



中國秦發集團有限公司
CHINA QINFA GROUP LIMITED

Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立的有限公司 | Stock Code 股份代號 : 866

2018 環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT THIS REPORT

This Environmental, Social and Governance Report is the third report published consecutively by Qinfra Group. It focuses on the mission of “becoming an influential, producing and transporting and sales highly integrated energy group”, systematically reviews the Group’s issues and inadequacies in fulfilling its social responsibilities and formulating a sustainable development strategy. We strongly believe that summarizing and disclosing to the stakeholders the Group’s performance can improve our transparency and further enhance the sustainable development performance.

This Environmental, Social and Governance Report has been prepared in accordance with the latest version of Environmental, Social and Governance Reporting Guide (the “Guide”) of Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Unless otherwise stated, this report covers the overall business performance of the Group during the period from 1 January 2018 to 31 December 2018, and the scope in the section of environmental performance disclosure will primarily cover Huameiao Energy – Xingtao Coal (“Xingtao Coal”) under the Group. As it is only the second year for the Group to disclose the environmental data, more time is needed for us to modify and improve our internal coordination on data collection. Further data disclosure will be made when the comprehensive data system and internal processes are more mature.

This report is prepared mainly in accordance with the Group’s internal statistics, various archive documents and estimations. Should you have any feedback on this report, please send an email to ir@qinfagroup.com so that we can further improve our policies in relation to sustainable development.

關於本報告

本環境、社會及管治報告為秦發集團連續發佈的第三份報告。其專注於「成為一家有影響力的生產、運輸及銷售高度一體化的能源集團」的使命，系統地檢討本集團在履行社會責任及制定可持續發展戰略方面的問題及不足。我們堅信，向持份者概述及披露本集團的表現可提高我們的透明度及進一步提升可持續發展表現。

此《環境、社會及管治報告》已按照香港聯合交易所有限公司證券上市規則附錄二十七之《環境、社會及管治報告指引》（「指引」）之最新版本撰寫。除非另有說明，本報告涵蓋集團在二零一八年一月一日至二零一八年十二月三十一日的整體業務表現，且環境績效披露部分以本集團旗下華美奧能源—興陶煤礦（「興陶煤礦」）為主要披露範圍。由於本年僅為本集團披露環境資料的第二年，我們需要更多的時間以修改及完善我們在數據收集方面的內部協調。待整體數據系統及內部流程更為成熟時，我們將作進一步的數據披露。

此報告主要根據本集團之內部數據統計、各類存檔文件及估算而編製。如閣下對本報告有任何反饋，歡迎發送電郵至 ir@qinfagroup.com，令我們的可持續發展政策得以完善。

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ABOUT THE GROUP

The Group is a leading non-state owned thermal coal supplier in China operating an integrated coal supply chain, including coal mining, purchase and sales, filtering, storage, blending of coal in the PRC and shipping transportation business, and expanded its integrated coal supply chain through upward vertical integration. During the year, we have expanded our business network to Inner Mongolia and Qingdao, the PRC from the original operation points located in Hong Kong and various cities in China, including Shuozhou, Xinzhou, Datong, Yangyuan, Qinhuangdao, Zhuhai and Guangzhou.

The Group mainly resells the coal purchased and blended to power plants, cement plants and coal traders located in Chinese coastal areas for the combustion process to generate steam for power and heat generation or in the cement production process as the main fuel. Compared with the Group's performance in 2017, the volume of the Group's coal handling and trading recorded a 44% increase to 10,167,000 tonnes as the coal business in China maintained positive growth momentum in 2018, and the Group expanded the business network to strive for higher market shares. For the shipping transportation business, a 14.8% increase of revenue has been recorded due to the increase in freight rates and charter hire rates during the year. To further reduce operating costs, effectively utilise various resources and strengthen the Group's cash flow with a view to achieving a sound financial position, the Company has also sold a vessel named MV "Oriental Wise" at the net proceeds amounted to RMB112 million.

Although the Group owns five coal mines in China during the year, located in Shuozhou and Xinzhou, Shanxi Province, respectively, only the environmental figures of the Xingtai Coal will be disclosed in this report according to the principle of materiality of HKEX as it accounts for the most significant proportion among all the mines owned in terms of both annual production capacity and total reserves. As at 31 December 2018, it accounts for 43.01% and 43.28% of the overall annual production of raw coal and commercial coal respectively.

關於本集團

本集團是中國領先的非國有動力煤供應商，經營一體化煤炭供應鏈，包括於中國採煤、煤炭購銷、選煤、存儲、配煤及航運運輸業務，並通過上游垂直整合拓展其一體化煤炭供應鏈。年內，我們已將我們的業務網絡從位於香港及中國各個城市（包括朔州、忻州、大同、陽原、秦皇島、珠海及廣州）的原作業點擴展至中國內蒙古及青島。

本集團主要將採購煤及配煤轉售予位於中國沿海地區的發電廠、水泥廠及煤炭貿易商，以產生蒸汽用於發電及發熱或用於生產水泥過程中的主要燃料。與本集團二零一七年的表現相比，由於中國煤炭業務於二零一八年保持正增長勢頭，本集團煤炭經營及貿易量增加44%至10,167,000噸，及本集團已擴大業務網絡以爭取更高的市場份額。就航運運輸業務而言，收入錄得14.8%的增加，此乃由於年內運費及貨輪租金率上漲所致。為進一步降低營運成本，有效地利用各項資源及加強本集團現金流以達致穩健的財務狀況，本公司亦已出售一艘名為MV「Oriental Wise」的貨船，所得淨額為人民幣1.12億元。

儘管年內本集團在中國擁有五個煤礦（分別位於山西朔州及忻州），但根據港交所重要性的原則，僅將於本報告中披露興陶煤礦的環境數據，原因是該煤礦在所有擁有的礦山中所佔比例最大（按年產能及總儲量計）。於二零一八年十二月三十一日，其分別佔原煤及商業煤總產量的43.01%及43.28%。

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MESSAGE FROM THE CHAIRMAN

In 2018, the coal mining industry continued to pick up, which the coal output kept climbing to hit higher levels at the end of 2018 as major miners ramped up production amid robust winter demand and after the country started up new mines. China approved more than RMB45 billion's worth of new coal mining projects in 2018, much more than 2017, according to Chinese government's official documents. These new coal mines eliminated the old and more polluting ones, which should be the positive result of the battle to protect and rebuild the polluted environment.

Relying on the commitment to social responsibility, the emphasis on the environment and the stable performance of business operations, we have successfully survived the industry elimination process and gradually expanded our business footprint. The Group seized the opportunities arising from increasing market demand for imported coal and maintained a relatively high level of foreign trade during the year. At the same time, leverage on the fast-growing foreign trade, the Group's market share of quality coal capacity in the PRC was expanded. In the first quarter of 2018, the Company acquired Ordos Lianhang Trading Limited and expanded its coal trading business and procurement channel to Inner Mongolia, the PRC.

Although there are still unstable factors in the future of the industry, we strongly believe that as long as we adhere to the business objective of "Integrity and Diligence" and the principles of environmental protection, social investment and corporate governance, the Group can still develop steadily and expand the production capabilities to acquire higher market share in the coal industry of China.

