

**Cover Page**

Sustainability Report FY2018

CHINA HAIDA LTD.

[Passion for excellence]

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# 1 About this Report

China Haida Ltd. (“China Haida” or the “Company”, and together with its subsidiary, the “Group”) is pleased to present the sustainability report covering the Group’s sustainability efforts in the financial year ended 31 December 2018 (“FY2018”). This report is set out on a “comply or explain” basis in accordance with Listing Rule 711B and Practice Note 7.6 Sustainability Reporting Guide of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

As a leading manufacturer of aluminium panels in the People’s Republic of China (the “PRC”), the Group is aware that our operations may have an impact on the environment and society. Hence, the Group is striving to ensure its business operations are conducted in a sustainable and responsible manner.

## Reporting Period and Scope

This sustainability report provides an overview of the Group’s sustainability performance as well as its strategies and practices, while highlighting the economic, environmental, and social impact of the Company’s activities and developments. Further information on corporate governance, which is part of our sustainability, can be found under the section of “Corporate Governance” on page 13 to 32 of the Group’s FY2018 Annual Report.

To reaffirm our commitment towards sustainability, our sustainability report will be published no later than 31 May on an annual basis from FY2018 onwards. This report covers the group for FY2018 from 1 January 2018 to 31 December 2018.

## Reporting Process

In each reporting cycle, the Group’s Sustainability Reporting Committee (the “SR Committee”) reviews the content of the report to determine its relevance to our business as well as to ensure that the current and emerging material issues of significance pertaining to sustainability and the interests of our stakeholders are addressed. The SR Committee includes the Executive Director, Chief Financial Officer, and the management personnel of all our business functions.

## GRI Guidelines

We would like to inform our stakeholders that we are benchmarking our sustainability efforts in accordance with the Global Reporting Initiative (“GRI”) Standards. The GRI Sustainability Reporting Guidelines provide a globally recognised framework for companies to measure and communicate their environmental, economic, social and governance performance. We have prepared our report in accordance with the GRI Standards - Core option.

## Feedback

We appreciate and value feedback from our stakeholders as it gives us the opportunity to continually improve our sustainability policies, processes and performance. Kindly address all feedback to the SR Committee at [sr@haida.com.sg](mailto:sr@haida.com.sg). Your feedback is of importance to us so that we can improve on our future reporting.

## 2 Board Statement

This year marks the publication of China Haida's sustainability report for FY2018. At China Haida, we recognise the importance of creating long-term value for our stakeholders and believe that it can be achieved through sustainable business practices and our commitment to be a responsible corporate citizen.

The Board strives to align the Group's policies and practices with internationally recognised standards in the Environmental, Social and Governance ("ESG") themes, thus allowing us to achieve a balance between financial results, social engagement and environmental initiatives whilst ensuring the strategic growth of the Group.

The Group established an SR Committee under the guidance of the Board and conducted a formal materiality assessment to better manage non-financial risks such as environmental compliance, employment, employee health and safety and corporate governance. The SR Committee have identified four of the highest ranked material factors for reporting. The SR Committee reports directly to the Board, which has considered sustainability issues as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of these factors.

With the publication of the annual sustainability report, we would therefore like to reinforce our support and management of these newly prioritised matters through active engagement with senior management who will lead the Group's sustainability efforts.

Moving forward, we urge our stakeholders to share our commitment to sustainability and work towards a common goal of improving the economic, environmental and social well-being of the communities we operate in.

## 3 Overview of the Group

### Corporate Profile

China Haida Ltd., a Singapore investment holding company was listed on the Mainboard of the SGX-ST since 24 November 2004. Our wholly-owned subsidiary in China, Jiangyin Litai Decorative Materials Co., Ltd (“Litai” and collectively, the “Group”) is a leading manufacturer of aluminium panels in the PRC. Litai was established in 1997 by our founder and Chief Executive Officer, Mr Xu Youcai and is based in Jiangyin City, Jiangsu Province in the PRC. Litai is capable of manufacturing a wide range of aluminium panels for various applications in the building and construction industries.

Litai produces a wide range of Aluminium Composite Panels (“ACP”) and Aluminium Single Panels (“ASP”) which are sold under the renowned “Haida” brand, locally and abroad. We have successfully developed ACP of different colour surfaces and various finishes, which are suitable for interior and exterior uses. ASP which are single solid sheets of metal, are also suitable for both interior and exterior applications in the construction of commercial, industrial and residential buildings as well as in infrastructure projects.

Our strengths lie in our established and reputable track record for quality products and innovation that have won many awards and world-class certifications. We are constantly engaged in the design and development of new and innovative aluminium panels as well as improving our existing range of aluminium panels with a view to enhance our competitiveness and provide better products to our customers.

