

## Landsea Green Properties

### 2016 Corporate Social Responsibility Report



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Landsea Green Properties upholds a "people-oriented" corporate concept and operational philosophy. Based on green real estate development, Landsea relies on its green technologies, regards "building for people " as its mission, and upholds the shared value of "people-oriented, positive and transparent, green and sustainable ", forming the corporate vision of "sustainable green company". This means that Landsea "advocates the harmonious co-existence of people, society, and the environment, endorses and consistently explores a path of sustainable development for the corporation, the environment, and society to serve society and realize sustainable development and growth."

To ensure the sustainable development of society, the environment, and the company, we focus on the needs and welfare of our clients, employees, shareholders, business partners and other stakeholders, strive to make Landsea to be a "**Beneficial Component**" to society, actively promotes the protection of natural ecological environment, create lasting value, commits to public welfare and advances social progress.

Currently, we are faced with worsening environmental issues and a myriad of social issues, such as air pollution (haze), depletion of water resources, energy issues, community management, idling of housing, and ageing of the population.

Landsea Green Properties adopts green differentiation as its development strategy and strives to build comfortable, healthy, and environmentally friendly housing using professional technologies, thus contributing to the resolution of environmental and social issues.



Healthy,  
Comfortable,  
Energy-efficient,  
& Environmentally Friendly.

## ► About this report

This report is the first standalone corporate social responsibility report issued by Landsea Green Properties Co., Ltd. (Landsea Green Properties, stock code: HK106) and its affiliates. We hope to share with stakeholders and the public Landsea's efforts and contributions in the area of sustainable development. It is also our hope that this report helps to advance communication and exchange with all friends, colleagues, and relevant stakeholders who care about Landsea.



For this report, please visit <http://www.landsea.hk/c/csr.php>

Landsea Green Properties Co., Ltd, the only listed platform under Landsea Group, is engaged in the green residential property development business. Current operations include property investment and management in Hong Kong, mainland China and the US. To fully reflect our influence on society, environment and management of sustainable development, unless indicated otherwise, this report covers all the work done by Landsea. Landsea Green Properties will be referred to as Landsea for short in this report.

Landsea Green Properties has disclosed sustainable development reports for three consecutive years. Based on previous reports, this report will further elaborate on Landsea's operational concept of sustainable development and the relentless efforts and achievements made in the process of advocating and practicing this concept and fully present the scope and progress of our work, including the integration of green properties and sustainable development in practice, business expansion, building of green communities, customer values, the green supply chain system, staff development and cultivation, overseas business exploration, public welfare, and corporate social responsibility, etc.

To present Landsea's efforts in green building technologies and sustainable development more thoroughly and systemically, this report is based on the guidance of the core G4 options of the GRI and adopts The Environmental, Social and Governance Reporting Guide, appendix 27 of The Rules and Guidance on Listing Matters of the Hong Kong Stock Exchange. To meet compliance requirements, this report provides a detailed account of issues related to sustainable development which relevant stakeholders consider to be of great significance and which influence the growth of the company.





# Landsea is a unique company

Looking back on Landsea's development in the nearly 16 years, one can easily see that she is a company of idealism.

She upholds the spirit of "high ambitions, down-to-earth efforts, and relentless perseverance" and consistently shoulders corporate responsibilities for the environment and society. High ambitions enable us to set our sights beyond the present, look into the long term, base our views on the world, and examine our due responsibilities from broader dimensions and perspectives. Down-to-earth efforts enable us to not only realize energy saving and emission reduction through design and building of housing, but also renovate or rebuild existing buildings to raise overall utilization efficiency of social resources while basing our work on residential properties. Relentless perseverance guides us to refrain from focusing on self-interest while striving to address multiple environmental and social issues, and enables us to explore solutions, continuously innovate, and contribute to the resolution of major environmental and social issues which need urgent solutions.

The economy, the environment, and the world are constantly changing. Landsea actively adapts to changes and participates in the efforts to improve the economy, the environment, and society. From an overall standpoint and comprehensive perspective, she actively practices the path of green, sustainable development. The lasting prosperity and long-term development of the company should companies should the harmoniously concurrent synchronize with thriving of economic, social and environmental development. She honors her social responsibility as a corporate citizen and strives to become a beneficial component, instead of a cancer, cells to the of society; she maintains her path of sustainable development and furthers the progress of green environmental protection for society at large; she operates her business in compliance with the law and believes in the power of progress; she consistently engages in public charities and strives to help those who are not immediate stakeholders within her best ability.

In furthering the path of green sustainable development, one company's power, though limited, can enable it to actively practice green, energy-saving, and low-carbon concept of sustainable development, actively promoting the industry and society's awareness of environmental and social issues. One company has a great deal of contribution and endeavor to make. Landsea bases her operation on residential building, actively promotes energy-saving building, and strives to enable more people to understand the great proportion of building energy consumption in the overall social energy consumption, as well as the enormous impact energy-saving building can have on the environment and society. It is her belief that residential building companies have an inalienable responsibility for building energy efficiency. She engages in continuous research and development, and launches new green products constantly; she has always upheld the 4 disciplines of "no bribery, no false accounting, no tax evasion, and no defrauding customers"; she strives to build a positive, people-oriented corporate culture and advocates simple, harmonious personal relationships; she commits herself to public welfare and environmental protection causes and has participated in re-building after earthquakes.

She has always maintained her customer value to make her products better suited to customer needs and strives to build good products for targeted groups of people and clients to exceed their expectation, truly practicing the corporate mission of "building for people". With nearly 16 years of endeavor and hard work, she has gradually formed her diversified competitive advantage in the industry, characterized by green technologies. In the future, she will further her efforts in housing and other industries in the long term and become an international residential property development as well as service company with professional vertical integration capabilities.

The banner of idealism has always been flying high within the company. She wishes to become an academy that enables employees to practice and grow while working in the company; she maintains a simple, clean corporate environment so that employees can focus on value-creating tasks; she has created effective incentives to build a career platform for excellent talent to realize their personal value; she actively conducts various kinds of staff activities to provide her employees with healthy and well-rounded life experiences.



In the years to come, she must persevere and defend her core values, and, moreover, relentlessly uphold the banner of idealism. She will bring more like-minded partners with noble idealism and will train more ambitious employees to be leaders at various levels.

It is unable to measure Landsea's business life, while its existence is proven by its glamorous idealism.

Tian Ming  
Chairman of the Board

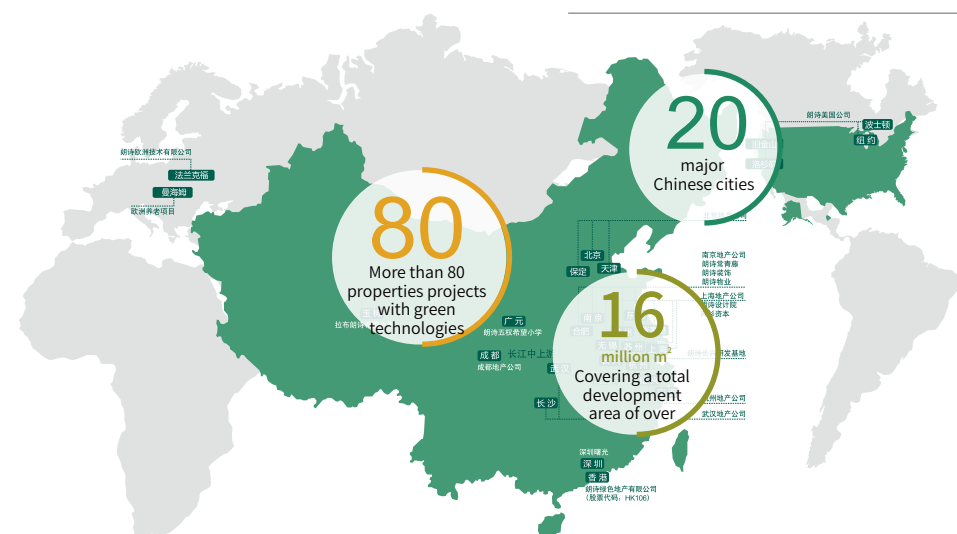


## About Landsea Green Properties

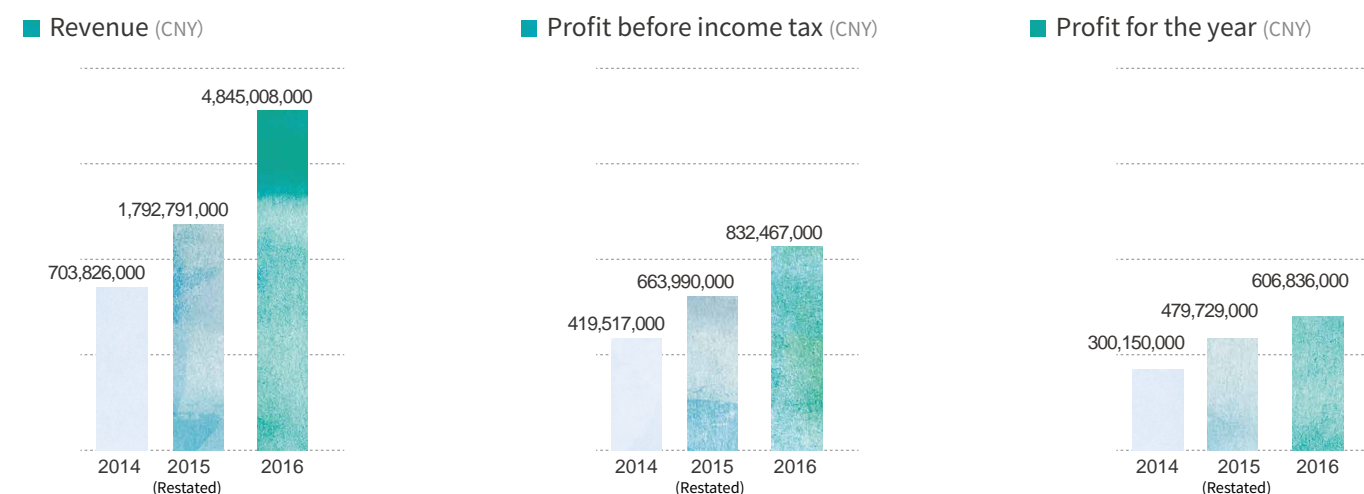
Landsea Green Properties Co., Ltd, the only listed platform under Landsea Group, is engaged in the green residential property development business. Established in 2001, Landsea Group is an international property development service provider with green building technologies and vertically-integrated business capabilities. Since 2004, Landsea Group has implemented a long-term strategy of diversification using green technologies in buildings. While primarily focused on property development, Landsea Group is also actively engaged in the businesses of green elderly care, green financial services, green decoration, green design, green property services, and other similar business industries. The Group also proactively expands its overseas property business in the US and Germany. Landsea Group is a founding member of the China Green Building Council, and is also a member of the German Sustainable Building Council and the US Green Building Council.

As the main business unit that engages in real estate development under the Group, Landsea Green Properties Co., Ltd upholds “building for people” as the enterprise mission. Landsea has developed more than 80 properties projects with green technologies in nearly 20 major Chinese cities such as Nanjing, Shanghai, Hangzhou, Suzhou, Wuxi, Changzhou, Zhangjiagang, Shaoxing, Wuhan, Chengdu, Hefei, Tianjin, Changsha, and Baoding. It has provided healthy, comfortable, energy-saving, environmentally friendly green residential properties and all-round green property services to 300,000 homeowners, covering a total development area of over 16 million square meters.

**Company Name:** Landsea Green Properties, Co., Ltd.  
**Registered Address:** Clarendon House, 2 Church Street, Hamilton, Hm11, Bermuda  
**Hk Main Office & Address of Major Operation:** Room 5103, Level 51, The Center, 99 Queen's Road Central, Central, Hong Kong  
**Date of Incorporation:** December 24, 2001  
**Capital:** HKD 39,175,710  
**Total Number Of Shares Issued:** 3,917,570,961  
**Number Of Employees:** 1,612  
**Total Floor Area Of Land Reserves:** 6,796,449 Square Meters; Calculate According To Equity Interests: 2,854,037 Square Meters



## Sales and margin condition of various businesses



## Landsea Product Lines



### Properties for first-time buyers

- **Target customers:** newly-weds or young people who are about to get married
- **Facilities:** green equipment such as the extra cooling and heating system and positive-pressure fresh air system, as well as proper systematic arrangements based on simulation of issues of different areas and air flows at different heights
- **Representative projects:** Landsea Future Tree of Shanghai, Landsea Future Block of Suzhou



### Properties for customer with upgrading needs

- **Target customers:** families which are maturing with the birth and growth of children
- **Facilities:** the residential community is equipped with entertainment facilities such as leisure space for children and the elderly and provided with sound property management services; fresh air technology systems are provided based on appropriate temperature and humidity conditions
- **Representative projects:** Landsea NEW MANSION, Landsea Poly Hillside Villa



### Upscale properties

- **Target customers:** clients who understand that homes are more than just housing itself; clients who seek scarce resources such as locations in core areas, natural environments, and cultural atmosphere
- **Representative projects:** Landsea Green Island of Shanghai, Landsea Zhongshan Green Town of Nanjing

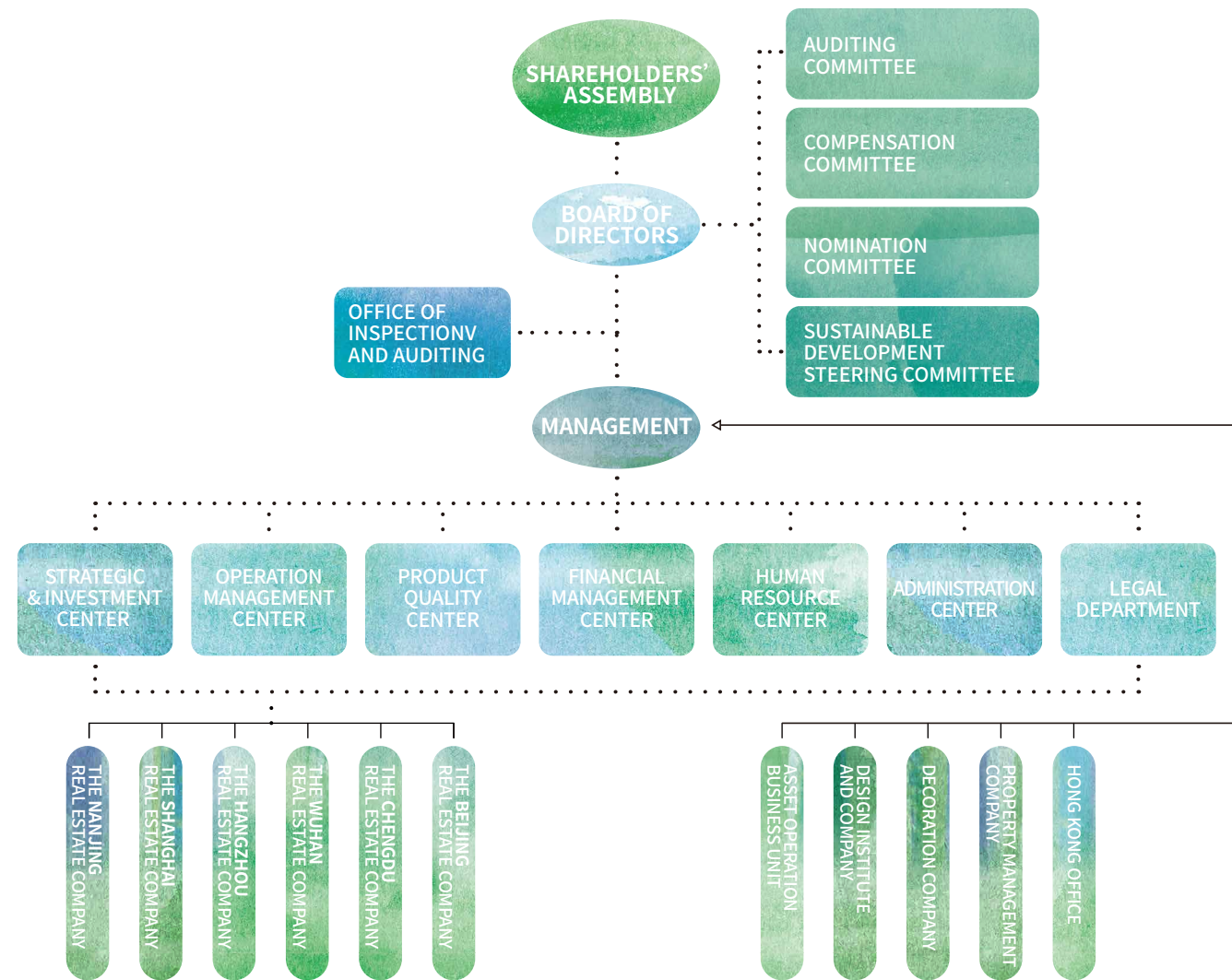


### Properties for elderly care

- **Target customers:** to realize dependable and happy life for the elderly
- **Facilities:** residential communities are equipped with obstruction-free facilities which meet the needs of the elderly



## Organizational structure of the company



## Practicing legal operation

### The notion of legal operation

Landsea believes that legal operation means staying true to an environmentally and socially friendly operational concept based on observation of the law and defines it as the lasting operational agenda that ensures everlasting prosperity.

In 2016, we vigorously executed legal operation, centering on designing relevant policies and systems, including risk management and internal control issues, and combined multiple methods to ensure implementation of relevant policies and systems.

### Systemic guarantee of legal operation

Landsea has established the dedicated Inspection and Auditing Office to conduct continued inspection and auditing in various forms, targeting corruption, violation of laws, and regulations across all levels within the company so as to ensure legal operation from the organizational dimension. Meanwhile, to guard against unnecessary legal risks such as legal disputes with customers due to leaking of customer information, the company reinforced all types of management of information across all levels. Landsea not only established a system of transferring information between different levels within the headquarters and frontier companies, but also published documents such as *Information Security Management System* and *Employee Non-disclosure System*, thus ensuring legal operation from the policy level.

## Highlights of public comments

### Landsea Green Properties

- **Jan 2009** The research and application of low-energy integrative energy supply won the first prize of the Huaxia Construction Technology Award.
- **Jun 2010** Became a member of the Climate Neutral Network of the UNEP
- **Jul 2012** Golden Brick Award of Green Properties of 2012 Green Residential Property Awards  
*Organized by: The 21st Century Business Herald and the Organizing Committee of Boao 21st Century Real Estate Forum*
- **2013** Best Real Estate Development Company for Environmental Protection and Energy Saving  
*Organized by Global Real Estate Finance Summit China*
- **24 Mar 2015** Won the National Green Building Pioneer Award granted by the Professional Committee of Green Building and Energy Conservation of China Urban Studies Society
- **26 Apr 2016** The National Twelfth Five-Year Project — “Research and Demonstration of the Control over Interior Healthy Environment and Key Techniques for Improvement”, in which Landsea participated, passed the acceptance conducted by the panel.
- **Oct 2016** Top 10 Chinese Green Property Operation Award

- **Oct 2016** Ranked 2nd in China's green building companies (for residential properties) in 2016; ranked 3rd in China's green building companies in 2016
- **12 Oct 2016 - 11 Oct 2020** Deputy Director Organization of the China Association of Building Energy Efficiency (CABEE)
- **2016** Ashden Award for Sustainable Development and Energy  
*Organized by Ashden Trust*

### Won 25 three-star green building labels

Green building refers to the practice of maximum conservation of resources (energy, land, water and materials), protecting the environment, reducing pollution in whole life cycle of buildings, thus providing healthy, comfortable and highly efficient spaces for use and creating buildings that coexist harmoniously with nature. Green building includes all phases of the life cycle of buildings. With this practice, developers can plan, build and provide more efficient, healthier and more sustainable solutions with higher efficiency than conventional solutions while ensuring equal comfort and service quality.

