

# 2020 Corporate Social Responsibility Report & ESG (Environmental, Social and Governance) Report

# Lift



# About this Report

## Report Notes

This report is the annual social responsibility report issued by the Company for the thirteenth consecutive year. Based on the principles of objectivity, standardization, transparency and comprehensiveness, our report aims to truly reflect the practice and development of corporate social responsibility of the Company in 2020. It mainly expounds the practice and performance of the Company in corporate governance, social responsibility and environmental protection in the past year from various angles related to social responsibility.

The last report was issued on April 17, 2020.

## Scope of Reporting

This report takes Xiamen C&D Incorporated as the major body, including all wholly-owned subsidiaries and holding subsidiaries. The reporting period is from January 1, 2020 to December 31, 2020. In view of the continuity and comparability of disclosures, the content of some information is appropriately extended forward or backward.

## Report Specifications

Unless otherwise specified, Xiamen C&D Incorporated is referred to as "C&D Inc.", "the Company", or "we". C&D Realty Corp., Ltd., our holding subsidiary company, is referred to as "C&D Realty", and Lianfa Group Co.,Ltd.,our holding subsidiary company, is referred to as "Lianfa Group".

## Reporting Principles

This report has been prepared with reference to the "core programme" of the Global Sustainability Standards Board (GSSB) "GRI standards", and has made extensive reference to the *Guidelines on Environmental Information Disclosure of Listed Companies* issued by the Shanghai Stock Exchange and the Appendix 27 of "Environmental, Social and Governance Reporting Guide" of the *Main Board Listing Rules* issued by the Stock Exchange of Hong Kong Ltd..

## Report Data Description

The financial data of this report are from the annual report for 2020 and the annual reports over the years prepared by C&D Inc. in accordance with the accounting standards of China. Other data are mainly for 2020, and include some data for previous years. The currency of measurement in this report is CNY unless otherwise specified.

## Report Release Form

This report is distributed in the form of an electronic document. Readers can visit the Shanghai Stock Exchange website (<http://www.sse.com.cn>) and the official website of the Company (<http://www.chinacnd.com>).

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## Letter from the Chairman

In 2020, the international and domestic environment was complicated. The international and domestic environment was complicated, and the unstable and uncertain elements obviously added. Faced with the risks and challenges that never occurred, C&D Inc. had met our challenges head-on, moved determinedly forward, and worked hard and fought adversity in close solidarity. We made efforts to provide our clients with professional service, reciprocate for our shareholders, grow up with our partners, unlock the development potential of the employees, and create social values that in accordance with ethics. In 2020, the Company had stably realized business development, with the operation revenue reaching 432.9 billion CNY, which raised by 28.38% compared with last year. We were selected on the Fortune's List for consecutive 20 years, and ranked by 31st on the Top 500 of China Listed Company of 2020, which raised by 3 compared with last year.



The operation revenue reaching

**432.9** billion CNY

Raising by

**28.38%**

compared with last year



Ranked by

**31** th

in the "Top 500 of China Listed Company in 2020"

Raising by **3**

compared to last year

We committed to social responsibility by actively taking the responsibility of related stakeholders, and marching froward the harmonious development with the clients, shareholders, partners, employees and the society:

We coordinated epidemic control with business growth, actively ensured stability on six fronts and maintained security in six areas, and guaranteed the stabilization of industry chain and supply chain. Apart from serving the real economy, the Company kept enhance the internal driving force. In 2020, the business operation scope of supply chain and the sales amount of real estate business had hit another record high.

We actively responded to the Belt and Road Initiative, and continuously promoted the strategy of globalization. We helped to guarantee China's food security, actively organized importing goods, with the annual operation amount of agriculture goods reaching more than 20 million tons and increased by more than 120%. We took the responsibility of critical battles against the epidemic by adding the number of C&D Inc. special trains of China-Europe freight trains, and transporting more than 10,000 masks to support overseas fighting the pandemic. The stable operation of C&D Inc. special trains of China-Europe freight trains had built an important logistic channel for guaranteeing the trades and international cooperation between China and Russia. By diversified business model, we provided our clients with supply chain solution that gathering business service, logistic service, information service, financial service, and have achieved strategic cooperation with several large domestic and foreign enterprises, boosting economic development and industry progress.

We enhance the upgrade of products and promote operation innovation by data. The Company has broken the information barriers of supply chain upstream and downstream by adopting the Intelligence Compass, the supply chain big data analysis platform that developed the Company, and some other digital applications such as E-signing and E-trading that newly came online in 2020, to reduce cost and improve efficiency throughout the whole process of the supply chain. C&D. Inc has established the five systems, two evaluation systems and 20 management behaviors on safety and quality management. The smart project has been implemented in 61 projects nationwide, with the overall customer satisfaction graded 93 out of 100, which is a leading score in the industry. We organize open days on the construction sites of Lianfa Group Inc., promote the establishment of humanistic communities, and have launched 434 activities accumulatively.

We implement the national strategies thoroughly and attach great importance to safety production and sustainable development. The Company has built high-effective and responsible development path in three aspects of safety production, information safety and supplier management. In 2020, we obtained the National Information System Security Level II Certification, introduced the network analysis and traceability system, established the Internet mobile video conferencing platform, carried out information safety publicity and emergency drills; set up the Red and Yellow Card Warning System, strengthened the suppliers management, and insisted on the core concept of safety development.

We adhere to the coordinated development of employees and enterprise to guarantee the development and reserve of talents. The Company has formulated clear promotion path for employees, set up a dual-channel career development system of management and profession, and established the employees training system which includes the five plans; We have built a long-term cooperation with more than 10 colleges inside or outside Fujian province to cultivate professional

talents together.

We carry out the green and low-carbon strategy, making every effort for marching toward an energy saving and green enterprise. The Company adheres to the concept of "lucid waters and lush mountains are invaluable assets" by actively responding to the climate change, strengthening monitoring on wastes discharge, implementing garbage sorting, and promoting paperless office during the operation of daily work; In the process of architectural design and construction, we integrate the design concept of green and environmental, carry out renovation to save energy and reduce consumption, and use energy-saving and environmental protection materials, to improve the energy efficiency and continuously develop green construction. In 2020, C&D Realty obtained several green construction certificates in national wide, continuously promoting green operation.

We keep social responsibility in mind and actively devote into returning society. During the epidemic, the Company formulated all-round strategy on epidemic prevention and control, fully played our role in the battle against COVID-19. We participated in the community development, organized volunteers among employees, achieving the glory of 7,932 hours volunteer service accumulatively of the year.

Looking backward on 2020, we kept the mission of "exploring new values, enabling more people to live a more quality life" firmly in mind, effectively integrated sustainable development with enterprise development strategy, and insisted on the concepts of innovative, coordinated, green, open, and inclusive development. Looking forward on 2021, our steps are still strong and firm. We will, under the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, ground our efforts in the new development stage, apply the new development philosophy, and create a new pattern of development, to devote full energy to promoting reform, innovation, and breaking through in the operation of supply chain and real-estate business.



Chariman Yongda Zheng

## About Us

C&D Inc. (stock code: 600153) is a modern service-type enterprise with supply chain operation and real-estate business as its dual main businesses. Its businesses starting in 1980, the Company was established exclusively by Xiamen C&D Group Co., Ltd. and listed at Shanghai Stock Exchange in June 1998.

Since listed, the Company has developed rapidly over consecutive years with its operating revenue, net profit, net assets and other key economic indicators growing at annual average rate of 30% or so. In 2020, the Company realized business revenue of 432.949 billion CNY and net profit after-tax of 8.182 billion CNY. As of the end of 2020, the total asset was 387.157 billion CNY and net asset was 86.058 billion CNY.

In 2020, it realized business revenue of

**432.949** billion CNY

net profit after-tax of

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**86.058** billion CNY

## Business Field

With the mission of "exploring new values, enabling more people to live a more quality life" and the brand core value of "integrating resources and creating added value", C&D Inc. provides customers with supply chain operation services and comprehensive real estate services. The business scope of the Company and its subsidiaries covers supply chain comprehensive services, real estate development and operation, etc. The main industries involved in supply chain business are as follows:



In regard to real estate business, the Company has built two major brands of "C&D Realty" and "Lianfa Realty". Detailed business information are as follows.



C&D Inc. is committed to value-added supply chain, the pursuit of resource sharing, and win-win cooperation. As a supply chain operator, the Company provides customers with "LIFT supply chain services", which is composed of the initials of "Logistics services" "Information services" "Finance services" and "Trading services". Based on the four service elements, we integrate the resources required by customers in the operation process, plan operation solutions of supply chain, and provide operation services.

The Company's supply chain operation services have formed advantages in the metal materials industry, pulp and paper industry, agricultural and sideline industry, mining industry, energy and chemical industry, mechanical and electrical industry, light textile industry, food industry, automobile industry, emerging industries and other business areas, and established business relations with more than 170 countries and regions.

Regarding real estate development, the Company has built two major brands of "C&D Realty" and "Lianfa Realty". At present, the Company has carried out real estate development in more than 40 cities in China, which initially forming a national strategic layout.



## Honors

Institution	Awards	Winning Corporate
Fortune Chinese Edition	ranked 31 <sup>st</sup> of Fortune China top 500	C&D Inc.
China Association for Foreign Economic and Trade Statistics	ranked 23 <sup>rd</sup> of China's top 500 Foreign Trade Companies	C&D Inc.
Forbes Magazine	ranked 686 <sup>th</sup> of Forbes Global Top 2000 Enterprises	C&D Inc.
MSCI	Constituent Stock of MSCI Index System	C&D Inc.
FTSE	Constituent Stock of FTSE Global Equity Index Series	C&D Inc.
Standard & Poor's	Constituent Stock of S&P Emerging BMI	C&D Inc.
Shanghai and Shenzhen Stock Exchange	Constituent Stock of CSI Smallcap 500 Index	C&D Inc.
Shanghai and Shenzhen Stock Exchange	Constituent Stock of CSI Dividend Index	C&D Inc.
Shanghai Stock Exchange	Sample Stock of SSE Corporate Governance Index	C&D Inc.
The 11 <sup>th</sup> Tianma Award: Investor Relations Selection of Listed Companies in China	Best Board of Directors Award	C&D Inc.
"The third China outstanding IR" Selection Activity	The China IR Best Information Disclosure Award	C&D Inc.
Organizing Committee of Top 100 Summit Forum of China listed companies, Warton Economic Institute	Top 100 Enterprises Award of China Listed Companies in 2020	C&D Inc.
Caijing Magazine	"Caijing" Evergreen Award- Benefit Award of Sustainable Development	C&D Inc.

Institution	Awards	Winning Corporate
Sponsored by Securities Times and Egsea	30 years of capital market leader of regional economy	C&D Inc.
China Securities Index	Rated "AAA"; ranked 14th in A-share companies of ESG	C&D Inc.
China Real Estate Association, China Real Estate Evaluation Center of Shanghai Yiju Realty Research Institute	2020 China's top 50 real estate development enterprises, ranked 37th (shortlisted for nine consecutive years)	C&D Realty
China Real Estate Association, China Realty Evaluation Center of Shanghai Yiju Realty Research Institute	Top 10, No. 4 of China's real estate development enterprises	C&D Realty
China Charity Federation	Title of "China Charity Outstanding Contribution Unit Award"	C&D Realty
China Federation of Enterprises, China Entrepreneurs Association	Top 500 Chinese Service Enterprises in 2020 (ranked 253rd)	Lianfa Group Inc.
Enterprise Research Institute of Development Research Center of the State Council, Realty Research Institute of Tsinghua University and China Index Research Institute	Top 100 Real Estate Enterprises China 2020 (ranked 45th)	Lianfa Group Inc.
China Real Estate TOP10 Research Group	2020 top 10 brand value of China Real Estate Company (state-owned)	Lianfa Group Inc.

# Corporate Governance

## Organizational Structure

In strict accordance with the requirements of relevant laws and regulations such as the Company Law, the Securities Law, Code of Corporate Governance for Listed Companies, and the Rules for the Listing of Shares in Shanghai Stock Exchange, the Company has continuously improved the corporate governance structure. The rights and responsibilities of the decision-making body, supervision body and operation management of the Company are clear and the operation is standardized. The Board of Directors regards corporate governance as a long-term system engineering, and continuously improves and promotes it in daily operation. With the expansion of the Company's operation scale year by year, the Board of Directors focuses on the risk management and internal control work, urges the management team to continuously strengthen internal management and risk prevention to ensure the a safe, standardized, and steady development.

The Company has established a corporate governance structure of General Meeting of Shareholders, Board of Directors, and Board of Supervisors. The Company has established Operation Management Department, Credit Management Department, Logistics Management Department, Enterprise Development Department, and Legal Affairs Department, etc., and it owns various subsidiaries in the supply chain business segment and real estate subsidiaries such as C&D Real Estate and Lianfa Group.

### (1) Shareholders and General Meeting of Shareholders

The Company shall ensure that all shareholders, especially small and medium-sized shareholders, can fully exercise their legal rights in strict accordance with the relevant provisions and requirements of the Articles of Association and the Rules of the General Meeting of Shareholders. During the reporting period, the Company has standardized the convening and convening procedures of each General Meeting of Shareholders, and has ensured that all shareholders, especially small and medium-sized shareholders, enjoy equal status and fully exercise their rights, ensuring that the legitimate rights and interests of shareholders when voting on important matters. The General Meeting of Shareholders of the Company shall be witnessed by lawyers on-site, and legal opinions shall be issued on its legality.

The Company maintains effective communication with shareholders through various channels such as investor relations column, investor hotline, investor mailbox, and the interactive platform of Stock Exchange on our E interaction platform. The Company takes the visits and consultations of shareholders seriously, so that shareholders can have a better understanding of the operation of the Company.

### (2) Controlling Shareholders and Listed Companies

The Company's controlling shareholders shall be standardized in conduct, exercise their rights through the General Meeting of Shareholders, and directly interfere with the decisions and operations of the Company without exceeding the General Meeting of Shareholders; The Company shall be independent and complete relative to the controlling shareholders in terms of business, personnel, assets, institutions, finance, etc. The Board of Directors, the Board of Supervisors, and various internal functional departments of the Company can operate independently to ensure that major decisions of the Company are made by the General Meeting of Shareholders and the Board of Directors of the Company in accordance with the law.

### (3) Directors and Board of Directors

There is a total number of 9 directors in the Board of Directors of the Company, including 3 independent directors. The Board of Directors consists of Audit Committee, Remuneration and Appraisal Committee, Strategic Management Committee, Risk Management Committee, and Investment and Policy-making Committee, all whose directors are shouldered by the Board of Directors, and the chairman of the Audit Committee is an independent director with professional accounting qualification.

The directors and independent directors of the Company shall conscientiously perform their duties, and attend each Board of Directors in a serious and responsible manner in accordance with the Articles of Association, the Rules of Procedure of the Board of Directors and the Work System of Independent Directors and other relevant requirements. We carefully review various proposals, fully discuss, and make scientific decisions, and there shall be no violation of laws or regulations or damage to the interests of the Company and shareholders. During the reporting period, all directors shall earnestly perform their duties, be diligent and familiar with relevant laws and regulations, understand the rights, obligations and responsibilities of directors, correctly exercise their rights, ensure the efficient operation of the Board of Directors, and safeguard the legitimate rights and interests of the Company and all shareholders.

### (4) Supervisors and Board of Supervisors

There are 3 supervisors in the Board of Supervisors of the Company, one of whom is an employee supervisor. The supervisors of the Company shall conscientiously perform their duties in strict accordance with the Articles of Association and the Rules of Procedure of the Board of Supervisors and other relevant provisions and requirements, supervise the legality and compliance of the directors and senior managers of the Company in performing their duties, inspect and supervise the financial situation of the company, and express independent opinions on relevant major matters.

## Anti-corruption

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held a total number of **81** anti-corruption training activities;

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organized **4,270** hours of anti-corruption training.



