppliers                  | <ul style="list-style-type: none"><li>• Procurement tender meetings</li><li>• Assessment surveys</li><li>• Site visits</li></ul>  |
| Community Groups           | <ul style="list-style-type: none"><li>• Charity activities</li><li>• Volunteering services</li></ul>  |
| Media                      | <ul style="list-style-type: none"><li>• Interviews</li><li>• Press releases</li></ul>   |
| Government Bodies          | <ul style="list-style-type: none"><li>• Site visits</li><li>• Compliance and non-compliance reports</li></ul>   |

### Materiality Assessment

Huijing Holding's ongoing communication and engagement with our stakeholders, coupled with an understanding of the Group's ESG-related risks and opportunities, have provided useful guidance on assessing the Group's material economic, environmental and social impact. We have therefore strategized our ESG focus under the four main pillars: Our Environment, Our Operations, Our People and Our Community.

We shall continue to review our ESG focus and strategy, while taking into consideration the latest global sustainable development agenda. We shall also consider implementing a more comprehensive and systematic process in identifying specific topics that may influence our operations and stakeholders, such as peer benchmarking, surveys, and interviews.

# ABOUT HUIJING HOLDINGS

## **Code of Conduct**

We adhere to a strict code of conduct that includes provisions for bribery, extortion, fraud and money laundering. The code of conduct is communicated in the Group's internal Protocol on Receiving Gifts (收受禮金、禮品處理辦法) and Complaint Report Management System (投訴舉報獎勵管理制度).

The Protocol on Receiving Gifts is implemented to prevent and eradicate corruption, and ensure a clean and honest corporate culture. The Protocol clearly states the required processes and procedures for handling and accepting gifts. The Complaint Report Management System outlines the Group's whistleblowing protocol so that all employees and other stakeholders are effectively safeguarded. All complaint reports are processed by the Group Human Resources, Information Technology and Administration, and are transferred to other, more relevant departments for further investigation. For example, all matters involving legal and litigation cases are transferred to the Group's Legal Affairs Management Centre. The identity of the person who reported the complaint is kept strictly confidential.

# OUR ENVIRONMENT

Huijing Holdings recognises that with the expansion and rapid development of the business, our business process, from property development and management to office operations, will inevitably emit greenhouse gases and waste pollution into the environment. In order to minimise unnecessary disruption to our natural environment, we have different measures in place to mitigate the adverse impacts of air and greenhouse gas emissions, wastewater discharges, waste generation and natural resources consumption. Moreover, measures relating to the efficient use of resources, including energy, water and other raw materials, have also been undertaken.

We are subject to certain environmental protection laws and regulations, including those relating to air pollution, noise emissions and water and waste discharge. Huijing Holdings strictly abides by the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution (中華人民共和國環境噪聲污染防治法), Regulations on Environmental Protection Management of Construction Projects (建設專案環境保護管理條例), and Management Measures for Environmental Protection Acceptance of Construction Projects (建設項目竣工環境保護驗收管理辦法).

## Green Construction

We understand that the construction works can have profound effects, both positive and negative, on the natural environment, as well as the people who inhabit these spaces. As such, we are determined to build responsibly, reduce waste, and help preserve the environment by incorporating green features throughout the construction process. By formulating and implementing green construction requirements, we hope to minimise the impacts of project construction to the surrounding environments. Many of our property developments have the following green features:

- System adjustment devices, including: static hydraulic balancing valve, automatic flow control valve, self-operated pressure control valve, thermostatic radiator valve, and others.
- Indoor heating methods, including: radiator heating, radiant floor heating, and others.
- Decentralised and centralised systems for the supply of hot water.
- Supply of various renewable energy sources: solar water heating systems, solar power generation, geothermal heat pumps, air source heat pumps, wind power generation, and others.

Furthermore, each of our property projects is required under relevant regulations such as the Law of the People's Republic of China on Environmental Impact Assessment (中華人民共和國環境影響評價法) and the Regulations on the Administration of Construction Project Environmental Protection (建設項目環境保護管理條例), to undergo environmental impact assessments. With an aim to prevent construction projects from generating new pollution and damaging the ecological environment, these regulations promote the adoption of clean production techniques with low energy consumption, low materials consumption and low pollutants generation.

We must submit the relevant environmental impact study or report to the authorised environmental protection authorities, along with other required documents, for evaluation and approval. These measures must be incorporated into the design, construction and operation of each property project. Upon the completion of each development, relevant government authorities will also inspect the site to ensure that all applicable environmental standards have been complied with before the property can be delivered to the buyer.

# OUR ENVIRONMENT

We are committed to managing the environmental practices of our contractors through contractual obligations and stringent site management. We shall consider establishing quality control procedures relating to environmental practices, to ensure transparent and effective management.

## Green Office

By practising green management in the office space, we can achieve more efficient use of resources and reduction of waste, save energy, and help improve the working environment. Accordingly, the Group has developed a coherent set of Office Environment Management Regulations (辦公環境管理規定) as a means of strengthening the management of the office environment and creating a green and pleasant working space for employees. Relevant regulations include:

## Greening the Environment

Green plants can improve indoor air quality, improve the working environment, and help provide a soothing space for employees during busy times, thereby improving office efficiency. The Group strives to provide a comfortable and pleasant office environment for employees, so that work pressure can be reduced significantly.



## Resource Management

### • Energy

Despite the fact that energy use within the office space is handled by our property management, and thus, there is no separate billing to analyse our electricity use, we will still take on a serious and responsible attitude towards energy use, and adopt a series of measures to strengthen and implement energy conservation, reduce consumption and maximise energy efficiency. For example, we have developed a strict set of guidelines on how to reduce the use of electrical appliances, such as office lights:

- All electrical appliances shall be turned off when not in use;
- The use of multiple electrical appliances simultaneously by a single personnel is strictly forbidden;
- The last person leaving the office must check and ensure all electrical appliances are turned off;
- All electrical appliances such as lamps, computers and fridges need to be regularly maintained to ensure efficiency.



# OUR ENVIRONMENT

- **Water**

Similar to our energy use, water use within the office space is handled and recorded by our property management, and thus, there is no separate billing to analyse water usage. Despite such measures, we are encouraged to conserve water and reduce water consumption.