Xu Da

Chairman

26 July 2019

主席致辭

二零一八年，煤炭開採業繼續增長，二零一八年底煤炭產量繼續攀升至更高水平，主要由於大型煤礦在冬季需求旺盛及國家開發新礦後增產。根據中國政府的官方文件，中國於二零一八年批准超過人民幣450億元的新煤炭開採項目，遠超過二零一七年。該等新的煤礦取締了舊煤礦及污染更嚴重的煤礦，此為努力保護及重建受污染環境的積極成果。

憑藉對社會責任的承諾、對環境的重視以及業務運營的穩定表現，我們成功在行業淘汰過程中生存並逐步擴大我們的業務範圍。本集團把握市場對進口煤的需求上升機遇，年內外貿煤一直保持在相對較高水平。同時，依靠快速增長的外貿煤，本集團已拓展在中國優質煤炭產能的市場份額。本公司於二零一八年第一季收購鄂爾多斯市聯行貿易有限公司，並把煤炭貿易業務及採購渠道擴展至中國內蒙古。

儘管行業未來仍有諸多不穩定因素，但我們堅信只要我們秉承「誠信勤奮」的經營宗旨以及環保、社會投入及公司治理的原則，本集團仍可穩步發展並擴大產能，在中國煤炭行業斬獲更高的市場份額。

徐達

主席

二零一九年七月二十六日

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STAKEHOLDER COMMUNICATION

Stakeholders' comments are always the best reference to improve our operation performance and enhance our business development. Through various means to communicate with the stakeholders, namely investors, shareholders, employees, suppliers, and customers, etc., we can collect comprehensive comments from different aspects and angles, which helps the Group to have overall enhancement.

- **For shareholders**

All shareholders can submit their comments to the Board or the Company Secretary via email or other means, and the Board would review and discuss the comments on a regular basis. Shareholders may also make enquiries and discuss with the Board during the annual general meeting. During the year, the Group held one annual general meeting.

- **For investors**

We believe that active communication with investors is essential for the Group's long term development. To keep the investors updated with the Group's latest performance and movement, regular briefings and result presentations are held by executive Directors and chief financial officer. Besides, apart from handling email and call-in enquiries, the management attended different investor forums, meetings, interviews and roadshows to answer and elaborate the Group's developing strategies to institutional and international investors in person. The advices and feedbacks from investors are valuable to us in directing the company to develop on the right track.

- **For employees**

Employees are always encouraged to express their opinions to the management, which helps the Group to improve the working environment and operation standard. Their comments would be taken seriously by the management as the basis to establish a more friendly and efficient working environment.

持份者溝通

持份者的意見始終是改善我們的經營業績及促進業務發展的最佳參考。通過各種方式與持份者(即投資者、股東、員工、供應商及客戶等)進行溝通，我們可從不同方面及角度收集全面意見，此有助於本集團整體提升。

- **對於股東**

所有股東可通過電郵或其他方式向董事會或公司秘書提出意見，而董事會將定期審閱及討論相關意見。股東亦可於股東週年大會上向董事會作出查詢並與之討論。年內，本集團共舉行1次股東週年大會。

- **對於投資者**

我們相信與投資者積極溝通對本集團的長遠發展至關重要。為讓投資者瞭解本集團的最新表現及動向，執行董事及財務總監會舉行定期簡報及業績演示。此外，除處理電子郵件及來電查詢外，管理層已參加各種投資者論壇、會議、訪談及路演，以便親自向機構及國際投資者回答及闡述本集團的發展戰略。投資者的建議及反饋對我們引領公司沿著正確軌道發展而言十分寶貴。

- **對於員工**

我們一直鼓勵員工向管理層表達意見，此有助於本集團改善工作環境及運營標準。管理層將認真對待彼等的意見，以此作為建立更加友好且高效的工作環境的基礎。

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• For other stakeholders

As one of the market players, it is important for us to have communications with different industrial influencers and official institutions to cooperate and strive together for a better operation environment. Therefore, we had held meetings with government officers throughout the year to explore the possibility for further cooperation at different levels. For example, we had discussed and met with the officers of Qingdao Municipal Commission of Transport for solutions to help solving the traffic problems in Qingdao province. We sincerely hoped that our experiences in managing our production, transportation and sales system can help to dispel the officers' concerns in promoting the launching of non-vehicle carrier.

• 對於其他持份者

作為市場參與者之一，我們與不同的有行業影響力機構及官方機構保持溝通對於我們共同合作、共同營造更好的經營環境至關重要。因此，我們於年內與政府官員舉行會議，探討在不同層面進一步合作的可能性。例如，我們已與青島市交通委員會的官員會員並探討可幫助解決青島省交通問題的解決方案。我們真誠地希望我們在管理生產、運輸及銷售系統方面的經驗有助於消除官員關於推動非機動車運輸工具上線的顧慮。

KEY ISSUES IDENTIFICATION

After communicating with our stakeholders, we have collected various comments from them and understood their concerns in different aspects. As to respond to their concerns and, at the same time, to improve the Group's disclosure standards, we sorted out a few issues from the stakeholders' concerns and HKEx's requirement and prioritized the issues according to their importance to the Group's development and the impact on our business operations.

關鍵議題識別

經與持份者溝通後，我們從彼等收集各種意見並在不同方面瞭解彼等的關注點。為回應彼等的顧慮，同時提高本集團的披露標準，我們從持份者的關注點及港交所的要求中挑選出若干問題，並根據對本集團發展的重要性及對我們業務運營的影響對該等問題進行優先排序。

Category 類別	Issues 議題
Operational emission 經營排放	1. Greenhouse gas emissions 1. 溫室氣體排放 5. Water consumption 5. 耗水
Operational practices and management 經營實務與管理	7. Supply chain management 7. 供應鏈管理
Safety and health 安全與健康	11. Health and safety 11. 健康與安全
Employees' rights and development 員工權利與發展	12. Employee welfare 12. 員工福利
Social responsibility 社會責任	15. Community investment 15. 社區投入

1 Due to the characteristics of our business model, the Group believes that our operation does not involve any packaged products or use of packaging materials. Thus, no relevant figures or details of the use of packaging materials are disclosed in the report.

1 由於我們業務模式之特點，本集團相信，我們的營運並無涉及任何包裝產品或使用包裝材料。因此，並無於報告披露使用包裝材料之有關數字或詳情。

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In particular, due to the business characteristics of the Group, advertising, labelling and intellectual property rights are with low correlation and weak impacts to our business. Therefore, no thorough disclosure about them was made in this report.

PERFORMANCE OF THE YEAR

Looking back at 2018, the coal business maintained steady and positive growth momentum with relatively stable coal price. The Company captured the prevailing favourable environment and expanded its business, which contributed to increases of both revenue and coal handling and trading volume at 21.53% and 43.97% respectively.

The growth of business also means the increasing usage of energy and resources. In response to the stakeholders' concerns and demonstrating the Group's effort in contributing to the society, different measures adopted and performance indicators in the year are shown in the following paragraphs.

- **Environmental Aspect**

The quantitative measurement of greenhouse gas emissions (carbon emission) is carried out based on the Guangdong Province Enterprise (Unit) Carbon Dioxide Emissions Information – Reporting Guide (2018 Revision) prepared by the Guangdong Provincial Development and Reform Commission and the Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions by Coal Producing Enterprises in China (Trial) prepared by the National Development and Reform Commission with reference to international standards, such as ISO 14064-1.