C&D Inc. abide by the business ethics of honesty, truth worthiness, and self-discipline, and strictly abide by the Supervision Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Regulations On Disciplinary Measures of the Communist Party of China, the Code of Honesty and Self-discipline of the Communist Party of China, the Regulations on Inner-party Supervision of the Communist Party of China, the Regulations on Accountability of the Communist Party of China, and other relevant laws and regulations. The Company internally adjusts the working group of honesty and law-abiding supervision, establishes the Audit Department, and formulates the "1+x" Special Supervision Linkage Work System. The Discipline Inspection Commission of the Discipline Inspection Committee of Xiamen C&D Co., Ltd. of the Communist Party of China supervises the implementation of the spirit

of the Eight-point Regulations around the functional orientation of "re-supervision of supervision". All relevant functional units actively perform the responsibility of implementing functional management, formulate norms, carry out regular supervision on the implementation of the spirit of the Eight-point Regulations, and have no tolerance for corruption, fraud, and other immoral behaviors within the scope.

The Company actively carries out anti-corruption training to enhance the employees' awareness of clean employment and compliance operation. In 2020, the Company carried out one audit investigation activity on internal anti-corruption risk or related internal, held a total number of 81 anti-corruption training activities for management cadres, department heads and ordinary employees, and organized 4,270 hours of anti-corruption training.

## C&D Realty Carried Out Anti-Corruption Construction Training

On September 1, 2020, the C&D Realty Committee of the Communist Party of China and the Discipline Inspection Commission of C&D Realty of the Communist Party of China, jointly organized a special lecture on honesty and self-discipline. A total number of more than 400 major cadres and employees at all levels of C&D Realty attended the special lecture. The topic of this lecture is "performing duties according to law, exercising public rights and taking the initiative to stay away from job-related crimes." From the aspects of basic situation of anti-corruption investigation and handling cases, the enlightenment of accurate anti-corruption in different fields, and the prevention suggestions of job-related crimes, combined with actual cases, the lecture gave a profound analysis of the impact caused by job-related crimes, and required employees to abide by the moral bottom line and discipline requirements.



## C&D Realty organized employees to carry out integrity publicity activities

From mid-August to the end of September 2020, nearly 1200 people from 28 party branches of C&D Realty carefully watched the three clean government education films, "The Price of Desire," "State-owned Enterprises are Public but not Private," and "From 'Refusing', 'Accepting' to 'Asking.' " The participants included personnel from other key positions such as party branch members, cadres, backbone, financial marketing from the operating units covered by the branch. At the same time, all party branches and all first-level business units organize 800 party members and key personnel to learn the warning records of bribery cases so as to take the case as a warning and raise the awareness of integrity.



# Compliance Operation

C&D Inc. adheres to the principle of honesty, and the belief of abiding by the law and compliance in the process of creating excellent goodwill, and continuously strengthens the construction of related system. The Company sets up the "Regulations on Honest Operation and Management of Employees" and requires all employees to strictly abide by them, to comprehensively improve the ability of managing enterprises according to law. At the same time, in order to avoid all kinds of job-related crimes and strengthen the construction of the legal system, C&D Inc. organized a series of legal education activities for different objects in 2020.

- Carry out basic legal training on supply chain for all employees of C&D Inc., including basic training on contract negotiation (customer credit, business model, commodity selection, communication channel), contract signing (signing subject, signing content, signing form), contract performance (performance subject, performance according to contract, performance notice, acquisition of performance documents, property settlement link, change and dissolution, dispute settlement), etc.
- Organize "E-signing" training activities for personnel and business personnel related to the contract review of each business unit of C&D Inc., introduce legal background of "E-signing" platform and train on recent risk cases.
- Organize training on common letter models for personnel related to contract review and other business personnel of C&D Inc..
- Hold activities on legal publicity week for related personnel of each business unit of C&D Inc..
- Carry out case sharing activities for employees of all stores of the C&D automobile company.



Training activities for common letter models of C&D Inc.



Poster for legal publicity week

# Sustainable Development Management

As sustainable development has become the common language of international enterprises' communication, C&D Inc. attaches more and more importance to the sustainable development by systematically assessing the needs of stakeholders, establishing complete framework, and optimizing the performance as well as improving the content and quality of the disclosure of sustainable development.

In 2020, C&D Inc. initially established a sustainable development working group at the company level, with members including the company's senior management levels and management personnel of various related functional departments. The establishment of the working group will provide the basis for the company to carry out sustainable development actions, and also establish a communication channel for further meeting the inquiries of shareholders, investors, customers, and other stakeholders on sustainable development. In addition, the sustainable development management network of C&D Inc. will be further expanded at the business level to realize the deep combination with enterprise operation, which will be an important direction of sustainable development work in the future.

## Stakeholder Engagement

As various groups that interact with the Company and are closely related to development, the expectations and demands of stakeholders are an important reference for the sustainable development of C&D Inc.. We will continue to understand feedback from all parties through different communication channels, and regularly summarize and report to the Company's management for final decision-making.

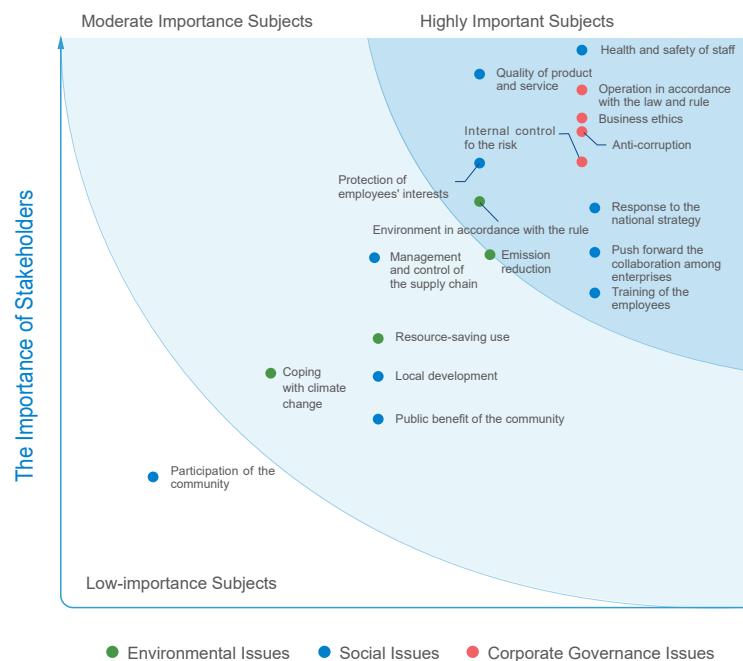


Stakeholders	Expectations and Demand	Communication and Response
Customer	Customer service quality Product Quality Customer information security Customer rights protection	Customized "LIFT Supply Chain Service" Own the diamond-like brand Ensure service stability and safety Improve customer data confidentiality related systems Compliance marketing, build a convenient supply chain operation network
Staff	Career development platform Compensation and benefits Safe working condition Consider employees' opinions	Perfect career promotion mechanism Competitive pay and benefits Implement safety management system Equal communication and complaint mechanism
Shareholders and investors	Return on investment Rights and interest's protection Enterprise transparency	Improve profitability Maintain cash dividend policy Convene a General Meeting of Shareholders Daily information disclosure Optimize internal control and risk management
Suppliers and partners	Honest cooperation Information sharing Win-win cooperation Business ethics and reputation	Establish supplier management system Promote daily communication Project cooperation Perform contract and supplier evaluation according to law
Government and regulatory agencies	Compliance operation In response to that call of the state Support for local development	Tax payment in full and on time, anti-corruption management Actively implement relevant policies Take the initiative to assume social responsibility
Society and the public	Support social welfare Protection of the natural environment	Dedicate to philanthropy Adhere to green operation Promotion of social progress Sharing results of development

## Assessment of Major Issues

Through comprehensive evaluation of the importance of each topic to business development and the attention of the stakeholders, the Company ranked the importance of the report topics, and determined the disclosure priorities of the report. In 2020, a total number of 138 questionnaires from stakeholders were collected, which will provide important basis and guidance for the company's future sustainable development management.

### 2020 C&D Inc. ESG Key Issue Matrix



This is the first comprehensive and systematic stakeholder participation procedure that the Company has carried out. During the investigation, various stakeholder evaluated the sustainable development performance of C&D Inc., and put forward valuable opinions and suggestions, which will become the driving force for the Company to continuously complete the sustainable development and ESG management system.

# Contribution & Development

C&D Inc. deeply integrates the vision of "Becoming an internationally competitive supply chain operator and an excellent real estate operator in China" with the national initiative and actively responds to the Belt and Road Initiative. Therefore, the supply chain of C&D Inc. has brought great promotion to the infrastructure construction and international trade exchanges of countries and regions along the line, and has also provided broad space for the development of supply chain services. At the same time, the Company is committed to the old city reconstruction, rejuvenated city value, to bring economic and social benefits for the future development of the city.

- Support for National Development
- Promotion of Local Construction
- Promote Industry Progress Together

8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



## Support for National Development

China has proposed the Belt and Road Initiative, created a new pattern of China's all-round opening to the outside world, promoted the common development of countries along the line, and provided a new attempt to improve the global economic governance system. C&D Inc. actively responds to the initiative of the state, adheres to the principle of "co-discussion, co-construction and sharing", relies on its own supply chain advantages, and drives the growth of commodity trade and investment of countries along the line.

## Link the World with Mutual Benefits and Win-win Cooperation

Based on the "LIFT supply chain service," C&D Inc. actively serves foreign businessmen with comprehensive strength to explore the domestic market, taps potential value-added opportunities in the supply chain operation link, assists foreign businessmen to improve the operation efficiency, creates value-added for customers, and jointly strives to create a win-win industrial ecological circle with customers.

In August 2017, Xiamen's first regular two-way International train ferry, China-Europe train, operated by C&D Inc., was officially opened, aiming to provide international transportation services to customers and help to reduce logistics costs. Based on the customer resources and service experience accumulated in the supply chain operation sector for many years. C&D Inc. provides customers with integrated and customized supply chain solutions, and builds an important logistics channel for unimpeded international cooperation. Till December 31, 2020, a total of 275 CRE C&D Special Train schedules had been operated and a total of 11,016 freights had been shipped, with a value of US \$691 million and approximately CNY 4.751 billion.

In 2020, under the background of the spread of the epidemic to the world, the stable operation of CRE C&D Special Train was of great significance to consolidate stable foreign trade relations. C&D Inc. took the initiative to apply for a temporary increase in the railway transportation plan, which was increased to two trains a week in March. At the same time, the CRE C&D Special Train shoulders the responsibility of epidemic prevention, carrying tens of thousands of epidemic prevention masks to help overseas to fight the epidemic.

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total of **275** CRE C&D

Special Train schedules had  
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## Deepen Cooperation for the Benefit of China

The Belt and Road Initiative not only helps the common development of countries along the line, but also brings China the crystallization of innovative wisdom from all countries in the world. From November 4 to 10, 2020, during the third Import Expo, C&D Inc. held a total of 8 session of "import cooperation signing ceremonies" and 1 session of "milestone verification ceremony for 10 billion cooperation achievements". The partners included many of multinational enterprises in the world's top 500, with a cumulative amount of intention import cooperation agreements signed exceeding 4 billion US dollars.

C&D Inc. has deepened and expanded cooperation fields with global customers. The Company has expanded supply chain business cooperation in the fields of agricultural products, metal and mineral products, chemicals, food, consumer commodity and other commodities, introduced new products, technologies and services from the Import Expo, and provided strong support for the domestic and international dual cycle system .

During the third Import Expo, C&D. Inc held a total of

**8** "import cooperation signing ceremony "

Signed Intended Import Cooperation Agreement exceeding

**\$4** billion



## Shanghai C&D Materials contributes to the construction of Xiongan New Area

The construction of Xiongan New Area is a millennium plan and a national event. Xiongan K1 Expressway (Phase I) construction project has tight construction period, heavy tasks and high requirements. As the winning unit of the steel procurement project in bid Phase I of the project, Shanghai C&D Material Co., Ltd., a wholly-owned subsidiary of C&D Inc., fully evaluated the available resources in production, transportation, storage, and other links, formulated a procurement plan with optimal cost and reasonable rhythm, and designed a dynamic inventory management mode in combination with the long-term accumulated steel supply chain operation. We adjusted the goods delivery and transportation plan in real-time according to the construction progress of the project, provided stable and timely raw material supply, effectively ensured the timely completion of the project, and helped the construction and development of Xiongan New Area. The completion of Xiongan K1 Expressway (Phase I) not only marks the first newly built urban expressway in Xiongan New Area, but also plays a positive role in promoting the transportation development, economic interchange and social and economic development of Xiongan New Area.

## Promotion of Local Construction

For a long time, C&D Inc. has actively promoted Xiamen's social and economic development, deepened cooperation with its partners, integrated various resources, realized industrial upgrading, jointly created a competitive industrial ecology, and promoted tax revenue and social and economic construction, and promoted local employment and talent training through joint school running, to empower the future development of the city.

### Enable Multiple Formats to Promote Urban Prosperity

C&D Inc. is committed to promoting regional economic development and realizing common prosperity of the city.

Since its establishment in 2002, C&D (Shanghai) Co., Ltd. has made rapid development in supply chain operation services in metal materials, electromechanical and other industry areas with the help of Pudong New District area's advantages in the six major hard core industrial clusters and talent highland, created far-reaching industrial values for East China and won the "2019 Pudong New Area Economic Outstanding Contribution Award."

On December 8, 2020, C&D Inc. and Zhangjiagang Free Trade Zone Administrative Committee held a signing ceremony for strategic cooperation. This cooperation signing was an in-depth combination of supply chain pilot cities and pilot enterprises. The two sides would provide more experience and practices for other pilot cities and enterprises in the country through continuous innovative development, create a supply chain industrial ecology, and finally empower small and micro enterprises and the real economy, and contribute to industrial transformation and upgrading.

### Help Urban Renewal and Promote Industrial Upgrading

With the responsibility of promoting the transformation and upgrading of urban industries and urban function transformation, Lianfa Group seized the opportunity of the economic construction of Xiamen special zone and the adjustment of the industrial structure in the island, actively responded to the development strategy of Xiamen City Huli District Party Committee and district government to build the "Special Zone 1980 Huli Creative Industry Park", built the creative park represented by Huamei Space, Strait Design, Cultural and Creative Port and Southeast World, led Xiamen's Cultural and Creative Industry, and made great contributions to Xiamen's urban renewal. By the end of 2020, the rental rate of Lianfa Cultural and Creative Park had reached 90%, with nearly 500 small and micro enterprises and individuals, and about 5000 people were employed. Lianfa Huamei Space has been rated as a provincial modern service industry agglomeration demonstration zone in Fujian Province, a small and micro enterprise Innovation demonstration base in Xiamen City, and a small and micro enterprise innovation and entrepreneurship demonstration base in Fujian Province.

Lianfa Group continues to inject vitality into the upgrading of the city. While meeting the needs of the regional people for quality of life, it creates a professional window for cultural export, consolidates Xiamen's image and status as an international city, and drives Xiamen's cultural prosperity. Lianfa Southeast World, the culture innovation industry park themed with film and television that opened in 2019, has fully implemented the advantage of Xiamen as a tourist city. With the help of Golden Rooster and Hundred Flowers Film Festival, it has helped the integrative development of the film and television industry, promoted the cross-industry development to achieve the resource integration. It has attracted the head well-known enterprises of film and television shooting, video production, MCN agencies and industry to build the version 3.0 of culture innovative industry park to accelerate Xiamen film and television industry development, enhance the height of Hercynian concept culture connotation, and display the new style of Xiamen film and television industry to Hercynian and even the world.



### The whole village of the old village in the east area of Hubian reservoir is renovated to show the new look of the city

As the specific implementation unit of the renovation project of the whole village of the old village in the east area of Xiamen hubian reservoir, Lianfa group was responsible for coordinating the overall old village renovation, planning, and construction of the area. During the renovation, Lianfa Group also focused on improving the life value of residents, integrating cultural concepts into the planning process, vigorously promoting the development and construction of various livelihood projects in the area, and doing a good job in the cultural inheritance of the projects. In 2020, the project's renovation work has made positive progress.

