

XINDA INVESTMENT HOLDINGS LIMITED

鑫達投資控股有限公司

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 1281

2023

Environmental, Social and Governance Report



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About This Report



The Report is the 8th *Environmental, Social and Governance Report* (referred to as the "Report") issued by Xinda Investment Holdings Limited (referred to as "Xinda Investment Holdings", the "Company" or "We"), to present the efforts and achievements of the Company and its subsidiaries (collectively, "the Group") in promoting sustainable development and fulfilling corporate social responsibility.

Reporting Scope

Organization scope: Unless otherwise specified, the Report covers the Group's organization scope.

Reporting Period: Unless otherwise specified, the Report covers the period from 1st January 2023 to 31st December 2023 (referred to as the "Year" or the "Reporting Period").

Reporting Guidelines

The Report is prepared strictly in accordance with the *Environmental, Social and Governance Reporting Guide* (referred to as the "ESG Reporting Guide") in Appendix C2 of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (referred to as the "Listing Rules") issued by the Stock Exchange of Hong Kong Limited (referred to as the "Stock Exchange") and extensively referred to the following standards:

GRI Sustainability Reporting Standards, Sustainability Standards Board (GSSB)

Recommendations of the Task Force on Climate-related Financial Disclosures, Task Force on Climate-related Financial Disclosures (TCFD)

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprise (CASS 5.0), Chinese Academy of Social Sciences (CASS)

Report Assurance

The data and cases in this Report are all derived from the Company's statistical data and relevant documents. The board of directors (the "Directors") of the Company (referred to as the "Board") has reviewed this Report and promised that there are no false records or misleading statements in this Report, and assumed individual and joint responsibility for the authenticity, accuracy and completeness of its contents.

Reporting Principles

This Report is prepared in strict compliance with the mandatory disclosure requirements and the "comply or explain" provisions of the *ESG Reporting Guide*. At the same time, the reporting principles of "materiality", "quantitative", "balance", and "consistency" are adopted to ensure the accuracy and reliability of the content of the Report.

Materiality: Xinda Investment Holdings actively listens to the suggestions and expectations of stakeholders. This year, we focused on considering the opinions of all parties in the assessment and rank of material issues and responding to the issues that stakeholders placed emphasis on during the preparation of the Report.

Quantitative: To clearly show the key environmental and social indicators in Xinda Investment Holdings' work in 2023, we have checked and verified the data presented in this Report and disclosed the quantifiable key indicators and calculation standards.

Balance: We have fully balanced Xinda Investment Holdings' performance in 2023 during the preparation of this Report, through a fair and transparent way to explain the performance of the Company's sustainable development in an impartial manner, to avoid affecting the judgment of the readers of this Report.

Consistency: Unless otherwise specified, this Report adopts the same statistical methods as those of previous years, where feasible, to ensure that environmental, social and governance data and information can be compared meaningfully in the future.

Publication and Acquisition of the Report

This Report is published in traditional Chinese and English. The online version is published on the HKEX news website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the official website of the Company (www.longitech.hk).

Reader Feedback

We sincerely look forward to listening to your opinions and suggestions to continuously improve the Company's sustainable development performance and enhance environmental, social, and governance capabilities and standards. If you have any questions, please give your feedback in the following ways. Your valuable suggestions will be the driving force for our continuous improvement.

Phone: (852) 3611-8186

Fax: (852) 3460-2233

Investor Relations Email: investor@longitech.hk

Address: Room 1231, 12/F, China Resources Building, No. 26 Harbour Road, Wan Chai, Hong Kong



About The Company

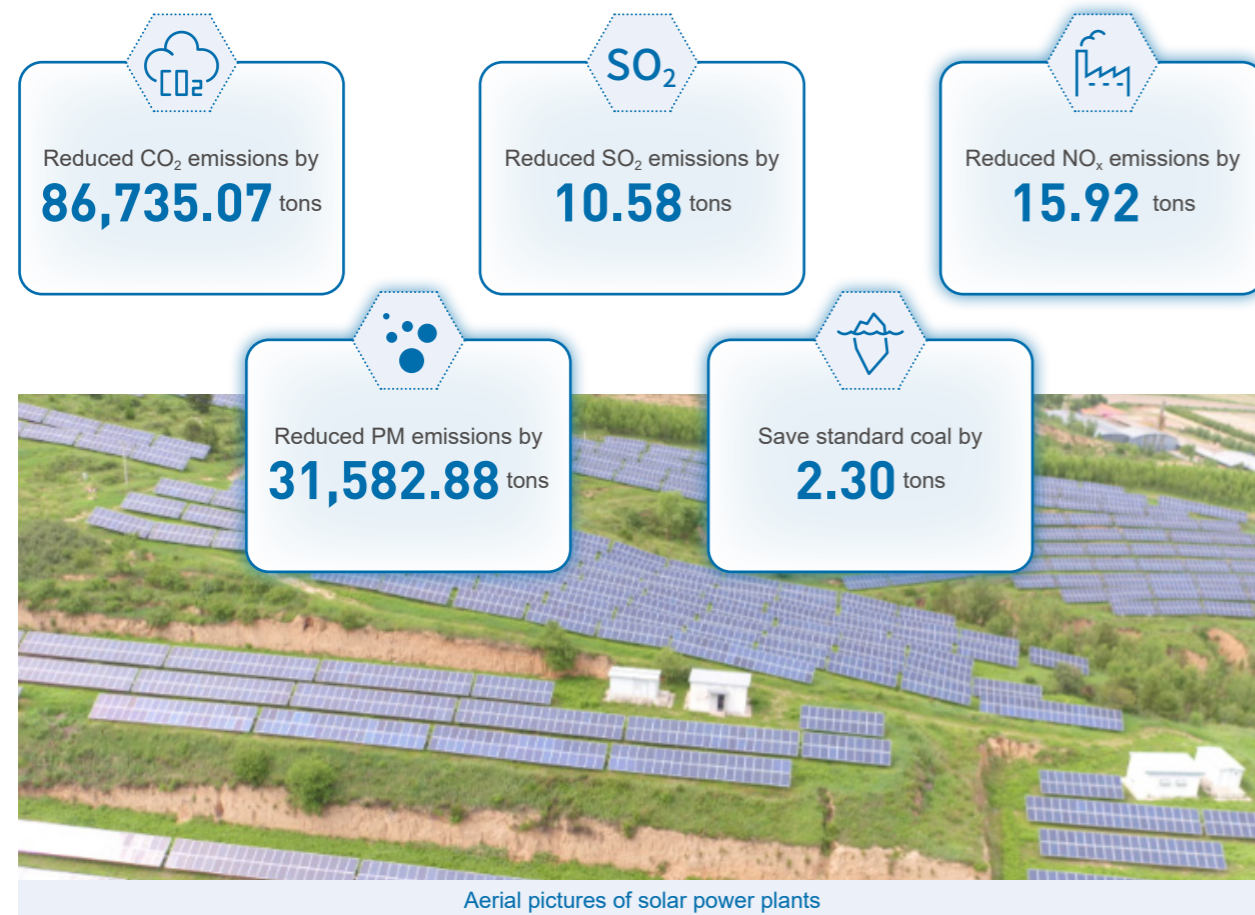
Company Overview

Xinda Investment Holdings, a company listed on the main board of the Hong Kong Stock Exchange (stock code: 1281.HK), the Company aspires to be China's leading integrated service provider of intelligent energy that tailors solutions for the industry.

During the Reporting Period, the Company primarily focused on smart energy business and public infrastructure construction business, including smart operation and maintenance, power trading, clean energy and other value-added services, with gradual expansion and diversification to other clean energy businesses and investment businesses.

Smart Energy Business

Our smart energy business mainly involves operating and managing 11 ground-mounted and distributed solar power plants with a combined capacity of 64 MW as well as household solar power plants with a capacity of 18.82 MW, and trades power generated there from. During the Reporting Period, the power generated by the Group's solar power plants totalled 104,752.5 MWh. When compared to conventional thermal power generation, this equates to¹:



¹Compared to thermal power generation, the thermal power environmental performance data used in this table is from the China Electric Power Industry Annual Development Report 2022 published by the China Electricity Council.

Public Infrastructure Construction Business

The public infrastructure construction business mainly refers to the public infrastructure construction and the related preliminary investment and post-construction operation management of Baoding Donghu Cultural Centre.