Three-star Green Building Certification is the highest level in China's Evaluation Standard for Green Building.



## Landsea Projects

### Landsea International Block project in Nanjing

**2006** Rated as a model project for technology by the Ministry of Construction

**21 Oct 2008** rated as one of the first batch of buildings with renewable energies by the Ministry of Finance

**31 Dec 2008** won the first prize of Huaxia Construction Technology Award, granted by the Ministry of Construction

### Landsea Future Home

**15 Aug 2007**, Listed as a pilot model project in the 2007 Plan for Science and Technology Projects by the Ministry of Construction

### Landsea International Block project in Hangzhou

**2008** China's Exemplary Building for Energy Conservation and Emission Reduction

*Organized by the Science and Technology Committee of the Ministry of Housing and Urban-rural Development (MOHURD)*

### Landsea International Block project in Suzhou

**2008** Gold Prize for Green Ecological Building of the 5th ELITE Award for Housing Technology

*Organized by Beijing ELITE Foundation for Housing Technology*

### Landsea's Zhongshan Green Town in Nanjing

**Oct 2010**, won the 2011 “Sustainable Development in China” Award for Excellent Cases

**Green Block project in Shaoxing and Shaoxing Home project** won the **2011 ELITE Award**.

*Organized by Beijing Elite Foundation for Housing Technology*

### Landsea Green Island in Shanghai

**Nov 2012** won the 2011-2012 “Guangsha Award”, a comprehensive real estate award jointly set up by China Real Estate Association and the Housing Industrialization Center of the Ministry of Housing and Urban-Rural Development.

### Landsea's R&D Base in Changxing

**28 Mar 2014** won the title of national model base for green building promotion.

### Passive House Bruck

**2014** Golden Award of International Green Design, China's first large-scale passive house to be accredited by the Passive House Institute (PHI)

**2015** The 11th Elite Award for Best Innovation Practice of 2015, Three Star Certification of China Evaluation Standard for Green Building (ESGB) and China's first gold certification by DGNB  
Mar 2016 the first in China to win EDGE certification by the World Bank

**Mar 2016** The first in China to win platinum certification by DGNB

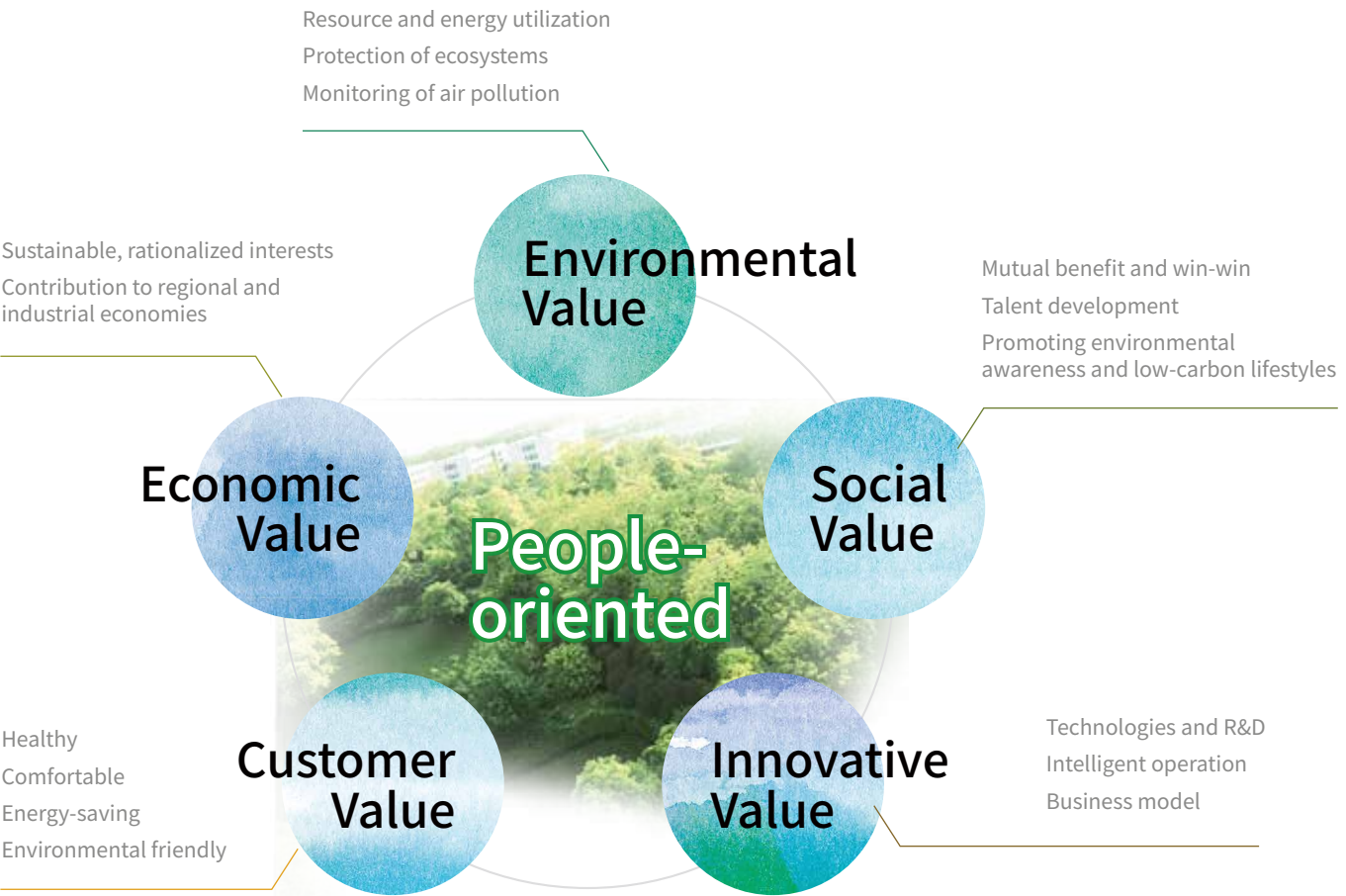


A people-oriented corporate concept

The people-oriented concept refers to the protection, pursuit, and concern for mankind's dignity, value and destiny. Landsea upholds the people-oriented notion, adopts a sustainable operational model which is socially and environmentally friendly, follows the principle of minimizing the total consumption of resources throughout the whole life cycle of buildings, provides comfortable, healthy, energy-saving and green products, as well as services for customers, and advocates green and healthy lifestyles.



Five Core values

Guided by the people-oriented concept, Landsea identified five core values to conduct a socially and environmentally friendly operational model and further determine our direction to take. We set our environmental and social goals based on the synergy of the whole circle of five values, which serves as the basis for evaluating and validating our working plans and their execution every year, providing a benchmark for establishing new objectives.



Engagement with stakeholders

Summary of engagement with stakeholders

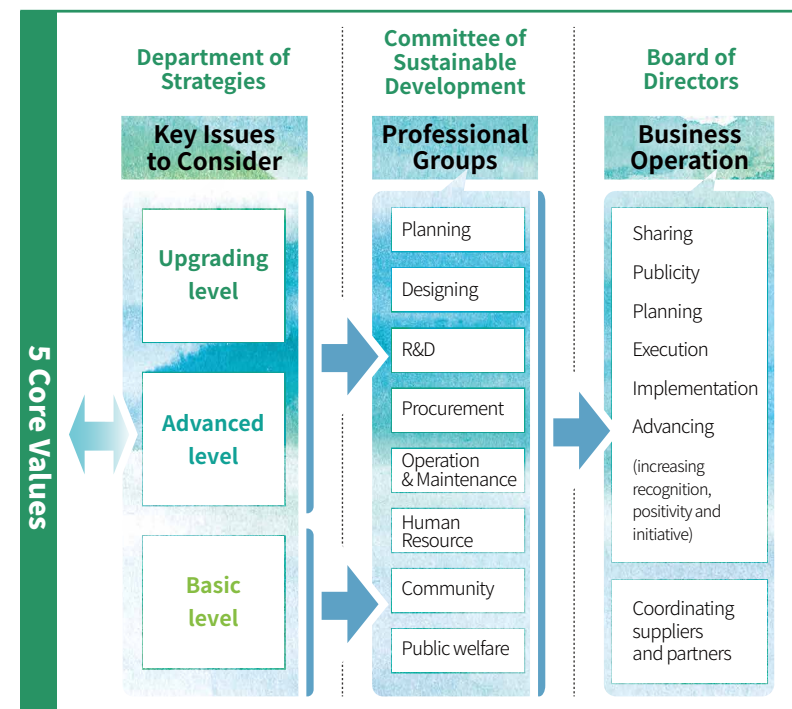
Main stakeholders and due responsibilities	Exchange and interaction activities	Examples of key issues	Responses	Relevant chapters
 About Customers	<ul style="list-style-type: none"><li>Customer satisfaction survey</li><li>Activities for property owners</li></ul>	<ul style="list-style-type: none"><li>Improving comfort</li><li>Indoor PM2.5</li><li>Improving service quality</li></ul>	<ul style="list-style-type: none"><li>Replacing fresh air units</li><li>Risk control and management</li><li>Product quality progressing</li><li>Visiting by mystery clients</li><li>Annual resident survey and annual reports</li></ul>	The development of the third-generation comprehensive green processes
 About Corporate Partners	<ul style="list-style-type: none"><li>Business cooperation and exchange assembly</li><li>Regular commiseration meetings with strategic partners</li><li>Evaluation of suppliers</li></ul>	<ul style="list-style-type: none"><li>Third-party evaluation of project quality</li><li>Open and transparent</li><li>Scientific and highly efficient</li><li>Fair evaluation</li></ul>	<ul style="list-style-type: none"><li>Project management app</li><li>Developing Landsea's online recruitment platform</li><li>Separation of procurement posts and founding of the Landsea</li><li>Professional Technological Resource Bank to establish an expert review mechanism</li><li>Establishing reverse evaluation system by suppliers</li></ul>	The development of the comprehensive green processes
 About Employees	<ul style="list-style-type: none"><li>Recruitment system</li><li>Diversified training</li><li>Labor safety</li><li>Psychological health management</li><li>Welfare and employee care</li></ul>	<ul style="list-style-type: none"><li>Promoting employment of female labor</li><li>Balancing employee's work and life</li><li>Promoting harmonious development of employment relationships</li></ul>	<ul style="list-style-type: none"><li>Multifaceted development of talent: dual-path development system</li><li>Conducting various forms of training</li><li>Organizing various forms of sports events</li><li>Providing basic welfare and multiple extra benefits and offering employee support</li></ul>	Talent development and care
 About Shareholders and Investors	<ul style="list-style-type: none"><li>Shareholders Assembly</li><li>Launching performance reports</li><li>Launching mid-year reports and annual reports</li><li>Launching announcements pursuant to listing rules</li><li>Engaging in roadshows</li></ul>	<ul style="list-style-type: none"><li>Explaining systemically the operational strategies and plans</li></ul>	<ul style="list-style-type: none"><li>Communicate with shareholders or investors through newsletters, announcements or annual report</li></ul>	Refer to 2016 Landsea Annual Report
 About The Industry	<ul style="list-style-type: none"><li>Participating in industry associations</li><li>Participating in green supply chain actions of the real estate industry</li></ul>	<ul style="list-style-type: none"><li>Pushing forward building energy-conservation, environmental protection, health and comfort</li><li>Leading the green development of the industry and promoting win-win cooperation</li><li>Improving environment management capabilities</li><li>Promoting formulation of relevant government policies</li></ul>	<ul style="list-style-type: none"><li>Compilation of standards for healthy buildings and participation in evaluation of healthy buildings</li><li>Investigation into comfort levels of homes in the Yangtze River Delta</li><li>Joint Procurement Conference of CURA</li><li>Participation in formulating the mechanism of the whitelist of green supply chains</li></ul>	Comfort of residential housing Promoting green supply chain and seeking sustainable real estate industry Promoting joint procurement for the industry to realize business win-win business cooperation
 About Local Communities	<ul style="list-style-type: none"><li>Promoting green communities</li><li>Holding community events to promote public welfare</li><li>Supporting education</li></ul>	<ul style="list-style-type: none"><li>Building healthy, convenient, environmentally friendly, safe and cultural green communities</li><li>Developing traditional culture and promoting reading</li><li>Protecting the health of children</li></ul>	<ul style="list-style-type: none"><li>"Love Home" app</li><li>National large-scale community cultural festivals</li><li>Rebuilt Hope Primary Schools</li><li>Green Bud Campaign</li></ul>	Green communities Green charity



## Promoting a socially and environmentally friendly operational mechanism

To fully examine Landsea's goal of developing green real estates with a socially and environmentally friendly operational model, we have adopted the strategy of combining internal and external perspectives, systemically evaluating the socially and environmentally friendly operational model by integrating the feedback and recommendation of internal staff and external contributors.

In addition, to ensure the execution of the model, Landsea ensures that operations meet the intrinsic needs of the sustainable development concept by identifying key agendas, organizing expert groups to work on key issues, and applying relevant results in business execution and operation.

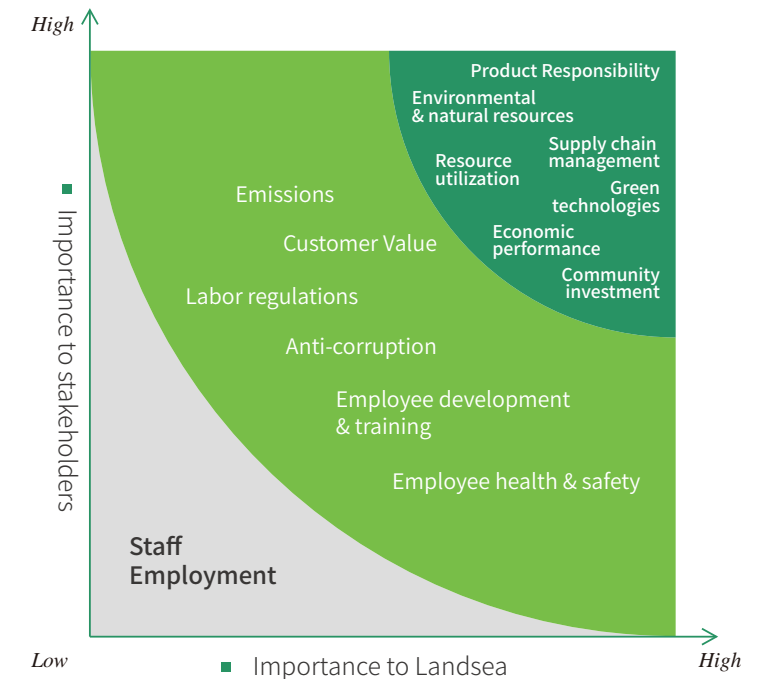


## Analysis of material aspects on corporate social responsibilities

To better respond to the needs and expectations of stakeholders, we conducted identification of material aspects on corporate social responsibilities, and delineated such material aspects and relevant topics as our key points in corporate social responsibility management and report disclosure so as to continuously improving the value of the report.

First, based on The Environmental, Social and Governance Reporting Guide by Stock Exchange of Hong Kong Limited and Sustainability Reporting Guidelines by Global Reporting Initiative, taking into account Landsea's concept of social responsibility, strategies, and business focus, we selected several items and sub-items related to the sustainable development agenda of Landsea and designed a materiality analysis questionnaire including 15 questions, each question measuring the importance of relevant items to stakeholders by using the five-pronged approach.

Secondly, based on the extent of impact (both positive and negative) of the company's business on relevant parties in society, we identified our stakeholders, including the management, employees, customers, shareholders, and suppliers of Landsea, as well as industry associations and research institutes, and conducted survey in the form of questionnaires and interviews to screen for material aspects, thus including issues deemed as important to both stakeholders and Landsea's businesses as material items. Lastly, based on the importance to stakeholders and the significance of the company's sustainable development, we identified the priority of material items, as shown on the right.



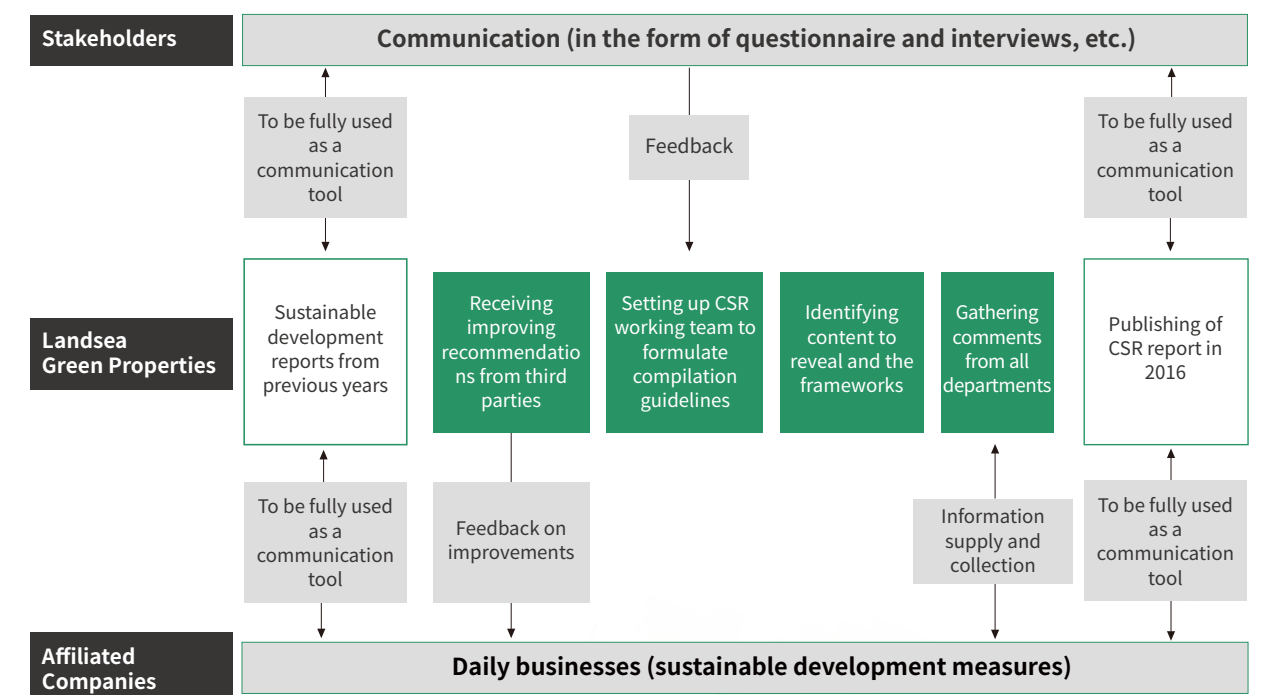
Substantive analysis graph of Landsea's corporate social responsibility agenda

## Process of compiling the corporate social responsibility report

To better convey the concept of sustainable development and disclose relevant performance indicators, we compiled and published our first independent social responsibility report in 2016, aiming at becoming a key tool to improve transparency and enhance sustainable development management.