Our aluminium panels are currently sold through an extensive and established network in more than 25 major provinces and cities in China. In addition, we also have an extensive overseas export network in more than 20 countries including North and South America, Asia Pacific and Europe.

### Vision

China Haida strives to be considered as the leading manufacturer of aluminium panels.

### Mission

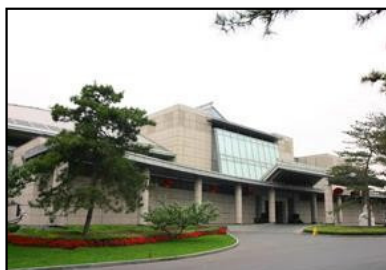
China Haida enhances the strength and trust in our brand name through safe and reliable products.

### Corporate Strength

Over the years, to achieve our vision and mission, we have developed and will continue to enhance our strength.

- **A good track record and reputation in the industry**

We have established a good track record and reputation in the industry by consistently delivering quality products and providing quality support services to our customers. We have been involved in many high-profile projects including, amongst others, the construction of the following.



Beijing Diaoyutai State Guesthouse (北京钓鱼台国宾馆)



Beijing International Airport (北京国际机场)



Dubai Gulf Commercial Buildings (迪拜海湾商业大厦)



Four-season Garden Hotel of  
Nantong City  
(南通市四季花园酒店)



New York Walls Project  
(美国纽约华尔街项目)



Ukraine Projects  
(乌克兰项目)



110 Command Centre of  
Jiangyin City  
(江阴市 110 控制中心)



Anshan Jingzi Street Square  
(辽宁省鞍山市景子街广场)



Army Security College, CPLA  
(陆军安全学院)



Audit Office of Jilin Province  
(吉林省审计局)



Changchun Railway Station  
(长春火车站)



Jiaozhou Municipal Government  
Building of Shandong Province  
(山东省胶州市政府大楼)

- **An extensive sales network and strong marketing team**

We have an extensive and established sales network in more than 25 major provinces and cities in the PRC. We also have an extensive overseas export network in various countries including United Arab Emirates, India, Japan, Vietnam, Sri Lanka, Israel, Turkey, Kazakhstan, Russia, USA, Brazil, and Peru. In view of our extensive sales network and strong marketing team, we are well positioned to sell our products to a wide domestic and international market.

- **Investment in Research and Development (R&D) to improve our products**

We are continuously seeking to improve the range and quality of our products. We have established working relationships with research institutes to research on and develop technology relating to Aluminium Composite Panels, Aluminium Single Panels and other related products.

We have working relationships with research institutes such as the Xi'an Communication University (西安通讯大学), the Shanghai Fudan University (上海复旦大学) and other research institutes for the research on and development of these products. As a result of our efforts in research and development, we expect to be able to keep abreast of the changing needs and demands of our customers by providing them with the latest products.



- **An experienced management team**

We have an experienced management team led by our Chief Executive Officer, Mr Xu Youcai, who has over 20 years of management experience in the manufacturing industry, and has been instrumental in our growth as a major supplier of Aluminium Composite Panels and Aluminium Single Panels. Other members of our management team include our Chairman, Ms Zhao Guiying who has more than 20 years of experience in the aluminium manufacturing industry. Our Directors are also supported and assisted by an experienced team of Executive Officers comprising Mr Zhang Qinyu (General Manager), Mr Wang Zaiquan (Sales & Marketing Manager), Mr Gong Guohong (Chief Production Officer), and Mr Xu Gang (Chief Engineering Officer).

## Goals and Achievements

The Group aims to continuously seek to widen the range and improve quality of our products and establish new working relationships with research institutes to research on and develop new technology to keep up with the changing needs and demands of our customers.

Our subsidiary, Litai, has attained several certifications such as the following:



ISO 9001 Quality Management System since September 2006



ISO 14001 Environmental Management System since March 2007

Received new Certificate for Quality Management System issued on 6 Feb 2018 and valid till 5 Feb 2021.

Received new Certificate for Environmental Management System issued on 6 Feb 2018 and valid till 5 Feb 2021.

## Membership of Associations

Aspiring to widen our exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices, Litai has taken active participation in China Building Decoration Materials Association - Aluminium-plastic Composite Branch (中国建筑装饰材料铝塑复合分会) and Shanghai Decoration and Curtain Wall Association (上海装饰装修幕墙协会).

## 4 Sustainability Approach

### Our Approach

The Group's strategic approach has transformed across the years, from a classical economic-based strategy to a sustainability-oriented approach. This approach encompasses balancing holistic goals of economic, environmental and social perspectives with our commitment to actively engage stakeholders throughout the value-delivery process; our sustainability approach extends beyond meeting stakeholder requirements to enhancing stakeholder participation in our chain of sustainable value creation.