After the project is transformed according to the plan, it will build a pleasant urban residential area with waterfront residence, leisure and commerce as the leading factors and complete supporting facilities, build high-end residential areas, office buildings, business circles and other multiple formats, fundamentally change the backward appearance of the area, improve the living environment of the area, enhance the image of image value in the central urban area, drive the leapfrog development of the social economy of Huli District, and contribute to the economic development of Xiamen City.

## Strengthen the Training of Applied Talents and Promote the Development of Regional Characteristic Industries

C&D Inc. actively explores the talent training mechanism and builds up the talent pool in the supply chain through school-enterprise collaboration. C&D Inc., together with Xiamen University, Dalian Maritime University, Central South University, and other universities, have built a "school-enterprise practice base", aiming to provide more practice platforms and internship opportunities for college students through school-enterprise collaboration.

C&D Realty has established in-depth industry-university-research cooperation with Xiamen Academy of Arts and Crafts of Fuzhou University and Civil Engineering College of Fuzhou University. According to the business characteristics of C&D Realty, it plans to build special plans for talent training and export such as "practice base""environmental art creation class""intelligent construction and building industrialization collaborative innovation center," to transport more professional and practical talents for enterprises with regional characteristics and serve the regional economic development.

In addition, the Lianfa Group and the Fujian Province Education Department jointly host a full-time College—Xiamen Software Vocational and Technical College. By the end of December 31,2020, the school has 367 staff and a total number of 8,636 full-time students. This joint school-running has greatly promoted the training of applied talents, continuously transported professional talents for regional characteristic industries and served the regional economic development. It has been selected as the first "China High-tech Zone Talent Training and Sending Base" and the "Fujian Province Key Training Base for Software Applicable Talents."

## Promote Industry Progress Together

As a national supply chain innovation and application pilot enterprise, C&D Inc. focuses on the Company's main business, is committed to supply chain value-added, pursues industry resource sharing, and cooperates with the upstream and downstream of the supply chain to jointly develop innovation. C&D Inc. has strengthened industry-university-research collaboration innovation, signed strategic cooperation agreements with enterprises, universities, research institutes and other parties to jointly promote the transformation of innovation achievements and cultivate outstanding talents; actively participated in and hosted industry conferences, built a bridge for in-depth communication for the industry, linked the industry ecological circle and led the common development of the industry.

Supply chain talents are the core competitiveness of supply chain. On July 17, 2020, C&D Inc., and the procurement and supply chain management professional committee of China logistics and procurement Federation jointly held a series of training activities for the Supply Chain Management Expert Project (SCMP) of C&D Inc. on "Focusing on Industry and Commerce, Innovating and Developing." Through professional study and discussion, the purpose is to systematically improve the intellection of professional supply chain management for those supply chain practitioners in C&D Inc., expand the international vision, and strengthen the cultivation of supply chain talents.



Group photo of "Focusing on Industry and Commerce, Innovating and Developing" training activity

### C&D Inc. and the School of Economics, Xiamen University jointly build innovative education practice base

On December 19, 2020, C&D Inc., the School of Economics, Xiamen University (hereinafter referred to as "SOE") established the "C&D Co., Ltd. Practice Base," which helps students of SOE to deeply understand the demand direction of enterprises for International Business talents in practical operation, provides valuable opportunities for face-to-face exchange and interaction with industry experts, and helps students to clearly plan their career. The signing and round table of the innovation education base also discussed the topic of "Enterprise Development Countermeasures Under the Influence of

the Epidemic Situation and the Prospect of international business Talents Demands". Through the brainstorming and exchange of ideas of students and experts, new intellection and thinking were injected into the development of companies after the epidemic situation, and new ideas were also provided for the multi-dimensional training of international trade talents on campus.



## C&D Logistics leads industry development

C&D Logistics has always adhered to the corporate culture spirit of "responsibility, honesty and trustworthiness", adhered to the brand concept of "no value-added, no service", provided one-stop service on professional supply chain operation and management for domestic and foreign customers, and established a good reputation and corporate image in the industry. C&D Logistics won the title of "Top Ten Honest Enterprises in China's Titanium and Zirconium Industry of 2020" at the annual conference of titanium and zirconium industry in 2020 and the summit Forum on the development China titanium and zirconium industry in China. In addition, C&D Logistics has also won the title of " 2020 China's excellent nickel-chromium stainless steel supply chain enterprise."



## C&D Realty sets up a new Chinese industry benchmark

Adhering to the brand concept of "creating a diamond life and achieving bright value", C&D Realty has always adhered to the product quality and service standards as its core competitiveness, devoted all its energy to quality control, technical research and development and the promotion of internal management system.

In recent years, C&D Realty has focused on making the whole line of products with the new Chinese style, refined the exclusive craftsmanship concept of "Confucian school, Taoist garden, Tang style and Chinese pattern". It has successively crafted several local new Chinese style benchmark projects in Shanghai, Suzhou, Hefei, Changsha, Xiamen, and other places, won amount of industry awards. C&D Realty has been highly recognized and trusted by government departments by virtue of its efforts to stick to the quality reputation , and successfully built many public construction projects on behalf of it. In addition, C&D Realty, as the construction and reconstruction unit of the main venue of the "ninth BRICS leaders meeting", has won the recognition of national leaders and guests at home and abroad.

## C&D Metal actively helps steel supply chain increase its value

C&D Metal focuses on the operation of steel supply chain. It is a long-term partner of large and medium-sized steel mills such as Baowu, Hegang, Angang, Shougang, Jianlong and DeLong. Its operating varieties cover all kinds of steel and steel-making raw materials, and its service outlets are all over the major regions of the country. C&D Metal won the title of " 2020-2021 excellent supplier of China's sheet metal industry" at the 14th Annual Conference of China's sheet metal industry chain in 2020.



# Service & Value

Products and services are the core competitiveness of enterprises. Upholding the trading principles of honesty and trustworthiness, mutual benefit and win-win, and legality and compliance, C&D Inc. maintains good cooperative relations with customers and protects their rights and interests.

- Smart Supply Chain
- High-Quality Product
- High-Quality Service



## Smart Supply Chain

In recent years, C&D Inc. has been vigorously driving digital innovation, empowering multiple links in the smart supply chain, and striving to provide customers with transparent and efficient supply chain services. At the same time, we pay attention to the protection of intellectual property rights to create a good innovation environment.

The three core tasks of the "LIFT supply chain service" of C&D Inc. are resource integration, solution planning, and operation service. Its name "LIFT" is composed of English initials of Logistics, Information, Finance, and Trading. Each of them is a basic service in supply chain operation and contains multiple service elements. Based on the service elements, C&D Inc. integrates five major resources for customers, which are logistics, information, finance, commodities, and market, and plans supply chain solutions and provides operation services.

Based on the "LIFT supply chain service", C&D Inc. combines big data and Internet technologies to build the leading "smart supply chain". In 2020, the company developed a variety of digital application products, empowering all links in the supply chain, breaking the information barriers between the upstream and the downstream of the supply chain, realizing cost reduction and efficiency increase for upstream and downstream customers in the industry chain.

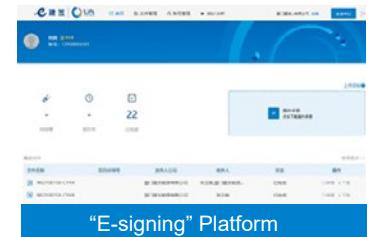


## "E-signing" Electronic Signing Platform

The "E-signing" is an electronic signing platform developed by C&D Inc., the leading cloud platform for electronic signatures and electronic contracts in China. "E-signing" platform was customized for our supply chain operation business. Relying on our experiences in operating supply chain in multiple industries, and making use of advanced digital techniques such as digital signature, blockchain and encryption and decryption algorithms, "E-signing" ensures the authenticity, effectiveness, legality, and compliance of online signings, based on which C&D Inc. provides efficient, safe and environmentally-friendly online signing services for the upstream and the downstream customers of the supply chain and promotes the business efficiency in transaction and circulation. As of December 31, 2020, "E-signing" has obtained the third-party CA certification and had more than 4,300 registered users, covering the upstream and the downstream customers in the supply chain of pulp and paper, steel, electromechanics, energy and chemicals, textile, agriculture, food and other industries, and has witnessed the signing of more than 110,000 contracts.

With the following four advantages, the "E-signing" provides customers with more secure and convenient digital signing based on legal compliance:

- Provide customized development for supply chain business with a more professional process design;
- Put an end to identity fraud and ensure that signatures, seals, and actual subjects are corresponding with the real ones;
- Provide unique "data fingerprint" to prevent content and signature from being tampered with;
- Provide prestige and independent third-party authentication and supervision to ensure data security and privacy.

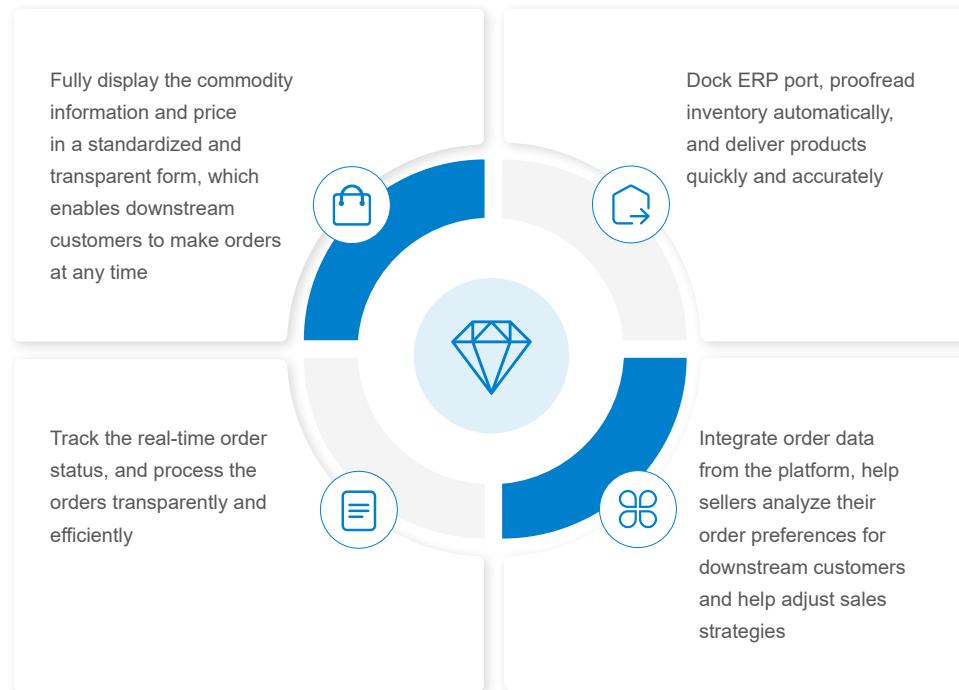


<sup>1</sup>Electronic certification service, referring to the authenticity and reliability verification for all parties involved in electronic signing.

## "E-trading" Online Purchasing and Sales Service Platform

In August 2020, by making use of information exchange technology, C&D Inc. Food Supply Chain launched "E-trading", an online purchasing and sales service platform for consumer goods supply chain, which broke the information barrier in commodity transaction, promoted the convenient transaction and efficient circulation of commodities and empowered the innovative development of supply chain business. As of December 31, 2020, about 300 companies have been registered on the platform, and there were more than 3,000 orders in a month.

By virtue of the following four advantages, "E-trading" integrates resources from all parties in the supply chain to achieve sustainable and high-quality ecological construction of the industry chain of consumer goods:



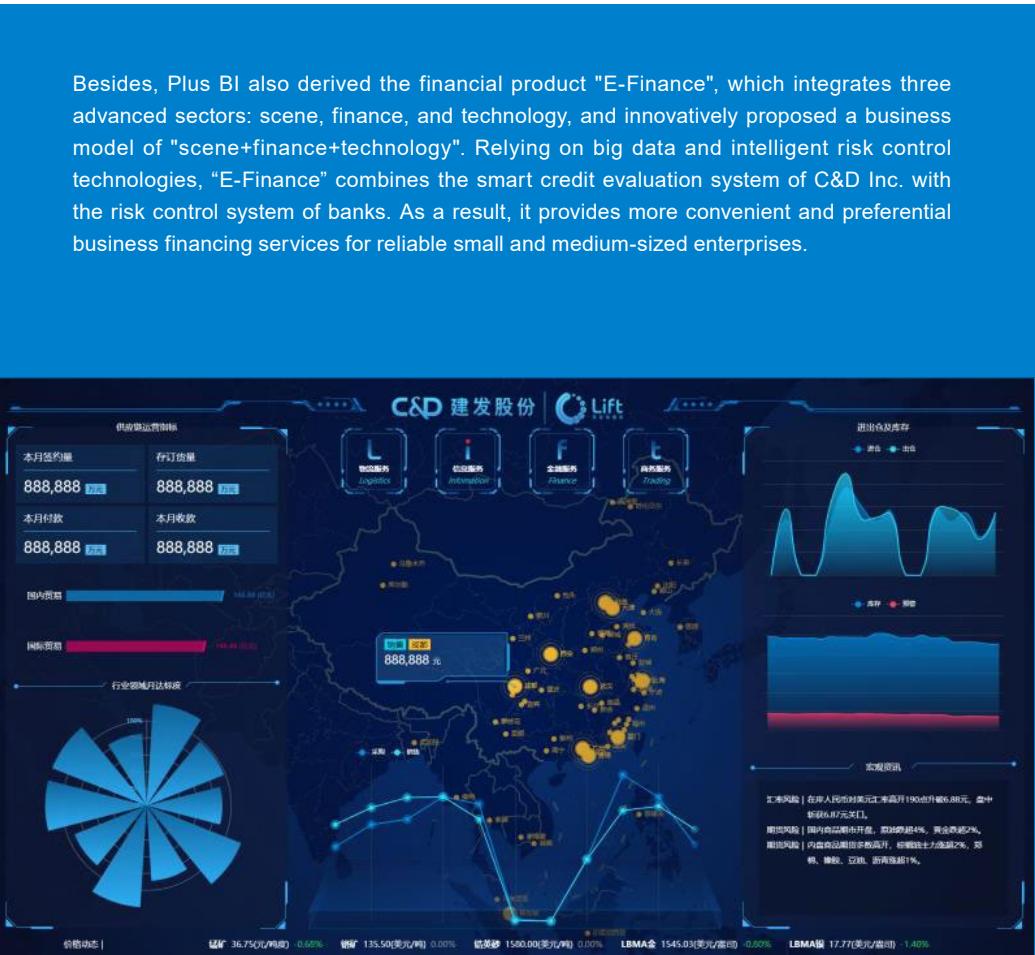
## The comparison between "E-trading" mode and traditional delivery mode

## “Smart Compass” Big Data Analysis Platform for Supply Chain ——Plus BI

Plus BI, “Smart Compass” Big Data Analysis Platform for Supply Chain, is independently developed by C&D Inc. It deeply integrates the core operation data of enterprises by applying information technologies such as big data and cloud computing. Plus BI visualizes supply chain operations, including thematic analysis like contract signing, macro analysis of risks, and international trade statistics, and industry data analysis such as steel, paper, and imported dairy products. As of December 31, 2020, the number of users within the company of the Plus BI has increased to 866 people; visits per capita has reached 35 times; and visit frequency has increased by 64% compared to the former year. In 2020, Plus BI was entitled "Application Scenes of Digital Economy Top 100 in Fujian Province", which was recognized by the Ministry of Industry and Information Technology of the People's Republic of China, and was nominated as a classic case of "Application Scenes of Digital Economy Top 100" selected by the Digital Fujian Construction Leading Group Office.

### Through data accumulation, Plus BI can digitally empower multiple business scenes:

- Tool-based empowerment: improve the efficiency of daily business processes based on various convenient data processing interfaces and templated data analysis functions in information systems;
- Resource-based empowerment: provide more reliable and accurate data for business based on data accumulation;
- Service-based empowerment: provide personalized data analysis services according to business characteristics; propose improvement schemes for business processes from the perspective of data; expand internal and external service modes of enterprises while lower the cost of key nodes;
- Knowledge-based empowerment: based on data, organize the business knowledge map, and improve the comprehensive capability for business.