- **Waste**

Although we currently do not have a comprehensive waste disposal data collection system, we still aim to minimise wastage in our daily operations. In order to reduce the amount of waste we generate in the office, we have developed a set of guidelines on how to reduce and recycle office materials. For example, when using printers and copiers, we try to use paper sparingly, and are not permitted to print content that is non-work related. Furthermore, reusable paper should be collected properly for future use. Looking forward, we will strive to improve our data monitoring system by considering to measure waste collected and recycled. We will also continue to advance our environmental management measures by testing the feasibility of implementing various industry best practices within our own company.

## Climate Change

As a real estate development company, most of our carbon emissions indirectly stem from the supply chain, namely, the contract work in our property development projects. In order to monitor the use of energy and reduce the amount of carbon emissions in our contractors' operations, we shall consider establishing a set of environmental standards for all construction projects, and ensuring that all contractors are complying with the standard.

Within our own operations, our direct carbon emissions stem from fuel combustion from vehicles (scope 1 direct emissions) and fossil fuel combustion for electricity consumption at our office (scope 2 energy indirect emissions). Although we currently do not have accurate data on electricity usage, we continue to actively encourage employees to reduce the use of electricity, which also reduces carbon emissions. For more information about our energy use and reduction, please refer to the "Green Office" section.

In assessing the Reporting Period of Group's GHG emissions, our quantification methodology references the "Guidelines on Provincial Greenhouse Gas Emission Inventory" (省級溫室氣體清單編制指南), the "General Principles for Calculation of the Comprehensive Energy Consumption" (GB/T 2589-2008 綜合估算計算通則), and the "Gasoline for Motor Vehicles" (車用汽油 粵 IV). We will continue to closely monitor our fuel consumption and regularly maintain vehicles to ensure fuel efficiency and keep the air and GHG emissions under control.

| GHG Emissions                       | Unit                | Amount  |
|-------------------------------------|---------------------|---------|
| Scope 1 — Direct Emissions          | tCO <sub>2</sub> -e | 136.867 |
| Scope 2 — Energy Indirect Emissions | tCO <sub>2</sub> -e | N/A     |
| Total GHG Emissions (Scope 1–2)     | tCO <sub>2</sub> -e | 136.867 |

# OUR OPERATIONS

## Supply Chain Management

Huijing Holdings is committed to developing and maintaining a strong, symbiotic relationship with our supply chain. Our major suppliers are construction contractors, sub-contractors and construction material suppliers from China. Effective supply chain management is crucial to our product and service quality. Working closely with suppliers, carrying out high-quality construction in an efficient manner, and providing high-quality products and services to customers are the main priorities of our operation targets.

At Huijing Holdings, we have a Tender and Contracts Management System (招標合約管理制度) in place to evaluate, select and manage the suppliers on a regular basis, and to ensure that they are performing up to our standards. The Supplier Management System (供應商管理制度) includes protocol relating to supplier certifications and supplier evaluations<sup>1</sup>. It also states that a summary report of our suppliers and supplier evaluation must be conducted annually. Fairness, quality and confidentiality are the core principles of this system. To assist us on our property development projects, we regularly update and maintain a supplier information database.

In addition, the Group has also established a clear set of procurement management measures, which can be identified in the Tender and Contract Management System (招標合約管理制度). These measures were designed to improve procurement efficiency, standardize procurement operations and reduce procurement operational risks.

We attribute most of our business success to the stability and competitiveness of our supply chain. Because the construction industry in China is generally competitive and fragmented, there are numerous contractors readily available. Thus, if any supplier fails to provide us with the contracted service or raw materials in the quantity and/or quality that we require, the Group is able to secure sufficient supplies from other suppliers in a timely manner at comparable costs. Spreading the purchase of required resources and material to different suppliers can also help to minimize the chance of corruption within the Group's supply chain.

Our five largest suppliers for each of the years ended 31 December 2016, 2017, 2018 and 2019, accounted for 65.7%, 75.7%, 66.1% and 39.6% of our total purchases, respectively. As at 31 December 2019, our business relationship with these major suppliers had generally been over three years.

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<sup>1</sup> Supplier certification is the process of conducting a thorough review on potential suppliers and determining whether they meet the standards required by the Group. Supplier certification is divided into two stages: pre-qualification and on-site inspection. Supplier evaluation, on the other hand, is the process of inspecting and screening qualified suppliers. Following this process, the suppliers are classified as excellent, good, qualified or unqualified. Suppliers that receive a poor classification are requested to submit performance improvement plans.