Recognising key challenges and risks involved in sustainable development under the backdrop of our competitive industry, we have established a SR Committee to balance our sustainable goals with our dedication to delivering quality products and services to our stakeholders.

### Committee Structure

The SR Committee is headed by the Executive Director, Mr Guo Yun, and formed by the senior management from critical business functions, such as finance, operations, human resources and procurement under its subsidiary. The focus of the SR Committee lies in the areas of formulating, implementing and reviewing the Group's sustainable policies and practices, sustainability development programs and initiatives. Periodical reviews are made to ensure the effective implementation and engagement of the Group as a whole and in line with the Group's strategic developments.

## 5 Identifying Material ESG Factors

A robust process was undertaken to identify and prioritise the Group's material Environment, Social and Governance ("ESG") issues. The Group engaged a team of external sustainability consultants to assist the Group's SR Committee in identifying and prioritizing issues that are most material and relevant to the Group and its stakeholders. These issues are then linked to the overall strategy management and corporate social responsibility. The ESG Materiality Assessment was performed with the facilitation of the team of external consultants, where each ESG factor in the GRI ESG universe was thereafter ranked by the SR Committee members according to the influence on stakeholders' decisions and significance of environmental and social impacts. Subsequently, a reporting plan on the identified GRI factors has been established based on the aggregated assessment results.

The SR Committee has identified the following material ESG factors for FY 2018:

- GRI 201 – Economic Performance
- GRI 307 – Environmental Compliance
- GRI 401 – Employment



## Material ESG Factor Summary

Focus	Impact to Stakeholders	FY2018 Performance	Commitments & Targets
Economic Performance	Financial performance is one of the key factors which affects our investors' and shareholders' confidence level.	<ul style="list-style-type: none"> <li>• Successfully developed the grade A fireproof aluminum composite panels</li> <li>• Achieved lower turnover during the year due to the lower demand of aluminum panels in both domestic and overseas markets</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver the grade A fireproof aluminum composite panels to the markets in 2018</li> <li>• Keep strengthening our financial performances</li> <li>• Strive to reduce current administration and operating expenses</li> </ul>
Environmental Compliance	Non-compliance with the People Republic of China (the "PRC")'s and local government's environmental rules and regulations will result in fines and disciplinary actions.	<ul style="list-style-type: none"> <li>• Full compliance with the PRC's and local government's environmental rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain full compliance with PRC's and local government's environmental rules and regulations</li> </ul>
Employment	Fair and merit-based employment practices are important to our employees, investors, regulators, and community as they affect our ability to attract, retain and develop local talents under the direct hire of the Group's offices and operations.	<ul style="list-style-type: none"> <li>• Same salary and benefit structure regardless of gender and domicile</li> <li>• Sustainable attrition rate</li> <li>• No change in key management personnel</li> <li>• Training courses and programs relevant to individual's job scope are sponsored by the Group</li> <li>• Internal transfer opportunities for staff to unleash their potentials in posts that may be more suitable for them</li> </ul>	<ul style="list-style-type: none"> <li>• Review employee benefits and improve on talent retention</li> <li>• Internal and external training courses relevant to the job scopes of staff</li> <li>• Introduce and promote work life balance.</li> </ul>

## 6 Stakeholder Engagement

A great collaboration with stakeholders supports us in addressing sustainability challenges. We continue to promote ongoing communication and active engagement with our stakeholders. We incorporate their feedback into our planning and actions where appropriate and relevant to our businesses. Their feedback has helped us strengthening the relevance of our reporting and approach to managing China Haida's material issues.

In identifying the key groups of stakeholders, we assessed the level of significance of the stakeholders' interests in sustainability issues, the potential impact and influence of these stakeholders on the Group's businesses and operations.

The following five key stakeholder groups have been identified:

- i. Our Employees
- ii. Our Customers
- iii. Our Shareholders and Investors
- iv. Our Business Partners
- v. Our Community

The potential impact and significance of these stakeholders on the Group's businesses and operations, key issues of each stakeholder and our ways of engaging each of them are summarised below:

