

**GLORIOUS PROPERTY HOLDINGS LIMITED**  
**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT**

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## **1. Our Report**

### **1.1. Overview**

This report provides information on the corporate social responsibility performance of Glorious Property Holdings Limited (the "Group" or "we") in terms of environment, society and governance during the year from 1 January 2018 to 31 December 2018. This environmental, social and governance report (the "Report") is in compliance with the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide and contains all disclosures as recommended in the Guide. Meanwhile, the Group hopes to convey its concern for sustainable development and related issues through the Report, so as to increase all stakeholders' confidence in and understanding of the Group.

### **1.2. Scope of Reporting**

As a well-established property developer in Hong Kong, the Group is mainly engaged in AABCDE. Unless otherwise stated, the Report covers the operations of the headquarters office of the Group and two core property development projects in Shanghai and Nanjing respectively, representing a gross floor area (GFA) of 260,000 m<sup>2</sup>.

### **1.3. Reader Feedback**

We welcome comments and suggestions from readers on the Report or on our corporate social responsibility reporting. Whether you are a customer, a business partner, a common citizen, a media organisation or social group, we value your opinions very much. Your comments and suggestions can help consolidate and enhance the Group's future sustainability. Please contact us by email.

## **2. Communication with Stakeholders**

The Group understands that listening to stakeholders' opinions in an effective and continuous manner and responding to and addressing their concerns are indispensable for business development and the fulfillment of corporate social responsibility. As such, we actively listen to the opinions of different stakeholders and continuously understand and respond to their concerns to build mutual trust and reciprocity with them, so as to promote sustainable development.

The annual general meeting of the Group provides an effective platform for the board of directors (the "Board") to exchange opinions with shareholders. The latest announcements and circulars of the Group are published on its website, and its overall performance is reported to all shareholders through its annual reports and interim reports.

In order to maintain a close relationship with stakeholders, the Company communicates with stakeholders (including buyers, residents, contractors and suppliers) from time to time through visits, telephone conferences, emails and follow-up service of customer service staff, to listen to their views and needs.

## **3. Environmental, Social and Governance Performance**

### **3.1. Environmental Protection**

#### Management guidelines and policies

The Group is committed to environmental protection and sustainable development in a drive to fulfill its social responsibility as a corporate citizen. For a greener life, We have developed a series of environmental management policies and measures such as carbon emission management policy, waste management policy and green procurement policy, in an effort to avoid and minimise the risks and impacts of the

Company's operations and project development on the environment. We also strictly implement the requirements of the ISO14001 environmental management system and have passed the relevant certification. During the reporting period, the Group found no major violations of laws or regulations.

### **3.1.1. Pollution Control**

#### Countermeasures to climate change

It is an indisputable fact that global warming is becoming more and more serious. In the future, our next generation will face even greater challenges when pursuing an ideal life. In this context, we adopt the latest national standard—Assessment Standard for Green Building (GB/T50378-2014) for all buildings developed by the Group. By doing so, we strive to integrate environmental protection elements into the design, construction, operation and maintenance cycle of buildings, so as to promote green development in an all-round manner and reduce the carbon emissions of buildings in their life cycle.

We also understand that transportation is one of the main sources of carbon emissions. To reduce greenhouse gas emissions caused by transportation, we have formulated the following measures:

- provide video and teleconferencing systems and encourage employees to use such systems to facilitate operations and reduce greenhouse gas emissions caused by business travel and related transportation;
- advocate the idea of using local materials and prefer local suppliers.
  - It is recommended that each contractor use building materials produced within 400 kilometers from the construction site, and the amount of such building materials used should account for more than 70% of the total weight of building materials used;
  - The Group's office supplies and other fixed assets are sourced from local suppliers.

During the reporting period, the Group emitted approximately 3,222.66 tonnes of nitrogen oxides, approximately 16.03 tonnes of sulphur oxides and approximately 18.55 kg of particulate matter. During the reporting period, the Group's total greenhouse gas emissions were 1,456.72 tonnes of carbon dioxide equivalent.

<b>Air pollutant emissions</b>		
<b>Nitrogen oxides (tonnes)</b>	<b>Sulphur oxides (tonnes)</b>	<b>Particulate emissions (kg)</b>
<b>3,222.66</b>	16.03	18.55

<b>Greenhouse gas emissions</b>			
<b>Direct emissions</b>	<b>Energy-related indirect emissions</b>	<b>Other indirect emissions</b>	<b>Total greenhouse gas emissions</b>
<b>(tonnes of carbon dioxide equivalent)</b>			
<b>13.00</b>	1,070.07	373.65	1,456.72

### Waste Management

The Group always takes waste disposal seriously. In order to reduce the load on the landfill area and the waste disposal there, the Group's offices adhere to the green principles of Reducing, Reusing and Recycling and monitor paper consumption on a regular basis.