尤其是，由於本集團的業務特性，廣告、標籤及知識產權與我們業務的關聯性較低且對業務影響較弱，故在此報告內未作深入披露

全年表現

回首二零一八年，煤炭業務保持穩定和積極增長勢頭，煤炭價格相對穩定。本公司抓住當前有利環境，拓展業務，使得收入以及煤炭經營和貿易量分別增長21.53%及43.97%。

業務增長亦表明能源及資源的使用不斷增加。為回應持份者關注的議題及展示本集團為貢獻社會所作的努力，以下各段列明年內採取的不同措施及業績指標。

- **環境部分**

溫室氣體排放(碳排放)的量化過程是根據廣東省發展改革委員會編製的《廣東省企業(單位)二氧化碳排放資訊一報告指南(二零一八年修訂)》及中國國家發展改革委員會編製的《中國煤炭生產企業溫室氣體排放核算方法與報告指南(試行)》而進行，並參考了ISO 14064-1等國際標準。

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o Relating Environmental Performance Indicators

o 環境相關績效指標

GHG & Exhaust Gas Emissions in 2018

二零一八年溫室氣體及廢氣排放

Greenhouse gas emission 溫室氣體排放	Scope/Activity 範圍/活動	Guangzhou office 廣州辦公室	Xingtao Coal Mine in Shanxi 山西興陶煤礦	Emission (tonnes of Co2 equivalent) 排放量 (噸二氧化碳當量)
	Scope 1: direct greenhouse gas emissions 範圍1: 直接溫室氣體排放			
	Fossil fuel burning – stationary sources 化石燃料燃燒—固定源	N/A 不適用	366.0	53,833.3
	Fossil fuel burning – moving sources 化石燃料燃燒—移動源	50.0	0 ²	
	Fugitive emissions – underground mining and post-mining activities 逃逸排放—井工開採及礦後活動	N/A 不適用	53,417.3	
Scope 2: energy indirect greenhouse gas emissions 範圍2: 能源間接溫室氣體排放				
	Purchased electricity 外購電力	27.8	19,008.2	19,036.0
	Total greenhouse gas emissions 溫室氣體排放總量	77.8	72,791.5	72,869.3
	Greenhouse gas intensity 溫室氣體密度	0.819 tonnes / employee 0.819噸/員工	0.024 tonnes / ton of raw coal 0.024噸/噸原煤	

Exhaust gas emission 廢氣排放	Type of air pollutants 空氣污染物種類	Guangzhou office 廣州辦公室	Xingtao Coal Mine in Shanxi 山西興陶煤礦	Total emissions 排放總量
	Nitrogen oxides (kg) 氮氧化物(千克)	15.0	44,530.0	44,545.0
	Sulfur oxides (kg) 硫氧化物(千克)	1.6	63,020.0	63,021.6
	Inhalable particles (kg) 可吸入顆粒物(千克)	1.4	24,618.2	24,619.6

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Comparison of Xingtao Coal Mine's G HG Emissions Performance in 2017 & 2018:

與興陶煤礦二零一七年及二零一八年的溫室氣體排放表現比較：

	Xingtao Coal Mine 興陶煤礦		
	2017 二零一七年	2018 二零一八年	% Change 變化百分比
Scope 1 emissions (tonnes of Co2 equivalent) 範圍1排放 (噸二氧化碳當量)	37,331.80	53,783.30	44.07%
Scope 2 emissions (tonnes of Co2 equivalent) 範圍2排放 (噸二氧化碳當量)	28,327.90	19,008.20	-32.90%
Total emissions 排放總量	65,659.70	72,791.50	10.86%
Greenhouse gas intensity (tonnes/ ton of raw coal) 溫室氣體密度(噸／噸原煤)	0.02	0.02	0.00

² Since there were no records of vehicles' oil consumption, the emissions from mobile sources in the Shanxi Coal Mine is not accounted in this reporting year.

² 由於並未記錄車輛耗油量，山西煤礦的移動源排放並未計入本報告年度。

During the year, the amount of GHG emissions in 2018 increased 10.86% when compared to that of 2017, which is mainly due to the significant increases of emissions in scope 1. The 44.07% increase of scope 1 emissions was mainly caused by the increase of coal produced. During the year ended 31 December 2018, the volume of the Group's coal handling and trading recorded a 44% increase as compared with 2017. In terms of GHG emissions intensity, no change was resulted as the increase of overall GHG emissions was basically caused by the Company's business growth.

年內，二零一八年溫室氣體排放數量較二零一七年增加10.86%，主要由於範圍1排放顯著增加所致。範圍1排放增加44.07%主要由於煤炭產量增加所致。於截至二零一八年十二月三十一日止年度內，本集團的煤炭經營及貿易量較二零一七年增加44%。由於本公司業務增長主要導致整體溫室氣體排放增加，因此溫室氣體排放密度並無變化。

For the scope 2 emission, it decreased 32.9% to 19,008.2 tonnes of Co2 equivalent compared on 2017's performance. The carbon emission from purchased electricity is based on the electricity consumption and the applicable emission factor, which is chosen with reference to the local and international standards such as the ISO 14064-1 standards. In earlier this year, the Department of Climate Change of the Ministry of Ecology and Environment of the PRC announced a national grid-average emission factor, which is smaller than the old version. Therefore, although the Group's consumption activity data is similar to last year's performance, the carbon emission from purchased electricity calculated in this year results in a significant drop compared to that of last year.

範圍2排放較二零一七年減少32.9%至19,008.2噸二氧化碳當量。外購電力碳排放乃根據耗電量及適用排放因子計算，此乃經參考當地及國際標準(如ISO 14064-1標準)後選定。本年年初，中華人民共和國生態環境部應對氣候變化司發佈了一項較舊版本小的全國電網平均排放因子。因此，儘管本集團的消耗數據與去年表現類似，但本年計算的外購電力碳排放較去年顯著下降。

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To further reduce the amount of electricity used, we had started to replace or retrofit some equipment for better energy use efficiency, such as using of solar-powered heater for shower or other daily usage in summer.

為進一步減少用電量，我們已開始更換或改進部分裝備，以提高能源使用效率（如夏天使用太陽能熱水器淋浴或用作其他日常用途）。

Amount of Waste Generated in 2018

二零一八年產生的廢棄物數量

Waste 廢棄物	Category 類別	Quantity generated (tonnes) 產生量(噸)		
		Guangzhou office 廣州辦公室	Xingtao Coal Mine in Shanxi ³ 山西興陶煤礦 ³	Total Amount 總量
	Hazardous waste 有害廢棄物	0.01	24.56	24.57
	Hazardous waste intensity (calculated based on per thousand tonnes of raw coal production) 有害廢棄物密度(以每千噸原煤產量計算)	0.053	0.008	
	Non-hazardous waste 無害廢棄物	0.65	4,143.0	4143.7
	Non-hazardous waste intensity (thousand tonnes of raw coal) 無害廢棄物密度(千噸原煤)	6.842	1.393	

³ This figure only included filtered residues from Shanxi Coal Mine.

³ 該數據僅包括山西煤礦的濾渣。

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The amount of hazardous waste produced in 2018 was much higher than that in 2017. It is because the data collection mechanism was modified, and more accurate and comprehensive data can thus be collected and disclosed for higher transparency to reply to the stakeholders' concerns. For the amount of non-hazardous waste produced, it is our first time to disclose the amount. We are always dedicated to enhancing our disclosure quality and, at the same time, increase our transparency for better corporate governance performance.

To ensure the proper handling of waste, no matter hazardous or non-hazardous, qualified waste recycles were arranged for the collection and handle of wastes. Besides, we would use coal gangue, a by-product produced during coal-mining and coal-washing processes, to generate energy.

二零一八年產生的有害廢棄物量遠高於二零一七年，主要由於修改了數據收集機制，可收集更準確及全面的數據，以提高透明度，回應持份者關注的議題。對於產生的無害廢棄物量，這是我們首次披露該數量。我們始終致力於提高披露質量，同時提高透明度，以改善企業管治表現。

為確保妥善處理廢棄物(不論有害或無害廢棄物)，我們已安排合格廢棄物回收設施以收集和處理廢棄物。此外，我們使用煤矸石(採煤及洗煤過程中產生的副產品)產生能量。

Energy and Water Consumption Performance in 2018

二零一八年能源及水資源使用情況

	Type 類別	Guangzhou office 廣州辦公室	Xingtiao Coal Mine in Shanxi 山西興陶煤礦	Total consumption 總耗用量
Energy consumption 能源使用	Direct energy (GJ) 直接能源(吉焦耳)	200.2	1,378.8	1,579.1
	Indirect energy (MWh) 間接能源(兆瓦時)	45.6	31,156.0	31,201.6
	Energy intensity 能源密度	2.588 (MWh-e / employee) 2.588 (兆瓦時等值/員工)	0.011 (MWh-e / tonnes of raw coal produced) 0.011 (兆瓦時等值/ 噸原煤產量)	
	Total water consumption (m ³) ^{4,5} 總耗水量(立方米) ^{4,5}			67,323.0
	Water consumption intensity (m ³ /thousand tonnes of raw coal production) 耗水密度(立方米/千噸原煤產量)			22.628

⁴ Compared with last year's performance, the Group's water consumption had resulted in a significant increase, which was mainly caused by the growing need of business development. We rely on the municipal water supply network for production and daily domestic usage. We encouraged the staff to reduce the use of water by increasing their awareness towards environment through trainings. All the used water must be properly treated to meet the standard required by the national regulations before disposal.