## Stakeholder Engagement Summary

Stakeholder	Impact and Significance	Key Issues	Engagement Platforms
Employees	Our employees are part of our human capital whose competencies and well-being are fundamental to the Group's operational effectiveness.	<ul style="list-style-type: none"> <li>• Talent retention and attraction</li> <li>• Employee safety and well-being</li> <li>• Training and development opportunities</li> <li>• Efforts to promote work-life balance</li> <li>• Remuneration and benefits</li> <li>• Employee welfare and well-being</li> <li>• Employee volunteerism</li> </ul>	<ul style="list-style-type: none"> <li>• Regular staff dialogue sessions</li> <li>• Training programs and courses</li> <li>• Safety briefings and courses</li> <li>• Festival celebrations and gifts as token of appreciation</li> </ul>
Customers and End Customers	Maximising our customers' satisfaction, understanding our customers' needs and expectations and building long lasting relationships with our customers are of great importance to us in improving our economic performance.	<ul style="list-style-type: none"> <li>• Customer satisfaction and experience</li> <li>• Quality products and services</li> <li>• Environmental conservation</li> <li>• Communication</li> <li>• Full compliance with the PRC's and local government's environmental rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Regular site visits to customers' business premises</li> <li>• Face-to-face meetings</li> <li>• Customer satisfaction survey</li> </ul>
Shareholders and Investors	Shareholders and Investors play an important role in the financing, operations, governance and growth aspects of a business.	<ul style="list-style-type: none"> <li>• Financial stability</li> <li>• Long-term growth plans</li> <li>• Market diversification</li> <li>• Risk management</li> <li>• Corporate governance</li> <li>• Sustainability efforts</li> </ul>	<ul style="list-style-type: none"> <li>• China Haida' company website</li> <li>• Half-yearly financial results announcements</li> <li>• Annual reports</li> <li>• Annual General Meeting</li> <li>• Extraordinary General Meeting, where necessary</li> </ul>
Business Partners	Close partnership with suppliers and subcontractors in our value chain helps us to ensure that all our operations are carried out in line with industry leading practices and sustainability efforts.	<ul style="list-style-type: none"> <li>• Quality assurance</li> <li>• Certifications</li> <li>• Supply chain management</li> <li>• Occupational health and safety practices</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier's Code of Conduct</li> <li>• Regular supplier visits / meetings</li> <li>• Annual performance evaluation</li> <li>• Safety briefings and courses</li> </ul>
Community	Being a responsible corporate citizen to the society, environment and the people around us is important as it can attract positive publicity, help to attract and retain good employees, and improve relationship with customers and their communities.	<ul style="list-style-type: none"> <li>• Doing our part as a responsible corporate citizen</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteering and charitable events</li> </ul>

## 7 Business Performance and Economic Aspects

### Financial Overview

Global uncertainty and economic slowdown and coupled with the trade tension and tariffs between China and the United States of America, the sale of our aluminium panels have continued to decline. For FY2018, the Group achieved total revenue of RMB228.9 million, a decrease of approximately RMB9.3 million or 3.9% as compared to FY2017 revenue of RMB238.2 million. The decrease was attributed mainly to lower demand of export sales of aluminium panels. With lower revenue, the Group registered a net loss after taxation of approximately RMB21.7 million as compared to a net loss after taxation of RMB26.9 million in FY2017. The net loss was attributed mainly to lower gross profit and the net impairment loss on financial assets of RM2.7 million.

### Commitment to Sustainable Operations

Product innovation and development has been the key to our success and we remained committed to investing time and resources to research and develop new products. We have added new panels of varied types, colours, features to enhance our existing range to cater to customers' demands and specifications. In addition, we have developed and launched the fireproof aluminium panels in 2018. We will continuously strive to ensure that the high-quality standards of our 'Haida' aluminium panels are maintained.

We are committed to improve and enhance our production processes and more efficient utilisation of resources. The Group is always committed to nurturing and developing its employees through skills training as it recognises that people are the key to the success of a sustainable operation.

### Business Outlook

Economic slowdown and uncertainty within the PRC and the global markets had continued in FY2018. We were constantly challenged with keen competition, falling selling prices which affected the demand of panels from the overseas customers. The situation was further aggravated with the on-going trade war between China and the USA. Within the PRC, the group was challenged by the shrinking market in both the public and private sectors in the building and construction sectors and in addition to the prevailing tight governmental control on big infrastructure building projects.

Our strategy has always been to focus on improving the quality of our panels, innovate and introduce new designs to meet with the changing demands of our customers. A flexible approach towards the pricing of our aluminium panels has helped to meet and secure customers' demand. We will continue to exercise vigilant control of operating expenses and prudent cash management. We will continue to exercise flexibility towards customers' requests and be nimble in our operations and be prudent and selective in selling to potential customers with good credit reputation. Meanwhile, we will remain vigilant on internal cost control, cash collection, cash management and will continue to safeguard the assets of the Group.

Going forward, the Group will continue to be responsible to our shareholder and be operationally ready to meet the many challenges and opportunities in the future.

## Direct Economic Value Distributed

It is of utmost importance to create wealth for our stakeholders, to the best of our abilities. Hence, we strive to drive operational and financial improvements constantly.