## The first intelligent warehousing decision-making project launched by C&D Logistics

In December 2020, C&D Logistics - Polixir intelligent warehousing decision-making project, cooperated by C&D Logistics Group Co., Ltd. and Polixir Technology Co., Ltd., was officially launched for trial operation. In this project, both parties took the medical device project of C&D Shanghai Logistics Center as the example, took the global design and process reengineering as the foundation, and made use of AI technology. By doing so, this project changed the management model from "people heading for goods" to "goods automatically delivered to people". After the project was launched, it was expected that the efficiency of warehouse picking would increase by more than 50% compared with the original, and the efficiency would be further improved with the increase of order quantity and the continuous optimization of the AI algorithm after its superposition.

This project is the first intelligent transformation project of C&D Shanghai Logistics Center. In 2020, following the trend of digital transformation, C&D Logistics actively carried out the intelligent transformation of warehouse management. With innovation in its supply chain and high-quality operation services, C&D Logistics won the two prizes of "2020 Excellent Procurement Case" and "2020 Excellent Procurement Service Provider", and was listed in the first Pilot List of National Digital Warehouse Enterprises of CFLP.



## C&D Mineral Resources completed the first cross-border paperless RMB settlement business

In 2020, Xiamen C&D Mineral Resources Co., Ltd., a wholly-owned subsidiary of C&D Inc., and a long-term partner conducted the first cross-border paperless RMB settlement business using the block-chain technology. Paperless RMB settlement business shortened the time of trade documents circulation, the circulation time of trade documents, promoted the transparency of the business process and brought more accurate and efficient communication among all parties. In the future, C&D Mineral Resources will continue to deepen the application of blockchain technology and work with major mines and customers to jointly optimize the bulk commodity trade process to promote efficiency through digitalization.

## Intellectual Property Rights Protection



C&D Inc. abides by "Patent Law of the People's Republic of China", "Trademark Law of the People's Republic of China" and other related laws and regulations, prescribes the company's brand management rules and regulations, and strengthens the standard management of the company's registered trademarks, enterprise names, patents, professional techniques, and other intellectual property rights. The brand management department was specially set up to manage the company's trademarks, promotion names of commercial housing projects, brands, and other intellectual property rights. Additionally, the company pays attention to avoid infringing on others' intellectual property rights. All units are required to strictly ensure the copyright ownership of materials used in daily operation and external promotion, and never to use materials without copyright or whose copyright ownership is unknown. Besides, we also introduced clauses about the liability and protection of intellectual property in the company's contract templates. As of December 31, 2020, C&D Inc. has applied for 120 patents and has obtained 88 authorizations.

# High-Quality Product

Adhering to the brand core value of "integrating resources and creating added value", C&D Inc. strictly abides by "Quality Law of the People's Republic of China", "Real Estate Management Law of the People's Republic of China" and other laws and regulations. C&D Inc. has formulated a series of internal policies on the management of product quality to ensure that customers can enjoy high-quality products.

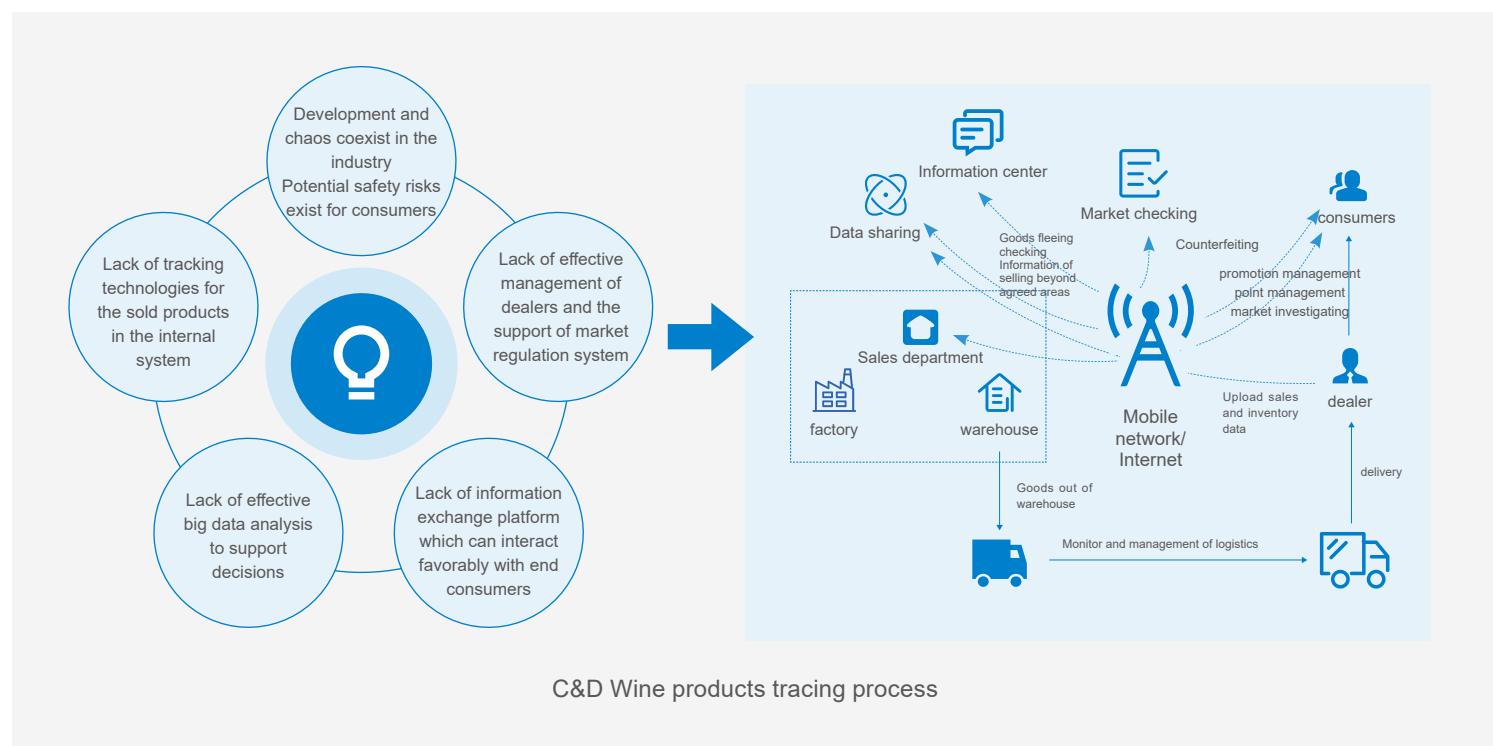
## Supply Chain Quality Control

C&D Inc. formulated "The Regulations on Process Management of Supply Chain" and "Regulations on Operation Management of Supply Chain" to standardize the concrete business operations in business units and management departments and the management process of the supply chain to build a sophisticated product quality assurance system. In 2020, C&D Inc. was selected as "China's pilot enterprise for the innovative and applied supply chain". Since 2012, C&D Inc. has continuously obtained ISO9001 quality system certifications.



C&D Inc. participates in all links of products and controls them strictly. We specify the regulations from the aspects of the distribution process, quality control, and nonconforming product control, and implement management on quality.

- Identification and traceability of liquor products: In order to ensure the quality of the products in the whole distribution process, C&D Wine, a subsidiary of C&D Inc., has established a sophisticated distribution and tracing platform, which has become a benchmark for the traceability of liquor products, won the "Certification for Traceability Systems", and successfully passed the project acceptance inspection of the Ministry of Commerce of the People's Republic of China. Its score in the inspection was ranked the first among the liquor trial enterprises.

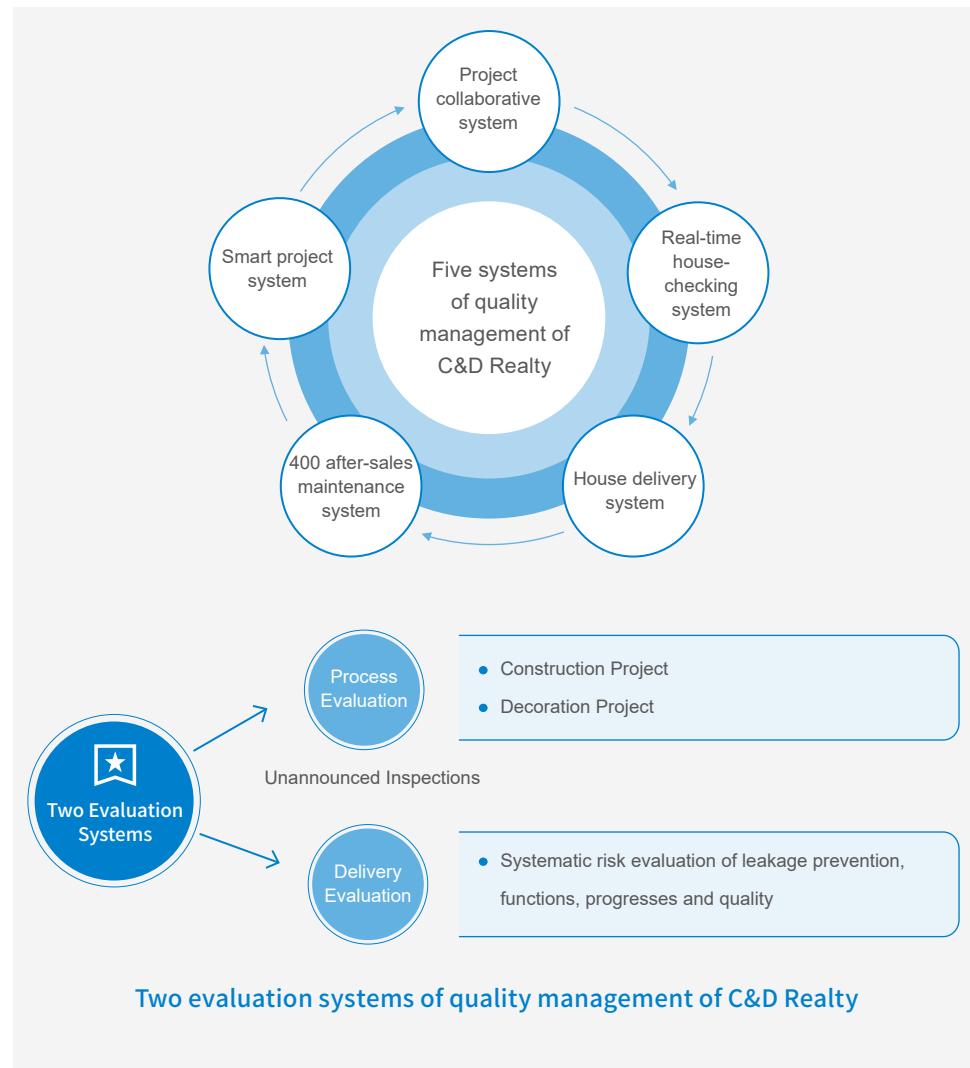


- Nonconforming mineral products control: In the supplier introducing stage, C&D Inc. listed "energy and mineral products that contain harmful elements" in the clauses for rejection. C&D Inc. rejects the products from suppliers who violated the clauses and terminates the trade with such suppliers.
- Food quality and safety: It is clearly stipulated in the repurchase clause for food contracts that suppliers shall ensure that the quality of their products conforms to the national policies and regulations of China, and that goods shall be sold out within 60 days after the product is delivered to the designated warehouse or before the remaining shelf life of the product is less than one third (up to which time is earlier). If the goods are not sold within the agreed time, the supplier shall return the payment made by C&D Inc. and retrieve the goods within 20 days.

## Project Quality

Lianfa Group has formulated internal rules and regulations to ensure the quality of drawings and projects, such as "Lianfa Group Regulations on the Management of Construction Drawings of Real Estate Projects", "Lianfa Group Guidelines for the Use of Engineering Construction Standards", and "Key Technical Standards for Sample Process Display". According to the "Regulations on Engineering Quality and Safety", we construct and inspect the samples first, so that the unreasonable items in design, structures, materials, construction technologies, and management are avoided. Besides, in order to strengthen the pre-project quality control, the quality of sample is taken as the standard and basis for project acceptance inspections. According to "Lianfa's Quarterly Joint Inspection Project Management Behavior Checklist", activities are carried out for all projects under construction to ensure the project quality, such as third-party inspections, internal quarterly inspections, and open days on Lianfa construction sites.

Being aware of the importance of product quality to customers, C&D Realty has formulated safety and quality management systems and standards such as "Engineering Management Instruction Manual", "Standard Techniques Atlas of Residential Engineering", "Standardization Guidelines for Safe and Civilized Construction", and "Compilation of Residential Leak-proof Design and Construction Requirements". With five systems, two evaluation systems and 20 management behaviors, they cover all key links in the whole process from project commencement to delivery and after-sales services to improve product quality and the satisfaction of property owners.



## The "Open Day on Construction Site" of Lianfa Junyue Refined decoration Site

In June 2020, Lianfa Junyue Project launched an "Open Day on Construction Site". In the activity, the site was inspected by more than 200 property owners openly and transparently. On the site, professional engineers provided the property owners with professional explanation and introduction throughout the whole process, so that the owners can inspect and have an intuitive experience in all aspects, including building materials, houses interior, walls, kitchen, closed water in bathroom, public areas, landscaping, supporting facilities in the community, and property service standards. The accompanying engineers answered questions from property owners on site, recorded the customers' opinions and followed up in time for feedback. As for the problems on the open day and customers' questions, Lianfa Group held a special meeting in time to discuss solutions, truly creating a "quality life" for customers.



## Smart Project

C&D Realty promotes intelligent engineering construction. Through using information technologies, it combines the site monitoring system at the site with safety management to build a sophisticated personnel management and safety risk treatment mechanism to ensure the project quality. Aiming at solving project management issues, C&D Realty sorted out the business process, upgraded the Smart Project 2.0 system, and improved the safety management module in 2020. By December 31, 2020, Smart Project had been implemented in 61 projects nationwide.

### Smart Project Structure



### Smart Project Management Platform of C&D Realty



## Prevention and Control of Quality Risks

C&D Realty has established a whole-chain management procedure covering “Front-end examination– Delivering assessment– Fault analysis” to strictly prevent and control the quality of real estate products and systematically control the quality risks.



### C&D Realty's whole-chain management on the prevention and control of quality risks

Taking preventive measures, C&D Group established a database of product faults to collect problems that happen in daily maintenance reports and complaints handling from projects in different areas and the inconvenience and unreasonable issues that are found out in the daily work of the customer relationship department. We analyze and summarize these faults and jointly analyze their causes and propose solutions with R&D Center, engineering technical department, marketing management department and the property management company of the Group. By organizing these issues by four categories of planning, design, engineering and sales and feeding them back to the front-end department, a defective closed-loop system is established to provide reference for later project development and guarantee the upgrading and iteration of product and service power.

## Architecture Design

While the quality is guaranteed, C&D Realty and Lianfa Group value the innovative design of the fine decoration of residences and the improvement of the residences' functions to provide a more comfortable and sustainable living space for customers. In 2020, C&D Realty and Lianfa Group won many external design awards:

Area	Project	Honor
South China	Guangzhou C&D Yangxi	Meishang Award Lightening Design Project/ Excellence Prize, Meishang Award Cultural Quality Mansion/ Excellence Prize
	Zhuhai C&D Yangjing	Excellence Prize for Chinese Residential Projects in the 6th CREDAWARD Real Estate Design Award
Central China	Changsha Jiangshanyue	Gold Plate Award Comprehensive Prize
East China	Wuxi Hexi	2020 International Residential Architecture Award, 2020 America Gold Block Award
	Zhangjiagang Shangyuyuan	2020 Comprehensive Award for Classic Residence
	Hefei Yonglong Fu	London Design Excellence Award, UK
Southeast China	Fuzhou C&D Rongshu Bay	Meishang Award Cultural Quality Mansion/ Excellence Prize, CREDAWARD Real Estate Design Award, International Space Design Award/ Gold Creation Award Design Prize
	Fuzhou C&D Yangzhu	Meishang Award Landscape Excellence Prize

Honors for designs of C&D Realty in 2020

Area	Project	Honor
East China	Nanjing Lianfa Yunqi	Gold Plate Award Comprehensive Prize
	Nanjing Lianfa Jadeite Fangshan	Gold Plate Award Comprehensive Prize
	Hangzhou Lianfa Canglong Dajing	The 3rd Award of the 3rd Science and Technology Progress Assessment of Shanghai Architectural Design Association
South China	Nanning Lianfa Zhenjing	Yuanye Cup Gold Award

Honors for designs of Lianfa Group in 2020

## High-Quality Service

Following the concept of "exploring new values, enabling more people to live a more quality life", we pay close attention to the customers' feelings to details, strictly abide by the "Law of the People's Republic of China on Safeguarding the Consumer Rights and Interests", and formulated internal rules and regulations. In doing so, we strive to provide high-quality supply chain operation services, real estate development projects and comprehensive services of the real estate industry chain to customers. We also analyze and improve key performance indicators, such as service satisfaction and the satisfaction of complaint handling, which helps to continuously improve our ability to manage customer relationships.