⁴ 相比去年之表現，本集團之耗水量錄得大幅增加，其乃主要由於業務發展日益增長之需求所致。我們依賴市政供水網絡以供生產及日常生活使用。我們透過培訓提高僱員之環境意識而鼓勵其減少用水。所有已使用的水於處置前須妥為處理以符合國家法規規定之標準。

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Comparison of Xingtao Coal Mine's Energy Consumption Performance in 2018

於二零一八年興陶煤礦能源使用情況比較

	Xingtao Coal Mine 興陶煤礦		
	2017 二零一七年	2018 二零一八年	% Change 變化百分比
Direct energy (MWh-e) 直接能源(兆瓦時等值)	1,230.03	1,378.80	12.09
Indirect energy (MWh) 間接能源(兆瓦時)	32,034.30	31,156.00	-2.74

⁵ Since the water consumed of the Guangzhou office was provided by the property management company and no records were available, the total water consumed includes the water for production and domestic use of the Shanxi coal mine only.

⁵ 由於廣州辦公室的耗水由物業管理公司提供，並無可用記錄，總耗水量僅包括山西煤礦的生產及生活用水。

The increase of direct energy used was mainly due to the increasing usage of combustion of fossil fuels, which was caused by the growing need of our business. We believed that it will continue to grow with the same pace as our business.

直接能源使用增加乃由於我們業務需求不斷增長導致化石燃料燃燒使用不斷增加所致。我們認為，直接能源使用將繼續隨著業務增長而增加。

o Land reclamation

The Group's obligations for reclamation consist of spending estimates at both surface and underground mines in accordance with the PRC rules and regulations. Reclamation activities were carried out for all parcels of land compromised during the course of mine construction and production. The reclamation project focuses on agricultural production and forest restoration according to the principle of "using for agriculture, forestry or animal husbandry as appropriate". Various factors were also considered, including future production volume and development plan, the geological structure of the mining regions and reserve volume, to determine the scope, amount and timing of reclamation and mine closure works to be performed.

o 土地復墾

本集團的復墾義務包括根據中國的規則及法規於露天及地下礦山進行支出估計。復墾活動乃就礦山施工及生產過程中被破壞的所有地塊進行。復墾工程偏重農業生產，按照「宜農則農、宜林則林、宜牧則牧」的原則將土地還原為林地。亦考慮各種因素（包括未來的產量及發展計劃、礦區的地質結構及儲備量）以釐定將進行的復墾及閉礦工程的範圍、數量及時間。

The Group will spend approximately RMB355 million on reclamation projects for the five coal mines over periods of 22, 31, 25, 30 and 30 years respectively. Throughout the process, the Group will provide streamlined management and land protection services, thereby allowing the land to maximise its economic, social and ecological benefits. As at 31 December 2018, the carrying amount of accrued reclamation obligations was approximately RMB114,465,000.

本集團對五個煤礦的復墾工程將會投放約人民幣三億五千五百萬元，分別為期22、31、25、30和30年。過程中本集團亦會提供精化管理及土地的保護工作，讓土地能在最大限度發揮經濟、社會和生態三方面的效益。於二零一八年十二月三十一日，預提復墾費用的賬面值約為人民幣114,465,000元。

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o Office 4R

The Group actively encourages its employees to apply “4R” (reduce, reuse, recycle and replace) rules in the office. Under the 4R policy, the Group’s employees replace direct paper printing with electronic scanning and use email to transmit documents in order to reduce the use of paper, and avoid the use of disposable products. From time to time, the Group reminds its employees to reuse single-side printed wastepaper for printing internal documents. The Group’s office drinking fountains also use recyclable plastic bottles. In the future, the Group will continue to pursue the 4R policy and maintain a green working environment.

o Environmental compliance management

The regulations and national standards of the P.R.C., including Environmental Management System Requirements and Guidelines (GB/T 24001-2016/ISO 14001:2015) and Energy Management System Requirements and Guidelines (GB/T 23331-2012) are strictly complied for the establishing of internal environmental management system to ensure that the employees fully comply with the rules through regular reviews. Besides, the requirements of the Environmental Protection Law of the P.R.C. and the Environmental Impact Assessment Law of the P.R.C. are also fully complied to minimize the impacts brought by the Group’s daily operation.

For all the inevitable emissions, including greenhouse gases and wastewater emissions, the Group has fully complied to the requirements stated in the Ambient Air Quality Standards of the P.R.C. (GB3095-1996), the Integrated Wastewater Discharge Standard of the P.R.C. (GB8979-1996) and the Code for Design of Outdoor Wastewater Engineering (GBJ14-1997), which give us guidance on minimizing the impacts to both air and water quality. As it is impossible to bring zero impacts to the environment, the Group has inescapable responsibility to balance between the needs of development and protecting the environment.

o 辦公室4R

本集團積極鼓勵員工奉行辦公室「4R」原則，分別為減少使用(reduce)、再用(reuse)、循環再造(recycle)以及替代(replace)。本集團員工在4R原則影響下，使用掃描功能替代直接列印紙張，並轉用電郵傳遞文件，減少使用紙張，亦避免使用一次性產品。本集團更不時提醒員工將單面列印的廢紙重覆再用，用於內部文件列印。另外，本集團辦公室中的飲水機採用可回收膠樽，可被循環再造。日後，本集團將會持續遵行4R原則，保持綠化的工作環境。

o 環境合規管理

我們嚴格遵守中國的法規及國家標準(包括環境管理體系要求及使用指南(GB/T24001-2016/ISO14001:2015)及能源管理體系要求及使用指南(GB/T23331-2012))以便建立內部環境管理體系，透過定期考核確保僱員完全遵守規定。此外，我們亦完全遵守《中華人民共和國環境保護法》及《中華人民共和國環境影響評價法》的規定以盡量減少本集團日常運營帶來的影響。

就所有不可避免的排放(包括溫室氣體及廢水排放)而言，本集團已完全遵守中華人民共和國環境空氣質量標準(GB3095-1996)、中華人民共和國污水綜合排放標準(GB8979-1996)及室外污水工程設計規範(GBJ14-1997)所述規定，該等規定為我們提供了與盡量減少對空氣及水質量的影響有關的指導。由於對環境的影響不可能為零，本集團對平衡發展與保護環境的需求有不可推卸的責任。

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For waste treatment, we have fully complied with the requirements of Pollution Control Standard for Hazardous Wastes Incineration of the P.R.C. (GB18484-2001), Standard for Pollution Control on Hazardous Wastes Storage of the P.R.C. (GB18597-2001) and Standard for Pollution Control on Landfill Sites for Hazardous Waste of the P.R.C. (GB18598-2001) to handle and process the wastes, no matter hazardous or non-hazardous, before disposal to reduce as much impacts to the environment as possible.