# OUR OPERATIONS

## Product Quality

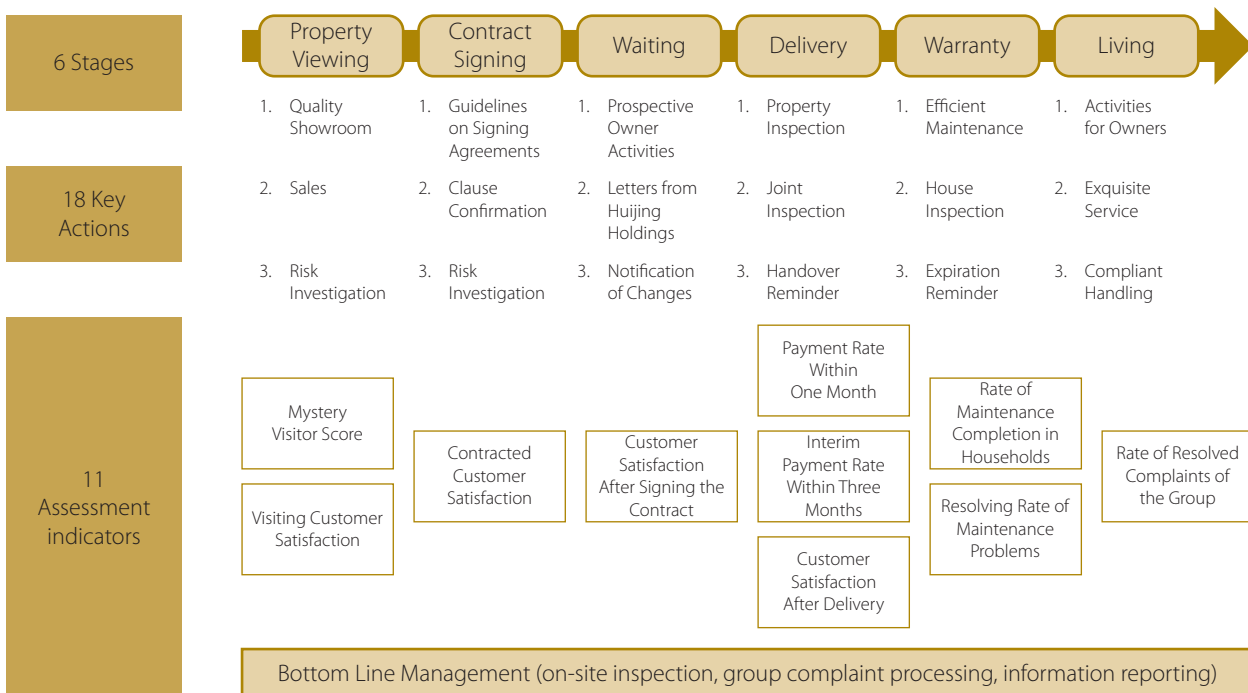
Huijing Holdings upholds a high standard on quality control with regard to the construction and supervision of our developments and have adopted quality control procedures to ensure compliance with relevant laws and regulations. To this end, we have adopted a set of comprehensive quality control measures, namely, the Quality Assurance and Maintenance Management Policy for Real Estate Projects (地產專案房屋質保維修管理辦法), to standardize the operational process of real estate warranty and maintenance and to ensure a swift and efficient implementation of maintenance affairs during the warranty period.

The quality control system that the Group has adopted governs all levels of the property development process. At the headquarters level, our Project and Operations Department is responsible for supervising the overall construction process for all developments. To assure and maintain a consistent and high building quality from the design to completion stage, the Project and Operations Department performs regular on-site inspections and conducts reviews of the property under construction. If there are any instances of non-compliance, the Project and Operations Department will escalate the issue to management and also require the issue to be rectified. At the individual development level, the Project and Operations within each of our projects is responsible for supervising the quality control process. They closely monitor the quality and timetable of the relevant Project and Operations development, as well as the selection of construction materials. If any issue arises, they would be escalated to the General Manager and Senior Management of the project company.

Furthermore, the Group has also engaged third-party consultants to conduct quality reviews on the work quality of our contractors and employees every quarter, based on field measurement against our internal quality standards. We believe the periodical review by independent parties can provide objective feedback to further improve construction quality.

## Customer Service

Aligning with the Group' core value of "Product, Quality, Service", Huijing Holdings is committed to cultivating and nurturing positive customer relationships. We value the views and opinions of all our customers and actively seek for their feedback through various means and channels. With an aim to maintain the company's reputation and brand image, as well as improve customer satisfaction and loyalty, the Group has established a Customer Service Management Centre and Customer Service Department, and has implemented a clear, comprehensive customer service system, as shown below:



# OUR OPERATIONS

Our Customer Service Team is primarily responsible for collecting and analysing customer data through customer satisfaction surveys. These surveys enable us to enhance our service quality, identify customer preferences and improve our operations, including development design and marketing strategies.

With regards to after-sale services, the Sales and Marketing Department is responsible in responding to customers' comments relating to purchases of our properties. Training is regularly provided to our frontline staff to ensure that they are continuously delivering quality and professional customer services. As outlined in the Customer Management Centre Management System (客服管理中心管理制度), an established procedure is in place to resolve any customers' enquiries or comments swiftly and efficiently, and to systematically record complaints and feedback for regular review by senior management. For the years ended December 31, 2016, 2017, 2018 and 2019, we received 25, 23, 29 and 16 customer complaints respectively about the quality of our properties, primarily due to imperfections or defects of interior renovations. All complaints are recorded and referred to relevant parties for effective and efficient handling.

## Advertising and Labelling

Integrity and honesty are the core values in Huijing Holdings. We pride ourselves in offering accurate and truthful information about the property to our customers. For example, during the sales stage, we will not downplay different unfavourable factors. Informing our customers honestly can instead enable more effective sales. When informing our customers about the property project, we never use words or vocabulary that is in violation with the Advertising Law of the People's Republic of China (中華人民共和國廣告法) or make promises to our customers regarding the rate of return. This is outlined in the Group's Client Risk Prevention Work Manual for Real Estate Project Sales Phase (地產專案銷售階段用戶端風險預控工作手冊) for employees' reference.

### Example of What we Disclose to Our Customers During the Sales Stage:

| Unfavourable Factors  | Example of What to Inform   |
|---|---|
| Pollution coming from paper mills (1,000 m), chemical plants (1,000 m), power plants (1,000 m), sewage treatment plants (1,000 m), waste treatment plants (1,000 m), and so on. | About 500 meters south of the property, there is a chemical plant, and there may be environmental pollution effects. (If relevant government information informs that the source of pollution will be removed, relevant information can be added. The Group only informs relevant information and does not make any promises and guarantees.) |

All advertising materials, such as display boards, sales leaflets and outdoor advertisements, must be approved by the Group's Sales and Marketing Department. These materials must not involve sensitive data, and must be in strict accordance with the Advertising Law of the People's Republic of China (中華人民共和國廣告法).

## Rights and Privacy

Huijing Holdings protects and respects intellectual property rights. In order to standardize the management of intellectual property rights, including trademark rights, patent rights and copyrights, the Group has established internal Intellectual Property Management Measures (知識產權管理辦法).

In order to protect our intellectual property rights, we have submitted our registration for our trademarks in Hong Kong, Macau, Taiwan, New Zealand and Australia. Additionally, we have registered the domain name of www.huijingholdings.com for the website of our Group on the Internet. During the reporting period, we were not aware of the following situations: (i) any infringement activity by us of any intellectual property rights owned by third parties, or (ii) any infringement activity by any third parties of any intellectual property rights owned by us.