The following table provides a summary of economic value distributed in FY2018 based on GRI's disclosure categories:

FY2018	RMB'000
Operating costs	223,413
Employees compensation and benefits	35,472
Payment to government	569
<b>Total Economic Value Distributed</b>	<b>259,454</b>

## Defined Benefit Plan, Obligations and Other Retirement Plans

The Group makes monthly contributions to the employees' compulsory saving / retirement plans, as mandated by the local government in different jurisdictions. The fund is a social security system that tackles our employees' financial concerns regarding healthcare, home ownership, family protection and asset enhancement. We view this scheme as a good opportunity to reward our employees and relieve them from the burden of personal finances. Contribution rates for employers vary depending on the country jurisdiction. As our companies are set up in Singapore and the PRC, we follow different schemes and their corresponding employer's contribution rates:

- Singapore – Central Provident Fund (“CPF”)
- The PR – Five social insurance and one housing fund (“五险一金”)

## Financial Assistance Received from Government

The Group has obtained a total of RMB465,000 of government subsidies for Export Credit Insurance (出口信用保险补贴) and Export Brand Award (出口品牌奖补贴) in FY2018.

## 8 Environment Management

The Group recognises that its business activities form an integral part of the environment and thus is committed to conserving and protecting the environment in which we operate. We strive to be a good corporate citizen by continually improving our environmental performance.

Our environment efforts are focused on maximising materials utilisation, reducing energy consumption, minimising wastes, which at the same time also has positive impact on our cost management. Other than our operational efforts to minimise environmental impacts, we actively encourage our employees through casual dialogues and publications in our notice board to protect the environment by saving energy and reduce wastes through the bit petty thing from daily life.

### Usage of Materials

The Group purchases a wide range of raw materials from its suppliers, with aluminium alloy being the main raw material for manufacturing ACP and ASP. Our suppliers are assessed and selected by the procurement team based on the quality of materials supplied, length of business relationship with the Group as well as their pricing, qualification, reliability and punctuality of delivery. The Group did not encounter any difficulties in sourcing for raw materials to meet its production requirements.

As is known to all, precious metals may be exposed to price fluctuations which may in turn have a positive or negative impact on the Group's production costs. Hence, the Group has made some arrangements by performing cash advances to some of its suppliers to meet its medium-term needs when it expects the prices of its materials to increase. Stringent credit assessment is performed by the management before making such pre-payments to the suppliers.

Furthermore, we choose environment-friendly paints for spraying all our products. We always emphasize on the design optimisation to maximize the material utilisation and reduce wastage. All the production scraps are sold to qualified vendors for disposal.

### Environmental Compliance

Litai, where our production facilities locate, has been certified ISO 14001 Environmental Management System since March 2007. We continuously monitor and comply with the environmental requirement set forth by the local government as it is getting tighten over the past decade as a result of Chinese government's initiatives to fight against pollutions.

Litai has renewed and received the Certificate for Environmental Management System which complied with requirements of ISO14001 on 6 Feb 2018, the certificate is valid for a period of 3 years till 5 Feb 2021.



## 9 Social Responsibilities

### Our People, Our Strength

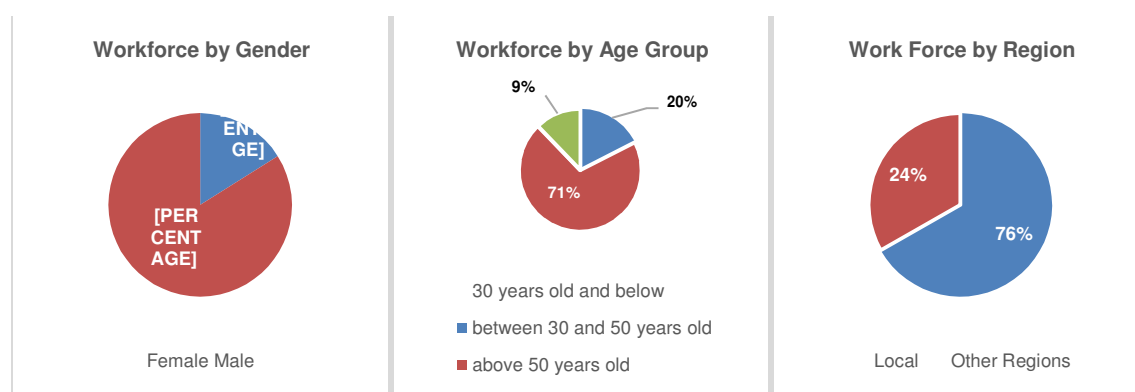
The Group recognises that our strength lies in our people. We firmly believe in the importance of talent development to the sustainable growth of the Group. Every year, we continue to dedicate time and resources to develop our people, to ensure that our talent will continue to be engaged, encouraged and empowered to soar together towards our common goal.