North Park of Donghu Park (Ink Rhyme Fragrance Landscape)

Donghu Park and supporting projects

There are 7 major landscapes in the North Park of Donghu Park, and the construction of 6 major landscapes has been completed.

Landmark landscape trees

Phase II of Donghu Park

The second phase of Donghu Park mainly includes supporting service facilities, landmark landscape trees and other projects.

Guan Hanqing Opera House and the museum supporting garage

Guan Hanqing Opera House and the museum supporting garage

Installation and decoration, and outdoor square project have been basically completed.

Road and storm sewer network

Road and storm sewer network

Four sections of Qinghu Street, Wenyuan Road, Mijiati Road and Enlightenment Road (Wenbo Street to Taihe Street section) were mainly constructed, with the construction length of about 1,224 meters.

Construction of educational

Construction of educational

The project included a primary school and a middle school.

01

Consolidate Management, Led by Responsibility



Sustainable Development Governance System

ESG Governance Structure

Xinda Investment Holdings has established a sound, efficient and transparent ESG governance structure to ensure the smooth progress of the Company's ESG work.

As the highest decision-making body, the Board is responsible for the Company's ESG work and overall strategies and decisions to ensure the smooth progress.

According to the decisions of the Board, the Management makes overall plans, guides the executive level, and reports to the Board regularly to ensure that the work is in line with the expected goals.

The executive level implements various ESG work, ensures the smooth progress of the work and reports the progress to the superior in a timely manner. The executive level also needs to provide first-hand information and data of ESG work so that the Management can make effective decisions and supervision. At the same time, the executive level is also responsible for organizing the preparation of ESG reports and other related work to provide comprehensive ESG information disclosure for the Company.

This ESG governance structure with clear hierarchies and division of labour will help ensure that the Company's ESG work can be efficiently promoted and help advance the achievement of the Company's sustainable development goals.

Board Statement

The Board of Xinda Investment Holdings is well aware of the importance of ESG work in the sustainable development of the Company. As the highest decision-making body, the Board attaches great importance to the strategic direction of the Company's sustainable development, deliberates the sustainable development guidelines, policies, systems, objectives, risks and opportunities, and related major events, and continuously monitor the completion of goals and perform accountability to ensure the effective implementation and development of ESG work.

The Board also takes full responsibility for the annual ESG report, participates in stakeholder surveys and confirms the Company's material issues, and reviews and approves the ESG Report to ensure the authenticity, compliance, and effectiveness of the Company's information disclosure.

In order to further improve the Company's internal ESG governance system in 2023, Xinda Investment Holdings conducted a sustainable development promotion to the Board and the Management to help senior management better understand the latest ESG trends and dynamic information, so as to apply ESG practices to the Company's daily operations and management.



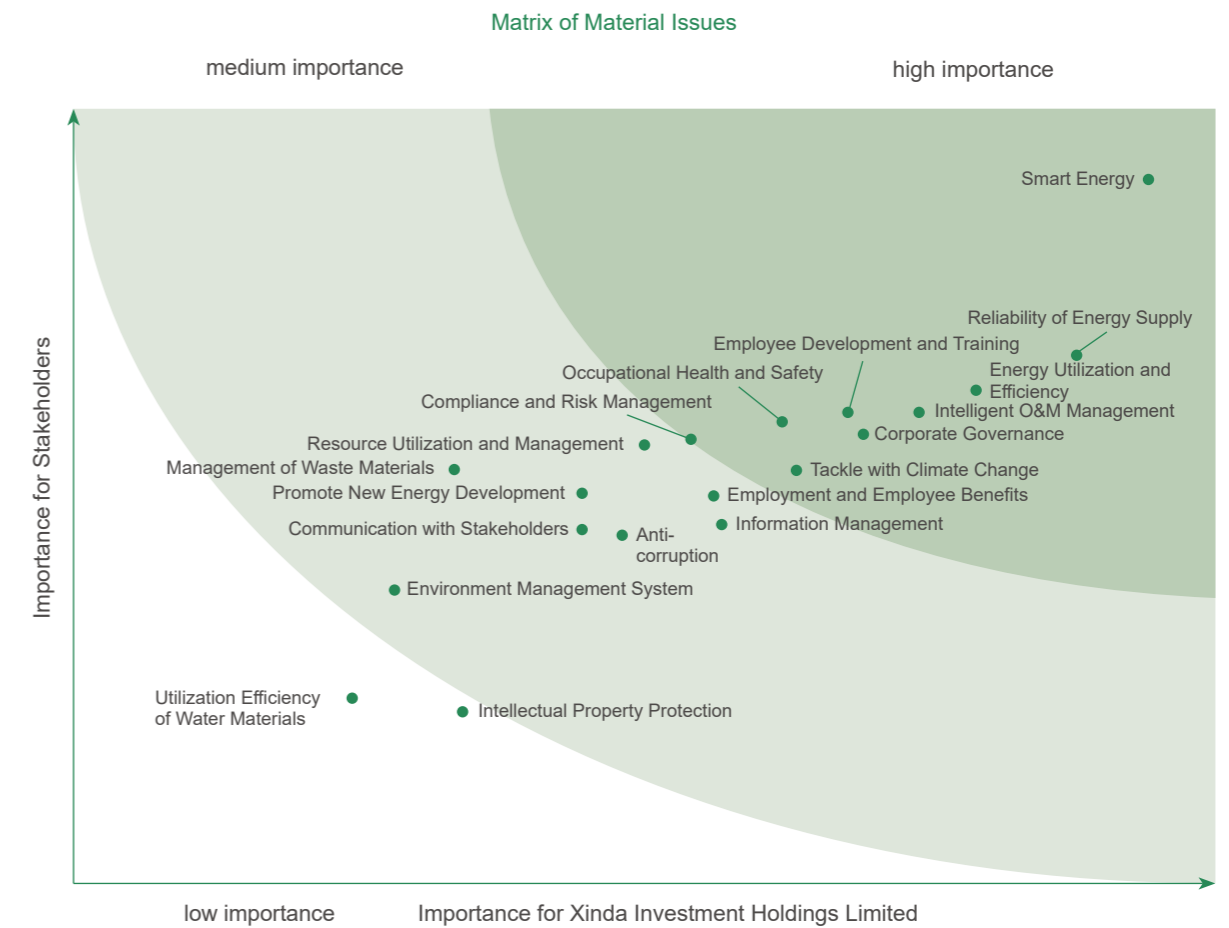
Stakeholder Communication

We insist on communication with key stakeholders on important issues with the original intention to work in concert with all stakeholders. During the Reporting Period, the main stakeholders we have identified are shareholders and investors, government and regulatory agencies, partners, employees, customers, community and general public.

Xinda Investment Holdings' 2023 communication channels and concerns with various stakeholders

Stakeholders	Material Issues	Communication and Response
Shareholders and Investors	Corporate Governance Anti-corruption Compliance and Risk Management Information Management	Company Reports and Announcements Shareholders Meeting Email and Hotline
Government and Regulatory Agencies	Corporate Governance Anti-corruption Adaptation to Climate Change Use of Resources and Management Occupational Health and Safety	Special Report Routine Inspection Government-enterprise Cooperation
Partners	Anti-corruption Smart Energy Reliability of Energy Supply Intellectual Property Protection	Open Tenders Project Cooperation Interviews and Site Visits
Employees	Employment and Employee Benefits Employee Development and Training Occupational Health and Safety	Email and Notice Board Employee Performance Assessment Employee Complaints and Feedback Team Building Activities
Customers	Intelligent O&M Management Information Management Smart Energy Reliability of Energy Supply	Regular and Irregular Customer Return Visits Email and Hotline Customer Satisfaction Surveys
Community/General Public	Adaptation to Climate Change	Charitable Activities Email and Hotline