# OUR PEOPLE

## Employment and Employee Welfare

To safeguard the legitimate rights and interests of employees, Huijing Holdings has established its employment policies in strict accordance with the Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法), the People's Republic of China Labor Law (中華人民共和國勞動法), the Social Insurance Law of the People's Republic of China (中華人民共和國社會保險法), Interim Regulations on the Payment of Social Insurance Fees (社會保險費征繳暫行條例), Trial Measures for Enterprise Employees' Maternity Insurance (企業職工生育保險試行辦法), and the Housing Provident Fund Management Regulations (住房公積金管理條例).

Human resources are the most valuable asset of Huijing Holdings. Recruiting and retaining talented individuals is vital to the Group's success. To attract and retain talents, we offer our employees competitive remuneration packages, which include basic salaries, allowances, bonuses, health protection and annual physical examinations, as well as contributions to social insurance and provident funds. Moreover, paid holidays and leave, including legal, annual, wedding, maternity, paternity, bereavement, work injury and sick leaves are also offered.

The Group's Human Resources, Information Technology and Administration Department is responsible for recruiting our employees. We recruit our employees on an as-needed basis through various channels, including headhunting, advertising in the media, online advertising, on-site recruitment, recruitment firms, campus recruitment and internal referrals. We have a Recruitment Management System (招聘管理制度) in place to standardize the Group's recruitment process and ensure that all employees are recruited in a fair and ethical manner. The Group's three main recruitment principles are "Virtues and Morals", "Avoid Relatives Principle", and "Teamwork". Without the approval of the senior management team, we will avoid hiring immediate family members of existing employees in roles that would place them in the same department, or other departments that would place them in direct business relations. In our recruitment process, we adhere to the principles of mutual respect, fairness and impartiality; all candidates are treated equally, and any kind of discrimination based on gender, age, race and religion is avoided. Instead, we value traits such as professionalism, high moral and ethical standards, integrity and teamwork, possession of professional skills, management skills, and development potential.

To motivate our employees and recognise their efforts and contributions, we have a performance assessment system in place, in which all employees are assessed monthly and rewarded based on their capabilities, responsibilities and performance. All employees will be considered for a discretionary award on a monthly basis, including but not limited to, position and salary adjustments and provision of additional training. Moreover, the Group also conducts an annual performance appraisal. Similar to the monthly performance assessment system, the annual appraisal recognises the teams and individuals who have performed exceptionally and have made outstanding contributions to the company.

# OUR PEOPLE

The Group has also arranged different activities for employees during the year, which has strengthened the relationship between employees and the Group and the relationships amongst employees, thus establishing long-term friendly, cooperative relations. Corporate events can help boost company morale, and bring a sense of unity within the Group. The Group has organized diverse activities, including sports events, birthday celebration parties, and Women's Day activities, among others.

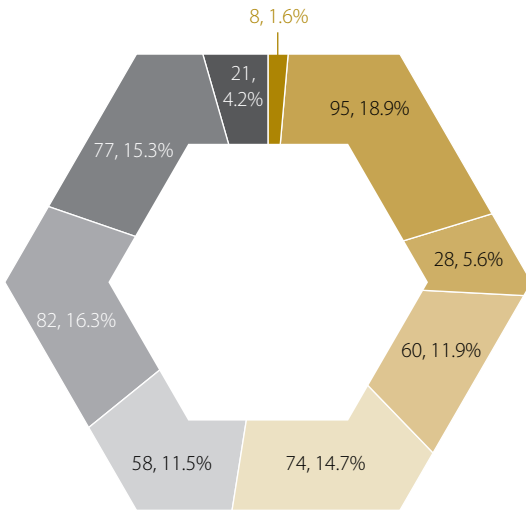
*Employee Birthday Party*



*38 Woman's Day*

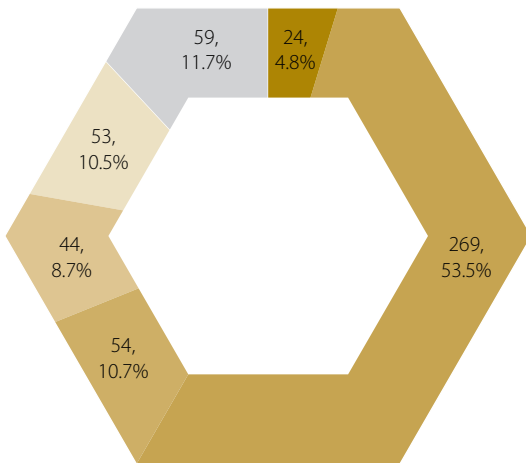
# OUR PEOPLE







The Group's Total Workforce by Employment Type:



-  Senior Management
-  Human Resources, Information Technology and Administration
-  Development and Investments
-  Engineering and Design
-  Cost Management, Tendering and Procurement
-  Projects and Operations
-  Sales and Marketing
-  Accounts and Financing
-  Legal and Audit

The Group's Total Workforce by Geographical Region:



-  Hong Kong
-  Dongguan
-  Changsha
-  Hengyang
-  Hefei
-  Heyuan

# OUR PEOPLE

The Group's Employee Turnover Rate by Gender:

| Gender | Number of Employees | Turnover Rate (%) |
|--------|---------------------|-------------------|
| Female | 38                  | 7.6               |
| Male   | 78                  | 15.5              |
| Total  | 116                 | 23.1              |

The Group's Employee Turnover Rate by Age Group:

| Age Group | Number of Employees | Turnover Rate (%) |
|-----------|---------------------|-------------------|
| 21-40     | 95                  | 18.9              |
| 41-60     | 21                  | 4.2               |
| Total     | 116                 | 23.1              |

## Labour Standards

In order to safeguard employees' rights and interests and build a legal employment system, we strictly control employment risks during recruitment and employment. We strictly prohibit child labour and any other type of forced labour, and have established a series of internal control policies to prevent such scenario from occurring. These are clearly communicated in the Employee Handbook (員工手冊), Recruitment Management System (招聘管理制度), and Entry and Trial Management Regulations (入職與試用管理規定).

Prior to employment, we conduct a background check on all employees, and demand that they provide relevant identification documents for verification, such as graduation certificates and identity cards. The Human Resources, Information Technology and Administration Department is responsible for reviewing the relevant information, to ensure the credibility of the information and confirm that the employee is a suitable candidate.