就廢物處理而言，我們已完全遵守中華人民共和國危險廢物焚燒污染控制標準(GB18484-2001)、中華人民共和國危險廢物貯存污染控制標準(GB18597-2001)及中華人民共和國危險廢物填埋污染控制標準(GB18598-2001)的規定以於處置之前處理及加工廢物(無論危險或不危險)，盡量減少對環境的影響。

• Corporate Social Governance Aspect

• 企業社會管治方面

Employment 僱傭	Operation Management 經營管理	Social Responsibilities 社會責任
<ul style="list-style-type: none"> - Legal Binding and Fair Treatment to the Employees - 對員工具具有法律約束力及公平的待遇 - Caring and Protecting the Employees - 關心及保護員工 - Reassuring and Empowering the Employees - 讓員工安心及賦予員工權利 	<ul style="list-style-type: none"> - Choosing and Cooperating with the Supply Chain - 供應鏈的選擇及合作 - Product Responsibility - 產品責任 - Reinforcing Data Protection - 加強數據保護 	<ul style="list-style-type: none"> - Investing in the Community - 投資社區

o Employment

o 僱傭

With the aim of fighting climate change and the implementation of various coal-related policies by the State and municipal governments to reducing excess production capacity, these have created a wave of disruptive changes throughout the coal industry in recent years. Also considering the plan of advancing production capacity in some large coal bases in China which was officially put on agenda in 2018, and President Xi Jinping repeatedly emphasizing earlier in 2019 the commitment in “open clean and green development” in alignment with the “Belt and Road Initiative”, the industry has been taking steps to adopt new forms of business in order to survive the policy changes.

由於旨在對抗氣候變化以及國家及市級政府實施各種煤炭相關政策以減少過剩產能，近年來已於整個煤炭行業掀起了一波顛覆性的變革浪潮。此外考慮到中國某些大型煤炭基地提高產能的計劃於二零一八年正式提上議程且習近平主席於二零一九年早些時候反復強調與「一帶一路倡議」一致的「開放清潔及綠色發展」承諾，該行業已採取有關措施以採納新的業務形式，以便在政策變化中存活下來。

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Qinfa as a leading provider of integrated coal businesses in China, we do not only start to change and comply after law changes, instead we constantly take initiation to improving our operations and technologies so to ensure we will be capable of reacting sharply to any new plans and situations in the industry. In order to fulfil this goal, employees are of vital importance in making advancements happen. Therefore, to attract and keep these talents, we commit ourselves to protecting, caring, reassuring and empowering our employees.

Legal compliance in employee protection is just the basis of creating harmonious relationships with the employees, yet we believe that only by taking active participation in making sure employees are taken care of and understood could lead to the continuously outstanding development of the Company, and ultimately we desire to walk with and further empower our talented employees at all stages of the business.

秦發作為中國領先的煤炭一體化經營業務提供商，我們不僅於法律變動後改變並遵守有關規定，我們還不斷採取措施改進我們的營運及技術以確保我們將能夠應對業內的任何新計劃及情況。為實現此目標，員工對實現進步乃屬至關重要。因此，為吸引及留住該等人才，我們致力於保護、關心員工、讓員工安心及賦予員工權利。

員工保護方面的法律合規僅為與員工創建和諧關係的基礎，但我們認為，只有積極參與確保員工得到關心及理解，方可使本公司持續卓越發展，最終我們希望與我們有才華的員工攜手共進並進一步於業務的所有階段賦予彼等權利。

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		2018 二零一八年	
All Employees	所有員工	2,237	
Male employees	男性員工	92.76%	
Female employees	女性員工	7.24%	
Turnover Rate	流動率	32.37%	
Male employees	男性員工	95.16%	
Female employees	女性員工	4.84%	
Employees' Age Distribution	員工的年齡分佈	Male 男性	Female 女性
Under 16 years old	16歲以下	0	0
16-24 years old	16-24歲	2.59%	0.76%
25-40 years old	25-40歲	40.77%	6.30%
41-59 years old	41-59歲	47.70%	0.13%
60 years old or over	60歲或以上	1.70%	0.05%
Job Level Distribution	職務級別分佈	Male 男性	Female 女性
Management	管理層	2.64%	0.04%
Functional departments	職能部門	19.13%	4.43%
Frontline departments (including local teams and groups)	一線部門 (包括本地團隊及集團)	70.99%	2.77%

In light of the characteristics of our business which requires high physical activity, male employees are mostly taking place at our daily operations. The turnover rate for the year was 32.37%, mainly from employees in our frontline business, accounting for over 80% of the total number of employee turnover.

鑒於我們的業務需要高體力活動的特點，我們的日常營運中大部分員工均為男性員工。年度流動率為32.37%，主要來自我們一線業務的員工，佔員工流動總數的80%以上。

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Legal Binding and Fair Treatment to the Employees

We strictly abide by the national laws and regulations in relation to human resources posed by the government, for example, the Labor Law, the Labor Contract Law, Provisions on the Prohibition of Using Child Labor, Special Protection Regulations for Juvenile Employees etc. To comply with national law and regulations, the Group will sign labour contracts with employees to protect the rights and interests of both parties, regardless the position and the form of recruitment. We would set out the benefits that employees deserved in their employment contracts clearly, including standard working hours, paid holidays, social insurance and provident fund.

In order to ensure we are fully compliant at all stages, the Group has a series of procedural guidelines for recruitment and HR management, for instance the Administrative Measures for Recruitment, of which it lists out clearly all employees are entitled to open and fair treatment and conditions in the Company according to their corresponding job titles.

In our recruitment processes, we do not allow child or forced labor, all applicants have to provide valid verification or ID as proof of their eligibility to work, while the HR team will carefully check and conduct recruitment processes. In our daily operations, no employee should be forced to work by debt, threats or illegal restrictions on their own freedom. We also forbid any form of discrimination related to gender, ethnicity, religion and age etc. across all stages of business.

During the year, the Group recorded no violation of any laws in relation to hiring child labor or forced labor or relevant penalties. If there is any suspicion of related legal violation, the Group and HR team will first investigate, and file case with the local Labor Bureau and the police if discovering any. We will appropriately assist or compensate the litigants and ensure investigations by the police and labor bureau can be done smoothly with the cooperation from all of our employees. We also will punish the personnel who violate the laws since we believe keeping people accountable at their position is very crucial at a work environment. If they cause serious violation, the Group will take legal measures against the personnel and terminate the employment immediately if necessary.

法律約束力及公平對待僱員

我們嚴格遵守政府所頒佈有關人力資源之全國性法律及法規，如《勞動法》、《合同法》、《禁止使用童工規定》、《未成年工特殊保護規定》。為遵守國家法律及法規，本集團將與僱員簽署勞動合同保護雙方的權利及利益，而不論招聘職位及形式如何。我們將於僱員之勞動合同中明確載列其應得之福利，包括標準工作時數、帶薪假期、社會保險及公積金。

為確保於所有階段全面合規，本集團制定了一系列關於招聘及人力資源管理的程序指引，例如《員工招聘管理辦法》列明所有僱員根據各自職稱享有本公司之公開及公平待遇和條件。

在我們的招聘過程中，我們不允許使用童工或強制勞動。所有應聘者須提供有效證書或身份證作為其任職資格證明，而人力資源團隊將仔細檢查並實施招聘流程。在我們的日常營運中，不得通過債務、威脅或對人身自由施加非法限制之方式強迫任何僱員工作。我們亦禁止涉及性別、種族、信仰、年齡等方面的任何歧視。

於本年度，本集團並無有關聘用童工或強制勞動或相關處罰的違法記錄。倘存在相關違法嫌疑，本集團及人力資源團隊將首先進行調查，如有發現違法，我們會與當地勞動局及警方備案。我們將適當協助及賠償訴訟當事人，確保警方及勞動局在我們所有僱員之合作下進行有序調查。我們亦將處罰違法人員，因為我們相信確保工作人員盡職盡責對於工作環境至關重要。倘出現嚴重違法行為，本集團將對相關人員採取法律措施，並在有必要時即時終止僱用。

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Protection and Care for the Employees

Health and safety of our employees have been our highlighted issue at all times due to our business characteristics, the Group is extremely concerned in eliminating any potential danger to the employees especially on frontline, and therefore we make much effort in providing a safe and pleasant work environment to them. During the year, the Group recorded no safety related cases which will need long-term follow up.