Assessment of Materiality Issues



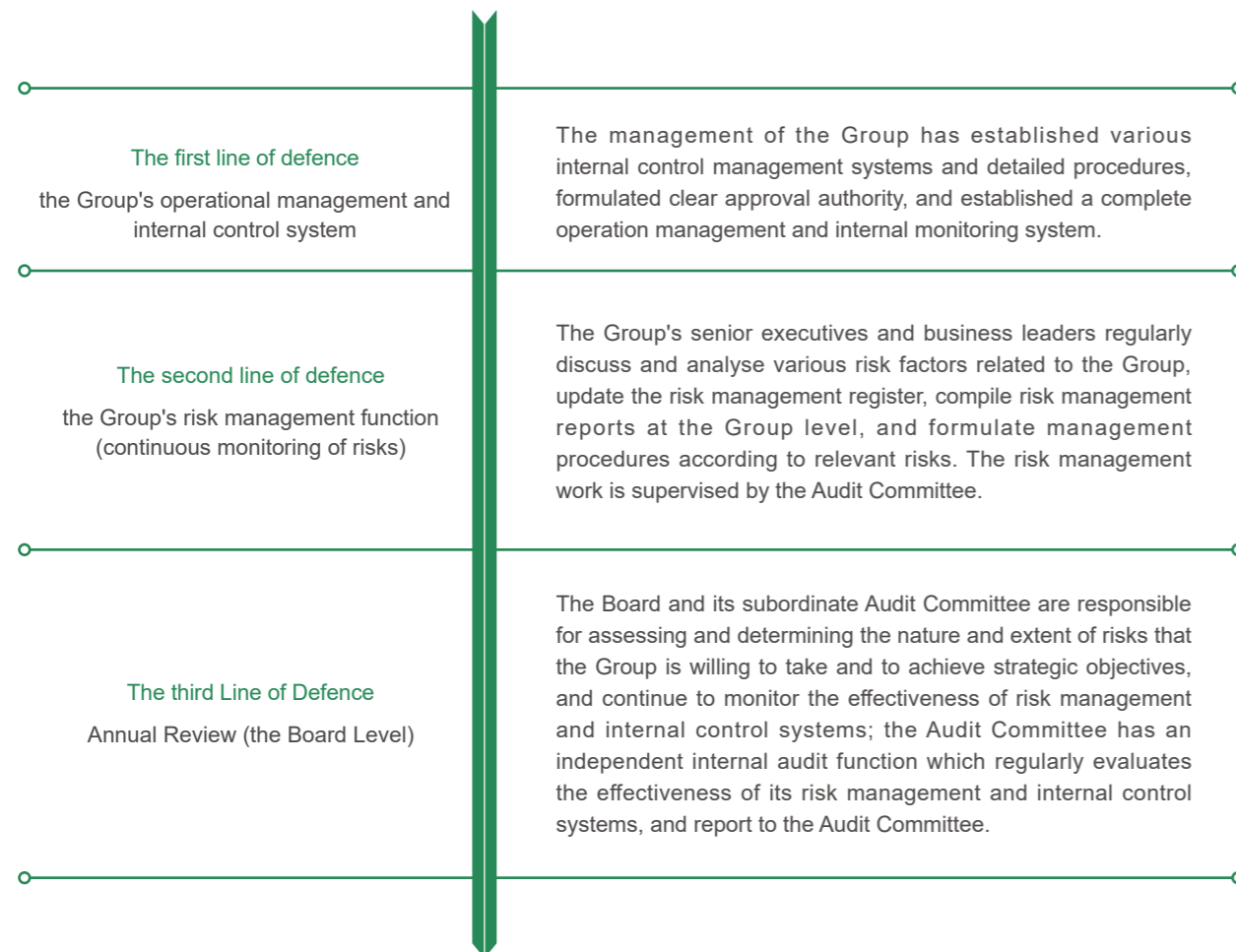
Issue level	Highly Material Issues	Corresponding Chapter
Environmental Level	Smart Energy	Energy Transition, Guided by Innovation
	Reliability of Energy Supply	Energy Transition, Guided by Innovation
	Tackle with Climate Change	Sustainable Development, Green-oriented
Social Level	Employee Development and Training	Care for Employees, Talents First
	Intelligent O&M Management	Energy Transition, Guided by Innovation
	Occupational Health and Safety	Care for Employees, Talents First
Governance Level	Corporate Governance	Consolidate Management, Led by Responsibility
	Compliance and Risk Management	Consolidate Management, Led by Responsibility

Xinda Investment Holdings highly material issues and corresponding chapters in 2023

Compliance and Risk Management

To ensure the stable operation and development of the Company, Xinda Investment Holdings refers to the sponsor committee COSO (The Committee of Sponsoring Organizations of the Treadway Commission) risk and internal control management system, listing rules of Stock Exchange, Chinese and regional laws and regulations. We also combine with the actual situation of the Company's operation and management and macro policy trends. The internal *Risk Management System* has been formulated in accordance with the law.

We have set up the "Three Lines of Defence" for risk management according to different levels of job responsibilities.



During the Reporting Period, the Company carried out internal annual risk assessment and annual internal control review and identified the Company's annual list of significant risks, which mainly included the industry and policy risks, capital risks, increasing market competition risk and risks brought about by extreme weather. Therefore, we took corresponding countermeasures to ensure the smooth operation of the Company.

Strictly Anti-corruption

Xinda Investment Holdings actively carries out anti-corruption work and is committed to creating a corporate culture that combines business ethics and compliance principles. The Company strictly abides by relevant laws and regulations including the *Civil Code of the People's Republic of China*, the *Criminal Law of the People's Republic of China*, *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and Hong Kong's *Prevention of Bribery Ordinance*, and has formulated the *Anti-Fraud Management Policy*, the *Complaints, Reporting and Investigation Management Policy*, the *Whistleblower Protection Policy*, the *Anti-Fraud, Anti-Corruption and Anti-Bribery Policy* and the *Whistleblowing Policy* and other internal systems and regulations, to disseminate to employees through various channels and regularly carry out anti-fraud, corruption and bribery training.

<p>In the Year, we launched anti-corruption related training 3 times</p>	<p>Provided 1 anti-corruption training to the Board of Directors</p>	<p>Provided 2 anti-corruption training to employees</p>
---------------------------------------------------------------------------------	-----------------------------------------------------------------------------	----------------------------------------------------------------

The relevant departments of the Company regularly evaluate corruption and bribery, as well as internal monitoring and implementation. We encourage employees and stakeholders to report fraud, corruption, and bribery in accordance with the *Complaints, Reporting and Investigation Management Policy* and *Whistleblowing Policy*. In case of fraud, corruption and bribery cases that have a significant impact or loss on the Company, the management will report to the Audit Committee and the Board in a timely manner. Those suspected of crimes will be transferred to the judiciary according to law.



02

Energy Transition, Guided by Innovation



Operation and Management of Solar Power Plants

In the process of operation, Xinda Investment Holdings strictly abides by the relevant national laws and regulations including the *Product Quality Law of the People's Republic of China*, the *Regulations on Quality Responsibility for Industrial Product*, and the *Trial Measures for Product Quality Supervision*. The Company has established a sound internal security system, and externally is committed to improving the stability of power supply, the security of customer privacy, and ensuring high-quality communication with customers. At the same time, the Company also takes into account the communication and management of supply chain partners and integrates the concept of sustainable development into every aspect of stable operation.

In 2023, the Company operated and maintained a total of 11 distributed solar power plants and 644 household solar power plants, with a total installed capacity of 82.82MW. The power generation of each power plant is in good condition and the electrical equipment runs stably.

The Company strictly abides by the relevant national laws and regulations of the country and the direction of development guidance, and formulated the *Xinda Investment Holdings Power Plant Business Operation Standard and Document Control System* on the basis of the original internal management measures including the *Regulations on Power Safety of solar Power Plants*, *Plant Operation Department Organization Management Regulations*, *Solar Power Plants Production Preparation Management Regulations* and *Plant Operation Department Production Regular Meeting Management Regulations*.

In the operation and maintenance process, the Company strictly abides by the established regulations, and displays the requirements and principles that need to be strictly followed in operation and maintenance on the wall, and always warn each employee to abide by the relevant system to ensure the quality and safety of work, It can effectively ensure the consistency and stability of the Company's daily operations, and provide strong support for the Company's sustainable development.

Intelligent Management and Efficient Power Supply

Most of the power monitoring systems of the Company's power plants are connected to the intelligent management platform, which allows us to understand and analyse the power generation of each power plant in real time.

Through the intelligent management platform, we have developed the following measures to effectively improve the power generation efficiency of each power plant

- Clean the components through the benefit cleaning method, compare the power generation before and after the cleaning, and clear the snow in winter so as to further improve the power generation.
- The personnel on duty use the monitoring system of the management platform to eliminate the fault risk in operation in time, and can arrive at the site for maintenance at the first time to ensure the stable and reliable operation of the power plant;
- According to the scale and comprehensive benefits of the power plant, a component sweeper is installed to match the situation of the power plant to save cleaning costs;

The Company refined the management standards by revising and improving the operation and maintenance management system of power plants, which is mainly reflected in the following points

- Strengthen the frequency of power plant inspections, stipulate non-peak fault season, conduct monthly inspections, and inspect 20 households per person per month;
- Compared with the previous year, the time limit for dealing with faults is increased by 1.8 days, reducing the power generation loss caused by power generation faults. The fault handling rate has increased from 88% to 95% in the Year.
- In view of the Year's blizzard disaster, the Company timely organized personnel to do snow removing; In view of the flood disaster in Hebei Province, emergency rescue and emergency repair were actively organized to reduce the power generation loss to a minimum.