In previous reporting periods, the Group had contractors dispose of all the wastes at the construction sites. In order to effectively ensure that contractors implement the Group's waste reduction targets, we contractually require all contractors to reduce the generation of solid waste during construction, and to place the waste by category and with clear labels (e.g. toxic, hazardous, recyclable and non-recyclable). We have different targets for different wastes. For example, the reuse rate of gravel and earthwork construction waste can be increased through foundation backfilling and paving. For residential buildings, the Group sets a target that construction waste per ww m2 should not exceed 400 tonnes.

### **3.1.2. Making Good Use of Resources**

It is an indisputable fact that global warming is becoming more and more serious. In the future, our next generation will face even greater challenges when pursuing an ideal life. As such, the Group strives to adopt the best measures to reduce greenhouse gas emissions from business operations and combat climate change.

#### Energy conservation

As a socially responsible company, the Group keeps practicing the business philosophy of "green construction and energy conservation". We advocate the use of energy-saving, efficient and environmental-friendly construction equipment, machinery and tools and office appliances recommended by the state and the industry. For energy conservation, we require contractors to adopt various energy-saving measures during construction. Meanwhile, we continuously update the latest environmental news to optimise the existing services, so as to reduce environmental pollution.

For property design, the Group follows the requirements of the Design Standard for Energy Efficiency of Public Buildings (GB50189-2015), the Design Standard for Energy Efficiency of Residential Buildings in Hot Summer and Cold Winter Zones (JGJ134-2010) and the Design Standard for Energy Efficiency of Residential Buildings in Severe Cold and Cold Zones (JGJ26-2010) to build buildings with high energy efficiency. We also require contractors to take the following measures to reduce energy consumption:

- install energy-saving lamps such as LEDs in the construction area, office area and living area of each project;
- put up the warning sign of "Save electricity and turn off the power after work" at different sites;
- use energy-saving and efficient mechanical equipment and technology, such as energy-saving construction equipment with frequency conversion technology;

- rationally choose construction machinery and equipment, and avoid using equipment, machinery and products that do not meet the requirements on energy conservation and environmental protection;
- carry out regular maintenance to maintain the low power consumption and high efficiency of machinery and equipment;
- install LED lamps in the construction area, office area and living area of each project; and
- use solar street lamps which receive solar radiant energy in the daytime, convert it into electric energy, store it in the storage battery through a charge and discharge controller, and discharge to the lamp cap through the storage battery at night;

### Water efficiency

Water is one of our most important natural resources. In order to protect precious water resources, the Group makes every effort to reduce the water resources used in business operations. The Group has long been an advocator of wastewater recycling. We encourage contractors to give priority to non-traditional water sources and try not to use municipal tap water. For instance, a sewage pool will be set up at each construction site to treat wastewater, and the treated wastewater will be used for washing of on-site machinery, equipment and vehicles, road surface spraying, watering and other purposes, in an effort to reuse more than 30% of non-traditional water sources and circulating water during construction.

The Group has strict requirements on the water consumption of contractors which are required to implement water metering management through separate water metering in the living area and construction area where water meters shall be installed. The contractors have to regularly collect water consumption information at the construction sites, set up statistical accounts for water consumption and water conservation and carry out statistical analysis and comparison to improve water use efficiency.

The Group's offices also employ water-saving systems, water-saving appliances and equipment, such as low-water-consumption flushing toilets,

sensor faucets or slow-closing flush valves. We also take effective measures to avoid leakage of water pipes, so as to prevent waste of water.

During the reporting period, the main resources consumed by the Group during operations and production are set out below:

Resources	Unit	Total consumption
<b>Power purchased</b>	kWh	1,309,181.00
<b>Gasoline</b>	litre	5,719
<b>Municipal water</b>	m <sup>3</sup>	65,479.00
<b>Gas</b>	MJ	16,700
<b>Packaging materials</b>	tonnes	Not applicable

#### Material saving

Sound material management and effective resource utilisation can not only reduce operating expenses but also save resources. As such, the Group always attaches great importance to material management. During construction, the Group supervises the implementation of the following measures by contractors to ensure the effective use of building materials:

- Rationally arrange the procurement of materials (including delivery time and batches) according to construction progress and inventory in order to minimise inventory.
- Adopt technical and management measures to increase turnover of frameworks and scaffolding.
- Promote the use of high-strength reinforced steel and high-performance concrete to reduce resource consumption.
- Optimise the formulas for reinforced steel and steel components. Double check the orders and samples before bulk production of reinforced steel and steel components.
- Perform overall layout planning before veneering construction to reduce the quantity of fragmented veneer bits.
- Use self-adhesive sheets to reduce the amount of liquid adhesive used on site.



### **3.1.3. Promoting Green Operations**

The Group integrates environmental responsibility into its daily business operations. For this end, the Company promotes green operations and a green procurement policy to reduce its environmental impact and consumption of natural resources.

