



HOTUNG INVESTMENT HOLDINGS LIMITED

(Incorporated in Bermuda)

SUSTAINABILITY REPORT 2017

Hotung Investment Holdings Limited (“**HIHL**”) is pleased to present to you with its sustainability report (“**this Report**”) for the financial year ended of 2017. As Hotung International Co., Ltd. (“**HIC**”) is HIHL’s subsidiary, this Report will also cover HIC’s operation.

Board Statement

The Board of Directors of HIHL, being responsible for the strategic direction of HIHL, is aware of the importance in the integration of environment, society and governance (“**ESG**”) considerations. As an investment company, ESG considerations are reflected in the Group’s investment strategies and policies. Management’s investment decisions are made in light of these ESG considerations. Management’s attention is drawn to be guided by the SGX Sustainability Reporting Guide and Practice Note in their investment decisions. The Board reviews and monitors material ESG factors in its review of the new investments of the Group. With respect to the Group management and employees, sustainability considerations are reflected in our performance based employee remuneration and service conditions which are designed to attract and retain talent in a conducive work environment.

The following Group investments underscore the ESG drive:

Environment

- ✧ Green energy and technology
 - Kinestral Technologies, Inc. develops technologies that transform glass into responsive, intelligent, and green architectural elements, allowing natural light to shine in as well as effectively reducing building energy consumption.
 - Nanjing Kuailun Technology Intelligent Co., Ltd. is a technology-driven enterprise focusing on short-distance travel solutions, including electric scooters, single-wheel and duo-wheel self-balancing transporters as well as electric skateboards.
 - CNano Technology Ltd. improves power and energy density, extends battery cycle time and enhances safety.
- ✧ Agriculture/ food safety
 - Chingsong Lohas Technology Agricultural Inc. supplies a range of fresh products to green grocers and supermarkets. It especially assists customers to safeguard the process from seed to table, and ensures growers to adopt the accepted method of farming practices.

Society

- ✧ Education
 - ALO7 Limited is the largest digital ELT (English Language Teaching) product and solutions provider in China. It aims to open windows for children so they can learn about the world including cultural diversity, creating global citizens and future leaders with the knowledge and the ability to bravely say “Hello!” to the world.

Governance

It is well recognized that when a corporate takes good care of its employees, a strong workforce is thus built to lead the team moving forward with strong and steady steps. The

Group bears this faith in mind and carries out the attempts as providing ongoing professional learning for all employees. Recent training and education include:

- ✧ Blockchain.
- ✧ AI and Big Data application in medical field.
- ✧ Information management and personal data protection.

Gender, skill and experience have been addressed as diversity indicators material to business sustainability. HIC employees' male to female ratio is 48% to 52%; key management personnel of male to female ratio is 3:2. Return to work rate of employees who took parental leave is 100%.

Regular Business Continuity Planning rehearsal ensures the Group's personnel and assets remain secure or restore swiftly when encountering disasters.