As part of our commitment to developing talent, we strive to create an inclusive workplace where each individual is valued and recognised for his or her contribution. We recognise the importance of diversity in strengthening our core values of teamwork, communication and creativity, and in forming a competent and united workforce. We provide equal opportunities to all employees regardless of gender and domicile without discrimination.

As of 31 December 2018, we have a total of 317 fulltime employees. In general, the Group was able to maintain a strong, stable and healthy workforce with a turnover rate of 12%.

We value the importance of diversity and embrace a mixture of genders, age groups and regions. We have a gender ratio of 83% males to 17% females. On one hand, due to the industry characteristics and work nature, our frontline is male dominated. On the other hand, our supporting functions at back offices, such as finance and human resource, are well gender-balanced.

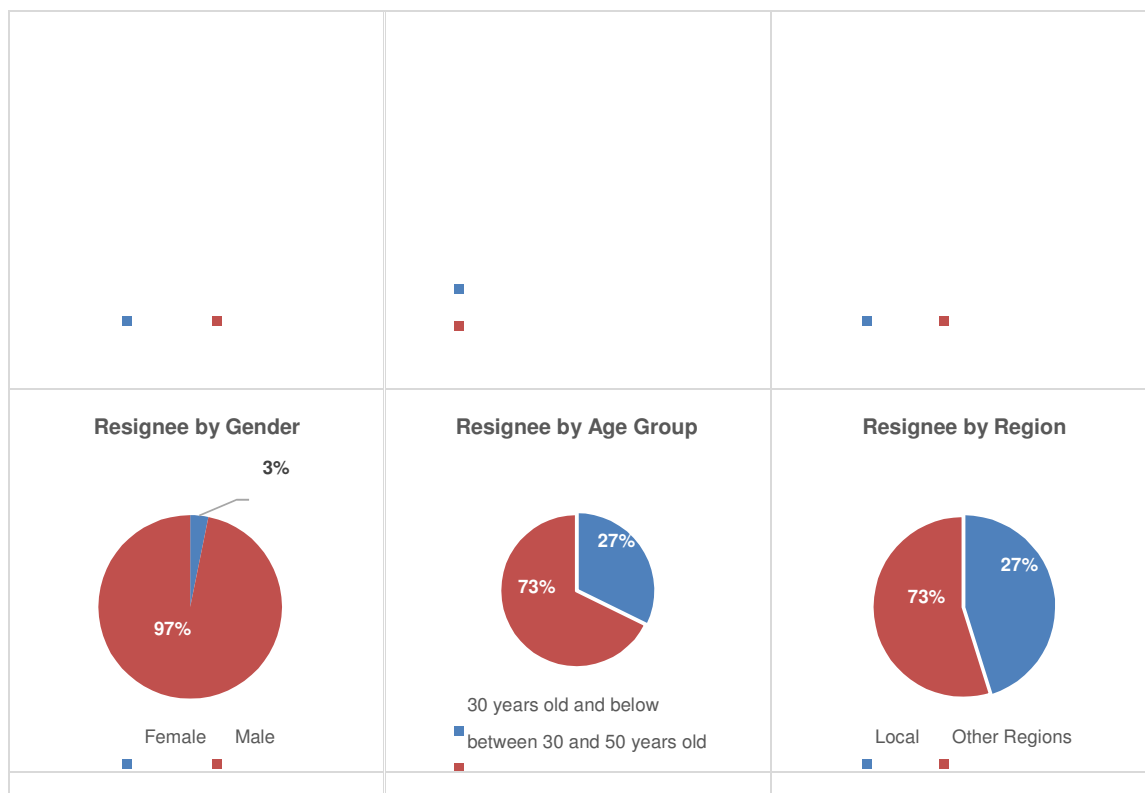
Our main workforce aged between 30 and 50 years old while the management are experienced staff aged above 50 years old. Besides hiring from our local region, we also reach out extensively to talent and manpower beyond our local region (Jiangyin City, Jiangsu Province); 24% of our employees come from other regions / provinces of the PRC.



## New Hires and Resignations

We have 44 staff who left us on their own accords in FY2018 while we have no new hires. Similar gender ratios are observed with the resignees, with male accounting for more than 90% of the population as the resignees were mostly labour- intensive frontline workers. Our key management team remained stable and unchanged.




Two-thirds of resignees came from the age group between 30 and 50 years old and more than half of the resignees were from other regions in the PRC. During the exit interviews we conducted with every each resignee to better understand their thoughts and reasons for leaving, we learned that the main cause is that after having worked away from hometown for many years and gained certain level of financial stability, staff from other regions in the PRC tend to return to their hometown to settle down with their family. We understand and respect their decisions and meanwhile, we also want to reflect what we can do to better integrate our staff from other regions in the PRC into Jiangyin City and even make it possible and viable for them to settle down in Jiangyin.