Communication Channel

Xinda Investment Holdings places great importance to the problem feedback from the government and resident customers, and actively communicates with multiple parties, aiming to find and solve problems in a timely manner. This year, the Company actively participated in various meetings organized by the grid company to increase communication between the power plants' company and the grid company:

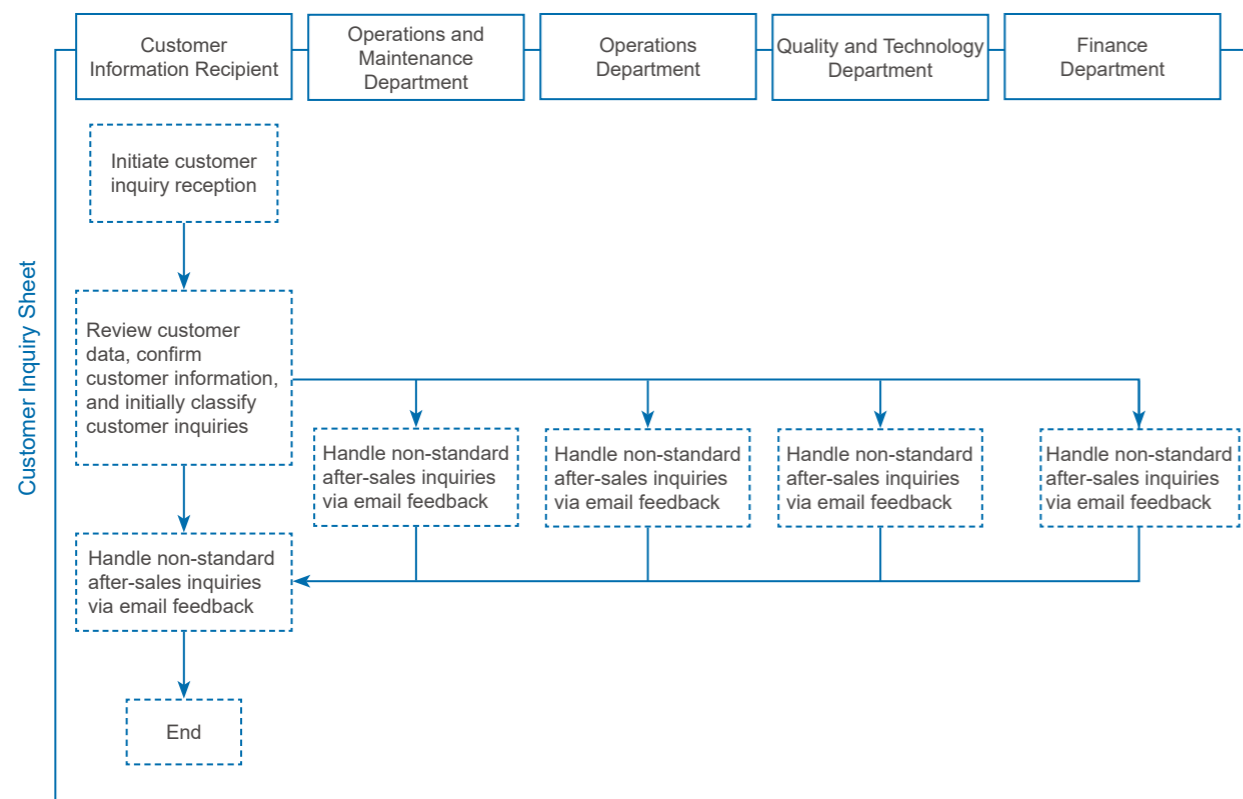
Strengthen communication with the power grid company, and participate in the Jibei Power Grid Work Conference at the invitation of the power grid company;

Longhua Power Plant sponsors singing activities organized by local village committees in order to improve cooperation with local residents and enrich local amateur life;

The Company has set up a 400 dedicated after-sales service telephone for household power plants, and set up customer consultation and feedback process regulations.

We have established a customer consultation and feedback mechanism to deal with customer opinions in a timely and effective manner. There were no complaints about products or services during the Year.

Customer Inquiry Feedback Process



Intellectual Property Protection

Intellectual property rights have always been regarded as the core competitiveness of Xinda Investment Holdings. The Company adheres to the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China* and other laws and regulations. During the Year, there was no reported cases of intellectual property rights infringement by the Company.

During the Year, the number of reported cases of intellectual property rights infringement by the Company is

0

Information Security

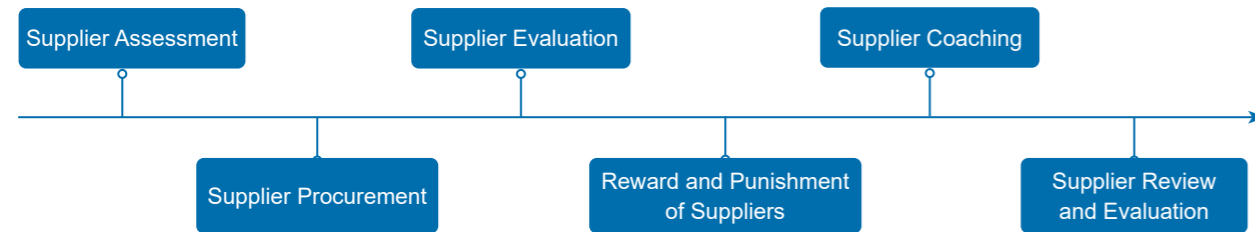
Xinda Investment Holdings has established a comprehensive information security protection system to meet the inevitable demands for information security protection in the era of big data. The Company strictly implements the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, and establishes the *Information Security Management System* to improve the construction of the enterprise information security standard system, improve the Company's overall network security management level, and protect the core of the enterprise information resource. In the Year, there was no violation of information security or endangering customer privacy of the Group.

In the Year, the number of violation of information security or endangering customer privacy of the Group is

0

Supply Chain Management

Xinda Investment Holdings strictly abides by relevant laws and regulations such as the *Tendering and the Bidding Law of the People's Republic of China*, *Procurement Law of the People's Republic of China*, *Contract Law of the People's Republic of China* and other relevant laws and regulations in the production and operation and has formulated the *Bidding Management System* and *Procurement Supplier Management Measures* based on the actual Company operation. During the Reporting Period, Xinda Investment Holdings implemented this management method for all suppliers, and regularly reviewed the performance of suppliers through the following procedures.



Supplier Management Process of Xinda Investment Holdings

In order to establish a fair and just business partnership, the Company has established a strict *Partner Integrity Management System*, which further clarifies the responsibilities of all parties and departments to prevent and resolve risks such as anti-corruption in the supply chain.

In terms of building a green supply chain, the Company conducts investigation and evaluation of suppliers during the supplier development stage, pays attention to the health, safety, environmental protection, and compliance operations of suppliers, and forms a supplier evaluation team during the supplier evaluation stage, giving priority to evaluation and select low-carbon and environmentally friendly suppliers of related products or services. We evaluate the performance of suppliers on quality, delivery, price, clean management and environmental protection practices every six months, and list the evaluation grades of each supplier (from high to low, divided into three grades: A, B, and C), taking supplier counselling or eliminating actions for suppliers listed as C level.

The total number of suppliers in the Year

12

The total number of suppliers in Mainland China

12



03

Sustainable Development, Green-oriented



Addressing Climate Change

Xinda Investment Holdings closely follows the national strategic deployment, plans and develops various businesses of the Company, and vigorously develops smart energy and solar power generation. In our daily operations, we actively carry out emission reduction and waste reduction work, integrate resource conservation and recycling into daily office operations, keep up with the sustainable pace of the times, and help realize the carbon peaking and carbon neutrality goals.

Xinda Investment Holdings strictly abides by relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and actively responds to the country's strategic policy of supporting green and low-carbon development.