- *Protection*

We have formulated various internal policies such as Occupational Health Management System, Safe Production Responsibility System, Operation Rules for Different Job Positions and Operation Rules, and also created a health management department to oversee and manage personnel and all procedures are well known by employees and fully implemented during work. These internal mechanisms are drafted based on our careful observation of existing legal regulations from the government, such as Safety Law, Law of the P.R.C on the Prevention and Treatment of Occupational Diseases to provide a safe and healthy environment for our employees. Apart from general laws for all enterprises, we also follow closely to some specific regulations for our industry, for instance, Regulation on Safety Supervision of Coal Mines of the P.R.C., Coal Mine Safety Rules, Regulation on Safety Testing and Inspection of Air Compressors, Primary Ventilation System and Primary Drainage System etc.

Only having policies written in black and white is not enough, we believe that we have to regularly educate the employees to carefully protect themselves and also take initiation to protecting them. In addition to the internal policies, the Group educates our employees by providing safety demonstrations and trainings, and distributes customized protective tools for our employees and build protective facilities at their workplace. We also regularly conduct review on their use of protective measures to ensure tools are properly used and utilized. Once any accident happens, we also have formulated emergency procedures to treat the injured employee, and we entered into medical service agreement and Coal Mines Rescue Agreement with local hospitals to make sure any injured staff would be carefully taken care of. Only by making sure our employees can work safely, could the Group strive even further without hesitation.

僱員防護及關愛

由於我們的業務特徵，我們一直以來高度關注僱員健康及安全。本集團極度關注消除對僱員的任何潛在危害(尤其是對前線僱員)。因此，我們盡力為僱員提供安全舒適的工作環境。於本年度，本集團並無錄得需要作出長期後續跟進的安全相關案例。

- *防護：*

我們已制定《職業健康管理制度》、《職業健康管理制度》、《安全生產責任制》、《各工種崗位操作規程》及《作業規程》等內部政策，並亦成立健康管理部門負責監督及管理相關單位及人員，確保僱員於工作當中完全知悉及執行所有程序。該等內部機制內基於現有的政府法律規章(如《安全法》、《中華人民共和國職業病防治法》)擬備，以為僱員提供一個安全和健康的工作環境。除針對所有企業的通用法律外，我們亦緊密遵從我們所在行業的特定法規，例如《中華人民共和國煤礦安全監察條例》、《中華人民共和國煤礦安全規程》、《空氣壓縮機安全檢測檢驗規範》、《主通風機系統及主排水系統》等。

僅僅制定書面政策是不夠的，我們認為我們已定期教育僱員審慎進行自我保護，且我們亦主動保護僱員。除內部政策外，本集團通過提供安全演示和培訓教育僱員，為僱員分發制定防護工具，並在工作場所設立防護設施。我們亦定期檢討僱員對防護措施的使用情況，確保工具的妥善使用。一旦發生事故，我們亦已制定應急程序處理受傷僱員，且我們已與當地醫院訂立《醫療服務協議》及《礦山救護協議》，確保任何受傷員工能獲得精心照顧。本集團只有確保僱員能安全工作，才能一往無前。

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- *Care:*

Apart from looking after our staff safety, the Group is also actively participating in ensuring all of our staff possess good health at work. Therefore the Company organizes regular health checkup for our employees, so that employees will have better understanding of their personal health issues, where they would be able to take care of themselves more carefully and notify the Company of their situation if necessary, so we could have better arrangement according to any health matters. Caring about our employees builds a stronger bridge between us, we do not only just provide what is required by the laws, we offer employees additional employee benefits like housing provident fund and supplementary medical insurance to improve their pension, medical security and ultimately their quality of living.

Not only that is considered, other aspects of employees' life are also put in the Group's agenda, such as offering sufficient leave period to the male and female employees upon a family giving birth etc. We also listen carefully to our employees, we establish channels for them to express their feelings to their seniors, also encourage more communications between employees by gathering them together for activities. In July 2018, the Group organized a conference in Shuzhou which gathered the management team and leaders from each section to present their work performance and discuss how the Group can achieve higher through setting and reviewing business goals, talent training and improving management etc.

Reassuring and Empowering the Employees

- *Rewarding:*

To succeed within the industry is not built in a day, it relies greatly on the tremendous contribution from our staff. We honor and reassure their hard work by motivating and rewarding them regularly, we have developed an employee performance-based incentive system so to guarantee them reasonable and satisfying compensation and benefits. We conduct performance review at a fixed period every year, out of which outperforming employees will receive year-end bonuses apart from their basic salary. In order to show our appreciation to our employees, the Group presents awards to outstanding staff in the annual gala. By doing so, we do not only hope to praise the awardees but also motivate the others to work harder.

- *關愛:*

除關注員工安全外，本集團還積極確保所有員工於工作中擁有健康的身體。因此，本公司組織僱員進行定期體檢，讓僱員更好的瞭解自身健康狀況，能夠更精心的照料自己，並在有必要時將情況通知本公司，從而令我們能針對任何健康事宜作出更好的安排。關愛僱員讓我們與僱員構建更強大的溝通橋樑，我們不僅提供法律規定之內容，亦為僱員提供住房公積金及補充醫療保險等福利，藉以改善僱員的退休、醫療保障，最終提升僱員生活質量。

除此以外，本集團亦將僱員生活的其他方面列入議程，如在僱員家庭將有小孩誕生或其他事務時，向相關男女僱員提供充足假期。我們亦仔細傾聽僱員心聲，建立溝通平台給僱員向上級表達意見，同時召集僱員參與各種活動以增進溝通。於二零一八年七月，本集團在朔州舉行會議，召集管理團隊及各部門領導分享工作表現，並探討本集團如何通過設定和審查業務目標、人才培訓及改善管理等措施取得更高成就。

鼓舞和激勵僱員

- *獎勵:*

業界的成功並非一朝一夕之功，很大程度上依賴我們員工的巨大貢獻。我們定期激勵和獎勵員工，鼓舞他們勤奮工作。我們已制定一套以員工表現為基礎之獎勵制度並定期檢討該制度，保證給予員工合理、滿意的補償和福利。我們每年在固定時期內進行績效評價，表現優異的員工將收取基本薪金之外的年終獎。為向員工表達謝意，本集團在年度慶典上向優秀員工提供獎品。通過此舉，我們不僅希望表揚獲獎員工，亦藉此激勵其他員工努力工作。

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- Training:

- 培訓：

Relating Training Data

培訓相關數據

Percentage of employees trained (%):

受訓僱員百分比(%):

		Male 男性	Female 女性
Management	領導層	100%	0
Functional departments	職能部門	93.50%	4%
Front line departments (including local teams, and groups)	前線部門(包括區隊及組隊)	99.75%	0.25%

Training hours per capita (hours):

人均受訓時數(小時)：

		Male 男性	Female 女性
Management	領導層	24	0
Functional departments	職能部門	48	24
Front line departments (including local teams, and groups)	前線部門(包括區隊及組隊)	72	0

The Group strongly believes that empowering the talents by providing more trainings is crucial for a Company to develop strongly, we have implemented a comprehensive employee training program to enhance their performance and knowledge standards, of which we pay high attention on training and retraining of occupational health and safety with our frontline staff. Employees receive pre-job training and regular on-site training led by professionals, and senior staff will assess their performance or suggest them to get further training if needed. Employees are one of the main drive of our business, we aim to have them improve together with the Company.

本集團堅信，通過提供更多培訓裝配人才對公司實現大發展至為重要。我們已實施一套綜合僱員培訓計劃，提供僱員表現及其知識水平。我們高度關注對前線員工職業健康及安全的培訓及再培訓。僱員獲得由專業人士領導的崗前培訓及定期現場培訓，而高級職員將對僱員進行績效評估，或在有必要時建議僱員獲取進一步培訓。僱員是我們業務的主動力，我們期望僱員與本公司一同成長。

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We encourage all staff to upgrade their work skills and learn more in-depth about the business and industry, at such context, it will also strengthen our construction of a talent team in the long-run. In August 2018, the Group has organized the first tour to Shuozhou in which the functional departments were invited to learn more about the Company's business from scratch. The team had a chance to understand how our coal is chosen, extracted and processed. They also visited the maintenance centre to see how our facilities are repaired and maintained. Our maintenance team explained clearly to the functional team about the usage and their daily repair-maintain procedures. This allowed the functional team to have more interaction and understanding about the frontline staff and our business as a whole, also gave an opportunity to the frontline staff to express their opinions to the headquarter directly. We then encouraged the visiting team to share with others after the tour so that all team members at the Company can be acknowledged.