## Occupational Health and Safety

In order to protect the health and safety of our employees, we have formulated relevant internal management policies and regulations, such as Office Environmental Management Regulations (辦公環境管理規定) and Emergency Management Regulations (應急管理規定). These policies are in strict accordance with the Work Safety Law of the People's Republic of China (中華人民共和國安全生產法), Work Injury Insurance Regulations (工傷保險條例), and other relevant laws and regulations.



# OUR PEOPLE

The health and safety of our employees is our number one priority. Huijing Holdings aims to provide a healthy and safe environment for our employees and is devoted to mitigating and managing potential risks in our operations. In order to do so, the Group's Emergency Management Committee have formulated Emergency Management Regulations, which aims to improve the Group's ability to handle, prevent and mitigate emergencies<sup>2</sup>, and protect the health and safety of all employees. The Regulations require the Group to have emergency equipment available at construction sites and other places at all times, including fire protection facilities and emergency vehicles, regularly conduct emergency drills for fire prevention and flood prevention, and provide safety education and training to all employees.

In terms of health and safety in our office work environment, a stringent set of rules as set out in our Office Environmental Management Regulations has been developed as follows:

- It is strictly forbidden to use open flames in the office;
- It is strictly forbidden for anyone to touch the electric switch and fire-fighting facilities in the office in non-emergency situations;
- When using electrical facilities such as office equipment and appliances, one must be extremely cautious. It is strictly forbidden to randomly pull wires or plug in foreign electronics;
- It is strictly forbidden to use high-power appliances in the office without permission;
- The last person who leaves the office after work must turn off all lights, equipment power, air conditioning, doors and windows and other facilities;
- It is strictly forbidden to bring non-employees into the office. Visitors who are visiting for business shall complete the visitor registration procedures;
- If suspicious phenomena or personnel are found in the office, employees shall take relevant measures and report to the property security personnel.

With regards to occupational health and safety at construction sites, we provide safety protective equipment to employees and require contractors to ensure that their on-site constructions comply with all applicable laws and regulations. In addition, during the construction stage, our Project Management Department conducts monthly quality and safety inspections to monitor the day-to-day issues relating to health and safety.

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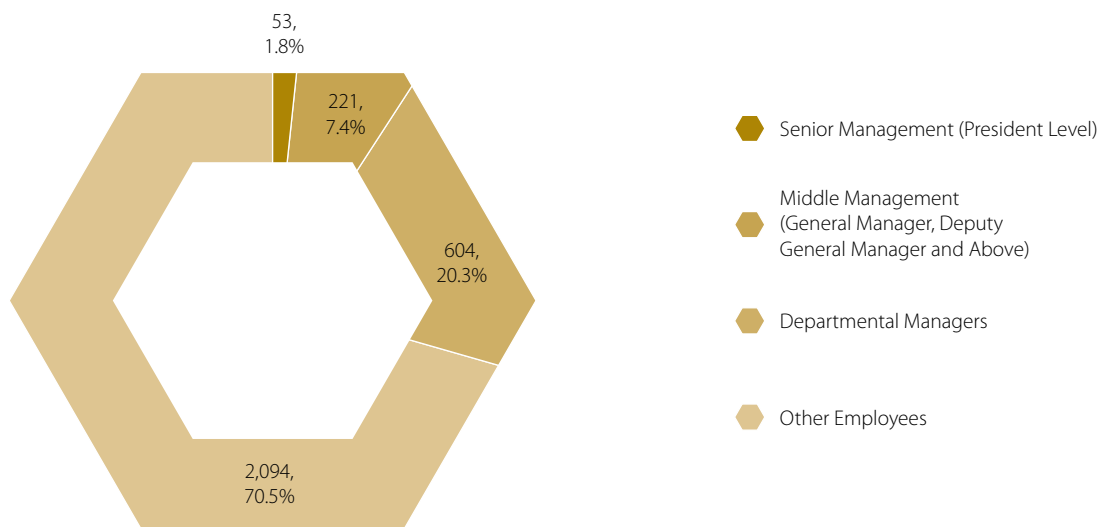
<sup>2</sup> Emergency events refer to emergencies that suddenly occur, cause or may cause major casualties, property damage, ecological environment damage, and serious social hazards, endangering the company's safety and public safety. These include (but are not limited to): on-site accidents and injuries; disasters (fire, floods, earthquakes, landslides); major epidemic events; and leakage of dangerous chemicals.

# OUR PEOPLE

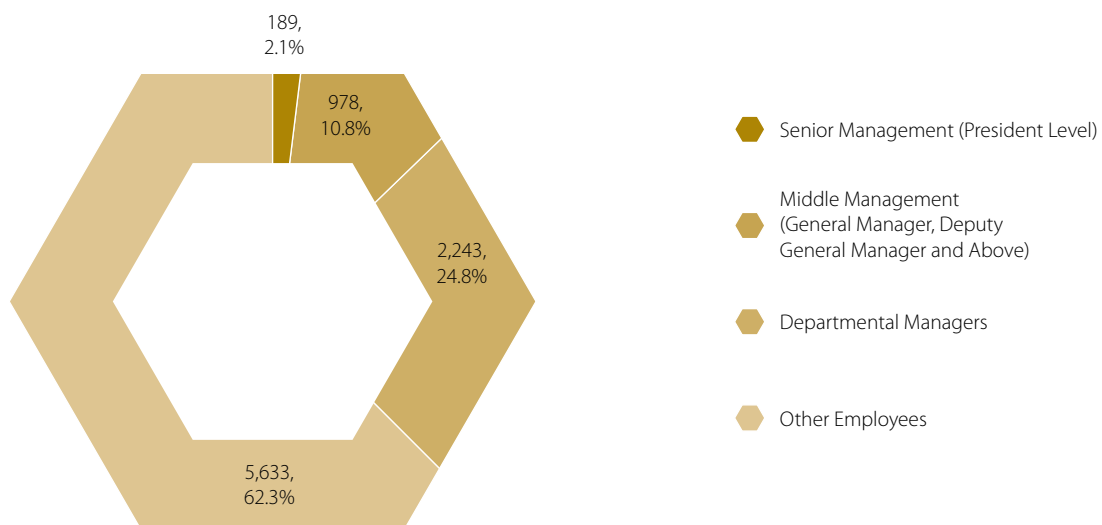
## Development and Training

Employee development and training is one of the key contributors to our continued business success. We are acutely aware that sustainable business development is closely related to human capital, and are therefore committed to providing employees with a development platform in which they could harness valuable skills and knowledge. According to the Company Annual Training Plan (公司年度培訓計畫), the Group has reviewed its employees training needs and has provided relevant internal and external training programs for all levels of the company. Adjusted according to the particular needs of the individual teams or employees, training programs include induction training and skill-based training, such as training on “standardized construction project related systems” (“標準化建設工程相關制度”培訓) and training on “public relations crises” (“危機公關專題”培訓).