Climate Risk Governance

We have placed climate risk management at the core of our corporate governance structure, and integrated climate change risks into our risk management and internal control systems, not only continuously monitoring the evolution of risks, but also conducting comprehensive assessments on a regular basis.

Risk Management

Xinda Investment Holdings takes climate change risk response and management as priority, and has established a sound management system according to the management suggestions provided by TCFD². The risk management measures have been continuously improved and revised.

During the Reporting Period, Xinda Investment Holdings referred to relevant management recommendations in TCFD to identify physical risks and transition risks that may exist in the Company's daily operations:

Physical Risk³

- Extreme weather events: Typhoons, hailstorms and floods caused by heavy rainfall may cause damage to the modules, increase the risk of operation and maintenance and inspection. In serious cases, it may cause safety accidents, endanger the safety of employees and cause safety hazards to surrounding communities.
- Continuous precipitation events: The occurrence of abnormal rainy weather will affect the power generation of the power plant, and then affect the sales volume of electricity and revenue of power generation.
- Abnormally high temperature weather: The extremely high temperature weather and the obvious rise in temperature in the location where the power plant operates are likely to cause fires and increase the risk of heatstroke for outdoor workers.

Transition risk⁴

- The Group's smart energy business is in China, and the Chinese government's policies, subsidies and regulation on clean energy will significantly affect the performance of the Company's main businesses.

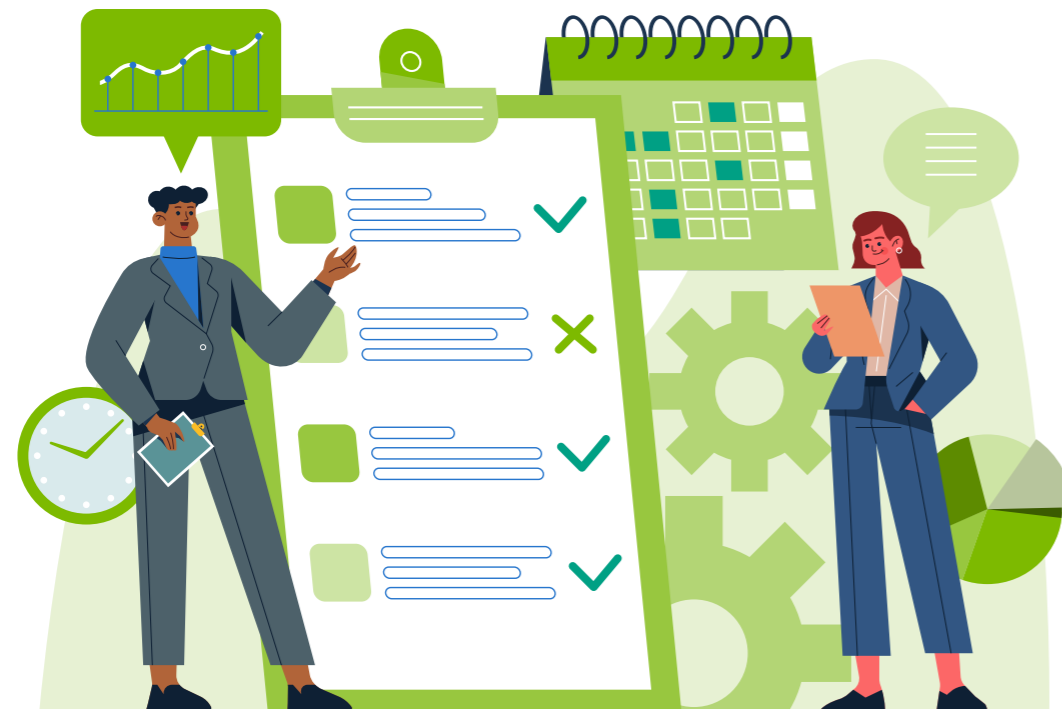
² TCFD has the full name of Task Force on Climate-Related Financial Disclosures.

³ Physical risks refer to risks directly related to climate change, which can be caused by floods and typhoons (acute risks) or sustained high temperatures (chronic risks).

⁴ Risks associated with the transition to a lower-carbon economy, which may involve policy, legal, technological and market changes to address climate change mitigation and adaptation requirements.

In order to actively deal with the physical risks of climate change, we have formulated and implemented a series of countermeasures with the aim of reducing potential risks and ensuring the safety of physical assets:

- Extreme weather events**
 - Establish an emergency management mechanism and formulate emergency plans for emergencies that may be caused by typhoons, hail, and flood disasters, and organize targeted safety inspections and safety reinforcements focusing on wind and flood prevention.
- Sustained precipitation events**
 - Through a centralized operation and maintenance platform 24 hours monitoring to reduce the impact of sudden security incidents caused by extreme weather.
 - Improve operation and maintenance efficiency through intelligent operation and maintenance systems, and reduce the impact of abnormal rainy weather on power generation.
 - Purchase Property All Risks, Machine Damage Insurance for the power plant to pass on the risks and damages that may be caused by extreme weather.
- Abnormally hot weather**
 - In hot weather, the requirements of high-temperature operation specifications are implemented to ensure that employees have adequate rest, and measures such as distribution of heatstroke prevention and cooling items and health care products are taken to protect the health of employees.
- Transition risk**
 - The Company's management continues to pay attention to changes in industrial policies, actively conducts analysis and research on the macroeconomic situation, relevant national policies and industry trends, and makes reasonable predictions, and timely adjusts the Company's development strategies according to external changes.



Climate Change Opportunities

Climate change caused by greenhouse gas (GHG) emissions has made low-carbon development and energy conservation and emission reduction to become a global consensus. Under this background, the clean energy industry is ushering in a golden period of development. Xinda Investment Holdings always pays attention to the introduction and update of relevant policies, adjusts the Company's strategic deployment in a timely manner, and provides more green power for the society to meet the growth of society's demand for clean electricity.

Carbon Reduction Target

Attaching great importance to sustainable development, Xinda Investment Holdings has actively set environment-related goals and continues to track and inspect the completion of the goals. Through the recording and real-time monitoring of various environmental performance indicators, we ensure that the goals are achieved in the daily operation process.

Target		
Continue to ensure the safety and stability of solar power generation.	Continue to reduce the intensity of GHG and waste emissions in daily offices.	Continue to improve the efficiency of energy and water use.

The Company's GHG emissions in 2023	Total emissions	Scope 1 ⁵ (from vehicle use)
	574.55 tons CO ₂ e	0 tons CO ₂ e
	Scope 2 ⁶ (from purchased electricity consumption)	CO ₂ emission intensity
	574.55 tons CO ₂ e	0.05 CO ₂ e/ RMB 10,000 revenue

The Company's air pollutant emissions ⁷ in 2023	CO	NO _x	SO _x	PM2.5	PM10
	0 kg				

⁵ In 2023, the Company's own vehicles were sold, and there was no gasoline consumption, so there was no GHG emission from vehicle use.
⁶ The calculation of GHG (Scope 2) emissions in mainland China refers to the *Notice on the Reporting and Management of GHG Emissions of Power Generation Enterprises from 2023 to 2025* released by the Ministry of Ecology and Environment, and that in Hong Kong refers to the official data of CLP and HK Electric Power Investment.
⁷ In 2023, the Company's own vehicles were sold, and there was no gasoline consumption, so there was no air pollutant emission from vehicle use.

Sustainable Resource Management

Xinda Investment Holdings is committed to building green operations and promoting sustainable use of resources. We strictly abide by relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other relevant laws and regulations, and formulate internal management policies on this basis, namely *Office Environment Management System*, *Water Conservation Management System*, *Energy Conservation Management System*, *Office Air Conditioning Energy Saving Control Methods and Temperature Indicators*, aiming to minimize the consumption of operating resources and the impact on the environment.

During the Reporting Period, the daily office work and operation activities of Xinda Investment Holdings did not have a significant impact on the ecological environment or natural resources. Our office water mainly comes from the municipal water supply network system where we operate, and there is no question for obtaining suitable water sources.

We actively advocate the concept of green and low-carbon operation, formulating management policies such as the *Guidelines for Effective Use of Resources in the Office*, and posting environmental protection signs in the office to remind employees to save water and electricity. Furthermore, we reuse resources and implement the responsibility of environmental protection and activities into all aspects of daily work.