This report has been compiled under the guidance of Landsea's Committee of Sustainable Development and based on The Environmental, Social and Governance Reporting Guide by Hong Kong Stock Exchange and the Sustainability Reporting Guidelines by the Global Reporting Initiative. Upholding the compilation principles of significance, accuracy, balanced views, and consistency, this report elaborates on Landsea's CSR management methods, strategies, focus, and goals through diverse forms such as texts, data comparison, process display, and process analysis while taking into account the company's strategic layout and business execution. We conducted research on the content of the report through questionnaires and interviews, selected and published key sustainable development issues of high importance to both stakeholders and the group itself. This report is intended to provide readers with an understanding of the measures Landsea has taken to realize sustainable development in the hope of directing the sustainable development of relevant businesses of the Landsea through communication and exchange with society.

## Process of compiling the corporate social responsibility report





# Global Warming

## Consistently high concentration of carbon dioxide

According to The Global Climate 2011-2015 published by the WMO, due to heavy use of fossil fuels, mankind has increased the concentration of carbon dioxide in the atmosphere by more than 40% since the Industrial Revolution. Carbon dioxide is the primary source of greenhouse gas. In May, 2013, the carbon dioxide concentration in the atmosphere reached a record high of 400 ppm (400 per million). Since then, the concentration has been kept at a high level, rarely dropping below 400 ppm.

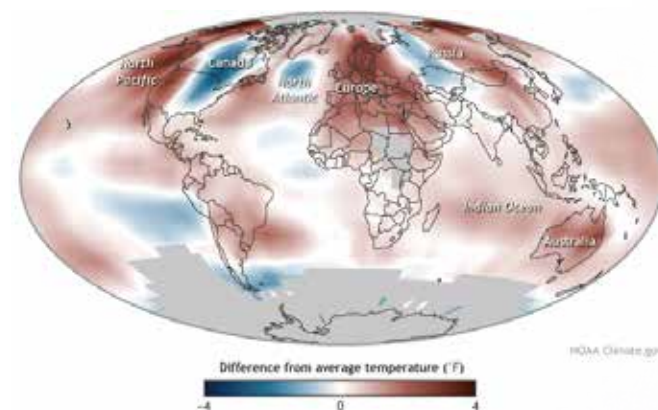
## Enormous energy consumption of global architecture

Energy consumption of the global construction industry has surpassed industrial production and transportation, accounting for 41% of the total consumption; housing alone accounts for 17% of the world's carbon emission. More than 2 billion square meters of floor areas of buildings are created in China each year, accounting for 40% of the world's consumption of steel and concrete annually. Construction-related waste accounts for about 40% of urban waste. Non-energy-saving buildings account for nearly 50% of the total carbon emission, far higher than transportation and industries.

## Continued rising of average global sea level

In the recent 20 years, the global average sea level has been rising at a rate of 3.2 mm per year. The rising trend of sea level, an indicator which has been included in the global satellite records since 1993, has been striking and persistent in recent years. The ever-rising sea tide is one of the most immediate negative impact of climate change.

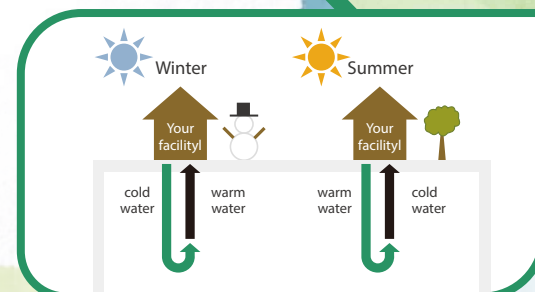
Climate change not only leads to rising of mean temperatures, but also causes aggravating extreme weather conditions. The following graph depicts the number of days when maximum day temperatures are higher than 90° and minimum night temperatures are lower than 10°. These figures are approaching world record high, and the trend continues to deteriorate.



"Passive" buildings / Extra-thick insulation layers / High-performance exterior windows / Ultra-high building airtightness  
Can meet (or exceed) more than 80% of energy-saving rates stipulated in Chinese standards



Landsea International Block in Nanjing, with a floor area of 370,000 square meters, was Landsea's first project to use green technology systems, and ranked as the largest residential community using ground source heat pump in China.



Renewable energy  
Large-scale use of ground source heat pumps  
Landsea has the largest residential community equipped with ground source heat pump in the world  
Currently, a total of 3 million square meters of residential communities are using this technology, and the figure is increasing with each year.

A whole building blower door test is conducted before delivery to avoid dissipation of indoor heat or cool air.



Landsea  
Energy-saving  
Technologies  
& Homes

## Landsea's Energy-saving Solutions

The roughly 3 million square meters of projects under Landsea's operation save 75 million kWh of electricity and reduces 50,000 tons of carbon dioxide emissions annually through its "passive building" and "renewable energy" technologies. If the 1.2 billion square meters of new buildings built in China each year could

achieve the same energy-saving levels, electricity usage could be cut by 30 billion kWh and carbon emissions down by 1.8 billion tons.



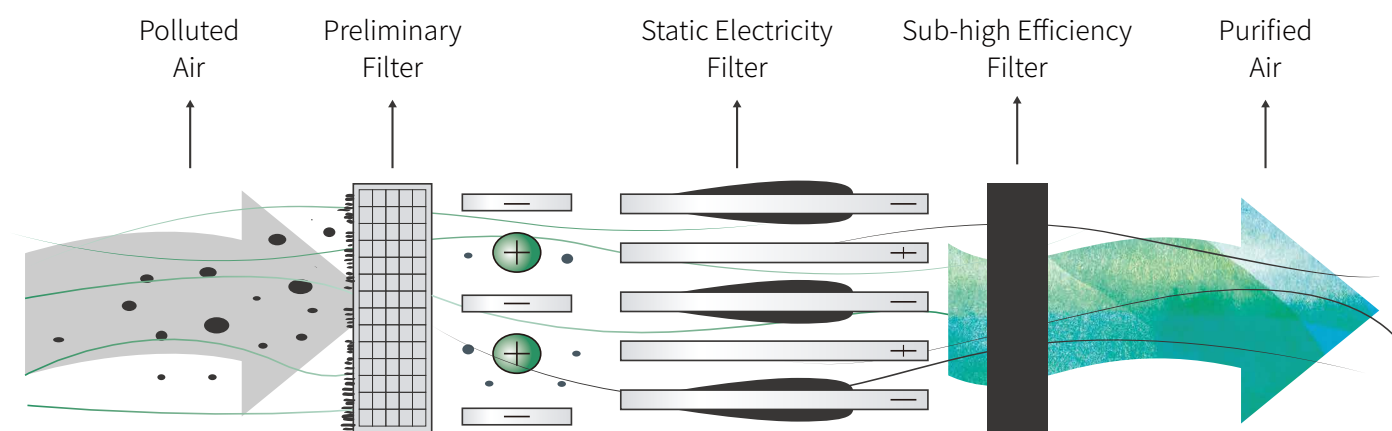
# Indoor and Outdoor Air Pollution

Haze is the collective term for fog and smog and the major source of air pollution outdoors. Haze is included in weather alarm forecasting in many regions in China as a hazardous weather condition, referred to as "hazy weather."

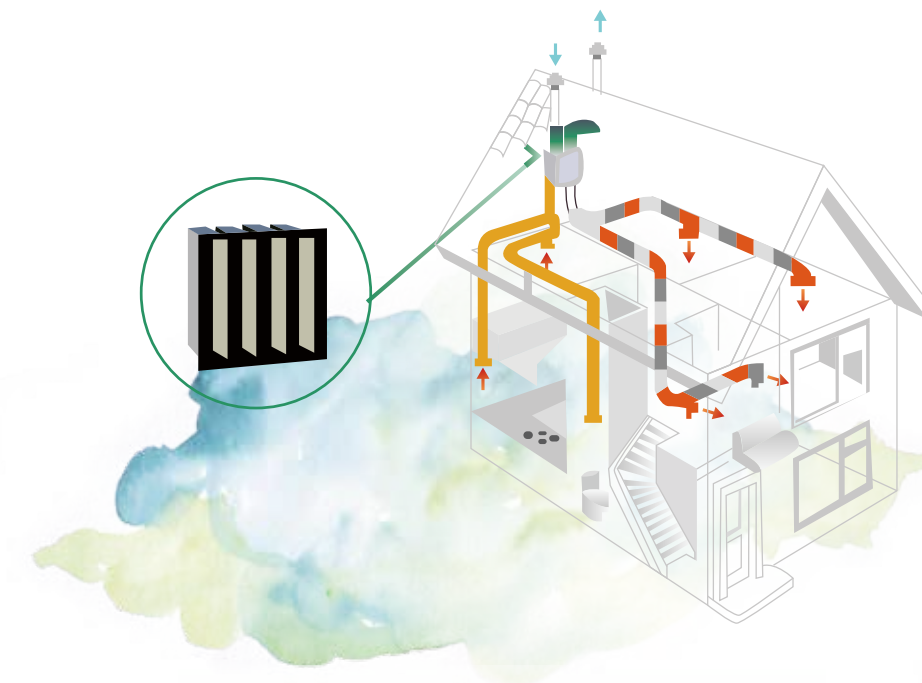
In 2013, haze became the buzzword of the year. In January that year, hazy weather hit 30 provinces, municipalities, and autonomous regions in China 4 times. In *Toward an Environmentally Sustainable Future - Environmental Analysis of the People's Republic of China*, published by organizations including the Asian Development Bank, only 1% of China's top 500 cities report air quality that meets the standards of the WHO, and 7 of the worst polluted cities are in China.

In most parts of China, indoor environmental conditions are less than promising. According to the investigation on home air pollution, conducted by China Quality Long March, in Beijing, among the 21 facilities randomly chosen, 95% have excessive amounts of formaldehyde of up to 6.1 times more than the standard limit, averaging 1.43 times the limit; 33% have excessive amounts of benzene of up to 24.8 times more than the standard limit, averaging 3.48 times the limit.

## Landsea's Healthy and Environmentally Friendly Solutions



**Ultra-clean fresh air filtration and ventilation technologies:** using 3 layers of filters to filter dirty outside air, reaching more than 95% rate of filtration rate of PM 2.5.



### Filtration of particular matters:

Multi-layered filtration that ensures 95% filtration efficiency.

### Organization of air flows:

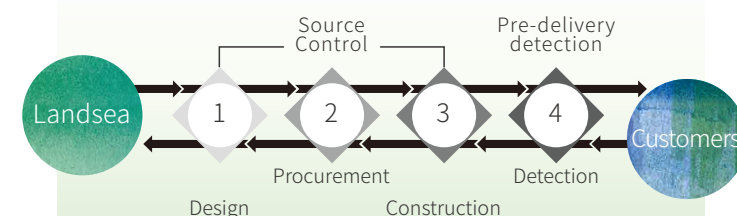
Displacement ventilation with air supplied from bottom and returning from top; air flow is scientifically determined with professional simulation software.

### Humidity treatment:

Adding humidification and dehumidification modules to handle the moisture in the air and realize ideal humidity in supplied air.

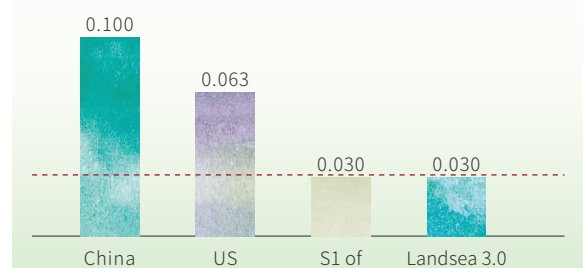
### Highly efficient heat recycling:

enthalpy recovery wheels that result in high recycling efficiency and cutting energy consumption.



Controlling sources of pollution indoors, including formaldehyde, VOC, and CO2 by managing design, procurement, construction, furniture and monitoring, etc.

Strictly executing the S1 standards of Finland to control indoor formaldehyde pollution



Formaldehyde concentration is comparable to the S1 standard of Finland, the strictest of its kind in the world



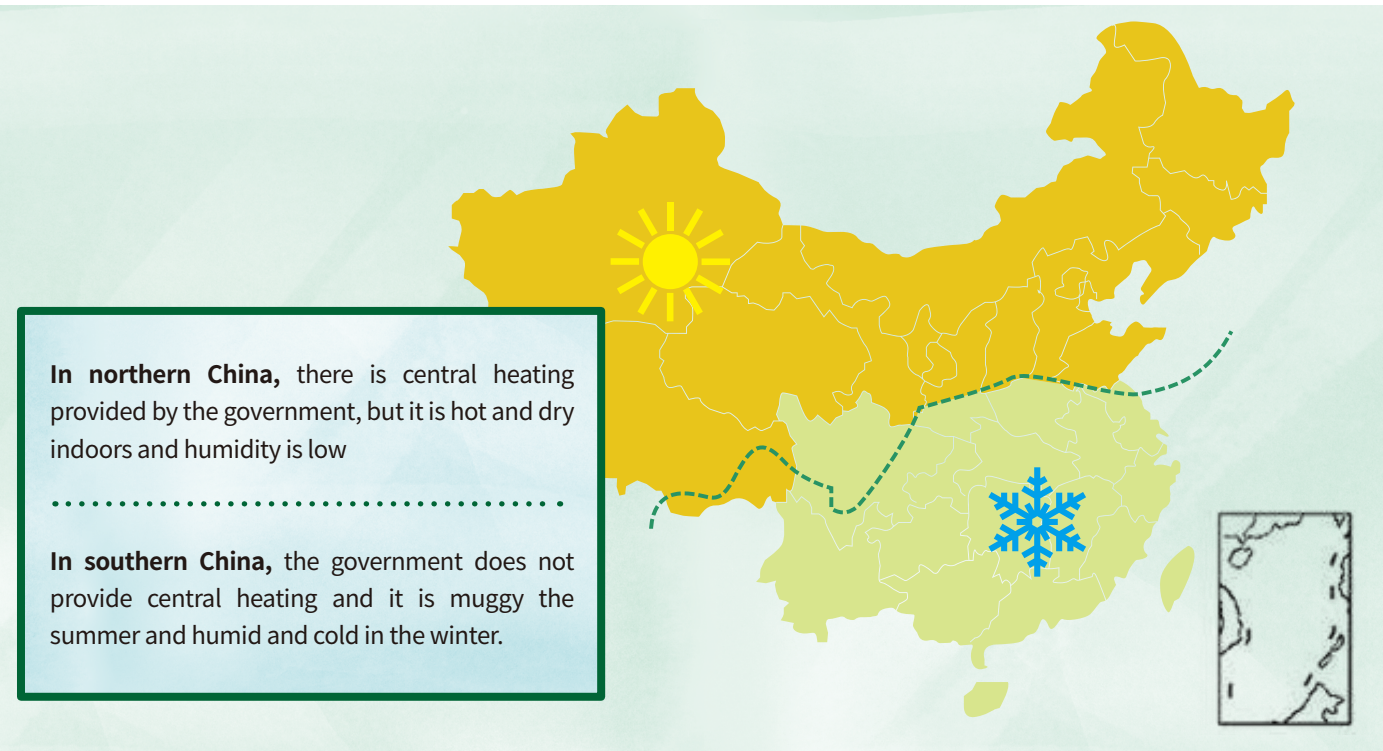
# Comfort of residential housing

China's Yangtze Delta is characterized by muggy climate in the summer and humid and cold climate in the winter; as this region is not included in the areas provided with central heating by the government, heating facilities are not standard offerings of residential homes, leading to low level of comfort for residents in this area.

According to the 2010 White Paper on Investigation of Urban Residents in the Yangtze River Delta, only 6.8% of families own heaters and only 1.6% own floor heating devices. In addition, residents cite overly high temperatures in kitchens in the summer, stuffy air due to long use of air-conditioning, temperature difference between air-conditioned rooms and non-air-conditioned rooms, uneven heating of heaters, overly dry air, and uncomfortable air flows due to air-conditioning as the main reasons why they are dissatisfied with the comfort at home.

Currently, China's homes, especially low-end and mid-end homes, mostly adopt split room air conditioners that only circulate air in rooms with closed doors and windows, resulting in stuffy air after long periods of air-conditioning running. Because fresh air supply measures are not taken for most homes, people can improve air quality indoors by opening doors and windows for ventilation. In homes equipped with air-conditioning systems with fresh air supply and ventilation functions, such issues are resolved, but one must regularly clean and replace filters, etc.

Currently, most China's homes do not have control over comfortable levels of temperature, humidity and air quality.

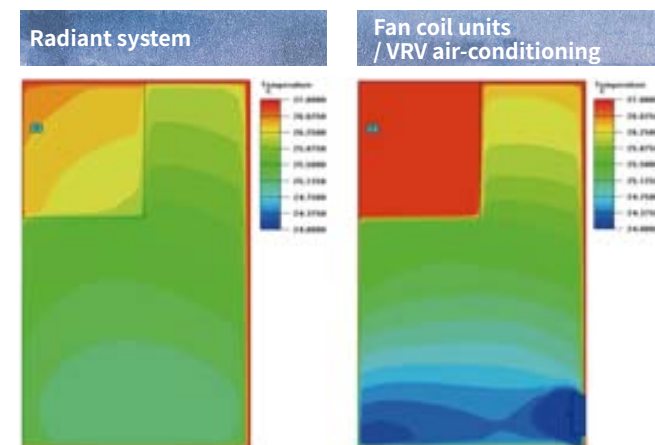


## Landsea's solution to address comfort levels

### The "three constant" system of constant temperature, humidity and oxygen levels

Healthy, comfortable, and energy-saving system solutions must be based on perception of the human body and comprehensive optimization of indoor air quality, temperature and humidity, etc., while taking into account factors such as air, temperature, light and sound. With this kind of solution, indoor temperature is kept within the range of 18 to 26°C, which is the most comfortable to the human body, and humidity is maintained between 30% and 70%, improving indoor living quality.

### The radiant system can realize more even temperature distribution compared to traditional means



### 24-hour displacement ventilation fresh air system with haze elimination

A system with functions such as fresh air supply, elimination of haze, dehumidification, humidification, and heat recycling.

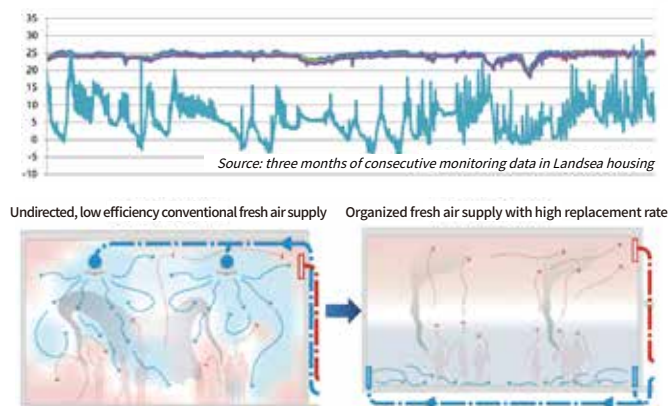
### Steady, even, and comfortable temperature and humidity

24-28°C in the summer and 18-22°C in the winter.