The Percentage of Employees Trained by Employee Category:

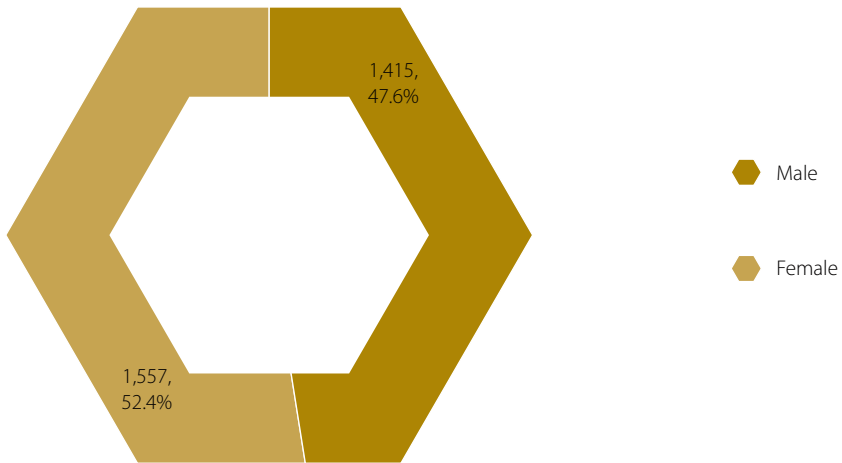


The Training Hours Completed by Employee Category:

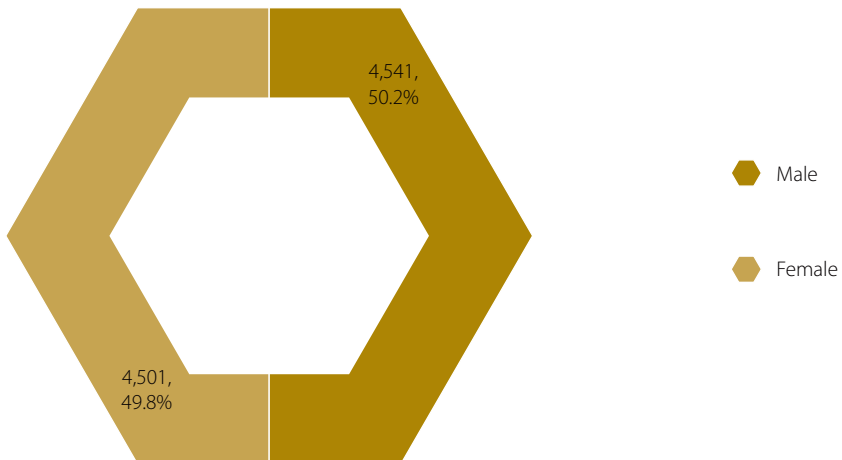


# OUR PEOPLE

The Percentage of Employees Trained by Gender:



The Training Hours Completed by Gender:



# OUR COMMUNITY

## Volunteering Activities

Huijing Holdings is keen to participate in charitable donations and philanthropic activities to nurture a robust relationship with the communities in which we operate in. Through corporate philanthropy and employee volunteering activities, we also hope to generate a positive corporate culture for our employees. In 2019, the Group donated ¥50,000 to Dongguan Shatin Charity Association (東莞沙田慈善會), a charity association primarily responsible in assisting the town to plan and implement community activities.

“Taken from society, give back to society” — The Group also organises volunteer activities to provide care towards the elderly. Today, we get to enjoy the fruits of their labour, thus, the Group attaches great importance to caring for the elderly to thank them for their past efforts. In the coming year, we hope to organise more volunteering activities to give back to society, and take another step towards helping those in need.

## Community-driven Property Projects

Huijing Holdings is keen on understanding the needs of the communities in which we operate in, and ensuring that our operations take into consideration the community development interests. Whilst developing our property projects, one of our top priorities is to introduce social amenities that meet community-driven demands (such as shopping outlets, shops and hotels). In doing so, we hope to gain a competitive advantage in the property market as well as satisfy the needs of the community.

The Group is currently working on numerous community-driven property projects. As alluded to in the Business Overview section, the Group is involved in developing properties that promote specific industries. These industries, namely innovative technologies industries and “tourism-healthy living” (“旅遊康養生活”) industries, place a large focus on the surrounding communities.

Our innovative technologies industry property projects aim to provide communities with sufficient facilities for emerging industries, thus allowing such communities to grow and develop into a mature industry within and around our property projects. We are currently in the works of developing an AI Town in Dongguan in partnership with Zhejiang University (浙江大學), and have recently entered into a cooperation framework agreement with the local government authority. Moreover, we have also commissioned the university to prepare a feasibility report of the AI Town.



# OUR COMMUNITY

Our “tourism-healthy living” property projects focus on creating a comfortable and quality living environment for communities by introducing facilities that centre around travel, health and senior care. A key example of this kind of property project is our Huijing Yanhu International Resort (衡陽匯景·雁湖生態文旅小鎮). Huijing Yanhu International Resort is a mixed residential property project that spans across a total site area of approximately 938,427 sq.m. The property project takes advantage of the natural beauty of the Wild Goose Lake (雁湖), and offers many community-centred facilities in the Eco-Tourism Town, such as parks and spas. As aging populations are anticipated to worsen, it is increasingly important that community equipment must cater to the needs of the elderly. The facilities should make the elderly feel comfortable and enable them to sit back and enjoy life. The Group hopes that by developing such projects, the community’s concern for the elderly will increase. We can also take this as an opportunity to repay the elderly for their contributions to the community in the decades before they retired.