In 2023, the Company's resource consumption	Electricity	Electricity Consumption Intensity
	1066.388 kWh in '000s	0.09 kWh in '000s/RMB 10,000 revenue
	Water Consumption	Water Consumption Intensity
	419.36 tons	0.04 Tons/RMB 10,000 revenue
	Gasoline Consumption (from vehicle use) ⁸	Gasoline Consumption Intensity
	0 kWh in '000s	0 kWh in '000s /person
	Paper Consumption for Office Work	Paper Consumption Intensity for Office Work
	508.4 kg	7.588 kg / person

⁸ In 2023, the Company's own vehicles were sold, so no gasoline consumption was generated.

Waste Management

Xinda Investment Holdings strictly follows the relevant national laws and regulations including the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Pollution from Environmental Noise*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Law of the People's Republic of China on Environmental Protection* and the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, and strictly controls the generation and disposal of office waste and other wastes, and formulates the *Solid Waste Management System* internally to stipulate the management and disposal of hazardous waste and non-hazardous waste.

Hazardous Waste

Disposal

The Company strictly and reasonably arranges the dumping point of waste, and guarantees to clean up regularly at the same time. We hand over hazardous wastes that have a great impact on the environment to units that have been approved by environmental protection agencies and have a license to purchase hazardous wastes.

Storage

When storing hazardous waste, we give priority to its storage conditions such as rainproof, fireproof, leakproof, and ventilation. We also take reasonable measures and mark "dangerous" or "exhaust gas".

Qualifications

The staff who transport hazardous waste need to undergo training and examinations before participating in hazardous waste transport, identify transport risks, and ensure the safety of transport staff to the greatest extent.

Total Hazardous Waste	Intensity of Hazardous Waste Produced	
904.44 kg	0.08 kg/10,000 RMB of revenue	
Discarded Cartridges	Waste Fluorescent Tubes	Waste Batteries
3	3	4

Non-hazardous Waste

Disposal

The Company strictly implements classified collection of non-hazardous waste, and stores them in the garbage storage point designated by the Company, the environmental department will uniformly clear, transport and dispose of them.

Total Non-Hazardous Waste		Intensity of Non-hazardous Waste Produced
0.9077 tons		8*10⁻⁶ Tons/10,000 RMB of revenue
Household Waste	Waste Paper	Discarded Plastic Bottles
0.9 tons	0.0048 tons	0.0029 tons



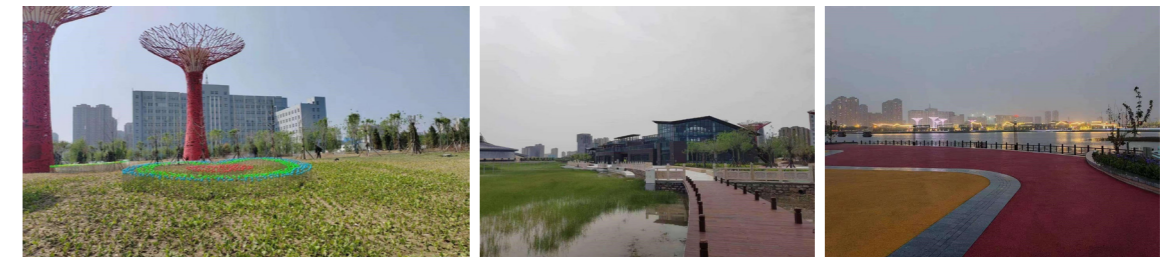
Sustainable Urban Development

Xinda Investment Holdings pays great attention to empowering the sustainable development of its region while doing its main business well.

Case Phase I and Phase II of Donghu Park Project

The first phase of the Donghu Park project mainly involves the North Park, with a total of seven landscapes. In the Year, the landscape of "Silk Falling Flowers and Rain" is the main construction, and the overall acceptance work of the North Park has been completed.

The second phase of the Donghu Park project mainly includes park supporting service facilities, landmark landscape trees, landscape lighting, sculptures and other projects, all of which have been completed in the Year. Among them, the external wall construction of the park supporting service facilities project was completed and the acceptance was completed; the landmark landscape tree acceptance and the landscape lighting project have been completed.



Case Participated in "Natural Symbiosis and National Sharing" Garden Waste Activation and Utilization Innovation Competition in Baoding Botanical Garden

In November 2023, Donghu Park participated in the "Nature Symbiosis, Sharing for All" Innovation Competition hosted by Baoding Botanical Garden. Based on the core design concept of "two belts, four plates, and eight scenic spots" in Donghu Park, and the ecological landscape of Donghu theme water area as the background, the entry of "Activation and Utilization of Garden Waste" was submitted and won the third prize.



04

Caring for Employees, Talent First



Employment Compliance

Xinda Investment Holdings always adheres to the people-oriented business philosophy, strictly protects the legitimate rights and interests of each employee, and strives to create an equal, diversified and non-discriminatory working environment.

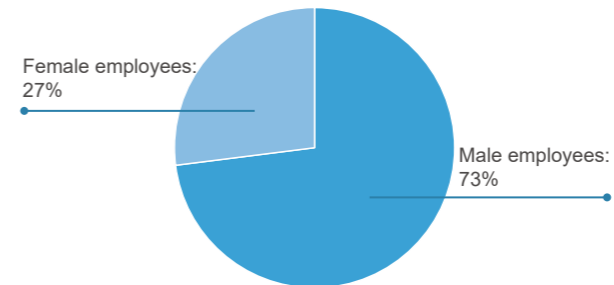
The Company strictly abides by the *Labour Law of the People's Republic of China*, *Labour Contract Law of the People's Republic of China*, *Employment Ordinance of Hong Kong*, *Provisions on the Prohibition of Using Child Labour* and other employment and labour standards laws and regulations. On this basis, we have formulated the *Employee Handbook*, *Attendance and Leave Management System*, *New Employee Probation Management System*, *Employee Relationship Management System*, *Recruitment Management System* and other documents.

In order to ensure legal employment and avoid illegal employment such as child labour and forced labour, Xinda Investment Holdings fully understands the basic situation of candidates through qualification examinations, interviews, background checks, and signs labour contracts with recruits on equal and voluntary conditions. If illegal employment is found, the Company will deal with it seriously according to the relevant laws. In the Year, there were no incidents of child labour or forced labour in the Company.

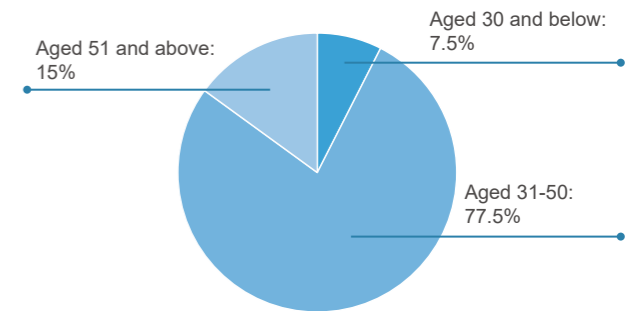
We strictly prohibit any form of discrimination, violence, and disrespect for employees. During the Reporting Period, the Company did not violate laws and regulations related to employment and protection of rights and interests.

Situation of employees on the job in 2023: The total number of employees on duty is 67