Relative humidity is kept between 30%-70% through the year.

### Comfortable acoustic and light environments

Highly efficient insulation against noise and reduction of indoor noise  
Heavy use of shading and floodlight to protect eye sight



### Displacement ventilation technologies

The filtered air is directed close to the floor, driving dirty air to the top of the room, forming a "fresh air lake", realizing highly efficient and healthy ventilation indoors.

**20 - 26°C / 30 - 70% / 2Hours**





# Urban upgrading

Due to the "shifting gear" of urbanization rate, China's GDP growth has declined to below 8%; the government has switched its focus from development speed to quality. The years between 2016 and 2040 are a period of medium-rate development, a time when China will vigorously develop a new type of cities and towns and explore suburban new towns, shifting from major demolition and construction to regional urban development. In this phase, China's urbanization rate will decline to 0.9%, with an expected increase of urban population of 12 million each year. In the next 25 years, the upgrading rate of cities will decline, but there will still be a considerable amount of new construction and renovation, which is higher than the current urbanization level of Europe and the US. Compared with the last phase, we found that the three factors driving China's urban upgrading are the needs of the people, the government, and businesses.

Firstly, the public's needs for suitable housing have been met to a large extent. Modern buildings after 1990 are vastly improved in their functions and suitability for living compared to previous buildings; people prefer to renovate, rather than rebuild, existing buildings. Secondly, the government's urban planning is becoming more rational, focusing more on the consistence of long-term development. Lastly, developers' declining investment returns have weakened momentum coming from this level.

Graph of urban upgrading



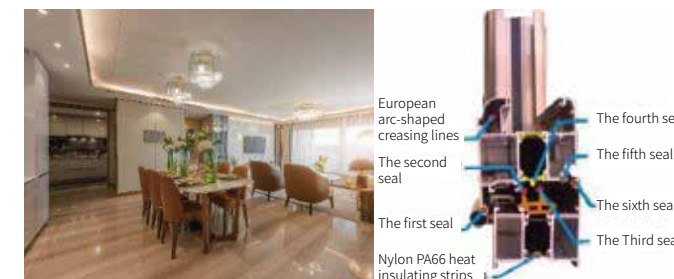
## Landsea's solutions for "reforming"

How can we rejuvenate existing buildings by applying construction technologies and equipment while realizing efficient utilization of natural resources and ensuring healthy, comfortable living space, ultimately realizing the harmonious co-existence of mankind, buildings and nature? Landsea's NEW MANSION is an answer to this question.

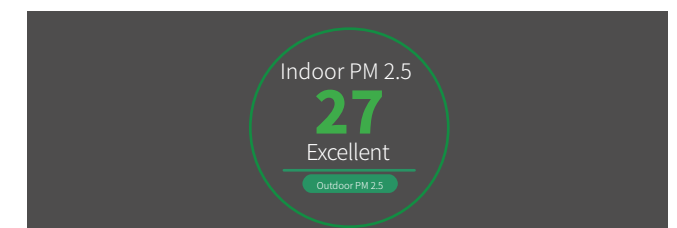
Landsea NEW MANSION, the reforming project based on Landsea's 3.0 technology system



Environmental friendly dry-hanging terracotta facade that greatly uplifts the sense of quality after renovation



Increasing window area with high performance glazing system



Integrating IEQ monitoring technology and instantly displaying temperature, humidity, PM 2.5 levels, and formaldehyde concentrations.



# Landsea's healthy housing products

Green and environmental friendly housing is an inevitable trend in the development of the real estate industry. When it comes to housing products, technologies can increase return on investment of energy conservation and improve the life quality of residents. By introducing German and Swiss technologies and emulating radiant air-conditioning in early times, Landsea has been optimizing designs and localizing technologies for green, energy-saving technological products, forming the current technological housing system.

## Landsea's history of developing healthy home products



### First generation of products (comfortable housing)

- 100% fresh air supply; Air change rate 0.5-1h  
Temperature range:
- 20-26°C; even distribution and no feelings of wind blowing
- Humidity: 30-70%
- Noise: no more than 40 dB in the day and no more than 35dB at night
- The exterior windows of All rooms are equipped with roller shades



### Second generation of products (comfortable healthy, energy saving, environmental friendly)

- Slight adjustment on indoor temperature and humidity VOC control is introduced
- Increased filtration rate of PM 2.5 up to 90%
- Adjustment of roller shades: blocking unneeded light while letting in needed light freely
- More energy-efficient; creating a one-liter room



### Third generation of products (healthy, comfortable, human care, green)

- Passive building
- Extremely low levels of formaldehyde and TVOC
- Highly efficient filtration of PM 2.5 by up to 95%
- Visualization of indoor air quality
- Remote control
- More tailored to human needs

# Innovative products

Landsea upholds the concept of respecting innovations and pursuing excellence, continuously works on the area of green buildings, and consistently integrates advanced concepts into technologies and products to explore innovation. We believe that no product can be perfect. Responding to market needs at all times and continuously optimizing products are the bedrock for a company's sustainable development. Developing diversified products with human care that can bring value for customers based on customer value has always been the product development proposition of Landsea. We continue to explore and research on the basis of existing three generations of product systems to further introduce multiple innovative products.

## Decentralized system products

Inheriting the characteristics of Landsea's products with centralized system: healthy, comfortable, and energy-saving  
Mainly based on human body comfort sense  
Temperature range: 18-26°C; humidity range: 30-70%  
Separate household control, separate room control, remote switch, free adjustment  
Representative project: Nanjing Landsea Sapiential Life Scenery



## Passive Decentralized system products

Excellent air-tightness  
Quadruple-effect fresh air supply system  
The filtration rate of PM2.5 is up to 95%  
Humidity range: 30%-70%  
Energy Saving rate is 20% to 30% higher than ordinary high-end properties  
Representative projects: Hangzhou Landsea Yuefu







## Third-generation healthy homes

### Landsea Xihua Mansion



Landsea Xihua Mansion, built on the largest and most complete land parcel in the Hexi area of Nanjing, occupies an area of about 56,000 square meters, with a total floor area of about 202,000 square meters and a residential area of about 148,000 square meters. Landsea analyzed the impacts of wind speed and insolation on outdoor activities, and joined hands with the HMD Company of the UK to lay out the buildings and landscapes while preserving natural conditions. With a layout of two or three rooms ranging in total area from 70 to 140 square meters for the apartments, the living space is comfortable and devoid of overly complicated and luxuries decorations and reflects, instead, a philosophy featuring simplicity and elegance, incorporating health, fashion, culture and green concepts into every detail.

As the first project based on Landsea's 3.0 development concept, Landsea Xihua Mansion boasts 86 value innovations: low energy consumption; a low concentration of formaldehyde within the finely decorated properties comparable to level-S1 of Finland's national standards, the strictest standard across the globe; real-time indoor air quality monitoring system that enables real-time control of indoor temperature and humidity, monitors indoor TVOC and formaldehyde concentration; an ultra-clean ventilation system that keeps the air indoors clean at all times; Nanjing's first case of pocket park designing, etc.

In the future, Landsea Xihua Mansion will incorporate more fashion and cultural elements to advocate a "healthy, fashionable, green and cultural" lifestyle. Its unique design concept merges seamlessly with nature so that one can experience distinctive lifestyles everywhere one goes.

#### 86 customer value highlights and impressive details

The concentration of formaldehyde of the finely decorated properties is comparable to level-S1 of Finland's national standards, the strictest standard across the globe.

All major and auxiliary materials used in Landsea Xihua Mansion, such as wood, adhesives, and fabrics, are monitored by Landsea Green Properties. The standards for environmental performance of the materials used in Landsea Xihua Mansion were determined in reference to European, American and Japanese standards, 2 to 5 times stricter than national standards, addressing the issue of indoor air pollution caused by chemical building materials through resolving the source of pollution.

With strict material control and process management, the concentration of formaldehyde in finely decorated homes delivered by Landsea Xihua Mansion is comparable to level-S1 of Finland's national standards, the strictest standard across the globe.

#### Real-time indoor air quality monitoring system

As we all know, the health of our families goes hand in hand with indoor environments. Landsea Xihua Mansion's real-time indoor air quality monitoring system enables real-time measurements of changes in indoor temperature and humidity, as well as real-time monitoring of indoor VOC and formaldehyde concentration, so as to take improvement measures in timely manner and protect the health of our family.

<ul style="list-style-type: none"> <li>Landsea's first product created with the system of passive building</li> <li>Ultra-clean ventilation system that enables you to cleanse your body and mind with each breath you take</li> <li>Lifting sliding doors produced by REYNAERS ALUMINIUM, Belgium</li> <li>Multiple storage spaces indoors</li> <li>Environmental system design that complies with nature</li> </ul>	<ul style="list-style-type: none"> <li>Nanjing's first case of pocket park designing</li> <li>Of the thousands of roads ahead, the one leading home is the most beautiful of them all.</li> <li>Crossover designs that make the paperless bookshop so much more than a bookstore</li> <li>Loving family, loving health, and loving life Artistic basements</li> </ul>
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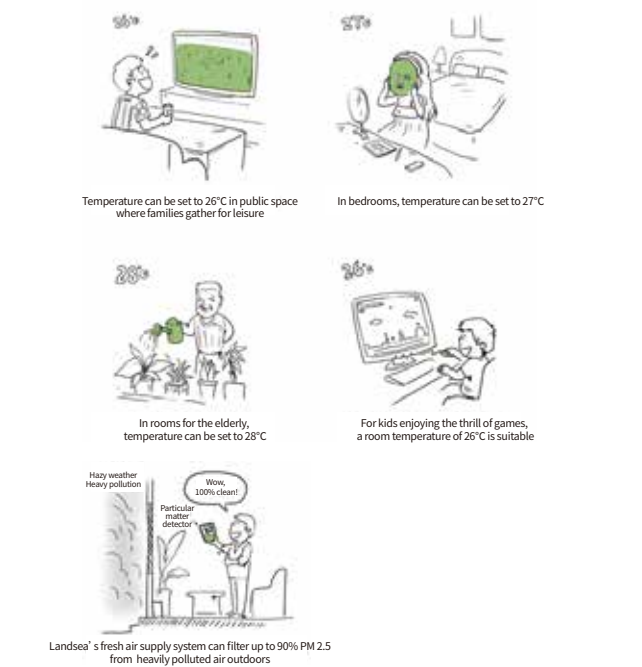
### Nanjing Landsea Sapiential Life Scenery



As always, Landsea adopted advanced and mature technological methods for the Nanjing Landsea Sapiential Life Scenery project, focusing on indoor air quality, humidity and temperature control, and creation of environments with low-noise and proper lighting, so as to build a healthy, comfortable residential community with human care. The whole project was delivered with fine decoration. Landsea continued to adopt the solution of "constant temperature, humidity and oxygen levels" for the project while emphasizing user's free control. The "household" system for each family is equally effective as the previous three generations of products, but the operation is more convenient and energy-conservation is advocated.

- Incremental temperature control for separate households and rooms to meet the needs of all types of users
- Adjustment of the fresh air supply system for separate households and rooms, party mode, and energy-saving
- mode to bring more advantages Intelligent remote control

Free control of operation modes	Central control through main control panels; 3 modes are available, including heating, cooling and ventilation
Incremental free adjustment of temperatures	Adjustment through sub-control panels in main functional rooms; Temperature is set between 24 to 28°C in the summer and between 18 to 22°C in the winter
Free adjustment of fresh air	Central control through main control panels with two levels: standard and enhanced. The standard air flow delivery rate is about 0.3 m/s, replacing the air in a room every 2 hours; the enhanced level is 1.3 to 1.5 times higher than the standard level, replacing the air in a room in just 1.2 hours
Remote intelligent control (optional)	The system can be turned on with remote control so that owners can enjoy comfortable temperature, humidity, high air quality and an agreeable environment
Off-home mode	Temperature is set at 28°C in the summer and 16°C in the winter; the fresh air supply system runs intermittently for periods of 2 hours to save energy







## Third-generation healthy homes

### Hangzhou Landsea Yue Mansion



#### Passive building envelop system

Building insulation: excellent insulation performance, coupled with high air-tightness of the building, brings comfortable temperatures for most time of the year by using only the quadruple-effect fresh air supply system

Low carbon and energy saving: energy saving rate is 20% to 30% higher than normal high-end estates, drastically cutting down energy costs including electricity and gas fees.

Low carbon living: noise level maintained below 40 dB to enable better sleep and create ultra-quiet living space

Highly efficient haze prevention: the high air-tightness of the building increases the haze elimination effect 3 to 4 times compared to conventional housing; no accumulation of dust in corners

#### Quadruple-effect fresh air supply system

Consistent temperature across the year: with intelligent control, the indoor temperature through the year can be kept within the comfortable ranges of 20 to 26°C; humidity levels are kept between 30% and 70%, avoiding overly dry air in the winter and overly humid air in the summer

Fresh air: more than 95% of haze elimination rate; a fresh air replacement rate of 1.5 hours per round, providing nonstop fresh air

Free control: users need only the quadruple-effect fresh air supply system to maintain comfortable temperatures for the night throughout the year; control of the system is designated to each household, meeting the personalized needs of each property owner.



#### The formaldehyde control system meeting the Finland's level-S1 standards

Indoor decoration meets Finland's level-S1 standards for formaldehyde concentration ( $\leq 0.03\text{mg/m}^3$ ). Formaldehyde concentration is controlled at the source, and material are monitored and managed both before and after construction, enabling customers to move in immediately after delivery.

While realizing high-quality interior decoration effects with a selection of multiple types of materials and complex production and installation processes, all properties of Landsea Yuefu, ranging from 82 to 256 square meters in area, meet Finland's level-S1 standards for formaldehyde concentration ( $\leq 0.03\text{mg/m}^3$ ).

#### Information system for the whole household

Personalized household control: fresh air supply and temperature can be controlled in each room separately; personalized module setups allow for intelligent control by owners

Intelligent control: light and shades are intelligently controlled and system is better suited to human needs, thus improving convenience for owners



Comprehensive real-time monitoring: real-time monitoring of indoor and outdoor air quality, as well as timely adjustment of indoor environments, provide owners with healthy and comfortable living environments

Comprehensive security: comprehensive security system both indoors and outdoors to build a safe community

Mobile remote control: remote control is made possible on mobile phones to learn about conditions at home at all times

#### Water purification system for the whole household

The high-end water purifier can pre-process tap water for the whole household to filter out sediments, heavy metals, bacterial, virus, chlorine, mud, rust, and microorganisms, reducing the negative effects on human skin and body by water sources

Purification of water for the whole household can cut down on damage to pipes, toilets and appliances.

The kitchen is equipped with the drinking water system to further filter the pre-processes water to produce water for direct drinking, making it more cost effective and convenient.



# Landsea Taihu Green Building R&D Base

Landsea's Taihu base is located in Huzhou, Zhejiang and in close vicinity of the Lake Taihu; it is part of the planned area for Lake Taihu tourism in Changxing County. The base is conveniently located at the center of Shanghai-Nanjing-Hangzhou area with great transportation conditions; with the completion and operation of Ninghang High Speed Railways, the travel time to Beijing has been reduced to less than 5 hours. The base covers a land area of 4.088 hectares and a total floor area of about 40 hectares; the land is designated for R&D use and the total investment in the project is about RMB700 million. The base includes a conference and training building, a Passive House "Bruck", an architecture experiment building, a low density lab building, a building material & equipment testing building, a living space lab building, a lab tower, a comprehensive office building, a water treatment lab building, and other auxiliary buildings. After completion of the project, Landsea will invest 2% of its sales revenues, or more than RMB100 million, into research and development annually.

Currently, Landsea's Taihu base is equipped with initial functions of conferences, training, visiting and investigation. The bases receives nearly 5,000 visitors per year, including governmental leaders and professors from the Ministry of Housing and Urban-Rural Development, the China Association of Green Building, the Department of Construction of Zhejiang Province, Tsinghua University, and Tongji University, etc. as well as visitors from renowned development companies of the industry. The base has also organized multiple large-scale forums and conferences, including:

- Chinese Forum of Green Building Technologies on October 18, 2011
- Seminar on Evaluation and Investigation of the Effects of Green Buildings on August 30, 2013
- Sino-German Green Building technological Exchange Conference on September 13, 2013
- Chinese Peak Forum of Passive Home Building on August 8, 2014
- Conference on Detection and Control of Indoor SVOC and Combined Pollution of the 12th Five-year Research Agenda on September 20, 2014
- The Fifth Consolidated Procurement Conference of the CURA Alliance for Green Building on November 12, 2014
- National Youth Camp of Green Building on August 8, 2015
- Conference of Passive House Alliance on November 12, 2015
- Passive House Experiencing Event on July 8, 2016
- On January 1, 2014, Landsea's Taihu base was included in the first batch of national model bases for green building promotion.

In 2011, Landsea began to plan the building of the Taihu Green Building R&D base. Landsea attaches greater importance to green building materials, organic integration of building materials, products, and technologies, places greater focus on project application, and is engaging in research and testing to develop comprehensive, area-specific green building solutions with steady performance, reasonable cost and outstanding effects by targeting and integrating the climatic and environmental conditions and existing regional resources. Landsea is promoting application of the solutions and pushing forward the development of green and energy-saving buildings in the Yangtze Delta through events such as project display, technological display and illustration, organization of seminars, training, and visits.



## Lab functions of the Green Building R&D Base:



## Lab functions of the Green Building R&D Base:

- |   |                                      |
|---|--------------------------------------|
| Testing of passive building performance                 | Artificial climate chamber           |
| Testing of physical performance of buildings            | Psychrometric testing room           |
| Testing of weather resistance of buildings              | Display of process and method models |
| Ecological field surfacing testing                      | Display of decoration models         |
| Testing of contamination emission of building materials | Conference and accommodation         |



## The meeting and training building

The conference and training building was built after the Fraunhofer-Gesellschaft office building and followed the architecture of traditional Bavarian wooden building, reproducing the original European wooden structure. The total floor area of the conference building is 1,100 square meters. The building has one conference room with a capacity of 80 people, 5 conference rooms with a capacity of 10 people, several offices and one cafeteria. The main functions of the conference and training building are conferences, training, and exchanges. The building was put to use at the end of 2012. The training building has conference, training, and catering functions, and is the main venue for the Landsea's internal conferences, educational training and outward bound training.

## The architecture experiment building

The architecture experiment building has a total floor area of about 4,000 square meters and is a steelwork building. The lab building will be the main R&D venue for the Changxing base and will undertake R&D tasks for Landsea Group and its partners. The building includes a property layout R&D area and process and method experimentation area to support Landsea's research on residential layouts, processes, and methods. In addition, joint building of a VOC emission lab and a dehumidification lab with research institutes has been planned for the project. The architecture experiment has an artificial climate chamber covering an area of 400 square meters and can simulate climatic conditions of 4 seasons through the year on building envelopes and heating and ventilation systems.