*Nine Miles Bay*



*Huijing Yanhu International Resort (衡陽匯景·雁湖生態文旅小鎮)*

# KEY PERFORMANCE TABLE

| Key Performance Indicators                                    |                     | 2019                       |                             |
|---|---------------------|----------------------------|-----------------------------|
| <b>Environment</b>  |                     |                            |                             |
| <b>GHG Emissions</b>  | <b>Unit</b>         | <b>Total</b>               | <b>Percentage %</b>         |
| GHG Emission — Scope 1  | tCO <sub>2</sub> -e | 136.867                    | 100                         |
| Total GHG Emissions   | tCO <sub>2</sub> -e | 136.867                    | 100                         |
| <b>Energy Use</b>   |                     |                            |                             |
|   | <b>Unit</b>         | <b>Total</b>               | <b>Percentage %</b>         |
| Petroleum Usage   | Litre               | 60,480.210                 | 100                         |
| Total Energy Usage  | MJ                  | 2,030,925.452              | 100                         |
| Energy Usage Intensity by Area <sup>3</sup>                   | MJ/m <sup>2</sup>   | 355.990                    | –                           |
| Energy Usage Intensity by Workforce                           | MJ/person           | 4,037.625                  | –                           |
| <b>Social</b>   |                     |                            |                             |
| <b>Workforce by Employment Type</b>                           | <b>Unit</b>         | <b>Number of Employees</b> | <b>% of Total Workforce</b> |
| Senior Management   | Person              | 8                          | 1.6                         |
| Human Resources, Information<br>Technology and Administration | Person              | 95                         | 18.9                        |
| Development and Investments                                   | Person              | 28                         | 5.6                         |
| Engineering and Design  | Person              | 60                         | 11.9                        |
| Cost Management, Tendering,<br>and Procurement                | Person              | 74                         | 14.7                        |
| Project and Operations  | Person              | 58                         | 11.5                        |
| Sales and Marketing   | Person              | 82                         | 16.3                        |
| Accounts and Financing  | Person              | 77                         | 15.3                        |
| Legal and Audit   | Person              | 21                         | 4.2                         |
| Total   | Person              | 503                        | 100.0                       |
| <b>Workforce by Geographical Region</b>                       | <b>Unit</b>         | <b>Number of Employees</b> | <b>% of Total Workforce</b> |
| Hong Kong   | Person              | 24                         | 4.8                         |
| Dongguan  | Person              | 269                        | 53.5                        |
| Changsha  | Person              | 54                         | 10.7                        |
| Hengyang  | Person              | 44                         | 8.7                         |
| Hefei   | Person              | 53                         | 10.5                        |
| Heyuan  | Person              | 59                         | 11.7                        |
| Total   | Person              | 503                        | 100.0                       |
| <b>Employee Turnover Rate by Gender</b>                       | <b>Unit</b>         | <b>Number of Employees</b> | <b>Turnover Rate (%)</b>    |
| Female  | Person              | 38                         | 7.6                         |
| Male  | Person              | 78                         | 15.5                        |
| Total   | Person              | 116                        | 23.1                        |
| <b>Employee Turnover Rate by Age Group</b>                    | <b>Unit</b>         | <b>Number of Employees</b> | <b>Turnover Rate (%)</b>    |
| 21–40   | Person              | 95                         | 18.9                        |
| 41–60   | Person              | 21                         | 4.2                         |
| Total   | Person              | 116                        | 23.1                        |

<sup>3</sup> Area refers to gross floor area of Dongguan offices.

# KEY PERFORMANCE TABLE

| Key Performance Indicators  |        | 2019                       |                                       |
|---|--------|----------------------------|---------------------------------------|
| <b>Employees Trained by Employee Category</b>                         |        | <b>Number of Employees</b> | <b>Proportion of Participants (%)</b> |
| Senior Management (President Level)                                   | Person | 53                         | 1.8                                   |
| Middle Management (General Manager, Deputy General Manager and Above) | Person | 221                        | 7.4                                   |
| Departmental Managers   | Person | 604                        | 20.3                                  |
| Other Employees   | Person | 2,094                      | 70.5                                  |
| Total   | Person | 2,972                      | 100                                   |
| <b>Completed Training Hours by Employee Category</b>                  |        | <b>Class Hours</b>         | <b>Proportion of Class Hours (%)</b>  |
| Senior Management (President Level)                                   | Hours  | 189                        | 2.1                                   |
| Middle Management (General Manager, Deputy General Manager and Above) | Hours  | 978                        | 10.8                                  |
| Departmental Managers   | Hours  | 2,243                      | 24.8                                  |
| Other Employees   | Hours  | 5,633                      | 62.3                                  |
| Total   | Hours  | 9,042                      | 100                                   |
| <b>Employees Trained by Gender</b>                                    |        | <b>Number of Employees</b> | <b>Proportion of Participants (%)</b> |
| Male  | Person | 1,415                      | 47.6                                  |
| Female  | Person | 1,557                      | 52.4                                  |
| Total   | Person | 2,972                      | 100                                   |
| <b>Completed Training Hours by Gender</b>                             |        | <b>Class Hours</b>         | <b>Proportion of Class Hours (%)</b>  |
| Male  | Hours  | 4,541                      | 50.2                                  |
| Female  | Hours  | 4,501                      | 49.8                                  |
| Total   | Hours  | 9,042                      | 100                                   |
| <b>Donations</b>  |        | <b>Unit</b>                | <b>Total</b>                          |
| Total Amount of Donations   | ¥      |                            | 50,000                                |