Aiming to maintain a strong and stable workforce and a low attrition rate, we firmly commit to providing our employees with more development opportunities to ensure a sustainable operations model. We also aim to continuously refine our hiring strategy and improve on the workplace culture, with the aim of engaging, retaining and grooming our talent.

## Benefits and Welfare

With our people being our assets, we believe in valuing and recognising our people's achievements through rewards and competitive remunerations. Each of our employees is entitled to a set of attractive benefits including but not limited to:

Item	Benefits	Descriptions
1	Five social insurance and one housing fund (“五险一金”)	Employees are entitled to five social insurances and one housing fund contributed by the Group according to the labour law in PRC as follows: (a) Endowment insurance; (b) Occupational insurance; (c) Medical insurance; (d) Unemployment insurance; (e) Maternity insurance; and (f) Housing Provident Funds.
2	Medical benefits and health screenings	Employees are reimbursed for medical consultations. We also arrange annual health screenings for our employees to ensure that our employees are in the best of health. 
3	Disability and Life Insurance	All our employees are covered under insurance for work-related injuries. This accords them with some financial protection in the event of incidents arising under working circumstances. Our life insurance also provides financial support and risk coverage to intermediate families in the event the employee suffers from critical illness or permanent disability.
4	Year-end performance bonus	Employees are entitled to year-end performance bonuses depending on the performance of the Group and individual upon appraisal.
5	Free staff meal	Employees on duty are entitled to free meals provided by the Company.
6	Festival celebrations and gifts	We organise company events annually to celebrate and recognise the efforts of our employees. Embracing diversity and to honour our rich heritage and culture, we celebrate important festivals as a company and often provide festive gifts to our employees. Festivals we celebrate include: International Women's Day, Spring Festival, and also Mid-autumn Festival.  

The Group is periodically reviewing and enhancing our resource policies and practices to provide a fair and safe workplace for our employees. In line with our Group's core values of teamwork, we strive to promote a safe and conducive workplace for our people to perform efficiently and effectively.

## Parental Leave

With the goal of revitalising population growth and with the formal phasing out of the four-decade old one-child policy in recent years, the Chinese government's family planning policy has also shifted to one that is more pro-family. In support of the government's pro-family legislations, the Group adopts welfare practices and strives to build a family-friendly workplace culture. As part of the enhancements of the family planning policy, female and male staff are entitled to 90 and 15 days of maternity and paternity leave respectively. The Group will continually work towards building a pro-parent workplace through enhancing our company welfare practices and culture.

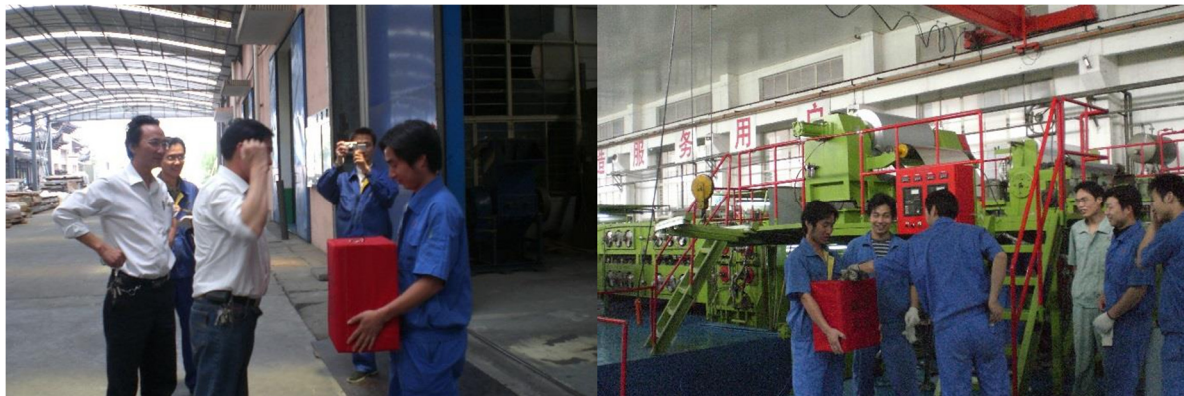
## Community Activities

China Haida recognizes the importance of actively supporting our communities and contribute back to the society. For many years, we have been supporting schools through scholarships and cash donations. We firmly believe in sponsoring initiatives that promotes education, sports, environment and conservation. China Haida has been giving out scholarships to students of Huashi Senior High School (中国江苏省江阴市华士高级中学) to fulfil their education's dreams.