## Passive House Bruck

The Passive House Bruck project aims to research feasible building technologies for building passive houses in areas with hot summers and cold winters. The project was built according to European passive house standards while utilizing passive green building technologies such as ultra-thick building envelopes, energy-saving air-conditioning systems, renewable energies, water-saving equipment, and automatic control system and integrating indoor environmental monitoring and optimal design of acoustic environments, thus realizing passive residential building featuring energy and resource conservation, high levels of comfort and low energy consumption using national three-star level of green building, the gold level of DGNB of Germany, the gold level of LEED-NC of the US as the standards. The Passive House Bruck has a floor area of 2,500 square meters and is currently used as a hotel for internal reception. The building has 36 single rooms, 6 small suites, and 4 large suites, meeting the daily needs for internal conference and accommodation within the company.



In its nearly 16 years of development, Landsea has adopted the green and sustainable development strategy as its diversification strategy. Landsea's green development strategy not only focuses on maximizing conservation of energy, water, land and materials in the course of property construction, but also focuses on enabling the company to provide customers with healthy, convenient, green and environmentally friendly space and indoor environment through the whole life cycle of buildings, ultimately realizing the symbiosis of buildings, the environment, and society.

Along with the growth of Landsea, its green and sustainable development strategies went through different development stages. Beginning from the initial diversified green strategy of developing residential products with low energy consumption and high levels of comfort, Landsea gradually transitioned to the "updated green strategy" with green construction tech capabilities as the core, integrating a company that incorporates green construction technology services, green property development, green senior care and green financial services, ultimately moving to the current "transformation and upgraded green strategy". With this strategy, Landsea will strive to become an international real estate development and service company with capability for developing green products as well as expertise of vertical integration. Landsea will continue to lead the green estate industry and possess leading professional capabilities in developing healthy, energy-saving and green buildings.



Healthy, comfortable,  
energy-efficient,  
and environmentally friendly

## Green Business Strategies

### A development and service provider covering the whole chain of green estate development characterized by product diversification, asset-light transformation and market-internationalization

#### Product diversification

Product diversification has always been the core capability that sets Landsea apart from other developers. Maintaining and enhancing diversified advantages in terms of products and services will be the basis of Landsea's green development strategies.

#### Asset-light transformation

Landsea is engaging in attainment of projects with minor interest, joint development, entrusted development, setting up funds and REITs, innovating real estate financing, exploring asset operation and services, to transform the company's previous heavy asset model.

#### Market-internationalization

Landsea plans corporate development based on global perspectives to realize sharing of resources such as customers, capital, talent, and technologies between various markets, learning from the business models of the US and European green construction technologies to push forward the comprehensive development of Landsea's businesses.

## Diversification of core competitiveness



- Based on customer demands, Landsea brings product capabilities that take the lead in the market in terms of "healthy, comfortable, energy conservation and environmentally friendly" value creation throughout R&D innovation.
- Financial capabilities integrating investment and financing;
- R&D service capabilities covering market positioning, quality control, contracting cost, integrated sales, as well as key fields such as design, decoration, operation and property management.
- Landsea captures market opportunities from global perspectives to hedge against operational risks, and integrates internationalization capabilities of key capital, talent and talent resources in markets in different countries and regions.
- Landsea's unique idealism incorporated in its corporate culture will serve to overcome difficulties in the phase of strategic transformation and form its distinctive organizational competitiveness.





Jointly creating values  
with society through green innovation

## A life cycle approach to green buildings

Unlike conventional real estate projects development processes, to realize Landsea's goal of healthy, comfortable, energy-saving and environmentally friendly products, uplift customer value of products and incorporate technological innovations, Landsea includes a green development process in its product development. Consolidating internal and external resources, Landsea manages the execution of green technologies throughout various chains, including securing of land, planning, designing, procurement, construction, and operations.

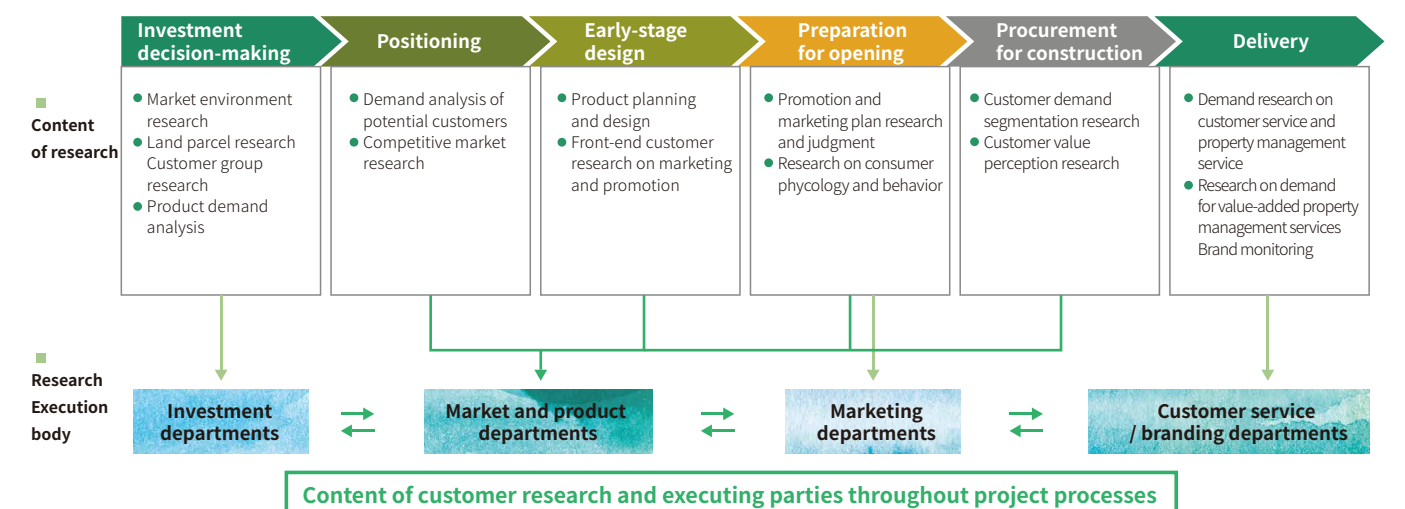


### Green building planning and design

#### Customer demands orientated

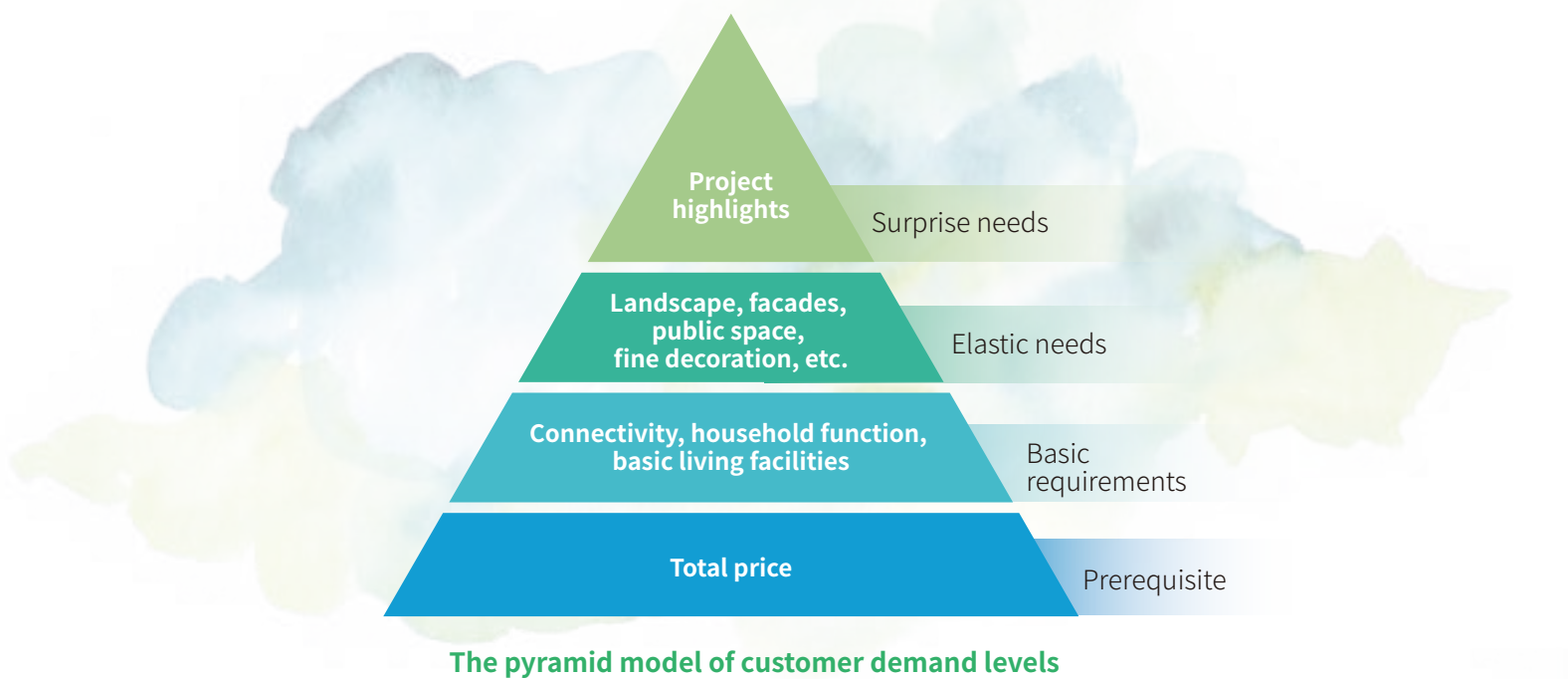
Landsea Green Properties upholds the customer-oriented concept, consistently focuses on customer needs throughout the various stages of project development, reflects customer-end demands and suggestions while making different decisions, and ensures the execution of customers' reasonable needs.

Landsea completed the plan for customer research and application for whole processes, identifying the direction of research at different time point of project development while clarifying the execution parties of research. This further standardized Landsea's research and application related to customer needs and enabled all functions within the company to value customer needs, thus ensuring the execution of customer-orientation in the whole line of processes.





Landsea values customer needs and developed a model of analyzing customers' product needs: the pyramid model of customer demand levels. This model divides customer needs into four levels - prerequisite needs, basic needs, elastic needs, and surprise needs – and provides comprehensive insight into and judgments on customer groups and their levels of needs.



In addition, based on the 'people-oriented' corporate concept, we divided our customer base by payment capabilities, taking account of market research, thus formulating four product lines for Landsea. We have adopted corresponding green construction technologies based on different customer groups. Our product line covers the whole life cycle for our customers and can meet the needs of customers of different consumption levels.

Green design

Our green design and technology are reflected in 5 aspects: land saving and outdoor environments, energy saving and utilization, water saving and utilization, material saving and utilization, as well as indoor environments.

In the early stages of project planning and designing, designers conduct investigation into the land to be used for projects, examine the location, surrounding environments, geological conditions, cultural and climatic characteristics of the projects, so as to gain full understanding of the local natural and cultural environment; designers also strive to command basic planning information of the projects, and conduct feasibility research into plot ratios, plantation coverage, building density, product type, and targeted customers, thus applying green technologies based on specific conditions in simple and pragmatic manner.



Key points and description



Land saving and indoor environments

Targeting different planning conditions, Landsea has created public spaces and environments better suited for habitation while fully utilizing land. Plantation rate and public green space are the most important gauges of a community. Landsea adopts analytic software to derive comprehensive environmental reports on the noise, light, wind, sunshine, and heat island effect conditions of a site in question so as to rationalize building layout and optimize environmental quality.

Energy conservation and utilization

Landsea adheres to the principle of "building first and installing equipment second". All of our buildings are created in accordance to the concept of passive houses, with varying product performance indicators for products with different positioning. While designing, we mainly consider key points such as peripheral heat preservation and insulation technologies, anti-cold heat bridge technology, energy-saving doors and windows, air tightness design, architectural shading technology, noise insulation and reduction technology, and focus on the ground source heat pump technology and solar energy resources while selecting equipment.



Water-saving and utilization of water resources

A low-impact rainwater recycling system was used in field development. Total runoff volume, runoff peak value, and runoff contamination are effectively controlled through permeation, storage, adjustment, transportation and purification of rainwater. Rain water is collected, processed and used for irrigation, washing, and landscape water supply and cooling, serving as an effort to build a sponge city and protect and improve urban ecosystems.

Material saving and utilization

All of Landsea's systemic technological products adopt a design that integrates building and decoration, including decoration processes and civil engineering industries such as architecture, structure, water supply and drainage, heating and ventilation, and electricity, thus seamlessly combining civil engineering and decoration to complete tasks from planning to working drawing. This not only avoids going back and forth between different designs, but also ensures structural safety, cuts down on material consumption and reduces decoration costs.



Indoor environment quality

As a company that values personal health of personnel indoors, Landsea attaches great importance to the environmental performance of decorative materials and has established a series of strict control processes for environmental performance of materials. Landsea has also built its own lab to manage the environmental performance of decorative materials along the whole line of processes from design, procurement and construction. For its projects, Landsea has realized pollutant control for hard and soft decoration and real-time notification on health levels of indoor environments to customers. Wood used for interior decoration and design are accredited by FSC.

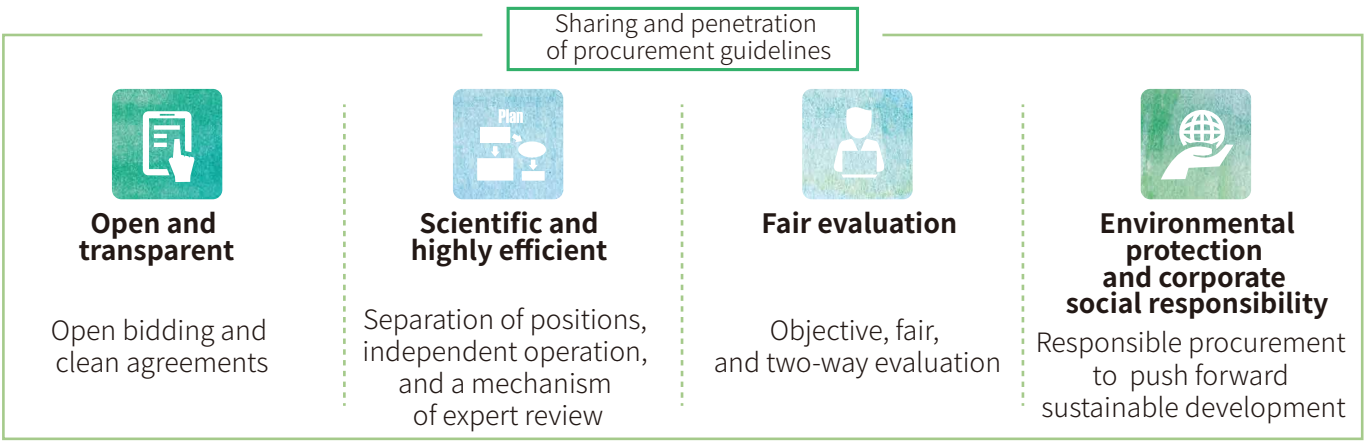


Green procurement

In today's world of remarkable economic achievements, more and more people are beginning to focus more on the natural environments where they live. To transform the economic development models with high consumption, enormous carbon emissions, and heavy pollution, multiple countries have transformed their development concepts, pushed forward the continued optimization and upgrading of economic development, and supported the development of low-carbon economies through high technologies. Against this backdrop, Landsea continues to push forward diversified development strategies with a focus on green technologies. As a key link of the execution of strategies, green procurement has become an important component of Landsea's diversified strategy.

■ Green procurement

Adhering to the principles of complementing advantages, cooperation and win-win and upholding the goal of building long-term cooperation, Landsea actively develops partners who share the same philosophies and strategies with the company, and engages in transparent procurement with an "open, transparent, scientific and highly efficient" model. Landsea also prompts upper-stream suppliers to engage in sustainable development, environmentally friendly production processes, and production and discharge compliance so as to jointly provide healthy residential products.



Landsea's procurement guidelines

To align the policies of supplier with Landsea's procurement policies and improve mutual understanding, Landsea holds annual supplier assemblies to share information on policies with suppliers and award excellent suppliers by introducing the company's operations status, latest operation plans, procurement policies and product strategies.

Execution of green procurement items

- 1 In Landsea's third-generation project, Landsea uses only floor boards with a formaldehyde emission of less than 0.5 mg/L to eliminate the issue of indoor decoration pollution and create a healthy and comfortable indoor environment.
- 2 Landsea joined the Global Forest Trade Network under the World Wide Fund for Nature, and in compliance with the principle of using wood of legal origin, does not procure wood from war-affected regions and conservation forestry, types of wood included in The Convention on International Trade in Endangered Species of Wild Fauna and Flora, or wood planted on land converted as arable land or genetically modified wood.
- 3 Landsea submitted the list of suppliers of steel and concrete to the NGO of Public Environmental Research Center and, by searching for environmental performance with professional agencies, is gradually phasing out steel and concrete suppliers that discharge waste against regulations.

Green building and construction

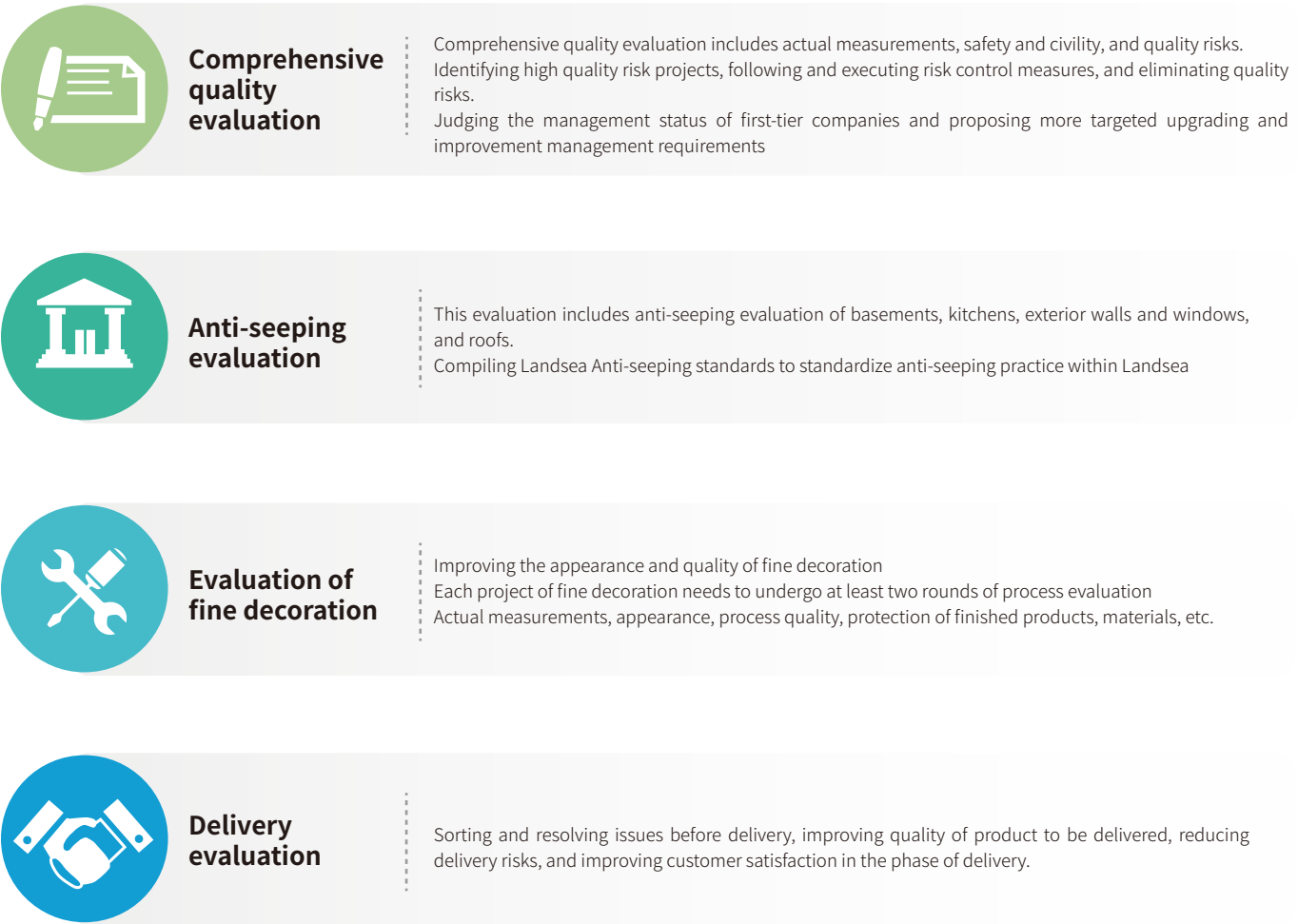
Demands for high quality, upgraded residential properties are on the rise, but issues of declining number of construction industry employers and ageing population are increasingly poignant.