我們鼓勵所有員工提升工作技能和深入瞭解業務及行業，藉此加強人才隊伍的長期建設。於二零一八年八月，本集團組織了首次朔州行，邀請職能部門從點滴開始瞭解本公司的業務。該團隊得以瞭解我們如何選擇、提煉及加工煤炭。彼等亦參觀維護中心，瞭解維修及保養我們設備之方式。我們的保養團隊向職能部門清晰解釋設施的使用及其日常維修保養程序。此舉可加強職能部門與前線員工之間的互動，並加深對前線員工及我們業務的整體瞭解，亦給予前線員工機會向總部直接表達意見。然後，我們鼓勵參訪團隊於參訪結束後與其他人員分享心得，令本公司其他團隊成員獲悉相關情況。

o Operation Management

Choosing and Cooperating with the Supply Chain

The percentage of procurement from major suppliers of the Group is as follows:

	The percentage of procurement suppliers 採購供應商所佔百分比
The largest supplier 最大供應商	20.99%
Total of top 5 suppliers 五大供應商合計	35.25%
Total number of suppliers 供應商總數	There are a total of 972 cooperation suppliers, who are from China and Indonesia 合共有972家合作供應商，全部來自中國和印尼

o 經營管理

選擇供應鏈並與之合作

本集團主要供應商所佔採購額之百分比如下：

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The Group keeps expanding the network of suppliers to ensure a supply of coal with reliable and stable quantity and quality. The partnership with supply chain is the steward of our company's conscience. We strictly monitor the cooperation with our supply chain as we trust that only by having stable business relationship with them could we have more stable supply of coal and long-term development and advancement. The Group has developed business relationships with the majority of them over a period of not less than three years, which enables the Group to obtain a reliable supply of quality coal. We do not prefer changing supplier often, therefore we have a set of clear standardized procurement management procedures for our employees to follow upon.

In terms of general procurement, our legal and procurement departments will first examine the supplier's financial positions, business scale and their legality of business. Then the procurement team will obtain quotation from at least 3 suppliers for cost comparison, set cost-efficient sales price of coal by paying visits to various coal mines, collecting coal samples for quality comparisons. We also stick to national safety guidelines when we assess the suppliers' business, for example, AG1011-AG1013 Safety Inspecting-testing specifications for coal mine, Coal Mine Safety Rules, Coal Industry Law of the P.R.C. etc. The Group also could annually monitor our material and service suppliers and remove any unsatisfactory providers. If any supplier does not fulfil requirements, under the service agreement we both signed in firsthand, the suppliers will have to compensate correspondingly to safeguard our Company's interests. If there is any major change or incident happening on supply chain, the procurement department will follow our internal guidelines to report to the Group's management in timely manner for adjustment with suppliers.

Our suppliers are also expected to not only conduct themselves with integrity but also to monitor the ethical conduct of their employees as well as their business practice. Most of our coal suppliers are from China and we have established stable partnership with them for at least three years, this allows us to communicate easily with them on the service and quality and higher flexibility in our daily cooperation.

本集團持續擴張供應商網絡，以確保數量和質量可靠及穩定的煤炭供應。與供應鏈的合作夥伴關係體現本公司的意識嚮導。我們嚴格監察與供應鏈的合作，因為我們相信我們只有維持與供應商的穩固業務關係方可獲得更為穩靠的煤炭供應，關乎我們長遠發展和進步。本集團已與大多數供應商發展業務關係三年以上，令本集團可獲得優質煤炭的穩定供應。我們不傾向於經常更換供應商，故此，我們已制定一套清晰的標準採購管理程序以供我們的僱員遵循。

就一般採購而言，我們的法律及採購部門將首先檢查供應商的財務狀況、業務規模及其業務合法性。然後，採購團隊將向至少3家供應商獲取報價以作成本比較，提供過參訪多個煤礦、收集煤炭樣本作品質比較，最終設定實惠的銷售價格。當我們評估供應商的業務時，我們亦堅持全國性安全指引，如《煤礦安全檢測規範》(AG1011—AG1013)、《煤礦安全規程》、《中華人民共和國煤炭法》等。本集團亦每年監察我們的物資及服務供應商，並剔除不令人滿意的供應商。倘任何供應商不符合要求，則相關供應商將須根據我們事先簽署的服務協議向我們作出補償，以保障本公司之利益。倘供應鏈出現任何重大變動或發生事故，採購部門將遵從我們的內部指引，及時向本集團的管理層匯報供應商調整情況。

我們的供應商於營運過程中秉承誠信操守，同時監察其僱員以及其業務慣例的道德操守。我們的大部分煤炭供應商來自中國，且我們已與彼等建立業務關係至少三年，可令我們與彼等就業務及品質以及我們日常合作之較高靈活度進行有效溝通。

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o Product Responsibility

The characteristics of commercial coal produced by the Group are as follows:

o 產品責任

本集團出產的商業煤特徵如下：

Coal characteristics	煤質特徵	Huameiao Energy – Xingtao Coal 華美奧能源 – 興陶煤業	Huameiao Energy – Fengxi Coal 華美奧能源 – 馮西煤業	Huameiao Energy – Chongsheng Coal 華美奧能源 – 崇升煤業
Coal seam	煤層	4	9	9
Moisture (%)	水分 (%)	9.13–12.11%	2.07–2.90%	8.70–11.84%
Ash (%)	灰分 (%)	21.07–29.94%	18.36–30.42%	21.25–23.85%
Sulphur (%)	含硫量 (%)	0.76–1.81%	0.31–0.84%	1.78–2.40%
Volatile (%)	揮發物含量 (%)	21.96–27.49%	19.90–29.49%	27.54–28.88%
Calorific value (MJ/kg)	發熱量(兆焦耳/ 千克)	17.30–18.13	17.08–22.03	20.36–22.25

The Group received no product recall or service complaint in the reporting period. Qinfa continuously monitors the quality and quantity of our coal products to assure their quality parameters meet pre-defined standards by complying to our internal procedures and according to the national regulations. We are an integrated coal provider, servicing from coal mining to filtering to blending to storage to shipping transportation, we aim at achieving perfection in every stage of our services.

於報告期間，本集團並無收到產品召回或服務投訴。通過遵守我們的內部程序及遵照國家法規，我們持續監察我們煤炭產品的質量及總量，保證其質量參數符合預定標準。我們為一家綜合煤炭提供商，服務範圍涉及採煤、選煤、配煤、存儲及運輸。在各階段裡，我們都力求完善我們的服務。

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In our internal guideline for product management, it lists out a workflow on managing and producing our coal products, e.g. our coal products have to be stored in specific storage or gone through only indoor areas where no external cause could affect the quality of our products etc. Upon inspection of our products, we also possess laboratories which are up to national standards to conduct product inspection in timely manner. All internal procedures are also drafted based on national regulations as below:

我們的產品管理內部指引列明管理及生產我們煤炭產品之工作流程，例如我們的煤炭產品必須儲存在特定地點或僅通過室內區域，不會有外部原因影響我們產品的質量。在檢驗我們的產品時，我們亦擁有達到國家標準的實驗室，可及時進行產品檢驗。所有內部程序亦根據下列國家規範擬備：

Related national standards: 相關國家標準：
《選煤廠洗水閉路循環等級》(MT/T 810-1999) Grade for closed process water circuit in coal preparation plant
《煤用篩分設備工藝性能評定方法》(GB/T15716-1995) Coal sizing equipment-Performance evaluation
《煤炭分析試驗方法一般規定》(GB/T483-2007) General rules for analytical and testing methods of coal
《煤中全水分的測定方法》(GB/T211-2007) Determination of Total Moisture in Coal
《煤中礦物質的測定方法》(GB/T7560-2001) Methods for Determining the Minerals in Coal
《煤的發熱量測定方法》(GB/T479-2000) Methods for Determining the Calorific Value of Coal

We have no bias over any customers but work closely with all of them to constantly check out on their feedbacks and we could instantly know the expectations or standards the market, through then we could adjust our guidelines and standards with our suppliers and upgrade our internal procedures to perfect our products in order to provide stable and the best products and services to our customers.