#### Protecting natural resources

The Group's Paper suppliers are required to provide paper from manufacturers meeting relevant environmental standards, with a view to limiting the impact on forest resources. In order to protect the groundwater environment, we adopt slope protection technology with good waterproof performance to prevent groundwater from being polluted due to property construction.

#### Green procurement

The Group requires its contractors to use low-volatility materials. According to the Group's green construction strategy, the volatile organic compound ("VOC") content of adhesive, base glue, the paint, coatings and base layer on interior walls and ceilings, the anti-corrosion and anti-rust coatings for interior metal materials, and wood finishes (such as floors and stairs) shall not exceed the prescribed limits under the 10 Mandatory National Standards for the Limits of Hazardous Substances in Interior Decoration Materials. Before tendering and construction, the relevant materials shall be tested to see if the certification requirements are met. The selected products shall pass green label certification or pass the test by a laboratory with relevant qualifications. Composite wood and fibre products shall not contain excess formaldehyde.

#### Green office

We have put in place green office measures for office operations, including:

- install energy-saving lamps in the office;
- post electricity-saving signs in the workplace to help employees establish a good habit of saving electricity;

- open windows for ventilation as much as possible in spring and autumn to reduce the use of air conditioning;
- set the air conditioning system to keep the office room temperature at 25 °C;
- establish an OA system to reduce paper-based applications in an effort to implement paperless office;
- minimise paper printing and increase printed paper recycling to reduce the use of paper;
- conduct regular internal communication to strengthen the implementation of these measures.

Environmental management of construction sites

The Group's construction projects are the main sources of environmental pollutants. After identifying the key items to control at construction sites, the Group puts in place Green Construction Measures to control various environmental emissions of contractors, and strictly supervises their implementation of such measures in accordance with relevant environmental laws and regulations, so as to minimise the environmental impact of project construction on the surrounding environment.

<u>Green Construction Measures</u>	
<u>Dust Prevention</u>	<ul style="list-style-type: none"> <li>• Take effective anti-dust measures on site, such as watering, hardening of ground, fencing, dense mesh covering and closure; and</li> <li>• Ensure that dust control at construction sites meet the National Level 2 Emission Standard</li> </ul>
<u>Noise Reduction</u>	<ul style="list-style-type: none"> <li>• Noise shall not exceed the limits under the national standard—Noise Limits for Construction Sites (GB12523-90); and</li> <li>• Perform real-time monitoring and control of noise at the construction sites</li> </ul>

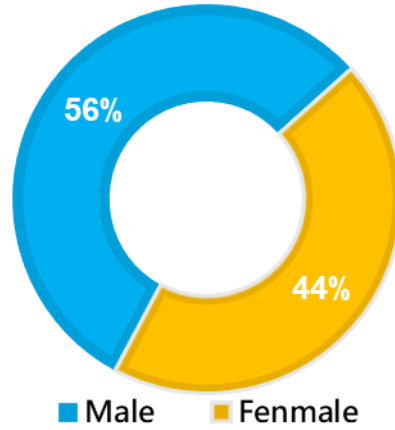
<u>Green Construction Measures</u>	
<u>Sewage Treatment</u>	<ul style="list-style-type: none"> <li>• Apply for a sewage discharge permit in accordance with the discharge requirements;</li> <li>• Engage a qualified agency to carry out wastewater quality testing; and</li> <li>• Ensure that the sewage discharged meets the national standard—Comprehensive Sewage Discharge Standard</li> </ul>
<u>Waste Management</u>	<ul style="list-style-type: none"> <li>• Set up temporary waste storage sites;</li> <li>• Placement of waste by category with clear labels;</li> <li>• Collection, classification and closed storage of hazardous solid waste; and</li> <li>• After a certain amount of waste is accumulated, the waste shall be handed over to a qualified local collector for unified disposal</li> </ul>

### 3.2. Putting People First

We motivate employees to give full play to their potential and encourage them to actively engage in the Company's business development and self-improvement, so as to promote long-term sustainable business development.