According to statistics, China's households have 1 residential estate on average. Currently, housing demands mainly center on upgrading and first-time purchasing of estates is a secondary need. Compared to first-time purchasing, those upgrading to better homes have much higher standards, and potential buyers focus more on the comprehensive conditions of residential communities, e.g. sound community environments and convenient transportation, and pay more attention to the brand, facilities, plantation, and management of the residential communities.

On the other hand, with a decreasing number of young workers in the construction industry and the rapid ageing of existing workers, those born in 1970s are the youngest group of people working on construction sites. This urgently requires us to improve construction efficiency at site, revolutionize traditional work processes, and perform highly efficient management.

■ Quality management system

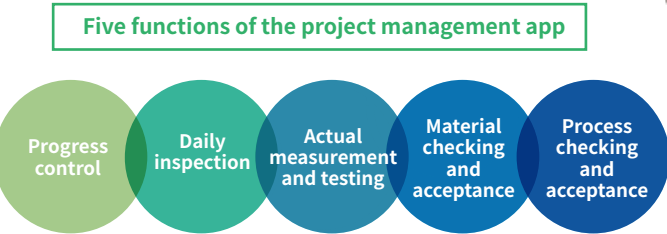
We have established a quality management system which covers lean process control and strict result verification. Lean process control mainly includes the comprehensive evaluation of quality during project development, anti-seeping and anti-leaking evaluation, as well as process evaluation and delivery evaluation of fine decoration.





Development and utilization of project management apps

Project management is the longest chain in the system of real estate building system and the core of product quality. With the development of information technologies, traditional methods such as manual labor and paper materials, once widely used in project management, can no longer meet the needs of improving project management. To this end, we have set digital project management as the core of building real-estate Internet Plus, covering the all participators in the project, laying out clearly the status of the project, including records of various processes, thus cutting down on labor investment.



Extraordinary green construction

As a leader in green estate development, in the process of construction, Landsea focuses on differentiated green building and green, fine decoration, aside from conventional requirements of "4 savings and 1 protection". The requirements of "4 savings and 1 protection" are "saving of energies, land, water and materials, and environmental protection", which are some of the highest standards in China's current construction of residential communities



**Energy-saving** | lay out energy-saving measures targeting construction sites and formulating consumption reduction targeting specific processes with high energy consumption



**Land-saving** | optimized utilization of the land in layout of the construction site and requiring on-site temporary facilities to meet the needs of the number of workers and site conditions



**Water-saving** | construction projects need to adopt measured water usage management and water usage is strictly controlled during construction



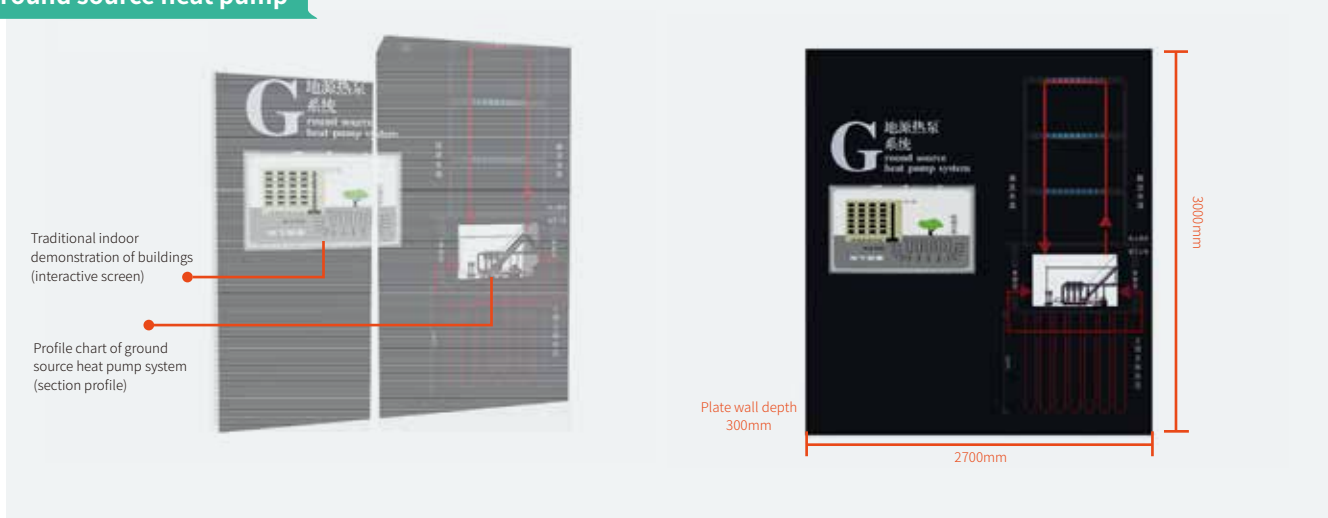
**Material-saving and resource utilization** | optimizing construction plans, selecting green materials, actively promoting new materials, advancing the rational use of materials and cutting actual construction of construction materials



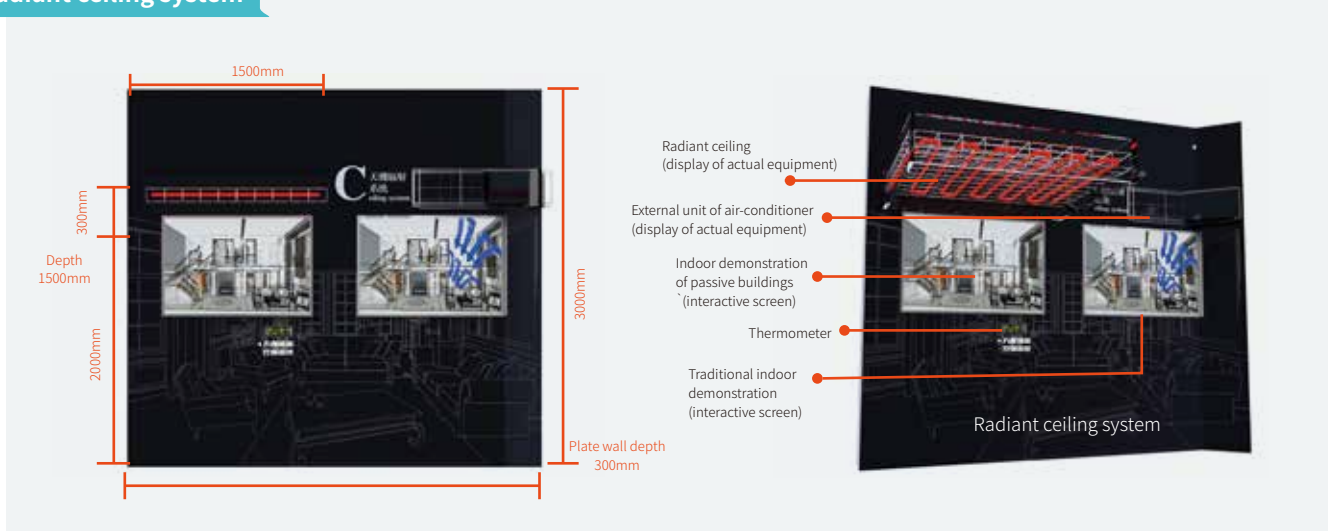
**Environmental protection** | controlling flowing dust pollution, discharge of toxic gases, water and land pollution, noise pollution, light pollution, solid construction waste and environmental impacts

Landsea's differentiated green construction is characterized by full use of geothermal energies to reduce energy consumption, including thermal pumps, radiant ceilings and fresh air supply systems.

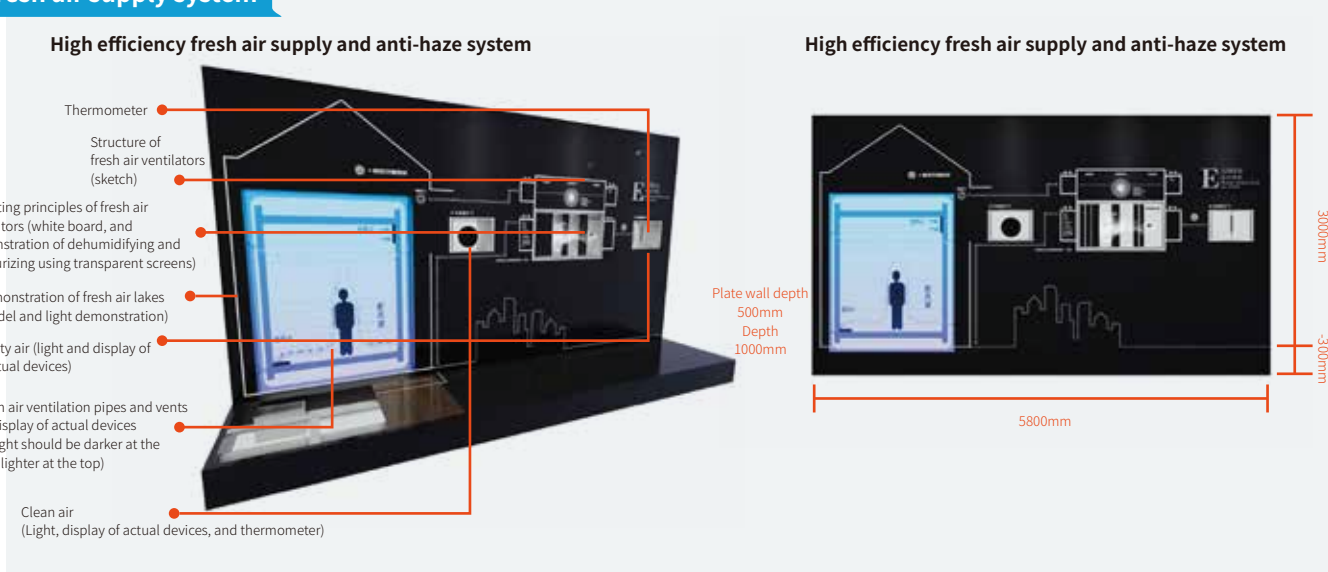
Ground source heat pump



Radiant ceiling system

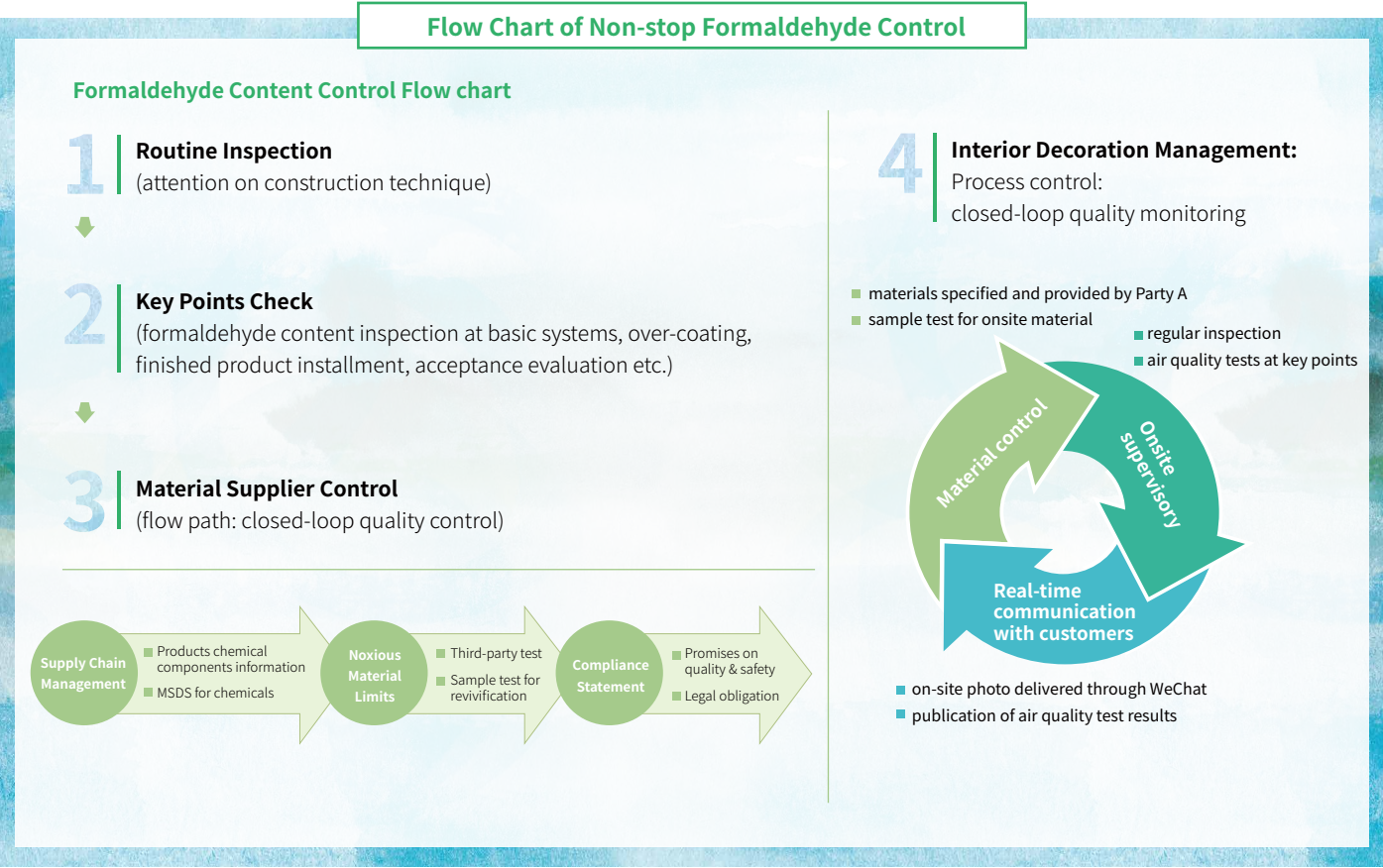


Fresh air supply system





Green decoration, a people-oriented attitude towards life: closed-loop formaldehyde control	
<b>Material Control:</b> <b>Quality Test in the Lab</b>	<ul style="list-style-type: none"> <li>• Lab-testing the formaldehyde content in materials adopted for sample room, only qualified materials to be ordered in volume.</li> <li>• Lab-testing the formaldehyde content in the sample of each batch order</li> <li>• No untested material allowed for construction site, including both main and supplementary materials</li> </ul>
<b>Key Points Test:</b> <b>Nine Detections</b>	<ul style="list-style-type: none"> <li>• Suspension points for retesting: the day of loading material into the site, completion of water &amp; electricity lines, wall &amp; floor construction, putty application, plank base paving, emulsion paint application, floor tile paving, framing &amp; padding, wooden products installment</li> <li>• After passing the formaldehyde content test, the construction to be allowed for continue &amp; move into the next step.</li> </ul>
<b>Green Officer Weekly Inspection</b>	<ul style="list-style-type: none"> <li>• Including inspection on air formaldehyde content &amp; material quality</li> </ul>
<b>Completion Inspection &amp; Acceptance</b>	<ul style="list-style-type: none"> <li>• Acceptance tests subject to the GB 50325-2010 (2013 Version) Regulations for Indoor Environmental Pollution Control of Civil Building Engineering</li> <li>• Acceptance tests must be performed pre-delivery and no later than 7 days following the project completion</li> <li>• For buildings with central air-conditioning system, acceptance test shall be performed with air-conditioning system in operation</li> <li>• For buildings with natural ventilation, acceptance test shall be performed after the window &amp; door being close for one hour.</li> </ul>








Consecutive Customer Services

As a customer-oriented company, Landsea prioritizes customer needs and builds up a consecutive customer service system covering all key areas from “the day of product positioning to the day of customer moving into the house” . With a view to ensuring customer satisfaction, Landsea customer service team, ever-present in every project stage, from project positioning, quality control, product delivery and customer care to deficiency feedbacks, help monitor the service performance and product quality.