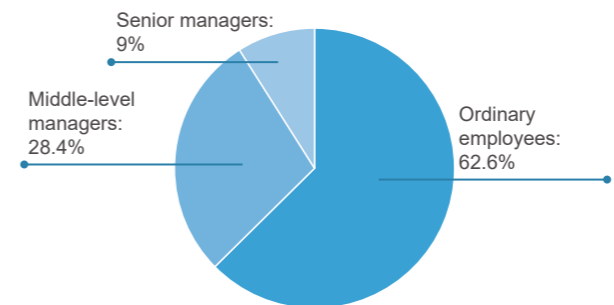
Proportion by gender



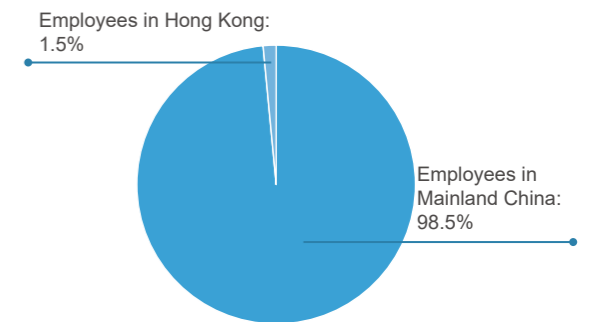
Proportion by age



Proportion by level

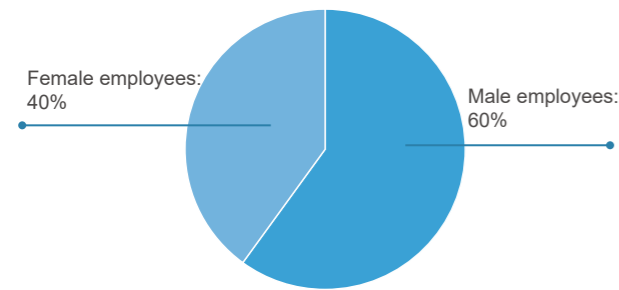


Proportion by area

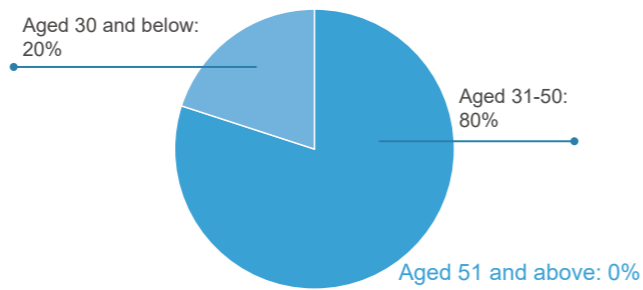


Total employees' turnover⁹ in 2023

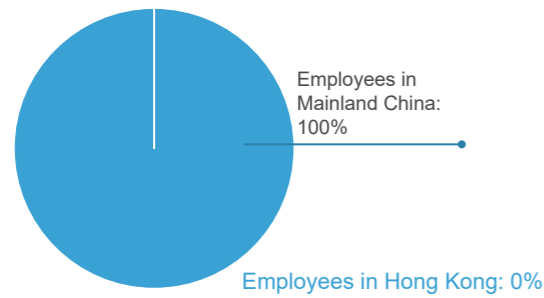
Proportion by gender



Proportion by age



Proportion by area

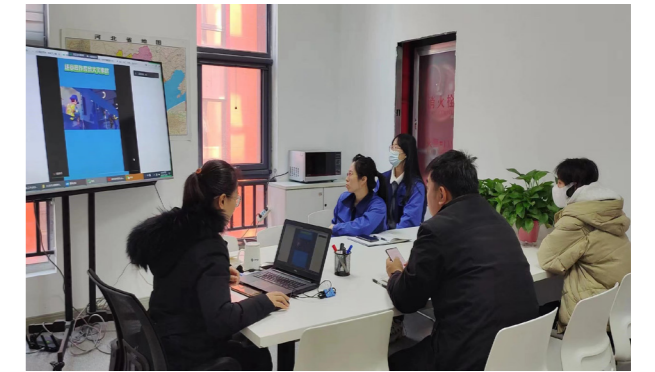


⁹ Turnover rate = number of turnover employees of this category / total number of turnover employees * 100%. Due to the business adjustment of the Company this year, the team members have changed.

Talent Training and Development

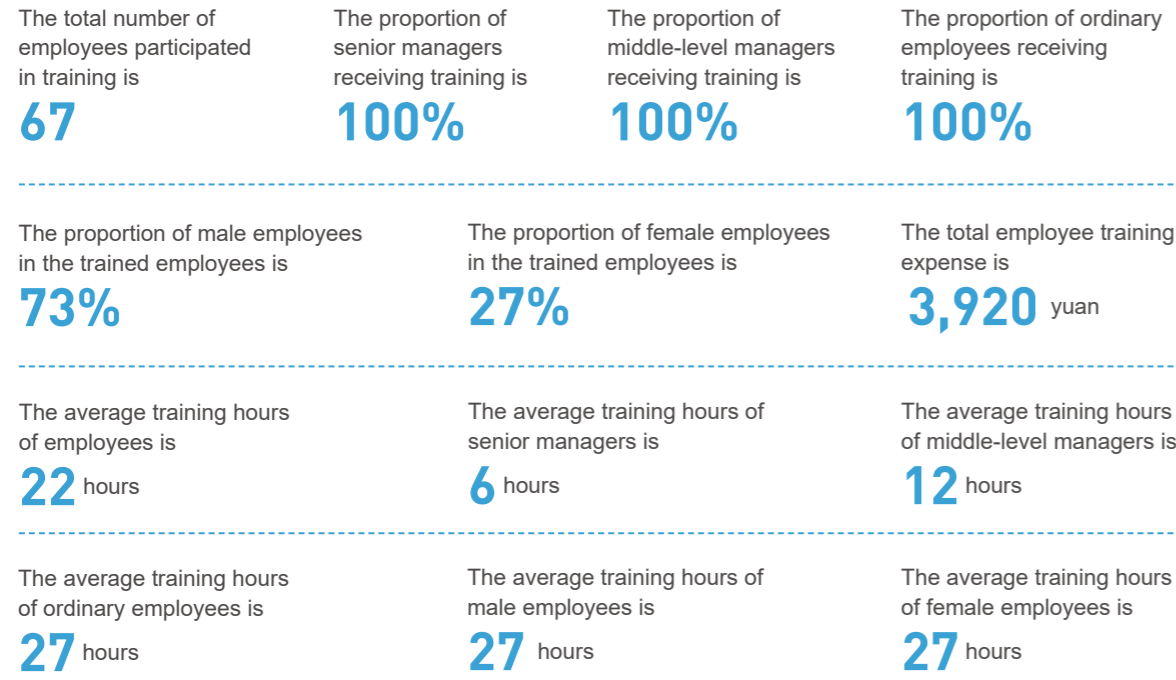
Employee Training and Promotion

According to the annual work arrangement, Xinda Investment Holdings continuously improves the employee training system and formulates a comprehensive talent training plan. During the Reporting Period, the Company strictly abided by the Company's internal *Training Management System* and organized multiple and multi-level employee trainings. These trainings not only help to improve the professional skills and knowledge level of employees, but also help to further enhance the overall competitiveness of the Company.



Various employee training activities

Employee Training of Xinda Investment Holdings in 2023



15 sessions of vocational trainings were carried out

Employee Compensation and Benefits

Xinda Investment Holdings continues to improve the construction of internal salary and welfare systems, and compiles the *Employee Handbook*, *New Employee Trial Period Management System*, *Salary Management System*, *Performance Management System*, *Employee Benefits System* and *Employee Reward and Punishment Management System* and other internal policies with the aim to build a sound salary and welfare system and protect the rights and interests of employees.

The Company's salary scale is based on the evaluation of the position value, and the starting basic salary scale is determined according to the rank of the position. The salary range of different job categories and types not only shows differences, but also overlaps, forming the overall salary structure of the Company. The Company has a clear performance management system, and an open and transparent assessment & appeal mechanism, through which the reasonable salary distribution is ensured.

In addition to the salary system, the Company has established the *Attendance and Leave Management System* and *Employee Welfare System*, which include statutory welfare items and supplementary welfare items established by the Group to meet the common needs of employees.

Statutory Benefits	<ul style="list-style-type: none"> Social insurance (including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance) Housing Fund Statutory holidays (including statutory holidays, paid annual leave, medical leave, maternity leave, half-day holiday for female employees on Women's Day) 	Supplemental Benefits	<ul style="list-style-type: none"> Overtime pay and holiday shift Marriage registration gift money Supplemental medical insurance Injury and illness condolences 	<ul style="list-style-type: none"> Memorial gift money Physical examination Holiday benefits
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Employee Care and Health

Employee Safety

The Company aims to provide employees with a safe and healthy working environment, and strictly abide by laws and regulations such as the *Production Safety Law of the People's Republic of China*, *Fire Protection Law of the People's Republic of China*, *Occupational Safety and Health Ordinance of Hong Kong*. The Company not only organizes various safety training activities to improve the safety awareness of employees, but also identifies potential safety risks through comprehensive inspection and formulates corresponding preventive measures in a timely manner. At the same time, the Company also further standardizes various safety operation procedures to ensure that employees' behaviours at work meet safety requirements.

During the Year, the Company carried out a total of 15 occupational safety-related trainings to continuously improve the Company's safety production level and achieve the goal of no safety accident throughout the year. During the Reporting Period, there is no violation of any law and regulation related to occupational safety in the Company.