## Supply Chain Service

C&D Inc. has been dedicated to providing high-quality LIFT integrated service supply chain service to the upstream and downstream customers in the supply chain. Its subsidiaries organized sophisticated customer service management teams and optimized their customer relationship management systems to respond to customers' demands in time, and meanwhile, to continuously bring values to customers via establishing the long-term cooperation relationship with customers.

## Assisting Alliance Steel Project to Go Overseas

C&D Inc. has been operating in the steel industry for years. By virtue of its abundant experience in cross-border supply operation and its professional service teams, the company launched the "Alliance Steel Project"(short reference: AS Project") to help Chinese steel factories to enter into Malaysian market to realize the China-Malaysia productivity cooperation and facilitate the "Belt and Road Initiative".

With its advantages in the global layout, the company integrates channels and resources and analyzes the supply-and-demand in the global market to collect orders for AS Project and reversely makes plans of production and delivery to achieve the strategy of producing according to sales. In analyzing markets, the company ranks and classifies downstream customers based on their demands to maximize the revenue of AS Project through differentiated pricing.

## Providing Service to Fonterra to Explore Domestic Market

By virtue of our abundant operation experience in the food supply chain accumulated in years, we have become the strategic cooperation partner of Fonterra, the New Zealand dairy corporation. With our operation service for the whole supply chain, we helped Fonterra to deliver their products effectively and safely from import to consumers.



Based on our food supply chain, we designed a system for supply chain management and delivery information management for Fonterra. Via the real-time interaction of order, inventory, and other data, smart management of the sales and operation procedures and dynamic inventory management are achieved and the settlement plans for the supplier and consumers are optimized, thus promoting the trading efficiency of the whole supply chain and lower the risk in inventory. Meanwhile, the C&D food supply chain has assisted Fonterra with its Chinese market exploration and with its continuous business growth in China and provided better quality import foods for Chinese customers.

## Helped ANC to Reform Its Purchase and Sale System

The industrial chain of nickel mine contains multiple layers of intermediate traders, because of whom, suppliers and the consumers cannot effectively integrate their resources. As a result, the production cost stands high but the service quality is not guaranteed. By virtue of its abundant operation experience in the supply chain, C&D Inc. explored and proposed a revolutionary solution for the purchasing and sales system of the ANC, the giant in the nickel mine industry in the Philippines. In the solution, we are responsible for the market development, product sales, and take care of after-sales service, logistics, quality control, settlement, and other procedures, while ANC only needs to focus on production. To this end, we organized a professional project service team to provide a whole-process integrated supply chain service which combines "Logistics, Information, Finance, and trading". We helped suppliers and consumers to establish mutual trust, reformed the cooperation channels, and saved the intermediate traders to build a flat purchasing and sales system, achieving win-win cooperation among the suppliers, consumers, and the supply chain service provider.

## Service for Property Owner

In 2020, C&D Realty conducted a full-year dynamic satisfaction survey from January to December. Such a survey covered the overall satisfaction, loyalty, delivery service, property quality, maintenance, property design, the green in community, community landscape, community plans, and community facilities, as well as the complaints handling. During the COVID19 pandemic, bearing the customer-oriented awareness in mind from top to down, C&D Realty proactively conducted protection and disinfection works, which greatly improved customer satisfaction. In 2020, the overall customer satisfaction was graded 93 out of 100, which is a leading score in the real estate industry.

Lianfa Group has formulated internal regulations like "Lianfa Group Customer Service Management Standard" and "Lianfa Group Property Service Standard" to specify the standard of customer service and property service, to comprehensively improve the quality of customer service. In addition, following the concept of "humanization", Lianfa Group has established a full-cycle customer service system that covers phases of sales, waiting, delivering, and living in.



In the waiting phase for the prospective property owner: Lianfa Group formulated "Lianfa Group Guideline on Service Standard" for the Prospective Property Owner and trained and monitored the performance of 9 standard services for the prospective property owner, such as setting pre-service managers, manufacturing service cards for the prospective property owner, reporting project progresses (called "Lianfa Family sound project"), caring for property owners' birthdays and so on, to improve the service quality for the prospective property owner.



In delivering and living in phase: In 2020, Lianfa promoted the establishment of humanistic communities nationwide. In 2020, Lianfa launched in total 9 kinds of activities of cultural activities in communities, including garden parties in Spring Festival, thanks-giving activities on Mother's Day, and suitcase fairs, etc. In total, Lianfa has launched 434 activities for 81 projects in 8 areas. Besides, Lianfa organized cultural communities to support art groups and interest groups to carry out activities. Lianfa has established 53 communities covering sports, art and culture, and living sectors and launched 168 activities in total in China.

Oriented by customers' needs, and taking the customers' satisfaction as the vital measure for working performance, Lianfa Group conducted an annual satisfaction survey. Meanwhile, Lianfa Group coordinated companies in different areas to develop and implement customer satisfaction improvement plan for 2020. In 2020, the customer satisfaction rate of Lianfa Group in the third-party survey reached 85.1%.



## "Mysterious Guest Project" launched by Lianfa Group

In 2020, Lianfa Group conducted secret investigations on its property services along with China Index Academy, the prestigious research and data analysis institution in the real estate industry.

Such secret investigations mainly consider security service, service to customers, equipment management, cleaning service, greening service, and so on. A mysterious guest will comprehensively assess the aspects mentioned in the questionnaire of secret investigation, and take pictures or record sound. The full score for such investigations is 100.

Lianfa Group carried out 54 mysterious guest investigations on residential projects in the first half of 2020 and scored 89.5, and 57 mysterious guest investigations on residential projects in the second half of 2020 and scored 90. Meanwhile, Lianfa Group secretly investigated 16 non-residential projects throughout the year, including business buildings, factories, and schools, in which 12 were business buildings (scored 89.3 and 91.9 in the first and second half of 2020 respectively), 3 were factories (scored 89.2 and 87.8 in the first and second half of 2020 respectively), and 1 was a school (scored 96.7 and 93 in the first and second half of 2020 respectively).

## Complaints Handling



To handle customers' complaints, C&D Realty set up online (Huishenghuo APP / WeChat official account) and offline complaining channels (400 hotline / customer relationship response). After receiving the complaints, the related staff will confirm, follow up, deal with the complaints in time and enter the solutions and the results into the customer complaints system. The customer could follow up the dealing process by calling the 400 hotline. After the complaint is handled, the staff for 400 hotline will in turn call the customer for a satisfaction survey and evaluation. In doing so, the service quality of all processes in handling customers' complaints should be guaranteed. Besides, as we value the efficiency in dealing with complaints, we prescribe that the complaints must be solved in 5 working days. In August 2020, the annual ISO audit for C&D Realty's 400 hotline center was accomplished and the ISO Certificate was therefore issued.



# High Efficiency & Reliability

C&D Inc. insists on sustainable development and deeply implements the national strategies and policies. Focusing on the sustainable development of safety production, the Company made a great effort to forge a win-win supply chain in the industry by strengthening supplier management in 2020.

- Implementation of Production Safety
- Guarantee of Information Safety
- Promotion of Supplier Management



# Implementation of Production Safety

C&D Inc. strictly implements the safety production responsibility system. For reinforcing the safety production, preventing accidents and guaranteeing the safety of the Company's employees and assets, the Company modifies the systems including *Safety Production Management Regulation*, *Safety Management Method for Major Events*, *Report System on Major Events in Safety Work*, *Fire Emergency Plan* and others in accordance with the *Production Safety Law of People's Republic of China*, *Fujian Production Safety Regulation* and *Safety Production Management Regulation of C&D Group* to ensure the safety production accordingly. If any accident happens, it shall be reported immediately according to the *Emergency Report System* to complete a whole set of procedures including emergency processing, emergency notification, investigation, accountability, file preparation and documentation, the filing catalogue of which will be important for the annual safety evaluation.

In 2020, sticking to the core value of putting people first and safe development, keeping the awareness of red line, adhering to the principle of "Safety first, prevention first and comprehensive management", carrying out the safety production responsibility system of the "party and government accountability, a post taking dual responsibilities, collaborative management and accountability for dereliction", establishing and improving the strictest safety production system, and implementing the management principles of "Whoever in charge takes responsibilities", "Whoever in charge of businesses must be responsible for safety" and "Whoever in charge of production and management must be responsible for safety", the major units affiliated to the Company in charge of safety production developed the standardized safety production procedures according to the Safety Production Standardization Proposal of Xiamen C&D Inc. and Three Years of Implementation Plan for Enhanced Safety Production Standardization of C&D Group. By the end of 2020, the investment of the Company for safety production reached 1.86 million CNY in total, and no one was dead during working.

## Leading Group for Safety Production

- In 2020, a leading group for safety production was established according to the responsibility system of "party and government accountability, a post taking dual responsibilities, collaborative management and accountability for dereliction".



## Group Members

- **Group Leader:** General Manager (the first person responsible for safety production)
- **Deputy Group Leader:** the department head of safety production
- **Group Members:**
  - The head of each division for safety production in major units taking charge of safety production (C&D Logistics, C&D Paper and C&D Automobile)
  - The head of Project Management Department
  - The head of Logistics Management Department
  - The head of front-line warehouses or 4S stores

## C&D Leading Group's Organizational Structure for Safety Production

## Responsibilities of the leading group for safety production:

- Develop and deploy the annual work plan and priorities for safety production, convene regular safety production meeting at a fixed time, implement any decision made in the safety working meeting and included in documents and carry out the *Safety Production Responsibility System*.
- Direct each unit to establish and improve the safety production management system and emergency plan.
- Inspect the implementation of each safety production measures, and suggest on the rectification of safety production hazards.
- Evaluate the annual safety production performance of each unit and urge them to continuously improve and complete its safety production procedures.
- Organize trainings for the persons in charge and the management staff of the safety production.
- Organize safety inspection seasonally and before the typhoon and flood season, major holidays and important activities, and take targeted measures for typhoon and flood prevention; make suggestions on the hidden safety hazards during the inspection and urge them to rectify.
- Check and implement the shift system headed by leaders, and urge each unit to take proper and sufficient safety measures before the typhoon and flood season and major holidays.

In 2020, for guaranteeing the safety education for primary-level operating personnel and managers, C&D Realty established a three-level control system in the Group which is “the safety production management committee of the Group – the leading group of the regional companies for safety – the working group of municipal companies for safety” to specify the safety production management measures, management requirements and appraisal system. Based on the system, each project department should assign a safety supervisor in charge of the technical disclosure of the safety production and the implementation of precautionary measures in the site of Party A's for ensuring

the safety production goals of the project; and, for implementing “information registration, pre-job training, education for violators and closed-loop management for safety hazards” and fundamentally improving the safety awareness of primary-level operating personnel and managers, it researched and developed the intelligent project system supported by safety publicity classroom as well. In addition, C&D Realty also established a safety inspection system in which the safety levels was divided into three levels based on the danger level and importance to make double guarantees for the safety management in the construction site by self-inspection and third-party inspection.

Lianfa Group formulated the *Regulations of Lianfa Group on Safety Production* of “party and government accountability and a post taking dual responsibilities, collaborative management and accountability for dereliction” according to the *Production Safety Law of People's Republic of China, Xiamen Regulation on Safety Production of Party and Government Accountability and a Post Taking Dual Responsibilities and the related documents of the Municipal Office of the Work Safety Commission and the State Asset Regulatory Commission of the city*; in the meantime, Lianfa Group also had developed eight rules for the “safety system” covering all aspects of the safety management in 2020, including organizational structure, system, objective and letters of responsibility, plan and summary, meeting, safety education, inspection, rectification and documentation after three years of improvement since proposing the concept of “safety system” and issuing the first edition of *“Guide to Safety System”* in 2017.

Level of Investigation	Item
One-Vote Veto Clause	It mainly applies to the acceptance and use permit of tower cranes and construction elevator, high and large form board and basket; the score will be zero if any above mentioned problem occurs.
Major Clause	It mainly applies to frontier protection and external scaffolding; the score will be zero if any single deduction is over 6 points.
General Clause	It mainly applies to the construction elevators, fire-fighting equipment, exit passageway, safety helmet and others; the score would be deducted by one point for each violation.

### Three-level Safety Supervision System of C&D Realty

## Daily Safety Management

In accordance to the laws, regulations, standards, specifications and related requirements of safety production, C&D Inc. strictly manages and controls the safety production so that each step of the production and operation complies with the above mentioned provisions, and that the employees, machinery, materials and environment are under good production condition. Meanwhile, for ensuring the smooth operation and normal service of such equipment, the Company commits to invest sufficient fund for safety production, provide adequate fire-fighting equipment of corresponding types, reinforce the management of fire-fighting equipment and make regular maintenance and inspection, while making records for the equipment so as to make maintenance accordingly and evaluating the enforcement of the laws, regulations, standards and specifications of safety production and the rules, regulations and operating instructions of the Company at least once a year to continuously make improvement and constantly strengthen the standardization construction of safety production.

### ERP-based safety production management system

By actively carrying out IT application to enable safety production and developing ERP-based safety production management system to improve quality and efficiency of technology-based safety management, C&D Inc. is transforming its inspection and management procedures from the traditional document-based communication to normalized E-communication.

In April of 2020, the daily safety report system was introduced to Enterprise WeChat by the leading group for safety production to electronize the safety inspection and normalize the inspection standard, including the management of doors and windows, flammable materials, electrical equipment and other contents related to the safety of office space; and its characteristic of being easy to use helps to the efficient supervision management and implementation of inspection for the daily safety in the office space.



According to the regulations of the Company, a project shall be delegated to the Party with required qualifications or related conditions. When contractually leasing the plant, warehouse, project or buildings, the Company shall check the safety production conditions or corresponding qualifications of and sign the Safety Production Responsibility Statement with such contractors and leasee to clarify the safety production responsibilities and obligations of both Parties. Also, the Company shall manage the safety production, coordinate between the contractor and the leasee and periodically make inspection to find and rectify problems in a timely manner.

In 2020, the leading group for safety production of C&D Inc. made site inspection for the safety production of major units according to the annual safety production plan, including the C&D Logistics (7 warehouses) and C&D Automobile (10 4S stores) etc.

## Safety Training

In 2020, the departments of the education and training for safety production were established by the major production units of C&D Inc. to formulate and implement the education and training plan for safety production based on the regulations and positions, further improve the safety production awareness of our employees and increase the frequency of trainings and drills for ensuring that the employees have the knowledge of safety production and the ability to deal with the emergencies, are familiar with the safety production regulations and safety operation rules and master the safety production skills. During the year, we organized 12,091 hours of safety trainings, with 84,029 employees participating in.

Besides, the Company also built a safety production emergency system by developing emergency plans for safety production accidents including typhoon and flood prevention and emergency disposal proposals or measures for major operating units as required, while organizing emergency drills for safety production, continuously modifying and completing the emergency plan and reinforcing the emergency management measures. In 2020, a total of 92 emergency and fire-fighting drills were conducted by C&D Inc. and its subsidiaries, including emergent evacuation, fire fighting, flood prevention and others for C-class warehouse, 4S stores and office buildings. By focusing on safety theories and fire-fighting drills, the major production units of C&D Inc. for safety production always endeavored to ensure the stability of the safety production based on the actual situation of the industry.