# HKEX CONTENT INDEX

| Aspects, General Disclosures and KPIs | Description   | Relevant Chapter or Explanation   |
|---------------------------------------|---|---|
| <b>A. Environmental</b>               |   |   |
| <b>Aspect A1: Emissions</b>           |   |   |
| General Disclosure                    | Information on:<br>(a) the policies; and<br>(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. | Our Environment — Green Construction, Green Office, Climate Change  |
| KPI A1.1                              | The types of emissions and respective emissions data.   | We currently do not have a centralised monitoring system to record the type of emissions and respective emissions data. |
| KPI A1.2                              | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Our Environment — Climate Change<br><br>Key Performance Table   |
| KPI A1.3                              | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | We currently do not have a centralised monitoring system to record the amount of hazardous waste we produce.            |
| KPI A1.4                              | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | We currently do not have a centralised monitoring system to record the amount of non-hazardous waste we produce.        |
| KPI A1.5                              | Description of measures to mitigate emissions and results achieved.   | Our Environment — Green Construction, Green Office, Climate Change  |
| KPI A1.6                              | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.  | Our Environment — Green Office  |



# HKEX CONTENT INDEX

| Aspects, General Disclosures and KPIs                   | Description  | Relevant Chapter or Explanation   |
|---|--|---|
| <b>Aspect A2: Use of Resources</b>                      |  |   |
| General Disclosure                                      | Policies on the efficient use of resources, including energy, water and other raw materials.   | Our Environment — Green Construction, Green Office, Climate Change  |
| 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). | Our electricity use within the office is handled by our property management, hence, there is no separate billing to analyse our electricity consumption.<br><br>Key Performance Table |
| KPI A2.2  | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | Water use within the office space is handled by our property management, hence, there is no separate billing to analyse our water consumption.  |
| KPI A2.3  | Description of energy use efficiency initiatives and results achieved.   | Our Environment — Green Construction, Green Office, Climate Change  |
| KPI A2.4  | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.                                    | Our Environment — Green Office  |
| KPI A2.5  | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | This KPI is irrelevant to the Group's business.   |
| <b>Aspect A3: The Environment and Natural Resources</b> |  |   |
| General Disclosure                                      | Policies on minimising the issuer's significant impact on the environment and natural resources.   | Our Environment — Green Construction, Green Office, Climate Change  |
| KPI A3.1  | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.  | Our Environment — Green Construction, Green Office, Climate Change  |

# HKEX CONTENT INDEX

| Aspects, General Disclosures and KPIs      | Description   | Relevant Chapter or Explanation                                       |
|--|---|---|
| <b>B. Social</b>                           |   |   |
| <b>Employment and Labour Practices</b>     |   |   |
| <b>Aspect B1: Employment</b>               |   |   |
| General Disclosure                         | Information on:<br>(a) the policies; and<br>(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. | Our People — Employment and Employee Welfare                          |
| KPI B1.1                                   | Total workforce by gender, employment type, age group and geographical region.  | Our People — Employment and Employee Welfare<br>Key Performance Table |
| KPI B1.2                                   | Employee turnover rate by gender, age group and geographical region.  | Our People — Employment and Employee Welfare<br>Key Performance Table |
| <b>Aspect B2: Health and Safety</b>        |   |   |
| General Disclosure                         | Information on:<br>(a) the policies; and<br>(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.   | Our People — Occupational Health and Safety                           |
| KPI B2.1                                   | Number and rate of work-related fatalities.   | N/A   |
| KPI B2.2                                   | Lost days due to work injury.   | N/A   |
| KPI B2.3                                   | Description of occupational health and safety measures adopted, how they are implemented and monitored.   | Our People — Occupational Health and Safety                           |
| <b>Aspect B3: Development and Training</b> |   |   |
| General Disclosure                         | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.   | Our People — Development and Training                                 |
| KPI B3.1                                   | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  | Our People — Development and Training<br>Key Performance Table        |
| KPI B3.2                                   | The average training hours completed per employee by gender and employee category.  | Our People — Development and Training<br>Key Performance Table        |

# HKEX CONTENT INDEX

| Aspects, General Disclosures and KPIs     | Description   | Relevant Chapter or Explanation  |
|---|---|--|
| <b>Aspect B4: Labour Standards</b>        |   |  |
| General Disclosure                        | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.  | Our People —<br>Labour Standards   |
| KPI B4.1                                  | Description of measures to review employment practices to avoid child and forced labour.  | Our People —<br>Labour Standards   |
| KPI B4.2                                  | Description of steps taken to eliminate such practices when discovered.   | Our People —<br>Labour Standards   |
| <b>Operating Practices</b>                |   |  |
| <b>Aspect B5: Supply Chain Management</b> |   |  |
| General Disclosure                        | Policies on managing environmental and social risks of the supply chain.  | Our Operations —<br>Supply Chain Management  |
| KPI B5.1                                  | Number of suppliers by geographical region.   | N/A  |
| 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.   | Our Operations —<br>Supply Chain Management  |
| <b>Aspect B6: Product Responsibility</b>  |   |  |
| General Disclosure                        | Information on:<br>(a) the policies; and<br>(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. | Our Operations —<br>Product Quality, Customer Service, Advertising and Labelling, Rights and Privacy |
| KPI B6.1                                  | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | N/A  |
| KPI B6.2                                  | Number of products and service related complaints received and how they are dealt with.   | Our Operations —<br>Customer Service   |
| KPI B6.3                                  | Description of practices relating to observing and protecting intellectual property rights.   | Our Operations —<br>Rights and Privacy   |
| KPI B6.4                                  | Description of quality assurance process and recall procedures.   | Our Operations —<br>Product Quality, Customer Service  |
| KPI B6.5                                  | Description of consumer data protection and privacy policies, how they are implemented and monitored.   | N/A  |

# HKEX CONTENT INDEX

| Aspects, General Disclosures and KPIs  | Description  | Relevant Chapter or Explanation   |
|--|--|---|
| <b>Aspect B7: Anti-corruption</b>      |  |   |
| General Disclosure                     | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | About Huijing Holdings — Code of Conduct                                    |
| 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.                                     | Nil   |
| KPI B7.2                               | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.   | About Huijing Holdings — Code of Conduct                                    |
| <b>Community</b>                       |  |   |
| <b>Aspect B8: Community Investment</b> |  |   |
| 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.                 | Our Community — Volunteering Activities, Community-driven Property Projects |
| KPI B8.1                               | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).  | Our Community — Volunteering Activities, Community-driven Property Projects |
| KPI B8.2                               | Resources contributed (e.g. money or time) to the focus area.  | Our Community — Volunteering Activities                                     |