The Target People	Training Content
All employees	<ul style="list-style-type: none"> Popularize the updated Production Safety Law of the People's Republic of China Combined with seasonal characteristics, popularize and explain the potential safety hazards of fire protection and electricity usage
Employees who were responsible for the operation and maintenance of solar power plants, as well as special operations and special equipment operations	<ul style="list-style-type: none"> Targeted safety training special operations and special equipment

Case Safety training for all employees

On March 23, 2023, the Company launched a safety training activity covering all employees, explained in detail the safety production laws and regulations and other system documents for all employees, and used the recent frequent safety accidents as cases to analyse unsafe behaviours and unsafe conditions. The Company strives to improve the safety mechanism and system from three aspects of "people", "things" and "surroundings". We continue to carry out safety training, education, drills and other activities to reduce operational risks and ensure the safety of employees in production and life to a maximum extent through optimized operational skills and procedures.



Staff are having a safety training

Additionally, Xinda Investment Holdings has made targeted safety regulations and safety protection measures for employees in different business positions due to the nature of the Company's business.

Business Segments	Safety Standard System and Safety Protection Measures
Solar power plants operation and maintenance sector	In combination with the relevant national standards, the Company has formulated the <i>Regulations on Power Safety of PV Power Plants</i> , which stipulates the basic requirements for high-voltage equipment work, and sets a clear assessment system and job requirements.
Public infrastructure construction sector	The Company strictly abides by the <i>General Code of Engineering Survey</i> , and regularly conducts safety trainings for employees to ensure the personal safety of employees in project supervision and management.

The number and rate of work-related fatalities¹⁰ as well as the number of working days lost due to work-related injuries each year in the past three years

	2021	2022	2023
Number of work-related fatalities (person)			
Rate of work-related fatalities (%)		0	
Number of working days lost due to work injury (days)			

Employee Health

Xinda Investment Holdings continuously improves the Company's internal employee occupational health system, strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and *Occupational Safety and Health Ordinance of Hong Kong* and other laws and regulations, and formulated the *Office Environment Management System*, which makes further detailed regulations on the Company's fire safety management, water and electricity management, and inspection of health problems.

Number of employee physical examination **1**
 The benefit coverage of physical examination among employees **73%**

Case Care for the health of employees and organize physical examinations for employees

From November to December 2023, the Company organized a physical examination for all employees in the clean energy sector. The Company took practical actions to care for the health of employees to achieve the purpose of "early diagnosis, early prevention, and early treatment" through comprehensive and meticulous examinations, so that employees can feel the warmth of the enterprise, enhance their sense of belonging and value, and enhance the cohesion of the enterprise.



Pictures of employees having physical examinations

¹⁰ Rate of work-related fatalities (calculated per 100 employees) = number of deaths due to work-related injuries / total number of employees.

Social Responsibility Contribution

In 2023, the Company strictly complied with laws and regulations such as the *Law of the People's Republic of China on Donations for Public Welfare* and the *Volunteer Service Ordinance* in social welfare activities. There are 19 employees participating in voluntary service activities such as afforestation, community beautification, and community donation condolences. The annual cumulative volunteer service hours are about 8 hours, an example of giving back to the society with love.

The total number of employees participating in volunteer activities

19

The cumulative volunteer service hours

8

Case Tree Planting Activity in Donghu Baoding on Arbor Day

On 10 March, 2023, Xinda Investment Holdings organized employees and external units to participate in tree planting activities in Donghu Park. We call on employees to pay attention to the surrounding environment, actively participate in environmental protection and public welfare activities, and contribute to the green construction of Beijing, Tianjin and Hebei.



On 10 March 2023, the tree planting activity site in Donghu Park, Baoding

Social Responsibility

Contributing to the construction of green infrastructure



Appendix: Index Table of the ESG Guidelines of the Hong Kong Stock Exchange

A.Environmental		
General Disclosure and KPI	Description	Related Chapters
Aspect A1: Emissions		
General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Sustainable Development, Green-oriented
KPI	A1.1 The types of emissions and respective emissions data.	Sustainable Development, Green-oriented
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainable Development, Green-oriented
	A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainable Development, Green-oriented
	A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainable Development, Green-oriented
	A1.5 Description of emissions target(s) set and steps taken to achieve them.	Sustainable Development, Green-oriented
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Sustainable Development, Green-oriented
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainable Development, Green-oriented
KPI	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Sustainable Development, Green-oriented
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Sustainable Development, Green-oriented

A.Environmental		
General Disclosure and KPI	Description	Related Chapters
KPI	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Sustainable Development, Green-oriented
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Sustainable Development, Green-oriented
	A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	not applicable ¹¹
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Sustainable Development, Green-oriented
KPI	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Sustainable Development, Green-oriented
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Sustainable Development, Green-oriented
KPI	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Sustainable Development, Green-oriented
B.Social		
General Disclosure and KPI	Description	Related Chapters
Aspect B1: Employment		
General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Care for Employees, Talent First
KPI	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Care for Employees, Talent First

¹¹ The nature of the business of the Group during the Reporting Period did not involve the use of packaging materials.

B.Social		
General Disclosure and KPI	Description	Related Chapters
KPI	B1.2 Employee turnover rate by gender, age group and geographical region.	Care for Employees, Talent First
Aspect B2: Health and Safety		
General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Care for Employees, Talent First
KPI	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Care for Employees, Talent First
	B2.2 Lost days due to work injury.	Care for Employees, Talent First
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Care for Employees, Talent First
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Care for Employees, Talent First
KPI	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Care for Employees, Talent First
	B3.2 The average training hours completed per employee by gender and employee category.	Care for Employees, Talent First
Aspect B4: Labor Standards		
General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Care for Employees, Talent First
KPI	B4.1 Description of measures to review employment practices to avoid child and forced labor.	Care for Employees, Talent First
	B4.2 Description of steps taken to eliminate such practices when discovered.	Care for Employees, Talent First

B.Social		
General Disclosure and KPI	Description	Related Chapters
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Energy Transition, Guided by Innovation
KPI	B5.1 Number of suppliers by geographical region.	Energy Transition, Guided by Innovation
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Energy Transition, Guided by Innovation
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Energy Transition, Guided by Innovation
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Energy Transition, Guided by Innovation
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Energy Transition, Guided by Innovation
KPI	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	not applicable ¹²
	B6.2 Number of products and service related complaints received and how they are dealt with.	Energy Transition, Guided by Innovation
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Energy Transition, Guided by Innovation
	B6.4 Description of quality assurance process and recall procedures.	Energy Transition, Guided by Innovation
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Energy Transition, Guided by Innovation
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Consolidate Management, Led by Responsibility

¹² The nature of the company's business during the Reporting Period did not involve product recalls due to safety and health issues

B.Social			
General Disclosure and KPI	Description	Related Chapters	
KPI	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Consolidate Management, Led by Responsibility
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Consolidate Management, Led by Responsibility
	B7.3	Description of anti-corruption training provided to directors and staff.	Consolidate Management, Led by Responsibility
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Care for Employees, Talent First	
KPI	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Care for Employees, Talent First
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Care for Employees, Talent First

Reader Feedback Form

Dear readers,

Thank you for reading "Xinda Investment Holdings Limited 2023 Environmental, Social and Governance (ESG) Report" (hereinafter referred to as "the Report"). We hereby sincerely invite you to provide valuable comments and suggestions on the Report to help improve our work.

For the following questions, please tick your choice where appropriate.

Options	Very poor	Poor	General	Good	Very good
Your overall satisfaction rating for the Report					
The Report fully responds to and discloses the issues concerned by stakeholders					
The information and materials disclosed in the Report are clear, accurate and complete					
The Report fully and accurately reflects the significant impact of Xinda Investment Holdings on society and the environment					
The logical main line, language and layout design of the Report are clear and readable					

Open questions

Do you have any comments or suggestions on Xinda Investment Holdings' performance of social responsibilities and this Report?

Is there any content in the Report that you are concerned about but has not been disclosed?

Do you have any other comments or suggestions for the Report?

You can respond to the questionnaire by mail, email or fax, or call us directly. We will fully consider your comments and suggestions.

Telephone: (852) 3611-8186

Fax: (852) 3460-2233

Investor Relations Email: investor@longitech.hk

Address: Room 1231, 12/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong

XINDA INVESTMENT HOLDINGS LIMITED

Hebei

Longjitaihe Industrial Park, No.66 Dongfang Road, GaobeidianCity, Hebei Province, China

T.(86)0312-2951166

Hong Kong

Room 1231,12/F,China Resources Building, No.26 Harbour Road, Wan Chai, Hong Kong

T.(852)3611-8186

F.(852)3460-2233

www.longitech.hk