Company Name	Emergency Drill
C&D Logistics	Focusing on the improvement of the front-line employees' professional skills, the Company invited fire protection specialists to carry out public educations for fire safety concerning the use of fire-fighting equipment and others, organized fire-fighting drills, arranged 35 trainings about the knowledge on fire-fighting, conducted trainings for all employees every half year, and developed emergency drills and fire evacuations seasonally during the year, for improving the awareness of fire safety and the ability to handle with the emergency, self-rescue and escape.
C&D Automobile	Concentrating on the practice of fire fighting, the Company organized the activity themed by "concentrating on the joint development of the Party and Group organizations, and popularizing the knowledge on people and vehicle safety" together with Hongai Hospital in July 1, 2020, invited teachers from fire service center to train for fire safety and arranged trainings and drills for fire escape with the assistance of ex-firefighters who are our employees at present. On this basis, for creating a safe production environment for every employee, popularizing the knowledge on safety production and enhancing the ability of front-line employees to handle with the fire emergency, we also arranged regional safety drills.
C&D Paper	Since the Company puts more emphasis on the scene simulation drills, the fire squadron in the jurisdiction was invited by the Company to explain the knowledge on fire-fighting and the how to use the fire-fighting equipment, simulate the dangerous cases based on the actual situation of our warehouses and organize drills for fire evacuation and emergency treatment, which was helpful to improve the contingency plan.

### Emergency Drill and Fire Drill Organized by the Subsidiaries of C&D Inc.

## Safety training of Lianfa Group for Zhangzhou Junling Yihao Project

In 2020, according to the safety management system, the construction teams, as required by Lianfa Group, established safety education and training system for ensuring that the employees received three-level educations, and that the managers and full-time safety officers were educated and trained annually. During this year, Lianfa Group arranged pre-job safety trainings for the employees of Zhangzhou Junling Yihao project, while educating the violators in safety production. In addition, based on the principle of "safety is the first, and prevention is the most", the safety education and training system aims to improve the labor security measures, strictly implement the safety operation regulation and ensure to "not hurt yourself, not hurt others and be not hurt by others". And with the assistance of the system, a project department could standardize the safety production of the project, enhance the knowledge of our employees on safety production and improve the safety awareness and safety protection ability of our employees for effectively reducing the accidents in the future.



Safety training of Lianfa Group for Zhangzhou Junling Yihao Project



## Guarantee of Information Safety

With the quick popularization of information technology in supply chain management, the information safety has come to the sight of the practitioners. Complying with the laws and regulations such as *Cybersecurity Law of the People's Republic of China*, *Management Measures for Classified Protection of Information Safety*, the Company establishes the organization in charge of information safety with clearly specified duties, and takes safety production measures for guaranteeing the information safety in terms of authority management, network management, equipment management, computer room management, application management, process management, data management, information safety management and others.

For the application of network security technology, the Company effectively improves the network security by adopting a series of managerial and technical measures such as the multi-regional data center, network firewall, virtual network extranet, network behavior auditing, network vulnerability scanning, network intrusion detection, network transmission, data encryption and network access strategy; signs a Confidentiality Agreement with every new employee or incorporates the confidentiality clauses to the labor contract with specified information related to safety responsibilities; and focuses on the protection of customer information and privacy to clearly specify that any unit or individual violating the regulations on information safety shall be punished on a case-by-case base, while the ones with serious circumstances shall be dismissed and be held accountable economically and legally.

In order to guarantee the information safety, the Company signs an *Employee Non-disclosure Agreement with every employee*, covering the management information, financial information and technical information etc. In 2020, C&D Inc. obtained Grade II certification for Classified Protection of Information System Security, which proves that we are competent to protect the core data of production and operation and the privacy of our customers adequately.

In 2020, for further reinforcing the construction of the Company's information safety system, the Company improved the effects of video conferences between different platforms by building a safe, stable and convenient network-based video conference platform, while purchasing sd-wan bandwidth for the platform companies and major overseas points of purchase, for ensuring the high availability of the business system. In addition, the network analysis and backtrack system was introduced by the Company to inbuilt probes in the key nodes of the data center and capture and save the data package flow for providing data supports to the future performance analysis, intrusion prevention, non-authorized access retracing and others, while the backup system for shares was also established to run backup plans and exercise the data recovery. In addition, the Company also improved the access rate of users and increased the traffic by programming and developing the storage pool for public distributed file system, purchasing hardware and replacing the firewall at the entrance of shares office space, and resolved the existing single-point hidden troubles by adding corresponding redundancy units or dual-computer hot standby function.

For minimizing the impact of the emergency on the operation of IDC network core devices and financial affairs of the Company, the *Emergency Recovery Plan for IDC Network Core Devices* was formulated by the Company to specify the strategies, resources, steps and procedures based on which the maintenance staffs of IDC network core devices handle with the unexpected emergency including failure and breakdown of the production system, and interrupted data processing. In addition, at the night of every Wednesday, the Company makes recovery tests for backup data to automatically restore the backup data to the testing environment, and arranges drills for information safety to ensure the normal operation of ERP system.



## Emergency drill for IDC network core

In December of 2012, an emergency drill for IDC network core was conducted by the Company to simulate the failure of each network core devices and the switches between equipments and lines based on the *Emergency Recovery Plan for IDC Network Core Devices*. Being commenced at 10:30 and completed at 12:00 of the same day, the drill lasted for 1 hour and 30 minutes, and the active-standby switch with high availability for the equipment was completed within 5s to achieve a seamless handover. Part of the switches between single equipment and line were also completed within 1 minute. The whole process of the drill was recorded and videoed strictly, which proves that the plan is practical to apply and the essential equipment are highly available to use.

## Information safety switching drill arranged by the Company

In August of 2020, the Company arranged a switching drill for improving the stability and availability of ERP, preventing the system failure caused by software and hardware, quickly responding to the failure and realizing the switching between the production environment of C&D building and the disaster recovery environment of Xiang'an computer room, including pre-NGINX services, DOCKER cluster service, timed task service, coding service and the verification of ERP system functions.



In 2020, the Company tentatively innovated and developed network information safety propaganda. During the safety week, it launched an applet in Enterprise WeChat used to check if the password was disclosed, which was applied for 1,595 times at then, effectively preventing the employees from disclosing password. Meanwhile, two network information safety trainings respectively themed by "thoughts on enterprise safety construction in the context of attack-defense confrontation" and "safety development in the viewpoint of attacker" were held during the year, with 22 employees participating in the training.



Network Information Safety Training

## Promotion of Supplier Management

The production units of C&D Inc. formulated the *Safety Production Responsibility Statement, Bidding Document of Stock Companies* and other regulatory systems to different business characteristics based on different business areas in the actual operation for the compliance supplier management. In the process of the bid evaluation, the Company shall make strict evaluation from various aspects such as the bidder's qualification, the environmental protection measures, service capacity, quality and safety measures input of suppliers, the major materials and equipment affecting the quality of a project, so as to ensure the safe operation of a project.

### Red and Yellow Card Warning System of C&D Inc. for Contractors

For further strengthening the management of the contractors, C&D Inc. developed *Red and Yellow Card Warning System for Project Management* for the Company and its ongoing projects and new projects in the future to clarify the management requirements for the quality, safety and progress of projects, among which the yellow card would be given if violating the safety regulation once in a single inspection within any bid phase; the red card would be given if violating the safety regulation twice accumulatively; the yellow card would be given if avoiding the joint inspection and the inspection for quality, safety and progress once within any bid section; the yellow card would be given if the initiating project collaboration management system behind time or incompletely (the initiation shall be completed before the commencement of basement's bottom plate) to result in the abnormal operation and problems involving quality, safety and progress. In the end, the red and yellow card warning shall be rechecked during the next season, and the red card would be given if any warned item violates the safety regulation again.

After giving the red and yellow card, the engineering department of such regional company shall urge the related departments to make rectifications, analyze underlying causes of the hidden hazards and inspect other works for troubleshooting similar problems.

# Cooperation & Growth

Regarding the employees as the key of our development and insisting on the talent concept of "put people first, and cultivate employees with both ability and integrity", C&D Inc. devotes itself to building a spiritual home with cohesive force by creating a fair, harmonious and comprehensive working environment, effectively safeguards the rights and interests of employees and completes the talent cultivation system for incorporating our care for employees into enterprise culture and making progress along with our employees.

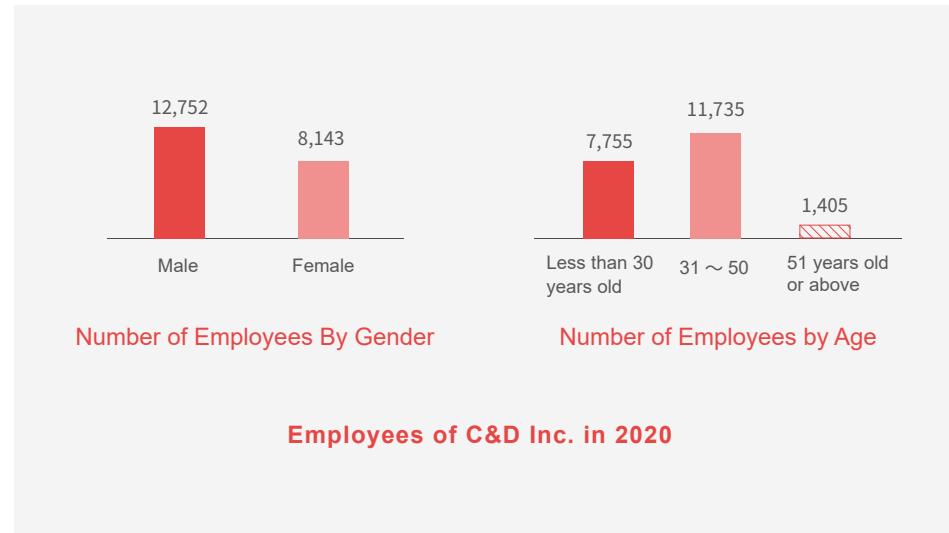
- Attraction and Reservation
- Development and Training
- Communication and Care



## Attraction and Reservation

Strictly according to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other laws and regulations and based on the principle of fair and legal employment, C&D Inc. improves its compensation plan, safeguards the rights and interests of employees, cares for the mental and physical health of employees and focuses on the democratic management for improving the employees' enthusiasm and the group cohesiveness. Meanwhile, in order to prohibit and reject child labor and forced labor in any way, C&D Inc. formulates the *Human Resources Management Regulation*, *Salary and Welfare Management Regulation*, *Intermediate Managers Management Regulation*, *Rewards and Punishments Management Regulation* and other management regulations to ensure that the employees of different ages, genders, nations and cultural backgrounds could be treated equally and enjoy fair job opportunities.

As of December 31, 2020, C&D Inc. had 20,895 employees without any employment discrimination, child labor and forced labor.



## C&D Inc. initially launched restricted shares incentive plan

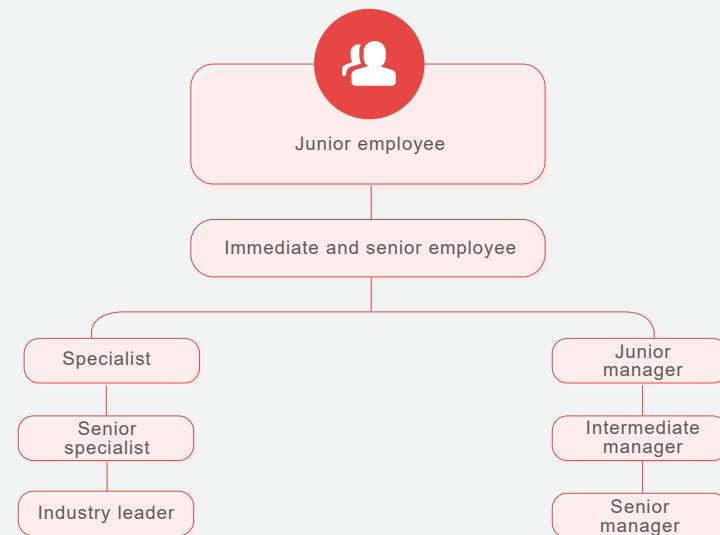
In 2020, the Company launched restricted shares incentive plan to grant 28.352 million shares in total to 278 employees including directors, senior managers and intermediate managers, accounting for 1.00% of the Company's total equity. The incentive plan is intended to incent the intermediate managers for improving the profitability, growth ability, functional quality and other aspects of the Company and highlighting the confidence of the Company to the future development and the determination of the Company to share the fruits of development with our employees.

C&D Realty formulated the Human Resources Management System of C&D Realty Co., Ltd., Human Resources Management Manual of C&D Realty Co., Ltd. and others, including the main management principle on the recruitment, the recruitment and approval procedures of human resource, the establishment of nationally shared recruitment channel, system and other platforms, campus recruitment and others.

For ensuring the legality of the employment, Lianfa Group develops the *Human Resources Management Regulation of Lianfa Group*, according to the related laws and regulations of the Government and combining with the actual situations of the Company to safeguard the rights and interests of employees. Meanwhile, Lianfa Group also implements the *Corporation Pension Plan according to the Measures of Administration of Corporation Pension* and purchases "Personal Accident Insurance" and "Critical Illness Insurance" for on-the-job employees to guarantee their benefits and handle with their difficulties resulted from critical illness and accidents.

## Development and Training

Insisting on the concept of growing together with our employees, C&D Inc. constantly completes the training system and optimizes the employee growth and development system to create opportunities for the continuous growth of employees, widen the channel of promotion, provide a platform for employees to exercise their special talents and escort for the development and reserve of talents. Besides, committing itself to cultivate the excellent leader of the industry and senior managers of the industry, the Company also gives direction to the development of employees, while establishing a dual-channel career development system to provide a broader development space for all of the managers and employees.



Employees' Development Path of C&D Inc.

## 2020 Labor Skill Competition of C&D Inc.

On May 6 of 2020, C&D Inc. held an online activity themed by “the Laborers are the Model of C&D Inc.”. The competition with “small tools and high efficiency” was held through inner internet, with 109 works from 82 competitors in 24 companies being received, including office software tips, information tools promotion and office APP recommendations. The works for the competition were browsed by 16,000 people from 32 companies in 8 cities, with over 150,000 people viewing the works, which set a new record since the labor skill competition.



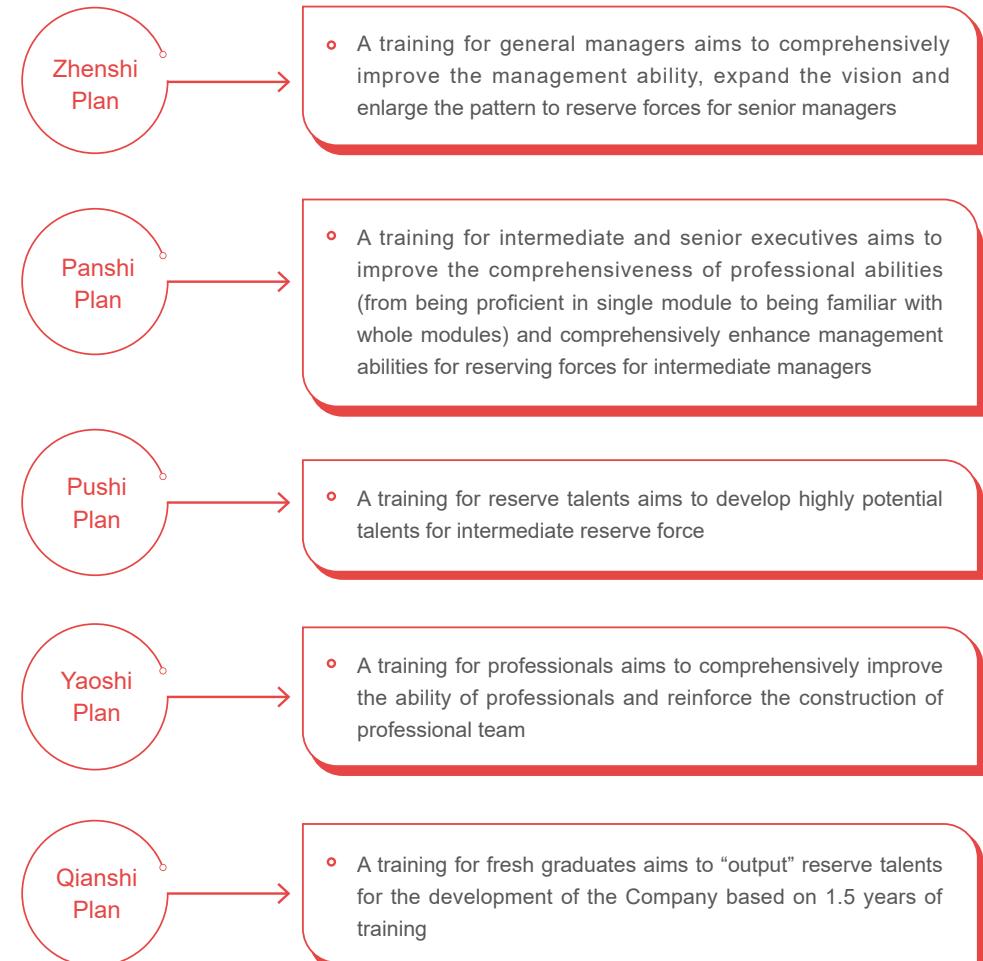
## Employee Training

Focusing on the training and career growth of employees, the Company establishes a complete training management system and course system meeting the characteristics and job requirement of the Company's business, including basic business training, risk prevention training, new employees training camp, business mainstay training and the business management training for intermediate and senior managers, the rich training form and training content of which help our employees to keep learning and improving so as to jointly create a learning organization forging ahead with determination.