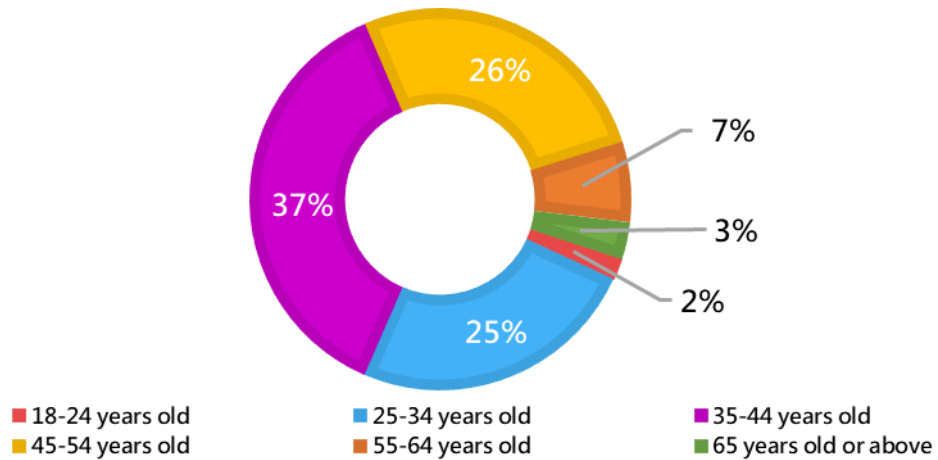
Set out below are our main performance indicators in terms of employees in 2018:

### Distribution of Employees by Gender



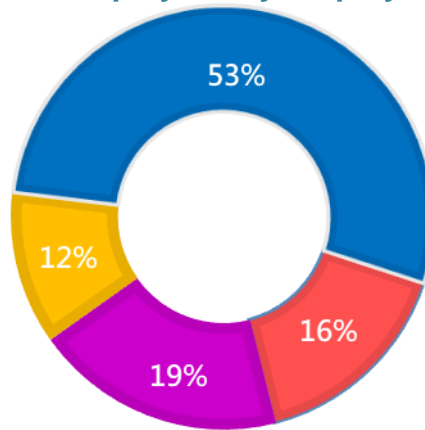
Male	90
Female	72

### Distribution of Employees by Age



Aged 18 - 24	3
Aged 25 - 34	40
Aged 35 - 44	60
Aged 45 - 54	43
Aged 55 - 64	11
Aged 65>	5

### Distribution of Employees by Employee Ranking



■ Senior management ■ Middle management ■ Supervisor ■ General staff

Senior management	26
Middle management	31
Supervisors	19
General staff	86

#### 3.2.1. Equal Employment

##### Management guidelines and policies

The success of our business depends on the untiring efforts and dedicated service of all employees. The Group understands that the recruitment, retention and cultivation of talents can help maintain its market competitiveness. The Group upholds the principles of "anti-discrimination" and "diversity" and endeavours to create a caring, inclusive, fair and non-discriminatory work environment. We strive to provide attractive compensation packages, promote career development training, encourage work-life balance and build a safe working environment, with an aim to become an "excellent employer". In addition, we have a dedicated human resources committee to regularly review and improve the relevant policies, so as to ensure that they are in compliance with local laws and industry standards. During the reporting period, the Group found no major violations of laws or regulations.

### Talent selection

We have adopted a diversity and non-discriminatory policy to ensure that job applicants are screened, recruited and appointed based on the basic principles of fairness, impartiality, equality, competition, meritocracy and non-discrimination while protecting the human rights and personal privacy of employees. In order to ensure equal employment opportunities for employees, the selection and recruitment of employees are based on each candidate's knowledge, ability, moral character, physique and other job requirements, and no job applicant will be discriminated against because of his/her age, gender, sexual orientation, race, disability, marital status, pregnancy status, belief, political affiliation and referees. In an effort to safeguard the rights of every job applicant, we do not reject job applicants because of, among other things, gender, age and ethnicity, nor do we discriminate against those with physical disabilities. We provide competitive pay, various training programs and career development opportunities. The promotion of an employee is dependent upon his/her job performance, experience, and personal capabilities. We determine the compensation of employees based on the compensation system developed by the Group, the overall market situation and the work duties.

As a responsible employer, we have formulated the Dismissal and Retirement Policy and the Compensation Policy, whereby the Group will handle retirement procedures for employees who have reached the statutory retirement age in accordance with the relevant national regulations. Where an employee commits any gross negligence or damages the interests of the Group, we will go through dismissal procedures in accordance with the Labour Law of the PRC. In the event of a work-related accident, the Group will make reasonable compensation and handle it properly in accordance with relevant laws.

### Employee benefits

As employees are a valuable resource of the Group, we are very concerned about the physical and mental health of employees and their work-life balance. Accordingly, the Group has formulated the Work-Life

Balance Policy in the hope of enriching the life of employees and enhancing their skills and team cohesion through various after-work activities and training courses. We also set up relevant employee benefits (including social insurance for employees) according to requirements of the Ministry of Human Resources and Social Security and the Labour Law. In addition, we provide employees with pre-employment physical examination and annual physical examination.