## Labour Union's Work

The purpose of the labour union is to provide financial reliefs to our employees in the Group, organise activities such as commendation ceremony and medical check-up. Every year, while the majority funding comes from the Group, our employees contribute a very small portion of their salary on a voluntary basis. This year, the Group offered condolences to employees, gave out concessionary cash relief and visited families who have bedridden family members.



## **GRI Content Index**

<b>Category</b>	<b>Disclosure</b>	<b>Description</b>	<b>Page Reference and Remarks</b>
GRI 102: General Disclosures	102-1 *	Name of the organization	Annual Report FY2018 (Page 40)
	102-2 *	Activities, brands, products, and services	Annual Report FY2018 (Page 40 and 70)
	102-3 *	Location of headquarters	Annual Report FY2018 (Page 40)
	102-4 *	Location of operations	Annual Report FY2018 (Page 40)
	102-5 *	Ownership and legal form	Annual Report FY2018 (Page 60)
	102-6 *	Markets served	An extensive sales network and strong marketing team (Page 4)
	102-7 *	Scale of the organization	Our People, Our Strength (Page 13)
	102-8 *	Information on employees and other workers	Our People, Our Strength (Page 13)
	102-9 *	Supply chain	Usage of Materials (Page 12)
	102-10 *	Significant changes to the organization and its supply chain	None
	102-11 *	Precautionary Principle or approach	Sustainability Approach (Page 6)
	102-12 *	External initiatives	Community Activities (Page 16)
	102-13 *	Membership of associations	Membership of Associations (Page 5)
GRI 102: Strategy	102-14 *	Statement from senior decision-maker	Board Statement (Page 2)
GRI 102: Ethics and Integrity	102-16 *	Values, principles, standards, and norms of behaviour	Vision, Mission and Corporate Strength (Page 3 to 5)
GRI 102: Governance	102-18 *	Governance structure	Committee Structure (Page 6)
GRI 102: Stakeholder Engagement	102-40 *	List of stakeholder groups	Stakeholder Engagement (Page 8 to 9)
	102-41 *	Collective bargaining agreements	None
	102-42 *	Identifying and selecting stakeholders	Stakeholder Engagement (Page 8 to 9)

Category	Disclosure	Description	Page Reference and Remarks
	102-43 *	Approach to stakeholder engagement	Stakeholder Engagement (Page 8 to 9)
	102-44 *	Key topics and concerns raised	Stakeholder Engagement (Page 8 to 9)
GRI 102: Reporting Practice	102-45 *	Entities included in the consolidated financial statements	China Haida Ltd. Jiangyin Litai Decorative Materials Co., Ltd.
	102-46 *	Defining report content and topic Boundaries	Identifying Material ESG Factors (Page 6 to 7)
	102-47 *	List of material topics	Identifying Material ESG Factors (Page 6 to 7)
	102-48 *	Restatements of information	No changes, same as first SR report.
	102-49 *	Changes in reporting	No changes, same as first SR report
	102-50 *	Reporting period	1.1.2018 to 31.12.18 (Page 1)
	102-51 *	Date of most recent report	31 December 2018
	102-52 *	Reporting cycle	Reporting Period and Scope (Page 1)
	102-53 *	Contact point for questions regarding the report	Feedback (Page 1)
	102-54 *	Claims of reporting in accordance with the GRI Standards	Core options (33 items)
	102-55 *	GRI content index	GRI Content Index (Page 17 to 19)
	102-56 *	External Assurance	None



<b>Category</b>	<b>Disclosure</b>	<b>Description</b>	<b>Page Reference and Remarks</b>
GRI 201: Economic Performance	DMA	Disclosure of Management Approach	Business Performance and Economic Aspects (Page 10)
	201-1	Direct economic value generated and distributed	Direct Economic Value Distributed (Page 11)
	201-2	Financial implications and other risks and opportunities due to climate change	None
	201-3	Defined benefit plan obligations and other retirement plans	Defined Benefit Plan Obligations and Other Retirement Plans (Page 11)
	201-4	Financial assistance received from government	Financial Assistance Received from Government (Page 11)
GRI 307: Environmental Compliance	DMA	Disclosure of Management Approach	Environment Management (Page 12)
	307-1	Non-compliance with environmental laws and regulations	Zero non-compliance incident
GRI 401: Employment	DMA	Disclosure of Management Approach	Our People, Our Strength (Page 13)
	401-1	New employee hires and employee turnover	New Hires and Resignations (Page 14)
	401-2	Benefits provided to full- time employees that are not provided to temporary or part-time employees	Benefits and Welfare (Page 15)
	401-3	Parental leave	Parental Leave (Page 16)