In order to take full advantages of the enterprise and universities/colleges to cultivate more applied talents with high quality and high professional qualification for enterprises, C&D Inc. establishes a long-term cooperation with over 10 universities and colleges, while setting up “joint training classes” with Fujian Chuanzheng Communications College, Quanzhou Vocational and Technical University and Xiamen Technical College to jointly train professional talents for satisfying the demands of interdisciplinary talents. In 2020, the average number of hours per employee trained of C&D Inc. is 22.92 hours.

	Division	Subdivision	Total training hours
 Employee Training	Total training hours by rank	Senior managers	2,392
		Intermediate managers	67,554.4
		General staff	409,085.6
	Total training hours by gender	Male	296,445.5
		Female	182,586.5

2020 Total Employee Training Hours of C&D Inc



The Talant Traning System of Lianfa Group

In 2020, C&D Realty, in the way of year-end assessment and professionals counting, checked the potential reserve talents of different levels and professional emphasis, so that the Human Resources Department of the Company and the employers could focus on their development, and that the function center of the Company and the employers could hold trainings for such reserve talents to reserve executives for the management and professional fields, while identifying and creating opportunities for such talents by a series of assessment such as performance evaluation, training and reply, and internal competition. In addition, the talents training system could be adjusted by the training center based on the business development for building a business value oriented “3-1-5-2” talents supply chain.

“3-1-5-2” Internal Talents Supply Chain of C&D Realty



### “Zhang Jian Shi” Learning Platform Training of C&D Realty

In 2020, for enhancing the safety awareness of employees, C&D Realty developed and uploaded the safety-related courses to the course center of Zhang Jian Shi learning platform for all employees to learn. By the end of September, 2020, a total of 219 employees learned and passed the examination for safety training, with accumulated learning time of 110 hours. Besides, C&D Realty also organized safety trainings for the person in charge of safety and other safety managers, including safety laws and regulations, safety production responsibility, safety behavior, safety management and safety system, with total 47 employees participating the training, among which, 21 employees obtained the certificate for the preliminary examination and 27 employees obtained the certificate for secondary examination.



## Communication and Care

For fully guaranteeing the rights and interests of employees, the Company establishes the labor union to seek advice (which would be put into practice after agreed by the labor union) from employees for the issues involving salary, welfare, social insurance and other vital interests of employees. In addition, according to the *Corporation Law and Articles of Incorporation*, the employee supervisor election system adopted by the Company shall be considered as a guarantee for our employees to enjoy sufficient rights in the governance of the Company. Meanwhile, the labor union shall also play a constructive role in safeguarding employee benefits and coordinating the internal relationship provided that the Company actively supports the labor union by law and transfers labor union expenditure in a timely manner. In addition, the employees are able to directly suggest to the top management of the Company by E-mail and others.

### 2020 Symposium for Ideological Trend

In April of 2020, for enhancing the communication between the headquarter and its subsidiaries, further understanding the basic conditions of each subsidiary and collecting suggestions and opinions from employees by multi-channels, C&D Inc. organized a symposium in respect of ideological trend to make a survey of the administration staff and local union for taking targeted measures, assisting to resolve problems and difficulties, directing the improvement of the administration and the construction of enterprise culture and facilitating the continuous development of the enterprise.

The survey shows that each company widely knows and highly recognizes the business development, management mechanism and enterprise culture of C&D Inc.; the majority of the companies develops steadily and globally, making a remarkable achievement of "Go Global"; and most companies and labor unions make efforts on the internally systematic and compliance management, employee care, employees' rights and interests maintenance, culture activities, welfare, logistical support and others.

### Sishi•Delighted Reading | "Reading Nourishing Youth" Reading Club

In September of 2020, for dealing with public health issues and economic pressures, the "Reading Nourishing Youth" Reading Club was established by C&D Inc., in which the honored guests from different industries and our young employees actively participated to share books and feelings & experiences.



"Reading Nourishing Youth" Reading Club

### Lianfa Group brings warmth to the front-line employees in the fight against COVID-19

In 2020, in the face of COVID-19, sticking to the post with a strong sense of responsibility and devoting itself to the silent fight against COVID-19, Lianfa Group Real Estate purchased milks, instant noodles and other daily necessities for 93 projects in 12 cities across the State, bringing warmth to 2,118 front-line employees working in the property management companies.

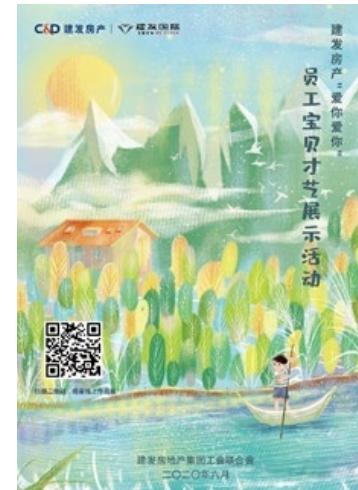


Lianfa Group brings warmth to the front-line employees in the fight against COVID-19

In 2020, C&D Realty actively developed colorful and healthy culture and care activities, organized “Online Cooking Contest” in March - “the month of employee care” for the construction of family culture, encouraged the groups to clock for the daily fitness by developing the activity themed by “Keen on Fitness” to promote public fitness program, establishing C&D Realty Art Group made up of vocal music club, painting club, dancing club, instrument club, literature club, language club and movie club to further explore the talent and skill of our employees and build a stage for them to show themselves, assisting the families of our employees with financial difficulty and caring for the front-line employees to build a “heart-warming” organization, and setting up “work card convenience shop” so that the employees could enjoy the exclusive discounts provided by self-support shops, Hyatt Hotels, nursing homes and others.

## Employee Care Month of C&D Realty

From May to June in 2020, the labor unions of C&D Realty at different cities organized distinctive activities of “Happy Family Day” full of childishness for our employees. The labor union directly affiliated to the Company developed the activity of “Online Performance Contest” to show talent and share family time. Nanning labor union organized a series of activities including handwork for promoting communication between parents and children. And Hefei labor union, centering on “I love you”, delivered secret gift to the family of our employees for improving the happiness of our employees.



In 2020, for a better understanding the internal management and existing problems and listening to the voice and suggestions of our employees, C&D Realty conducted employee satisfaction and engagement survey, which included the enterprise culture, teamwork and communication, salary and performance evaluation, job instruction and assistance, training and job feedback, work and life balance and others, with total 3,346 employees involved and the participation rate reaching 99.4%. After publishing the evaluation results, a meeting was held by each company so as to investigate and rectify the main problems concerned based on the evaluation results.



# Low Carbon & Eco-green

C&D Inc. strictly follows the regulations of the Environmental Protection Law of the People's Republic of China, etc., and adheres to the concept of "lucid waters and lush mountains are invaluable assets" by actively responding to the climate change, implementing the green and low-carbon strategy, working hard to promote for higher energy and resource efficiency, advancing the projects on energy conservation and emission reduction, and conducting proper management on the wastes. The Company will make every effort for marching toward an energy-saving and green enterprise.

- Addressing Climate Change
- Optimize Resource Utilization
- Lower Down the Environmental Impacts



## Addressing Climate Change

Extreme weather caused by climate change has brought lots of challenges for water resource, ecology environment and energy development. C&D Inc. has actively responded to the national development strategy by formulating and implementing the *Contingency Plan for Emergency Management*, the *Preplan for Typhoon and Flood Prevention* and the *Contingency Plan for Earthquake*. The Company organizes the subsidiary corporations and warehouses to carry out self-examinations annually on typhoon and flood prevention, which focusing on whether the facilities are complete, whether the drainage system in the site can work properly, whether there are hanging objects in the field that are at risk of falling, and whether there are hidden dangers of mountain torrents, landslides and mudslides around the site.

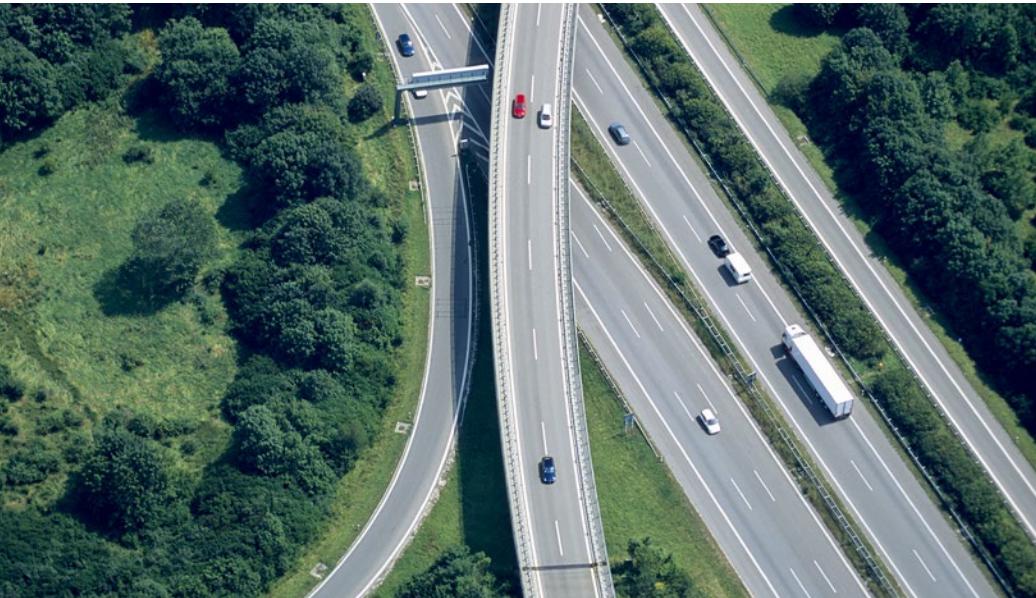
For contributing to the national low-carbon development and ecology environment improvement, the Company fully recognizes the impact of climate change, and identifies and analyzes the risks and challenges of it to take solutions.



Risk Sources	Risk Description	Solutions
Policies and Laws	<ul style="list-style-type: none"> <li>The Ministry of Ecology and Environment of the People's Republic of China established the Department of Climate Change to actively facilitate the policies and laws of climate change</li> <li>Legal documents and supporting system of the carbon emissions trading system</li> <li>In 2020, the Ministry of Ecology and Environment of the People's Republic of China released news on implementing the <i>Interim Measures for the Management of Carbon Emission Rights Trading</i> in 2021 to launch the carbon emission rights trading system</li> <li>China aims to have CO<sub>2</sub> emissions peak before 2030 and achieve carbon neutrality before 2060</li> </ul>	<ul style="list-style-type: none"> <li>Actively explore relevant business opportunities</li> </ul>
Technology	<ul style="list-style-type: none"> <li>Judgement on the characteristic and adaptability of the new technology and process as well as elimination of backward processes and equipment will probably lead to an increase in enterprise costs,</li> <li>The whole operation efficiency of the facilities is relatively low</li> </ul>	<ul style="list-style-type: none"> <li>Eliminate and timely update the old-fashioned equipment and process</li> <li>Improve the efficiency and speed up by new process and technology, such as promote the aluminium film climbing scaffold and prefabricated building</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>The Company predicts that the greenhouse gas emission will grow up along with the business growth</li> </ul>	<ul style="list-style-type: none"> <li>Establish a statistical mechanism of greenhouse gas emission, and compare the trends</li> </ul>
Real Forms	<ul style="list-style-type: none"> <li>The increase of extreme weather in local areas caused by global climate change such as typhoon, rainstorm, hail, etc., may have potential impact on external facilities such as company offices, warehouses</li> </ul>	<ul style="list-style-type: none"> <li>Continuously complete the contingency system</li> </ul>

## Optimize Resource Utilization

C&D Inc. fully implements the relevant laws, regulations and rules of the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Conserving Energy* to advance energy conservation in all aspects, respond to the national call of "green and environmental protection, and low-carbon lifestyle", and take the corporate responsibility of environmental protection by fully integrating the awareness of open-source and energy-saving into the environmental management. We formulate the internal systems of the *Energy Conservation Management System*, the *Energy Management System*, the *Electricity Conservation System*, the *Gas Conservation System* and the *Fuel Conservation System*, etc., and actively carry out renovation to save energy and reduce consumption, improve the efficiency of resource utilization, reduce greenhouse gas emission, and lower the impact caused by climate change.



The resources used in the Company's business mainly include water, electricity, gasoline, diesel and natural gas. As for water resource, the Company mainly uses water from the municipal pipeline network within its office, construction and operation. By the measures of using energy-saving and water-saving equipment, the renovation of green irrigation system, the design of rainwater and sewage diversion, and the configuration of medium water recovery system, we have lowered the water consumption and impact on the water environment in the activities.

Energy Type	Unit	Supply Chain Business	Real Estate Business	Total
Electricity Consumption	kWh	9,791,866.00	6,058,645.00	15,850,511.00
Gasoline Consumption	liter	146,289.50	164,034.90	310,324.40
Diesel Consumption	liter	3,111.22	9,433.44	12,544.66
Liquefied Petroleum Gas Consumption	m <sup>3</sup>	0	5,971.00	5,971.00
Natural gas Consumption*	m <sup>3</sup>	0	7,079.00	7,079.00
Heat Consumption*	GJ	46,014.75	1,400.00	47,414.75
Fresh Water Consumption	m <sup>3</sup>	30,6070.50	22,4911.20	53,0981.70
Comprehensive Energy Consumption	ton CO <sub>2</sub> e	2,933.29	1,012.31	3,945.60
Energy Use Density	kg standard coal/million revenue	-	-	9.113

\*Among which, the consumption of heat and natural gas in the real estate sector only includes the data of Lianfa Group in 2020.

Besides, C&D Inc. actively promotes all kinds of energy-saving and environmental protection measures. In 2020, the Company has continuously upgraded energy consumption management of the office building by displaying and analyzing the consumption data in real-time, and enhancing the precision of energy consumption management. The Company continuously promotes the use of LED energy-saving lights, requires employees to timely turn off the electricity device after work. Besides, the Company also encourages employees to take public traffic and arrange commuter shuttles for their work on main traffic routes in Xiamen to reduce the use of private cars for energy conservation and emission reduction.

The main measures taken by the C&D Realty on lowering the impact of construction projects on local environment and consumption reduction are as follows.