### **3.2.2. Occupational Health and Safety**

#### Management guidelines and policies

As employees are our most valuable resource, we strive to create the most agreeable working environment for them. To this end, the Group gives top priority to occupational safety and health. We have in place a sound mechanism to manage matters related to occupational health and safety. For example, based on local occupational health and safety policies where its projects are located, the Group has developed a set of safety management measures to ensure the safety of all employees, including the Measures for Safety Management at the Workplace and the Measures for Safety Management of Workplace Equipment. All contractors are required to comply with these measures. In order to strengthen the safety supervision and management over outsourced construction projects, we have formulated the Engineering Supervision Rules for Contractors, pursuant to which the safety management capabilities of each contractor shall be reviewed and a safety agreement stipulating the safety requirements shall be entered into with the contractor to prevent construction accidents in outsourced projects. During the reporting period, the Group found no major violations of laws or regulations.

#### Workplace safety management

Both the employees of the Group and those of the contractors are required to comply with the Workplace Safety Policy of the Group which specifies the responsibilities of different roles in the workplace. There is a safety reward and punishment system to encourage frontline workers to do a

good job in safety work. We also hold safety meetings and carry out safety education and overhaul of workplace on a regular basis to promote workplace safety culture. In addition, the Group implements a series of safety management measures to ensure the safety of all personnel entering and leaving the construction sites:

- Identify high-risk areas of work procedures, and carry out on-the-job training for employees, submit construction plans and set operation rules before construction;
- Set up warning boards against major hazards at each high-risk construction area to warn the personnel entering the area that they must abide by the relevant safety instructions;
- Provide employees with necessary protective equipment, facilities and tools, such as safety helmets and safety shoes;
- Ensure that there are sufficient sanitation facilities at the construction sites;
- Provide first aid equipment at the workplace, such as medical kits, stretchers, etc.

#### Safety management of workplace equipment

To guard against all the hidden dangers in the office, the Group has formulated relevant management and control measures which cover electricity safety, fire safety, tripping, slipping, falling, air quality safety, eye discomfort caused by improper lighting, physical discomfort caused by computers and display screen equipment, office chemicals, back injuries and pain and office equipment safety.

#### Indoor air quality policy

We want our employees to work in a comfortable, beautiful and green environment. For this end, the Group has put in place flowers and plants in its offices and the adjacent corridors, which not only adds green to the office environment but also purifies the indoor air, thereby building a harmonious and beautiful work environment.

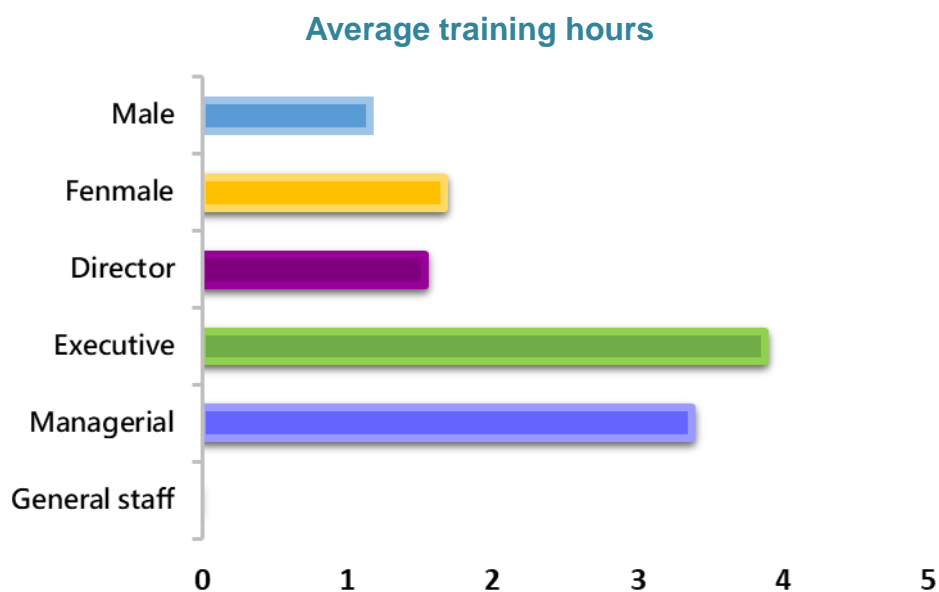


### **3.2.3. Training and Development**

#### Management guidelines and policies

We firmly believe that continuous training and development of our employees will enhance the value of our team and the professional quality of our employees, which in turn will bring greater productivity to the Group. The continuous development of employees has many benefits. The Group has formulated the Career Development Policy and the Employee Development Policy, pursuant to which the Group arranges for well-organised employees to receive external training according to internal needs, and provides subsidies for those who pass a professional title examination in order to promote their career development. In order to facilitate our development strategies and meet the human resource needs of various departments, the administrative and personnel center is responsible for preparing training programs. These training programs are designed to help employees get the hang of the internal rules and regulations and their job responsibilities and work duties, understand and identify with the Group's corporate culture, values and development strategies, improve knowledge and management skills, enhance their ability to perform duties and their performance; to support the career development of employees; and to improve employees' work enthusiasm and develop team spirit.