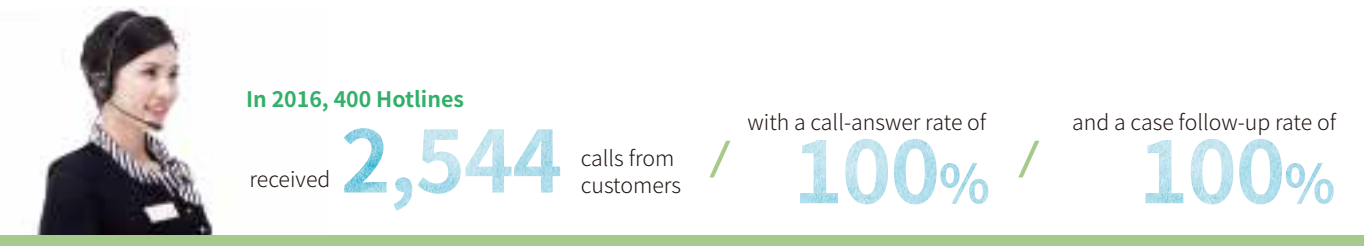


Service Stage	Project Operation Stage	Areas of Concerns for Customers	Landsea Standard Service Procedure
 Lucent Procedure & Purchasing at Ease	<ul style="list-style-type: none"><li>Positioning Design</li><li>Sample Space</li><li>Opening Sales</li></ul>	<ul style="list-style-type: none"><li>Transparent sales information</li><li>what you see is what you get</li><li>worries for false promises &amp; sales trap</li></ul>	<ul style="list-style-type: none"><li>Strict review and approval procedure for sales and promotion related materials and sales agreement</li><li>Publication of adverse factors within and beyond the “red line”</li><li>Sales Risk control investigation before selling</li><li>Secret inquiries by mysterious customer during sale stage</li></ul>
 Quality Promise & Infinite Expectation	<ul style="list-style-type: none"><li>Construction</li><li>Delivery</li></ul>	<ul style="list-style-type: none"><li>Building Construction Quality Control</li><li>Construction Progress Updates</li><li>Delivery On Time</li></ul>	<ul style="list-style-type: none"><li>Telephone Follow-Up After Selling Agreement Signing</li><li>Notification For General Information Of Project Progress</li><li>Quality Inspection Performed By The Third Party</li><li>Construction Site Opening Day</li><li>Quality &amp; Risk Assessment Before Delivery</li></ul>
 Professional Services & Happy Living	<ul style="list-style-type: none"><li>Complete delivery &amp; Resident Moving-in</li></ul>	<ul style="list-style-type: none"><li>Satisfactory Building Quality</li><li>Community Atmosphere &amp; Neighborhood</li><li>High-Quality Property Management Services</li><li>High-Quality Maintenance Services</li></ul>	<ul style="list-style-type: none"><li>One Stop Delivery Service, Creating Tailored House Inspection Experiences</li><li>Quick Repair Service</li><li>Butler Service in Property Management, Solving Problems For Proprietor</li><li>Community Cultural Activities</li><li>Regular Interview on Proprietors After Delivery</li></ul>



Attention on customer feedback and user experience

Landsea attaches great importance to customer feedbacks. In the headquarters, the 400 Customer Hotlines, ever-ready for collecting customer opinions and seeking quick solutions to their problems, effectively improves the internal service efficiency and quality. Responsible for customer consultation, suggestions and complaints, customer service team reports the customer problems to departments concerned and follows up the development, as well as sending instant feedbacks to customer.



Landsea prioritizes the customer experience on products and services, inviting a third party to perform customer satisfaction evaluation regularly. The evaluation covers all dimensions such as sales service, delivery service, environmental planning, and building design, supporting facility, building quality, maintenance services, property management services and complaint handling. The customer opinions are respected and involved as an indicator for improving its products and services. According to the evaluation in 2015, our overall degree of customer satisfaction and customer loyalty were above the average among its peers.

Persistent efforts in product optimization

In early years of product development, Landsea were confronted by the problem of cooking smoke. Due to the negative indoor air pressure, kitchen smoke can easily enter into the living room. By conducting the customer survey, Landsea realized the customer demands on green tech. By cooperating with others, Landsea developed a unique air-feed system to offset indoor air pressure and thus solved the problem, bringing enhanced customer experience.



## Iron triangle of the property management

For community service, we established a triangle service system consisted of butler, environment and project team. The ever-ready butlers as the connection points in the front, maintains close communication with property owner, the latter could simply inform the butler of the problem and wait for the butler to make the according arrangement.

Environment and project team in the backstage cooperate closely with butler all around the clock. Once receiving the task dispatched by the butler in the APP, the environment and project teams would visit the property to solve the problem. The task would be marked off from the App, once the problem is solved. The only thing the property owner have to do is to inform the butler, in other words, the iron triangle means “lay aside all anxiety to butler and his reliable colleagues” .

## Healthy

### Building health examination

- Establishing building health pre-warning system to realize community digitalization
- By inputting the indoor facility data into Landsea database, the property owner will receive pre-alarming messages on an App when the safety operation life for the facility is due or the weather conditions (e.g., cold wave, rainstorm and typhoon) go beyond the facility design capacity. Property owner could request preventive maintenance or repair by making appointments.

### Weather broadcasting & forewarning

### Health steward

### Live broadcasting for acceptance assessment

- Online broadcasting on healthy & green life style. With professional property maintenance knowledge & carefully selected subjects, the broadcasting allows property owner to learn green life in an easy and direct manner

## Convenient

### Sweet home app

### Butler call

### Life consultant

- Sweet Home APP: an intelligent property management platform consisted of internet & IoT
- Providing online property management services, online community, online shopping store, etc.
- In addition to common butler service, Landsea green butler plays the role of life consultant by the virtue of professional training & support from operational depts.
- With the knowledge of the matters within and near the community, the butler could offer reasonable suggestions for property owner demands
- The community club would offer professional advice and support to property owners of various hobbies & interests



## Environmental-friendly

### Intelligent control

### Waste sorting

### Environmentally sound technology

- Landsea property owners could remotely control the house by their mobile phone to realize separate operation of different facilities (timing, humidity, temperature, etc.), making the accurate control & no waste a true deliverable
- Unique healthy living system tailored to property owner's habits
- Reaching a balance point between sound living style and resource conversation and emission reduction



## Safe

### Strong sense of responsibility Professional & Rigorous Well trained

- Stick to the principle of providing a safe, sound and comfortable community
- Landsea security members aged averagely between 25 to 35
- Landsea security members excel at reactive force, apparatus application, deterrent force, etc.



## Humanistic

### Community cultural event

### Community reading event

### Community activities

- In 2016, Landsea Green Property Management organized over one thousand community events themed on festival celebration, public welfare, social focus in the eight cities (Nanjing, Changzhou, Wuxi, Suzhou, Shanghai, Hangzhou, Wuhan & Chengdu), under 30 Landsea projects, with a total participants of over 10,000.
- In 2016, Landsea Green Property Management established over 40 reading rooms, providing over 40,000 books and promoting book-exchanging.
- More than 70% of readers were children, more than one third of property household participated in the reading event



## Centralized energy control platform

The Landsea has built up a centralized energy control platform and a 24-hour dispatching center in the headquarters. Up to now, there are 25 projects in 9 cities connected to this platform.

In line with the remote control, Landsea stresses on data collection & analysis, with a view to offering data support and to ensuring the consistent work of air-conditioning system.



## Dispatching Center



The Landsea system operation team, consisted of dispatching center, debugging team, upkeep team, maintenance team, project squads etc., is responsible for ensuring a stable, safe, economical and highly efficient operation of the system.

## Functions & major duties of Landsea green tech system operation

### Testing team

responsible for testing facility operation, adjusting water and air system to reach balance, checking and measuring air inlets and outlets, ensuring the proper operation of the system upon delivery and the standards indoor comfort level



### Upkeep team

responsible for monitoring the self-maintenance & self-recovery of main power, water pump, end devices of AHU and other main facilities



### Maintenance team

responsible for the maintenance & repair of main facilities



### Project operation groups

responsible for executing the orders from dispatching center & upkeep team, performing routine facility inspection & maintenance.



## Advanced apparatus in measuring indoor & outdoor air quality



Noise dosimeter



VOC monitor



Formaldehyde detector



PM 2.5 detector

Landsea technology system operation team

## Update of fresh air ventilators

Since 2014, Landsea has equipped its real estate projects with fresh air supply system and received satisfactory anti-haze result. Ever from then on, the Landsea anti-haze system is evolving as the haze headache goes from bad to worse. In order to improve the living conditions for Landsea property owners, Landsea is planning to update the air ventilation system in its residential buildings delivered in the past years. The upgraded system will significantly improve the haze removal capacity. In the case of more severe haze, fresh air filter efficiency can increase up to 80%.

This update plan will be performed in

over **20** Landsea real estate projects in **10** cities

(Nanjing Wuxi, Suzhou, Hangzhou, Changzhou, Shanghai, Wuhan, Shaoxing, Chengdu, Zhangjiagang, etc.),

bringing benefits to **100,000** property owners from **30,000** households.

With the permit of the property owners, Landsea will launch update plan one building after another, especially in this Spring and Autumn, with a view to completing the whole updating within 2017.



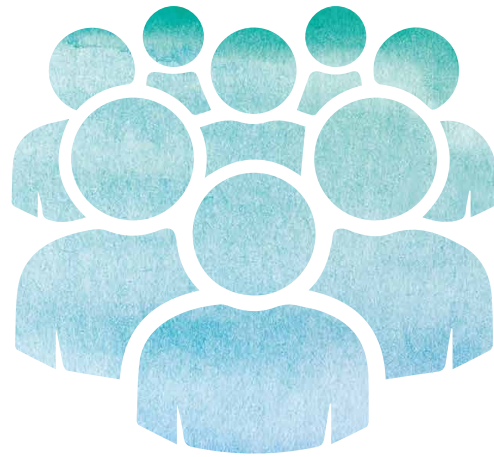
## Talent cultivation & employee care

### Talent development concept

#### Employee is regarded as the core resource of Landsea.

Landsea holds that a company is obliged to creating transparent career environment, providing employees with equal opportunities and stages, measuring employees by their performance, and inspiring employees with career fulfilment. Landsea encourages employees to devote themselves, not to sacrifice their benefits; Landsea values the personal development of the employee, not just hire them to work. Accordingly, employee should comply with the Landsea rules & regulations.

Dedicated to creating a performance system featuring fairness, equality, high-efficiency, performance-orientation, Landsea highly values the growth of employee capabilities and improvement of their performance. Landsea grants employees fair evaluation and corresponding rewards. Landsea prefers employees with positive attitude and pioneering spirit, promotes sound, harmonious and simple interpersonal relationship, including the communication and cooperation between individuals and company, and the communication and cooperation among employees.



### Employee cultivation system

Landsea advocates constant learning, learning is deemed the best way to make progress. From the very beginning, Landsea has put up a banner in its conference room: a team quick at learning is more competitive. To realize the sustainable development, Landsea provides the employees with all kinds of learning resources to encourage self-improvement. Landsea commits itself to changing company into a school and talent incubator, by developing an all-inclusive training system covering each rank and function within the company and providing employees with tailored trainings courses. In the meanwhile, Landsea developed an employee learning management procedure, as well as a learning point accumulation mechanism,

to encourage employee to engage themselves in various types of study, including company library, monthly magazine, night school, employee forum and knowledge base, so as to pave a way for employee self-development.

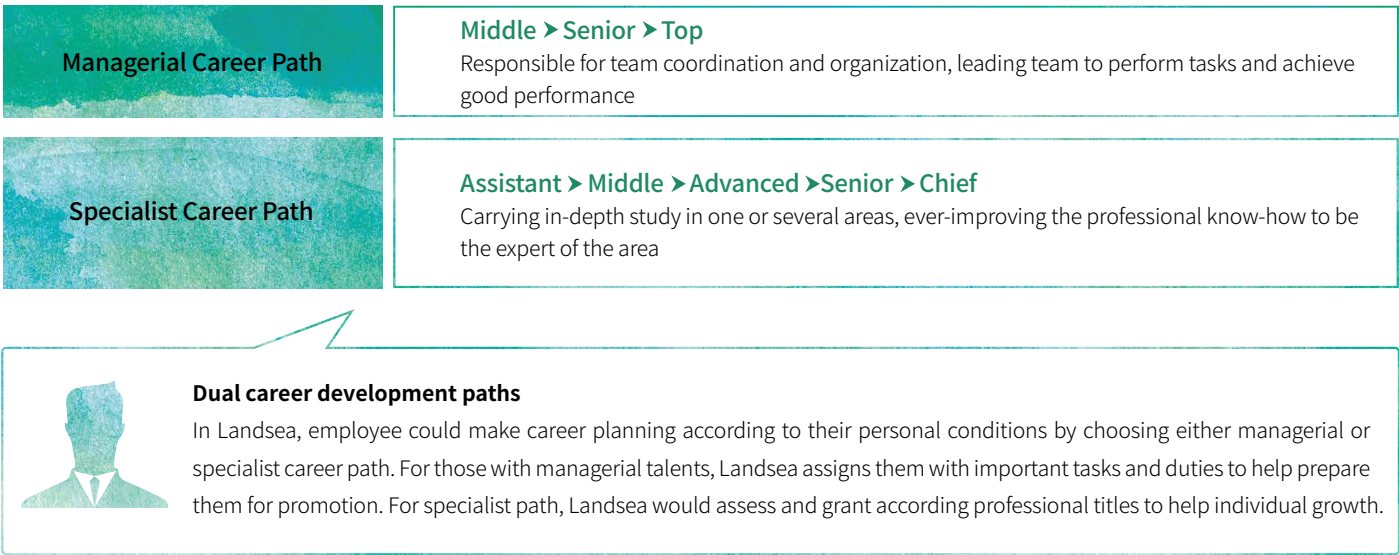


A team quick at learning is more competitive.

### Talents development path

Landsea stresses on talents reserves and differentiated talents groups. The candidates in talents reserve would be trained with extra attention as the potential managerial person or professionals in the future. Landsea respects each and every employee and their contributions, holding that the career promotion should match with their capabilities and achievements.

The dual Landsea career development paths help to attract, encourage and maintain talent and realize the sustainable development of the company.



### Diversified employee training & development projects

**The Director Force**

In 2016, there were six The Director Force training projects themed on world frontier issues such as Green factors and Business Model 2.0. The projects involved the activities of experience-sharing, case study, study tour, role play etc., with the participation of 347 members and experts from various areas. The Director Force serves as an incubator for talents familiar with local capital market, financial programs, green building transfer and property management, etc.



## The Chief Force

The Chief Force cultivates interdisciplinary PM who is able to integrate resources and adept at business management. The “Post Model for Project General Manager”, with regular assessments, could improve talents selection mechanism and work out proper training plan for individuals. The training programs stresses differently for individuals: help mature talents improve their professional expertise, arrange posts for potential talents to hone their skills under the instruction of senior supervisor. The Chief Force also provides a platform for training and communication on real estate development, financial knowledge, law and regulations, leadership, business mindset, etc. In 2016, 34 courses were developed by the Chief Force, with a total class hour of 113, participated by 567 students.



The Landsea Talent Camp aims at the career adaption of fresh graduate in Landsea, providing them with coaches, post rotation and camp training. After a cultivation of 3 to 5 years, those with outstanding expertise and managerial skills would rise up to be the new generations of key leaders of Landsea.

Liu Shouwei from Landsea Chengdu was a member of Source Power Project 2007. He was at first a cashier in finance department, then an accountant, and rapidly grew to become a financial manager of the financial department 2010. Now, Liu is the GM assistant of Landsea Chengdu, a core member of the management team.

## Landsea Talent Camp



## Landsea-style training

With growing scale of the organization and rapid increasing of new employees, in 2016, Landsea launched six new employee training programs, with the participation of 428 members. Consisted of team-building, dialogue with senior executives, training classes, benchmarking cases study, the programs facilitate new employees to carry forward Landsea culture and promote Landsea values, also help them to find a sense of belonging in Landsea.



## Employee welfare and care

Landsea strictly abides by the Labor Law and the Labor Contract Law and other related laws and regulations in China, protecting the legitimate rights of employees. Based on equality, voluntariness and consensus, Landsea enters into labor contract with all the employees and submitting all required labor employment materials to authority concerned. Meanwhile, Landsea complies with the international convention and domestic laws and regulations on human rights, respects and protects the human rights of employees and related persons, especially the rights in health, safety, freedom, salary and welfare.

Landsea allows no discrimination against race, social class, nationality, religion belief, physical disability, gender, sexual preference, political stance, age and other aspects during employment, salary paying, career promoting, dismissing and retirement and other routine activities. Landsea respects employees' freedom in choosing the job, hence would not withhold any personal credentials or archives to prevent employee from resigning. Landsea also conforms to the domestic laws and regulations on banning the use of child labor to prevent hiring and using child labors.

### Basic insurances & subsidies

Landsea complies with laws and regulations to pay pension, medical, unemployment, work injury, maternity insurance and public housing fund for employees, and provides paid vacation for employees, including legitimate festivals, annual leave, marital leave, home leave, funeral leave, maternity leave, work injury leave, as well as high temperature allowance, the one-child allowance and heatstroke prevention subsidy.

### Various additional welfares

Landsea provides employees with additional paid vacation, health examination, and subsidy for wedding, funeral and other ceremonies, house-purchasing discount, etc. In addition to the specified medical insurance in laws and regulations, Landsea pays complementary medical insurance for employees.

## Employee welfare and care

### Safe working environment

In the case of natural hazards such as typhoon, rainstorm and earthquake, Landsea will adopt measures to protect the employee's safety. When encountering threats, employees on duty should prioritize their safety and evacuate everyone to safety zones; the custodian of company assets, should take effective measures to protect the safety of company's property when receiving pre-warning.

### Employee assistance and visits

Landsea hopes to touch the hearts of employees with its corporate culture, care for them with real action, and warm its employees with heartfelt sincerity. If employee suffers severe economic trouble due to emergency, Landsea will provide them with economic assistance.

## Human-centered values in practice

In July, 2012, a security member, from a Landsea housing estate in Hangzhou, was killed by five drunk mobs, when trying to prevent them from entering into the housing estate. Landsea organized a specialized team immediately, granting a compensation of RMB 2179,600 to families of the victim and involving the son of the victim into the Landsea Green Seedling Education Program. The Green Seedling, launched in 2008, is a one-to-one assistance program voluntarily provided by Landsea employees, stock holders, property owners, etc. By Dec 31, 2016 the Green Seedling has helped 818 children in backward parts of China to help them finish primary school education. On the other hand, to seek the justice for the victim and his families, Landsea, by virtue of its own influence, voiced loudly through media and sought support from professional lawyers. Finally, the suspects were brought to justice. This is a real example of Landsea's human-centered value.

In June, 2016, an employee from Landsea Hangzhou Property Management Services was diagnosed with poorly-differentiated angular incisura adenocarcinoma. The medical expense was over RMB10,000 and barely covered by medical insurance. The huge amount of medical charges went beyond the capability of this poor family. After learning the hardships of the employee, Landsea Associated Fund launched a donation initiative and received a quick response. In a few of days, the donation accumulated to 37,000 and helped the patient to pull through difficulties.



Diversified employee activities

Landsea seeks the balance between daily work and life by promoting physical exercise. Mountaineering and cycling are two traditional events of Landsea, in addition to jogging, basketball, badminton, etc.



Mountaineering

Hiking is a tradition in Landsea. From the very beginning of the Company, Landsea members would climb at least one mountain for each year, which means never-ending progress. The Landsea climbers have conquered Mount Siguniang, Haba Snow Mountain, challenged Mount Kilimanjaro at the beginning of 2016 and second-highest peak of Mount Siguniang in the second half of 2016.

Landsea cycling team

Cycling as another popular event among Landsea members, mirrors the Green Development strategy of Landsea. The Landsea cycling team organizes routine training and competition, leaving the trace in Qinghai Lake, Qiandao Lake, Dianshan Lake, Shuangshan Island, Yangcheng Lake, Jeju Island, etc. In 2016, the Daquan Lake cycling was completed successfully.



Jogging team

Where there is Landsea presence, there is Landsea Jogging Team. The trans-city on-line and off-line jogging club pursues sunshine, joy, and health. The jogging, including both athletic events and daily practices, represents the low-carbon, healthy lifestyle.



Green community

Community as a living organism has its own life cycle. We hope to enrich community activities and create more harmony, healthy factors, maturity and vitality to the community to create a warm and green community.

With the accumulation of high-quality big data, scientific data process and systematic data analysis, Landsea brings more green elements to the community, including festivals and folk activities, public benefits activities, outdoor tours, and nationwide events.

Festivals & traditional cultural activities

Landsea holds festivals and folk activities to introduce traditional Chinese culture and their splendor.