我們對任何客戶均一視同仁，與所有客戶緊密協作，不斷檢查客戶反饋。我們持續掌握市場預期或標準，藉此與供應商調整我們的指引或標準，並升級我們的內部程序，以完善我們的產品，向客戶提供穩靠及最佳的產品和服務。

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o **Reinforcing Data Protection**

Earning and keeping customers and suppliers' trust is a key factor in the sustainability of our business, therefore we highly emphasize on our data protection procedures to make sure any confidential information would not leak out. We employ rigorous internal control procedures to protect our data, such as our Confidentiality System of Qinfa Group is a set of guidelines that states explicitly the procedures for retrieving data of the corporate customers and suppliers, and the authorization to certain levels of staff to access customers' information. All employees have entered into agreement to promise on keeping company's data confidential upon joining the Company. If there is any violation or information leaking out, the Company will take legal actions against the relevant employee and terminate their employment contract immediately if needed.

o **Anti-corruption**

During the year, no non-compliance with relevant laws and regulations in relation to corruption, bribery, fraud and money laundering has been identified. The Group strictly regulates discipline and professional conduct of our employees, in order to prevent any potential bribery, extortion, fraud, money laundering and gambling. We are in compliance with the Provisions on prohibiting corruption and bribery of the Criminal Law of the P.R.C. and any legal regulation and requirements for listed companies in Hong Kong.

We formulated various schemes and rules to our employees in our business operations. We state clearly the work scope of each department so that the employees can use it as a guidance at work, we also developed code of conduct for employees to take reference of, not only to limit them from violating rules but to educate them the advantages of being honest and integrous through various trainings. Therewith, our internal Guideline on Rewards and Punishments Management for Employees also plays an important role in pushing forward the implementation of code of conduct in the Company, whoever that violates the rules will be punished accordingly. All staff promise to commit themselves in avoiding any conflict of interest or not request and stipulate any bribe or improper remuneration upon their joining in the Company according to our conduct bible. If anyone has any suspicion, we also encourage them to

o **加強數據保護**

贏得及保持客戶及供應商的信任為我們的業務可持續發展的關鍵因素，因此，我們高度重視我們的數據保護程序以確保任何機密信息不會洩露。我們採用嚴格的內部控制程序以保護我們的數據，比如秦發集團的保密系統為一套指導方針，明確規定檢索企業客戶及供應商的數據的程序以及向若干級別的員工提供的訪問客戶信息的授權。所有員工已訂立協議以承諾於彼等加入本公司後對公司的數據保密。倘存在任何違反或信息洩露，若有需要，本公司將對相關員工提取法律訴訟並立即終止其僱傭合約。

o **反腐敗**

於年內，並無發現未遵守與腐敗、賄賂、欺詐及洗錢有關的相關法律法規的情況。為防止任何潛在的賄賂、勒索、欺詐、洗錢及賭博，本集團嚴格監管員工的紀律及專業操守。我們遵守中華人民共和國刑法有關禁止腐敗及賄賂的規定以及於香港上市的公司的任何法律規定及要求。

我們於業務運營中制定針對員工的各種計劃及規則。我們明確規定各部門的工作範圍，以便員工可將其用作工作時的指導，我們亦制定員工參考的行為準則，不僅限制彼等違反規則，還透過各種培訓教育彼等誠實正直的優點。因此，我們的員工獎懲管理內部指引亦對推動本公司行為準則的實施發揮了重要的作用，無論誰違反規則均將受到相應的懲罰。根據我們的行為準則，所有員工均承諾致力於避免任何利益衝突或不要求及規定彼等加入本公司後的任何賄賂或不適當薪酬。倘任何人士有任何懷疑，我們亦鼓勵彼等向我們的人力資源部報告有關情況，然後我們的人力資源部將採取調查措施以確保本集團始終保持高度的專業水平。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

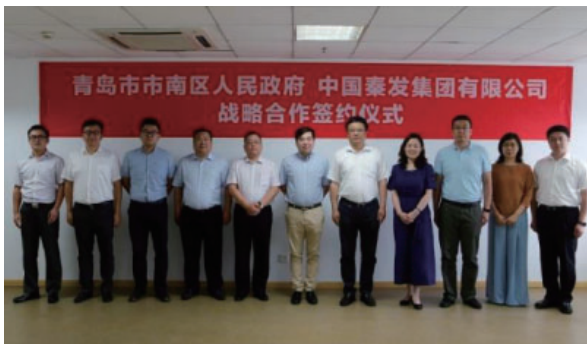
raise out to our HR department to report the case then our HR department will take investigating steps to ensure the Group maintains high level of professionalism at all times.

- **Social Responsibility Aspect**

- o *Investing in the Community*

During the year, the Group has entered into cooperation agreement with Qingdao municipal government, considering that Qingdao's south end is undergoing a key period of industrial transformation, the Group is committed in supporting the government in upgrading their construction, their project and city development, and putting more attention to social responsibility.

During the year, the Group donated RMB 1,887,000 in total to enhance social development in different aspects.



The Group entering into cooperation agreement with Qingdao municipal government in urban planning

We stick closely to our principle of “From the Society and For the Society” because we strongly believe that supporting the society to have more sustainable development will allow more developmental opportunity for the Company in the long-run. The Group is considering to work in partnership with more local governments to discover future collaboration opportunities.

- **社會責任方面**

- o *投資於社區*

於年內，本集團已與青島市政府訂立合作協議，考慮到青島的南端正處於產業轉型的關鍵時期，本集團正致力於支持政府提升其建設、項目及城市發展且更加注重社會責任。

於年內，本集團總計捐贈人民幣1,887,000元以在不同方面促進社會發展。



本集團與青島市政府訂立城市規劃方面的合作協議

我們嚴格堅持「從社會做起及為社會服務」的原則，因為我們堅信支持社會實現更加可持續的發展將使本公司於長期內有更多的發展機會。本集團正考慮與更多地方政府合作以開拓日後更多合作機會。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

LOOKING FORWARD

Looking ahead, we will continue to strive for a balance between business development, employee safety and environmental protection. As to expand our market share, we will actively seek for overseas opportunities and explore the potential of investing in different kinds of coal mines. At the same time, we will closely monitor the impacts brought to the environment and step up efforts to enhance the level of safety management. It is always our responsibility to improve the standardization awareness of coal mine workers to develop their normalized behavioral habits.

Although there are challenges ahead, we are well positioned to capture the growth opportunities arising from various markets to create long-term and sustainable value for all stakeholders. We will never sacrifice environmental quality and governance principles for development.

展望未來

展望未來，我們將繼續努力實現業務發展、員工安全及環境保護之間的平衡。為擴大我們的市場份額，我們將積極尋求海外的機會並發掘於不同類型的煤礦的投資潛力。同時，我們將密切監控對環境帶來的影響並加大力度提升安全管理水平。提升煤礦工人的標準化意識以培養其規範化的行為習慣，始終是我們的責任。

儘管未來充滿挑戰，但我們已準備好抓住各種市場帶來的增長機遇，為所有持份者創造長期及可持續的價值。我們絕不會以犧牲環境質量及管治原則來換取發展。