During the Reporting Period, the training hours of employees of the Group are as follows:



<b>Male</b>	1.16
<b>Female</b>	1.67
<b>Senior management</b>	1.54
<b>Middle management</b>	3.87
<b>Supervisors</b>	3.37
<b>General staff</b>	0.00

#### Mechanism for integration of new employees

In order to help new employees learn about the internal rules and regulations, relevant job responsibilities and work duties as soon as possible and understand and identify with the Group's corporate culture, values and development strategies, new employees are required to receive pre-job training which covers, among other things, corporate culture, business procedures, work rules, organisational structure, employee benefits and safety work, and to pass the post-training assessment before taking their posts. We adopt a mechanism of old employees mentoring new ones to incorporate the guidance and training of employees into day-to-day work, so that they can get familiar with and master relevant business knowledge, working methods and professional skills, which will enhance

the ability of employees to perform their duties and improve their work performance.

#### **3.2.4. Protection of Rights and Interests**

##### Management guidelines and policies

The Group respects human rights and recruits in accordance with the Labour Law of the PRC. Recruiters are required to verify the identity documents of the job applicants in the process of recruitment and we never hire persons below the legal working age. We also strictly prohibit any unethical employment practices, prohibit any form of forced labour, undertake not to force employees to work overtime, and respect employees' freedom, including freedom of employment, freedom to resignation, freedom to work overtime and freedom of movement. The working hours of employees shall be in compliance with relevant local labour laws and regulations. In order to avoid forced overtime, any necessary overtime arrangements are subject to the consent of employees and overtime compensation will be made to employees according to relevant laws and regulations.

### **3.3. Operational Commitment**

#### **3.3.1. Supply Chain Management**

##### Management guidelines and policies

The Group insists on building long-term and stable strategic partnership with quality suppliers. With a focus on strategic procurement, we strive to realise common development with suppliers on the basis of equality and win-win. The Group has formulated the Supplier Code of Conduct and requires suppliers to fully comply with it. In order to monitor the performance of suppliers and ensure that they meet the relevant legal and regulatory requirements, the Group conducts regular assessments of the contractual performance of suppliers and continues to engage only those meeting the eligibility criteria in terms of different performance indicators

during the contract performance period. During the reporting period, the Group found no major violations of laws or regulations.

#### Selection and evaluation of suppliers

The Group has set up a series of evaluation indicators for supplier selection, including quality, environmental protection, social reputation, market performance, home owners' reviews, technology R&D, processing technology, business level of after-sales service system, emergency response, problem solving and professional ethics, in order to ensure that the performance of our suppliers meets certain standards in the above aspects. Only those suppliers that are deemed qualified in the evaluation can be included in the List of Qualified Suppliers of the Group. In the process of selecting and evaluating suppliers of administrative supplies and services, we employ fair, impartial and open evaluation criteria. We also require suppliers to declare their interests to avoid conflicts of interest or tunneling of interests.

#### Sustainable supply chain

The Group puts great emphasis on the sustainability of value chain. While fulfilling our environmental and social responsibilities, we also expect our suppliers to operate in the same responsible manner. Accordingly, we incorporate sustainability considerations into our procurement and outsourcing process and require suppliers to meet basic standards. For example, all suppliers are required to abide by the following sustainability principles, and to ensure that their regular and temporary employees, suppliers and sub-suppliers confirm and comply with the requirements of this policy.

### **3.3.2. Customer Health and Safety**

#### Management guidelines and policies

The Company is committed to providing customers with high-quality building products. In the process of real estate construction and operation, we improve quality management, protect customers' basic rights and

interests, and provide customers with responsible products and services in strict accordance with national laws and regulations and industry quality standards. We maintain communication with customers in the process of monitoring product quality and customer service to ensure that we understand and meet customers' needs and expectations. In doing so, we also hope to learn about customers' satisfaction level and make continuous improvements to our products and services.

### Customer Health and Safety

The Group gives each sales unit a quality assurance letter with quality commitments in terms of structure, components, facilities, supporting facilities and maintenance. All buildings developed by the Group conform to the design standards for residential buildings and have passed the completion inspection by relevant departments and units in accordance with national regulations, thus ensuring that the buildings meet the structural safety standards and are equipped with up-to-standard fire-fighting facilities.

In the course of construction, the Group and the contractor will take a series of quality control measures to ensure that the products provided meet the quality standards stipulated by the law, in an effort to provide safe and comfortable living space for our customers.

- According to the national and local norms and requirements, all design drawings shall be reviewed by the design institute and the Group's professionals, with a view to providing products that meet the quality requirements.
- Based on the construction drawing, the key links in the process of building construction shall be reviewed to see whether the construction is carried out according to the drawing.
- All materials provided not according to the drawing shall be returned, and the suppliers involved shall be punished in accordance with the relevant contractual requirements. In the case of construction deviated from the drawing, a rectification notice shall be issued to the contractor requiring it to rectify the situation within a prescribed

time limit.