- Promote and adopt the aluminium scaffolding. The aluminium scaffolding can be used repeatedly and recycled, which would greatly reduce the usage of wood planking to reduce the resource consumption; It can also rise along with the main structure to reduce the traditional steel scaffolding usage, improve the look-and-feel, and reduce the material loss.
- The exterior walls are optimized to be all concrete to avoid dust pollution, plastering, reduce wet work such as plastering masonry, and control the dust in the worksite. Besides, C&D Realty has strengthened the civilized construction management and adopted effective measures to avoid dust flying. The dust control system and spray dedusting system have been adopted in the worksite. When the dust exceeds the standard, the spray will start automatically to ensure that the dust on site is strongly controlled; All of the construction vehicle tires must be washed before entering or exiting in case any mud be carried out from the worksite; All of the main roads of construction site must be paved and hardened, and the place where the construction materials set should be as flat as possible; Measures should be taken on the construction site such as immobilization or green sprinkling to store the construction soil; The construction group should take a break off when it is windy enough to make dust.
- As for water resource, we adopt the rainwater and sewage diversion design in the drainage system; After passing through the septic tank, precipitating by oil removal with the clean water for automotive equipment, the construction sewage would be discharged into pipeline after reaching the standards; Besides, the reclaimed water reuse system has been strongly promoted. The rainwater would be recycled and reused after being collected and filtered for washing the cars or roads or watering the plants, which would effectively reduce water consumption.

- Carry out noise-reduction process, establish the supervision system of construction worksite management, and strictly control the night construction to ensure the noise is under the local environment standards.
- Development of green buildings: Adhere to the concept of green building design and obtain a number of green building certifications.



The poster of energy conservation and emission reduction



C&D Inc. International Program List				Name	Green Building Certificate	
					Grade	Date
1	Central China Area	Chengdu	Jinjiang District, Chengdu	C&D Inc. Yangxi	2-Star Green Building	2020/9/1
2	East China Area	Wuxi	Wuxi, Jiuliwan	Jiuliwan	2-Star Green Building	2020/7/17
3	The Southeast Area	Hangzhou	Hangzhou 2020-13		1-Star Green Building	2020/7/13
4		Nanping	Wuyi New Area C10	Hexi	1-Star Green Building	2020/8/20
5			Yanping Xiyue	Yanping Xiyue	1-Star Green Building	2020/5/11
6		Liangjiang	Lianjiang Liyuejun 2019-22	Lianjiang Shuxiangfu	1-Star Green Building	2020/5/27
7			Liangjiang Yangjun (Liyushan)	Liangjiang Shuxiangli	1-Star Green Building	2020/3/16

Green Buildings Certificate of C&amp;D Realty

Lianfa Group responds to the call of energy conservation and emission reduction by promoting the new technology such as aluminium alloy template, attached lifting scaffold and pitman style scaffold with detailed measures including:



Adopting aluminium alloy template, which is made from renewable materials that are in line with the national regulations of energy conservation, environment protection, low-carbon and emission reduction on the construction projects

Promoting lightweight interior partition, and reducing the usage of cement mortar

Adopting attached lifting scaffold. Compared with the steel pipe scaffolding, it could greatly save amount of steel and is in line with the national development concept of energy conservation, consumption reduction and environmental protection

Promoting the LED lights and belts which have significant effects on energy-saving on the project sites

Reducing the dust with no dirt covering

## Lower Down the Environmental Impacts



C&D Inc. commits to promote energy conservation and environment protection by reducing pollutants and hazardous wastes to decrease the damage to environment. Meanwhile, the Company disposes the emissions properly and conducts systematic monitoring on the discharges to ensure that the solid waste is up-to-standards of discharge. Since the Company's business mainly includes trading, real estate, development and management, logistics and industrial investment, wasted gas and water are not involved in the operation process.

As for non-hazardous waste such as kitchen garbage, waste paper, waste plastic, etc., the Company encourages garbage sorting among the employees. We set different garbage bins for sorted waste in the office area and the canteen on every floor to require employees to sort the recoverable and the unrecoverable things. We print the garbage sorting posters to launch publicity and education on garbage sorting to achieve greater awareness of environmental protection among the employees. In addition, the company avoids the generation of waste at the source, such as promoting paperless office and reducing paper use; encouraging the use of double-sided printing to reduce paper waste. All departments are required to collect and pack the unusable waste paper and document shredded paper, and collect them twice a year in a unified manner to reduce the impact of paper consumption on the environment.

As for small amount of hazardous waste generated from the process such as waste engine oil and waste car paint, etc., the Company would deliver them together to a qualified company for recycling treatment. Other recoverable waste such as scrapped equipment and facilities etc. would be disassembled for recycling to improve the efficiency of resource reusing.

In 2020, the statistics of the general waste and hazardous waste are as follows.

Waste Type	Unit	Supply Chain Business	Real Estate Business*	Total
General Waste				
Kitchen Waste	ton	100.00	38.95	138.95
Waste Paper	ton	40.50	25.17	65.67
Hazardous Waste				
Electronic Waste	kg	0	347.24	347.24
Waste Engine Oil	ton	309.50	0.52	310.02
Waste Car Paint	ton	9.50	0	9.50

*\*Among which, apart from the electronic waste generated from the real estate sector, other data of waste only includes the output of Lianfa Group in 2020.*

GHG Emission	Unit	Supply Chain Business	Real Estate Business	Total
Scope I	tCO <sub>2</sub> e	326.32	441.68	768.00
Scope II	tCO <sub>2</sub> e	13,174.66	4,979.12	18,153.78
Total	tCO <sub>2</sub> e	13,500.98	5,420.80	18,921.78

# Dedication & Obligation

C&D Inc. commits to be a promoter of social programs by adhering to its original intention of giving back to the society and actively participating in the community public welfare activities. The Company continuously helps fight the epidemic, gives back to the local community, devotes itself into public welfare and charity, and organizes volunteer events to actively take the social responsibility of being an enterprise citizen.

- Actively Fight the Pandemic
- Community Public Welfare
- Volunteer Activity



## Actively Fight the Pandemic

After the outbreak of Covid-19, C&D Inc. responded to the call of the Communist Party of China and the government by formulating well-rounded and omnidirectional strategy of Covid-19 prevention and control to actively fight the pandemic.

To support the battle against Covid-19, at the beginning of 2020, C&D Inc. adopted the method of overseas purchasing and emergent production transition and exploited its strength of global supply chain and operation to mobilize the overseas supply chain resource such as in South Korea, Southeast Asia, the European Union, which successfully helped to purchase important medical supplies such as 1.2 million masks and 10,000 protective suits in overseas immediately. The company repeatedly helped the government and several enterprises with medical supplies purchase negotiation, on-site inspection, customs clearance and transportation overseas, which has strongly supported the battle against pandemic. Besides, to strictly prevent and control the epidemic and ensure the reopening of work and production, the Company managed and updated the activities of employees in real-time to safeguard the track management; At the beginning of the year, we promoted the method of working from home and carried on rotational shift for some on-site positions; We temporarily closed the staff canteen and other public dining area; purchased and distributed the medical supplies for employees; formulated strict anti-pandemic management rules, and strengthened the anti-pandemic management at on-site departments to ensure the anti-pandemic work to be fully implemented.

C&D Realty adopted series of anti-pandemic work to help the battle against COVID-19. C&D Realty arranged contingency meetings after the outbreak, purchased medical supplies, collected employees information to ensure the safety of them. Meanwhile, C&D Realty actively managed to guarantee for the supporting work for the resumption of work, sanitized the company all over, consisted on monitoring and recording the employees' temperature within one month after the resumption of work, organized publicity activities for epidemic prevention, arranged three meals per day for staff to ensure safe dining. In 2020, the total number of masks distributed by C&D Realty was 473,200.

Lianfa Group has actively supported the anti-pandemic work and helped to erect a defensive rampart by strict sanitizing and epidemic control works. In 2020, Lianfa Group used a flexible rent reduction

policy to support the tenants of cultural and creative areas, shopping malls and office buildings of Lianfa Group's; body temperature monitoring was step up in every entrance and exit of all the project sites for 24 hours; some communities set up disinfection sheds and shoe sole disinfection sites at the gates pad and wheel disinfection area; for the empty-nest elderly and special owners in the community, a one-to-one "fixed-point" service was adopted, asking the owners at home and delivering necessary materials, picking up garbage at fixed points, and providing express parcel delivery service; provided masks for our owners from cities such as Wuhan where the epidemic was severe. 133,700 masks had been distributed to 18,966 owners just in one week; worked together with the online medical service provider, Chun Yu Doctor, to provide free medical consultancy service within 7×24 hours to alleviate the risks of cross-infection for the non-covid-19 patient who needs to go to hospital, which also reduced the medical pressure for hospital; As for the anti-pandemic work of the real estate sector, Lianfa Group released the *Notice on Epidemic Prevention and Control of Engineering Projects*, and organized safety monitoring in the entrance with registration and management. It also managed medical supplies reservation, inspected the implementation regularly on anti-pandemic work, and strictly supervised the implementation in relevant divisions.



The activity of distributing hearted masks



One-to-one service such as door-to-door package delivery and garbage collection



24 hours temperature monitoring



Sanitizing through the company

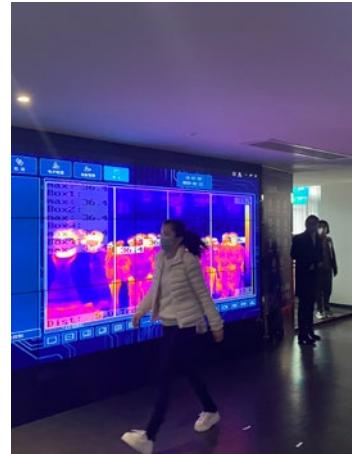


Offline publicity on epidemic prevention



## Lianfa Group promoted the non-inductive thermal imaging temperature screening system

Lianfa Group Intelligence, which is a subsidiary of Lianfa Group, promoted the non-inductive thermal imaging temperature screening system in time. It could reduce unnecessary contact and lower the risks of infection by preliminarily detecting the surface temperature of human body to find subjects with abnormal temperature, and then giving a professional temperature test. The system also has an early warning function for AI masks with the accuracy being higher than 90%. The whole system can be flexibly set at public or crowded places such as hospitals, schools, airports, banks, government hall, and hotels, etc., which greatly improved the efficiency of temperature monitoring and guaranteed the flow speed of people during the rush hours.



Both C&D Realty and Lianfa Group show their high attention to community culture and the owners' life quality by building community cultures and focusing on the communication and integration of culture. Under the guidance of "build a beautiful community with high quality of life", the Company would annually organize more than ten activities for the owners, which include New Year's party, Good Health activity, outing and hiking, activity on Mother's Day, public welfare on poverty alleviation with the theme of Imaging the Spring, activity on Children's Day with the theme of Create Happiness for Children and Grow Up with the Children, parent-child garden activity, teenage ping-pong competition, summer tern activity for children with the theme of Writing Poem with Wonderful Ideas and Painting the World With Children's Mind, Mid-Autumn Day culture activity for neighbors, and Lantern Festival party in Fuzhou with the theme of Golden Year of Blessing.

## C&D Realty organized charity donation

In January and June of 2020, C&D Realty respectively organized the donation of *Helping the Poverty with Warm Heart* and the donation of *Nourishing the Youth* in Guyan of Xiangan District and Xindian Town of Xiangan District in the name of C&D Realty Charity Fund. In the "Helping the Poverty with Warm Heart" donation activity, it made an accumulated donation of 244,000 CNY to help 244 people in Xiangxindian Town with financial difficulties spend a warmhearted spring festival. In the "Nourishing the Youth" donation activity, it made an accumulated donation of 250,000 CNY for 100 of poverty-stricken students from primary and middle school in Xiangan District to help them overcoming the difficulties. Futhermore, in August of 2020, C&D Realty held the donation ceremony of *Making the Way for Dreams* in the name of C&D Realty Charity Fund which donated 1,120,000 CNY to financially disadvantaged students including 91 students to be graduated from high school and 115 college students.



Helping the Poverty with Warm Heart



Nourishing the Youth

## Community Public Welfare

C&D Inc. puts the social public welfare as a part of the enterprise culture by actively participating in the community development, helping the local community to improve satisfaction and happiness while giving play to its social values as an enterprise. In 2020, C&D Inc. accumulatively donated 6,360.49 million CNY.

In 2020, Lianfa Group continuously hold top brand events such as "Lianfa Group Happy Running" "Lianfa Group Night·Xiamen Philharmonic Concert". It also holds the traditional community culture activities with Lianfa Group's characteristic for over ten years such as Mid-Autumn Cake Culture Festival to create brand event at city-level and participate in the community development. On December 6, 2020, Lianfa Group organized the "Lianfa Group Night" Philharmonic Concert to deliver the cultural values and lifestyle of Lianfa Group; On December 26, 2020, Lianfa Group set the Putian station of Happy Running event with the inception of the brand new IP image of Lianfa Group Cutie. The total number of the participants was close to 5,000. The event became one of the famous IP events in the city by the ways of healthy exercise and interesting games to achieve the mutual interaction of the citizen, which also delivered healthy and upward value of the Lianfa Group brand, made the concept of a healthy lifestyle integrated with the city.



"Lianfa Group Night" Philharmonic Concert



Holi Run at Putian Station



Besides, Lianfa Group continuously puts forward innovation and upgrading to integrate the traditional culture into the new era with new energy. Lianfa Group implements the brand commitment of "Inherit the culture with responsibility and deliver happiness with love" by practice. It has been supporting and building the Dragon Boat Festival across the Taiwan Strait as the independent sponsor for 13 years. The festival is one of the competitions with brand influence across the Taiwan Strait, and is also an important platform for carrying forward the Jiageng Spirit and inheriting the Chinese culture.

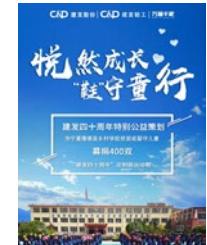
## Volunteer Activity

C&D Inc. encourages and supports the employees to participate in volunteer activities. We establish volunteer group and organize volunteer programs and public welfare actions. In 2020, the total volunteer service time reached 7,932 hours.

The Company's volunteer group provide warmhearted service for the athletes of C&D Inc. International Marathon competition which is held annually and also help to clean the garbage from the beach, donate books, money and clothes, and support the poor children for education. Part of the employees also joined the Xiamen City Volunteers' Association and participate in series of volunteer activities such as "Love Xiamen by Helping Each Other", "Civilized Xiaman, Every One Participated", "Building a Beautiful Xiamen Together", to continuously dedicate love for the society, and highlight the volunteer spirit of "Dedication, Love, Mutual Help and Progress".

### C&D Inc. organized the public welfare activity of Happy Growing, Safeguarding the Children

2020 marked the 40th anniversary of C&D Inc.'s establishment. The CPC volunteer group of C&D Inc. and Youth Volunteer Service Team organized the special public welfare activity of the 40th anniversary, which focused on the children left behind in the poverty area of Ningxia to deliver the love of C&D Inc.. The Company organized the activity of *Happy Growing, Safeguarding the Children* by encouraging donations. All of the money from the donation was used in buying sneakers, which had customized high-quality sneakers of "the 40th anniversary of C&D Inc." for 400 poor children or left-behinds to help as more children as possible by implementing the company's social responsibility. All of the sneakers were donated to the Liancui Central Primary School of Longde county, Guyuan city in Ningxia and the Central Primary School of Shatang. The activity raised 51,800 CNY, among which 47,600 was donated by the company employees, and 4,200 by external personnel.



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	Management Approach	P38-40	N
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# Readers Feedback Form

Dear readers,

Thank you for reading the report. We sincerely expect for your evaluations on this report and ensure continuously improving our service and the ability of exercising the social responsibility.

Selective questions ( please check with “√”)

01 Your identification to C&D Inc is,

Government  Investor  Employee  Client  Supplier / Contractor  
 Partnership  Peer  Community And Public  Media  NGO  Others (please specify)

02 How do you think of the ESG performance of C&D Inc,

great  good  normal  worse

03 Your impression on this report is,

great  good  normal  worse

04 Your evaluation on the quality of ESG information disclosure in this report is,

great  good  normal  worse

05

You think the frame of this report is,

quite reasonable  more reasonable  general  not reasonable

06

You think the layout design and presentation of this report is,

great  good  normal  worse

What's your expectation on the work of ESG or social responsibility of C&D Inc.?

Please feel free to choose the way as follows,

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