- The materials used in buildings shall meet the national standards, and the fire protection design is subject to review and acceptance inspection by the local government.
- Cancellation of substandard services. Where construction is at variance with the construction drawing, the Group will issue a rectification notice to the responsible contractor requiring it to rectify the situation within a specified time limit.

#### After-sales services

The Group will enter into a sales contract for each sale stipulating the warranty period for each unit in different aspects according to legal requirements, covering foundation works, main structure works, roof waterproofing works, heating and cooling systems and electrical pipes, water supply and drainage pipelines, equipment installation and decoration works. After a house is delivered for use, if the quality of the main structure of the house is not up to standard, the Group will assume responsibility for that in accordance with Article 32 of the Regulations on Urban Real Estate Development and Operation promulgated by the State Council. Each project of the Group has customer service personnel to coordinate with the property management company of the project in handling complaints. The Group's project companies and property management companies have their own measures and procedures for handling customer complaints.

#### Fair publicity policy

The Group is well aware of the importance of advertising and sales pitches. As such, the Group has established a set of management measures for advertising and marketing to standardise advertising and marketing activities, so as to enhance the marketing effect and evade the relevant legal risks in the process. The advertising content of each project shall be reviewed by the marketing department of the project to ensure that the product information on the promotional web pages and other promotional materials is true and accurate. In addition, for each project, the Group will train the salespersons and customer service personnel before receiving

customers, and only those who are qualified after the training can take up their posts, so as to ensure that customers receive accurate sales information from competent employees in the sales process.

#### Protecting our customers

For the protection and confidentiality of customer data, confidential documents such as customers' personal information must be strictly managed and kept by a dedicated department. Without permission, employees are not allowed to privately duplicate or archive customer information or take such information out of the Company. Where a customer' personal information needs to be used, a statement from the customer consenting to the collection of his/her personal information must be obtained before using such information.

### **3.3.3. Corporate Governance**

The Group is convinced that fairness, honesty and integrity are important business assets. To strengthen internal management, we have established a strict anti-corruption policy which requires all employees to comply professionally with the Group's policies on conflicts of interest, intellectual property rights, privacy, confidentiality of information, prevention of bribery and corruption, and equal opportunities. During the reporting period, there were no litigation cases involving allegations of corruption against the Group or its employees.

#### Corporate governance policy

The Group has set up a supervision and audit department. The department, which reports to the Audit Committee of the Board and serves the Group's operations, is designed to help establish an accountability system, prevent, detect and correct errors and fraud, and reduce operational risk.

#### Anti-bribery policy

Under the tendering management measures of the Group, there is an integrity agreement which stipulates that the Group and each bid winner

are required to establish anti-bribery rules in accordance with relevant national laws under the service or construction contract, in order to procure the bid-winning company and its business personnel to jointly abide by the professional ethics and maintain a "simple, transparent, clean and fair" partnership with them.

#### Whistleblowing policy

There is a President' Mailbox in the Group's office automation system. All employees of the Group may file opinions, suggestions, complaints and reports related to the Group's operation and management through the mailbox. The Group has also set up a Dedicated Mailbox for Monitoring Suggestions to widely collect reasonable suggestions, opinions as well as complaints and reports on non-compliance acts from employees.

#### Third-party audit policy

The Group engages a large, internationally recognized accounting firm to conduct year-end audit of the Group's financial reports. For the review of interim reports, we encourage engaging an accounting firm to review our interim financial information and then submit the review results to the Audit Committee.

#### Policy for preventing extortion and fraud

The Group requires that employees must not engage in any extortion or fraudulent acts. According to Clause 9 of Section 4.3.1 of the Employee Handbook, where an employee committed any act of embezzlement, bribery or fraud, the Company may unconditionally terminate the labour contract with the employee, irrespective of whether or not such act has caused a loss to the Company. In addition, the Employee Handbook also provides for the use of resources, confidentiality obligations, avoidance of conflicts of interests, etc. It requires employees to perform their duties with honesty, transparency and integrity. The Disciplinary Action Policy and the Management Measures for Supervision of the Group also have rules on the investigation and handling of employees' disciplinary violations.



### 3.4. Harmonious Community

As a responsible corporate citizen, the Group is well aware that our responsibility is not only to contribute directly to the economy, but also to generate positive impact on the society as a whole through our business operations and public welfare programs. In the past year, the Group actively participated in community activities to give back to the society.

#### Supporting culture and art

We always spare no effort to support and promote the development of art and culture. The activities held by the Group during the reporting period are as follows:

- "Spring Festival Chess and Card Invitational Tournament": Chess and cards are an exemplary means of entertainment deeply rooted in Chinese traditional culture. It is also a form of leisure and entertainment that can relieve people's depressive mood. During the Chinese New Year holiday, a chess and card competition was held by the Group to celebrate the festival. Chess masters were invited to share their personal skills in chess, so as to carry forward the traditional entertainment culture and manifest the wisdom of life.
- "Nurturing of Little Artists": Every child is a born artist, and his artistic expression ability grows gradually with his mind. Giving inspiration in due course will help them develop artistic skills in the future. As such, we arranged for professional teachers to give enlightening are lectures, lead children to visit the exhibits of the Long Museum, and guide children to paint on site. A total of 20 community families participated in the event, which was designed to cultivate children's artistic and humanistic qualities, enrich the artistic life of the community and enliven the atmosphere of the community.
- "Blooming Spring Flowers—Collection of Flower Paintings and Flower Arrangements": In order to enrich the artistic life of the community and enhance the artistic atmosphere of the community, the Group organised a series of flower art activities, including

inviting flower art and painting masters to lecture on their ikebana experience and demonstrate how to make flower arrangements and flower paintings, arranging for performers to perform music, and having children make paintings on site. The activities attracted more than 100 community residents to enjoy artistic life together.

- "Living in Health and Harmony Like a Tai Chi Master": Modern medicine has proved that Tai Chi Chuan is of great help to human health. As such, we organised a Tai Chi event by inviting Zhu Tiancai, a successor of Chen Style Tai Chi Chuan, to give a live lecture on "Tai Chi and Regimen", demonstrate Tai Chi Chuan methods on site and interact with the audience, so as to enhance the community residents' awareness of health, enrich community fitness activities and improve the quality of life of community residents.

## Summary of Performance Data

Environmental Performance		
Polluting emissions	Unit	
Exhaust emissions		
Nitrogen oxide emissions	tonnes	3,222.66
Sulphur oxide emissions	tonnes	16.03
Particulate emissions	kg	18.55
Solid waste		
Hazardous waste	kg	Not applicable
Hazardous waste density*	kg per 1,000 m2 of floor area	Not applicable
Non-hazardous waste	kg	Not applicable
Hazardous waste density*	kg per 1,000 m2 of floor area	Not applicable
Greenhouse gas emissions and density		
Total greenhouse gas emissions	tonnes of carbon dioxide equivalent	1,456.72
Direct emissions	tonnes of carbon dioxide equivalent	13.00
Energy-related indirect emissions	tonnes of carbon dioxide equivalent	1,070.07
Other indirect emissions	tonnes of carbon dioxide equivalent	373.65
Emission density	kg of carbon dioxide equivalent per 1000 m2 of floor area	5.60

## Environmental Performance

### Energy use

Power purchased	kWh	1,309,181.00
Power density	kWh per employee	5.04
Gas	MJ	16,700.00
Gas use density	MJ per employee	0.06
Gasoline (mobile)	litre	5,719.00
Gasoline use density	litre per employee	0.02
Diesel (stationary)	litre	29,000.00
Diesel density	litre per employee	0.11
Water consumption	m3	65,479.00
Water use density	m3 per employee	0.25

Social Performance		
Employees	Unit	
Total number of employees	persons	162
<b>By age</b>		
Aged 18 - 24	persons	3
Aged 25 - 34	persons	40
Aged 35 - 44	persons	60
Aged 45 - 54	persons	43
Aged 55 - 64	persons	11
Aged 65 or above	persons	5
<b>By gender</b>		
Male	persons	90
Female	persons	72
<b>By ranking</b>		
Senior management	persons	26
Middle management	persons	31
Supervisors	persons	19
General staff	persons	86
<b>Employee turnover</b>		
Turnover rate	Percentage (%)	4.51%
<b>By age</b>		
Aged 18 - 24	Percentage (%)	2.78%
Aged 25 - 34	Percentage (%)	0.63%
Aged 35 - 44	Percentage (%)	2.22%
Aged 45 - 54	Percentage (%)	0.58%
Aged 55 - 64	Percentage (%)	0.76%
Aged 65 or above	Percentage (%)	0.00%
<b>By gender</b>		
Male	Percentage (%)	1.57%
Female	Percentage (%)	0.81%

Social Performance		
Health and Safety		
Work-related deaths	persons	0
Number of work days lost due to work-related injuries	days	0
Training and Development		
Total training hours	hours	224.00
Average training hours		
Male	hours	1.16
Female	hours	1.67
Senior management	hours	1.54
Middle management	hours	3.87
Supervisors	hours	3.37
General staff	hours	0.00
Percentage of trained employees by category		
Male	Percentage (%)	8%
Female	Percentage (%)	11%
Senior management	Percentage (%)	12%
Middle management	Percentage (%)	23%
Supervisors	Percentage (%)	26%
General staff	Percentage (%)	0%
Anti-corruption		
Number of concluded corruption cases brought against the issuer or its employees during the reporting period	cases	0