- Guessing lantern riddles On the Lantern Festival (Chengdu)
- Dragon Boat Festival (Nanjing)
- Women’s Day activities(Nanjing)
- Children’s Day (Nanjing)
- Guessing lantern riddles On The Lantern Festival (Shanghai)
- Dragon Boat Festival (Shaoxing)
- Guessing lantern riddles On The Lantern Festival (Shaoxing)
- Women’s Day activities(Nanjing)
- Christmas Day (Shanghai)
- Laba Festival (Suzhou)
- Women’s Day activities(Suzhou)
- Guessing lantern riddles On The Lantern Festival (Wuxi)
- Mid-autumn Day (Shanghai)

Community public benefit activities

Community public benefit activities provide trivial yet important service to community members on one hand, and create interaction opportunities for members to know each other on the other hand.

- Green Planting (Nanjing)
- Fire Drill (Suzhou)
- Green Homeland Activities(Wuxi)





## Outdoor traveling



Life is about exercise, and traveling can relax soul and body. As a way to learn different culture and unknown anecdotes, traveling could open up one's horizon and refresh their mind. Landsea Green Property Management has organized many outings for property owners, which were particularly welcomed among property owners. During the travel off season, there are community film festival, beer festival and other outdoor activities within the community, enriching the life of property owners.



- Picking strawberry (Landsea Changzhou)
- Jing Garden Film Festival (Changzhou)
- Badminton Event (Changzhou)
- Autumn jogging (Hangzhou)
- Property owner touring (Zhejiang)
- Gaochun tour (Nanling)
- Children's flea market (Suzhou)

## Nationwide Events

The biannual community cultural festival climaxes all the Landsea Green Property Management activities, as an all-inclusive festival with amazing time-span. The community members respond to the festival with great enthusiasm. The brand promotion about green community allows property owner a direct and close look on Green Community and Green Life.



Spring community cultural festival



Winter community cultural festival

## Promoting green supply chain and seeking sustainable real estate industry

The environment problems confronting China is severe, especially in haze control, carbon-emission, energy consumption, water pollution and soil pollution. Although strict administrative interference, including the issue of environment protection rules and regulations, gained obvious results, the voluntary market response in environment protection lags behind. In particular, industrial emissions, which are enormous in volume and can lead to severe pollution, have been controlled by resorting to the government's administrative measures. The market mechanism such as emission right purchasing, and voluntary emission-cutting initiative of companies, haven't been fully developed.

Against this background, on June 5th, 2016, Landsea, together with the Society of Entrepreneurs and Ecology (SEE), China Urban Realty Association (CURA), China Real Estate Chamber of Commerce (CRECC), Vanke and other companies and institutes, launched Real Estate Green Supply Chain Campaign, and the according committee to promote the green supply chain, with Chen Jinsong being chairman, Qian Xiaohua, Nie Meisheng, Yu Liang, Tian Ming as committee members. The working team under the committee is led by Tian Ming, Landsea Chairman of the Landsea Board.

## Green supply chain concepts

The Campaign calls for the concerted actions off all real estate developers in China to realize green supply in material exploiting, production and end-consumption. By establishing a green chain upstream and downstream the industry, real estate developers will take the due share of responsibility for promoting social development by protecting environment and improving resource utilization rate. Up to now, a total of 72 real estate developers have joined the campaign.

## Missions and mechanisms

### Missions

Cutting down carbon and pollutant emission of the industrial chain  
Improving the overall environment management capability of the company and the real estate industry, identifying and avoiding environment risks, and promoting sustainable development  
Promoting the formulation of related government policies, providing practical cases and suggestions from the view of real estate developers

### Mechanisms

Real Estate Green Supply Chain Campaign, implemented by real estate developers and their suppliers, promotes green materials purchase by choosing specific materials according to business conditions, with technological support for the third party, including NGO and inspection institutes. Meanwhile, the Promotion Committee, composed of representatives from founding members, and the working team, made up of representatives from all member organizations, are responsible for coordination and resource integration.

## Multilateral coordination



- Reviewing current supplier, and submitting the supplier list to working team and independent third party
- Communicating with supplier and urging them to reform and live up to project standards
- Involving environment influence assessment in purchasing and open tender



- Identifying and evaluating the environment influence of supplier behaviors, informing all parties concerned of the evaluation results
- Regularly reporting the supplier implementation progress to committee and working team



- 1<sup>st</sup> Tier suppliers cooperating with real estate developers to review their upstream suppliers, involving environment influence assessment in purchasing and open tender
- 2<sup>nd</sup> and 3<sup>rd</sup> Tier suppliers, implementing reforms to live up to project standards and updating the independent third party on their progress



- Coordinating the implementation timetable and direction
- Reviewing and supervising the implementation timetable of real estate developer
- Urging suppliers to reform by the virtue of the association influence



Product promotion

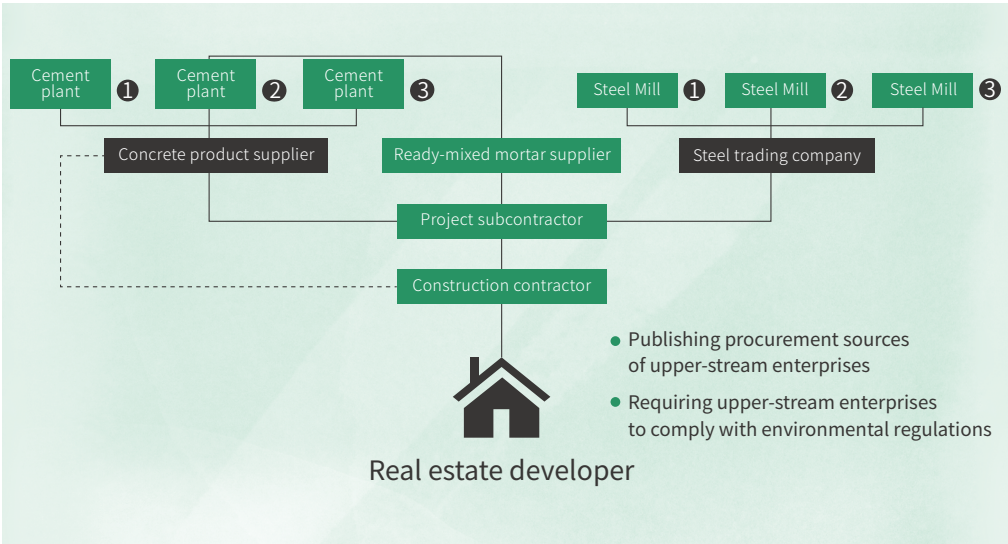
The targeted products in Real Estate Green Supply Chain Campaign, such as steel, cement, aluminum alloy, wood, etc. are selected in terms of environmental influence and project feasibility. The member company has to choose at least one kind of product according its business conditions and development strategy, and then carry out the reform in line with the specific implementation rules of the product concerned. At the early stage of the campaign, the reform is required for four categories of products: emission control of pollutant-intensive products (steel, cement), chromate-free passivation of aluminum alloy, legitimate resources of wood materials (floor), formaldehyde control in artificial interior decoration panels and related products. In the future, more product categories will be involved gradually into the Green Supply Chain Campaign.



Major social benefits

Purchase control of pollutant-intensive steel and cement

Assessing the steel mills and cement plants in line with Environmental Protection Law of the PRC, related environmental protection regulations and industrial standards, urging pollutant-intensive company to rectify and live up to standards.



“Industrial emission is the largest source of regional pollution.”

PM2.5 Features and Countermeasures in Beijing, Tianjin And Hebei  
He Kebin  
School of Environment, Tsinghua University

Purchasing control of illegitimate wood materials

Landsea invites real estate developers and floor suppliers to the training course on boycotting wood materials from illegal ways and urging floor suppliers to adopt legitimate wood material, hence paving the way for sustainable forest resource exploiting and forest products production and consumption.



Chromate-free passivation of aluminum alloy

The green supply chain purchasing procurement standards are made on the basis of Section IV – Powder Coating Materials of Aluminum Alloy Building Materials (National Standards) and Chromate-free Chemical Conversion Pretreatment Coatings on Aluminum Alloy (Industrial Standards), after the repeated argument with standard drafters, which will promote the application of chromate-free passivation of aluminum alloy in surface treatment among aluminum material manufacturers, hence cutting down the emission of waste water containing hexavalent chromium while lowering the waste water treatment costs of the manufacturers.

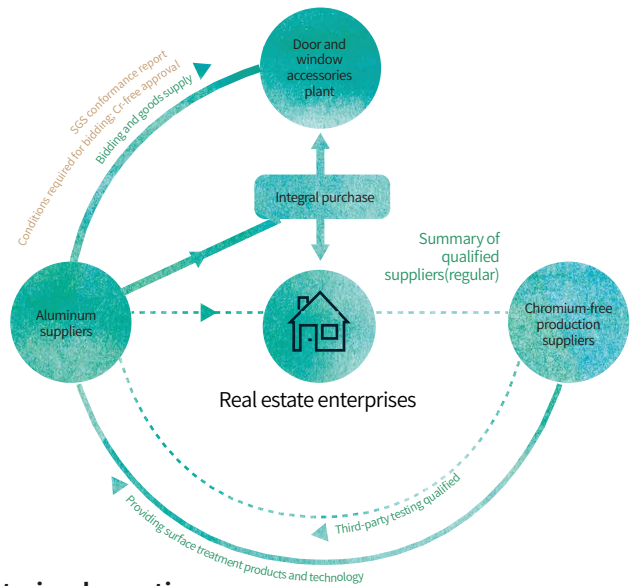
Hazards in traditional hexavalent chromium process

Without treatment, it takes **100** years for hexavalent chromium natural degradation

**High content of hexavalent chromium** in the water (over 10ppm) could be fatal

Long-term exposure to hexavalent chromium could **add to cancer risks**

Survey and Analysis of Digestive System Damage of Residents in Hexavalent Chromium Pollution Areas By Wang Meng et al.



Formaldehyde content control in artificial panels and products for interior decoration

As the leader of formaldehyde content control of green supplier chain campaign, Landsea decides to control the formaldehyde emission within 1.0mg/L and even 0.5mg/L in the future, much stricter than the 1.5 mg/L specified in the national standard of PRC, this will help floor suppliers to raise their standards in production and create a healthy and green indoor environment.



Proactively promoting environmental-friendly decoration materials



## Implementation

In November, 2016, Landsea attended COP22 for the first time. As one representative of China Real Estate Green Supplier Chain, Landsea, together with SEE, CURA, VANKE and other companies and institutes, launched White Paper on China Real Estate Green Supplier Chain Purchasing Standards, calling on the industry to assume the social responsibility and promote sustainable social development in the virtue of market mechanism.



After reviewing and evaluation with other members of the Real Estate and Promotion Committee based on the White Paper on China Real Estate Green Supplier Chain Purchasing Standards between November and December of 2016, Landsea published the Whitelist Guidelines of Real Estate Industry Green Supply Chain Action in China (draft), the Whitelist Assessment Rules Heavy Pollution Control (Steel, Cement) Program (draft) and the Whitelist Review Rules of Timber Source of the legal program (draft) on January 7, 2017. According to the rules of the two categories of review, we have screened and reviewed 877 enterprises, and in the end 142 steel and cement enterprises enter the whitelist of heavy pollution control, 8 wood flooring enterprises enter the timber source legalized whitelist. Whitelists are dynamic in the implementation of management. If the supplier involves in major environmental impact events and has been verified to be true, the Real Estate Industry Green Supply Chain Promotion Committee will examine and remove it from the whitelist. The green supply chain official website (www.cura.cn), the exclusive information release platform for green supply chain action in China's real estate industry, will track the progress of the green chain action and the renewal of the whitelist in real time and accept the supervision of the society.



## Green supply chain memorabilia

On June 5, 2016, known as the World Environment Day, the "Green Supply Chain Action of the Real Estate Industry" was officially launched in Beijing.



2016  
Jun.5

2016  
Sep.7



On September 7, 2016, some entrepreneurs from Green Supply Chain Action met with staff from the United Nations Environment Program.



On November 17, 2016, The Procurement Standard White Paper of Real Estate Industry Green Supply Chain in China is officially unveiled on the Morocco World Climate Conference in the business side.



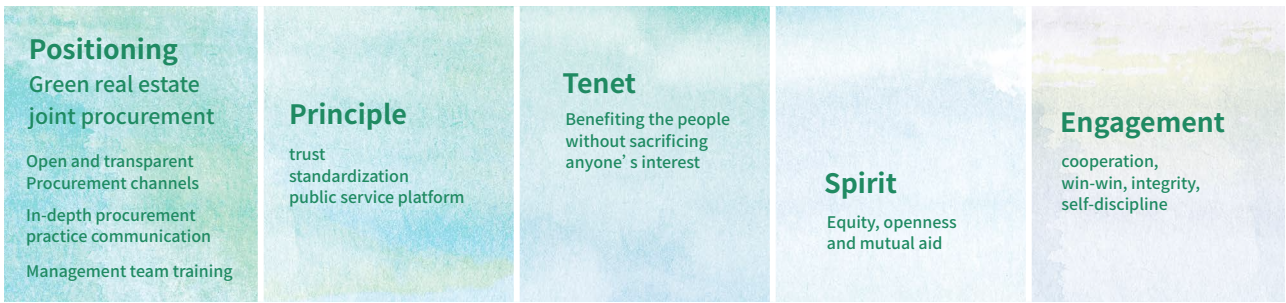
2016  
Nov.17



Promoting joint procurement for the industry to realize business cooperation and win-win

In March 2011, at the CURA strategic seminar, Landsea Green Properties took the lead to rallied members of the association and formed a core group to promote “joint procurement” in compliance with the principle of “benefiting the people without sacrificing anyone’ s interest”.

As the director organization of the first CURA joint procurement, Landsea Green Properties Board Chairman Tian Ming personally committed to this campaign, laying a solid foundation for the joint procurement. Until now, the scale of joint procurement has expanded from the initial five categories, with a purchasing amount of RMB 220 million, to thirty-two categories with a purchasing amount of RMB 4.116 billion, making it the largest solid mining platform in China's real estate industry.



Green public welfare

Landsea has always seen fulfilling social responsibility as its own duty, and endeavored to create value for society. Since 2007, intended for giving back to the community and benefiting the poor students, the company has taken the first step on the road to public welfare - the Hope Primary School in two remote areas after the earthquake, in which the total construction area is 9466 square meters, and investment reaches RMB 24.2 million. In June 2014, with the approval by the Nanjing Municipal Civil Affairs Bureau, Landsea Group and Chairman Tian Ming jointly invested RMB2 million to set up the Nanjing Landsea Public Welfare Foundation, so that public behavior can be more standardized. The Fund aims to promote the development of humanities, community services, promote the construction of a harmonious society, with different ways and resources and practice corporate social responsibility.

Over the years, Landsea has devoted itself primarily to organizing and participating in public welfare activities, which are listed as follows.

Areas of concern	Major Events during 2008-2016	Beneficiaries/Target Participants	Purposes	Accomplishments
Focus on Education	Helping rebuild Elementary Schools in affected areas	Wuquan “Hope” Elementary School	Support education in remote areas, build earthquake-resistant schools	Set up the Eagle team with 15 people, and invest RMB14.2 million . The first phase of the construction is 5166 m² in total, and 1100 m² in the second.
		Labu Landsea “Hope” Elementary School		Invested more than RMB 10 million. The overall construction area is more than 3200 m².
	Landsea Green Shoots Financial Aid	Landsea Wuquan “Hope” Elementary School, Labu Landsea “Hope” Elementary School and Tuoju Central Women School in Butuo, Liangshan, Sichuan	With one-to-one assistance, help children in poor families achieve their dream to study	Since the Aid was set up in 2008, a total number of RMB 870,000 has been raised for financial aid.
	Start Cooperative Brother School Plan	Landsea Wuquan “Hope” Elementary School and Labu Landsea “Hope” Elementary School	Search for cooperative brother schools so as to facilitate pedagogical communication among schools	Five communication activities have been held, with expenses of RMB 100,000.
	Financial Aid	University students in financial need	Give university students who are in financial need support to successfully graduate.	Fund 5 university students to finish their study, with a total of RMB 100,000.
	Hope Summer Camp	30 student representatives from Landsea Wuquan “Hope” Elementary School	Provide opportunities for students to “Go out and see the world”	2014 and 2015 summer camps, with a total of RMB 150,000.
Care about Society	Auction of Love	Outstanding students from Landsea Wuquan “Hope” Elementary School and Labu Landsea “Hope” Elementary School	Raise money for new stationary given to students in hope Elementary Schools	charity fund to buy stationary and books for students.
	Green Bud Action	12 kindergartens over the country	Protect children in a safe, healthy environment, sheltering them from haze	Has determined to transform the haze removal system for free for 10 kindergartens and 2 care centers for the disabled in Beijing, Wuhan, Chengdu, Hangzhou, Tianjin, Suzhou, Hefei, and Shanghai.
Care about Society	“public welfare and will power” charity walk	Amity Foundation	Focus on elderly people affected by Alzheimer’ s disease	Provide over 200 elderly people affected by Alzheimer’ s disease with yellow positioning wristbands
	Setting up the Landsea Education Fund	Education Fund of Southeast University	support college students to promote public welfare	Setting up a fund of RMB100,000, and half of which was used to support a volunteer teaching program called "my future, your dream" in which college students went to teach in Minzu Wanquan Elementary School of Panshi Town in Songtao Miao Autonomous County of Tongren City, Guizhou Province

Note: the above data was collected by December 31, 2016.



We focus on education



**We helped to build “Hope” Elementary Schools:  
Landsea has an aid group named "eagle" which helped build two elementary schools that are able to withstand earthquakes.**

In June 2008, a magnitude 8 earthquake hit Wenchuan, a county of Sichuan Province. Landsea, in face of such disaster, solemnly promised to "build a safe school for the earthquake-stricken area".

After the earthquake, Landsea dispatched aid groups to do research into the devastation in Chengdu, Shifang, Mianzhu, Pengzhou, Jianmen Pass, Guangyuan, Wangcang, Wuquan and other two areas. Ultimately, they decided to fund the reconstruction of Wuquan Town Central Elementary School in Wangcang County of Guangyuan City. In July, Landsea sent an aid group called "eagle" to station in the school and stepped up the reconstruction with the fastest speed of mobilizing resources. On the 226th day after the earthquake, the building of Landsea Wuquan Hope Elementary School was completed, with a total construction area of 5,166 square meters, including a teaching building with 24 standard classrooms, student dormitories and a cafeteria. In 2011, a 1,100-square-meter comprehensive teaching building and a teachers' apartment building were built. 15 employees and RMB14.2 million were dedicated to the whole construction process.



Landsea  
Wuquan  
Hope Elementary  
School



Labu Landsea  
Hope Elementary  
School

In July 2010, Yushu County of Yushu Tibetan Autonomous Prefecture in Qinghai Province was hit by six earthquakes, of which the highest magnitude is 7.1. As a result, rural houses of Labu Village were severely damaged and the old Elementary School buildings can no longer support normal teaching, more than 400 students could only have class in tents or in temporary classrooms made of boards. Landsea timely dispatched "eagle" to carry out campus reconstruction work and successfully handed over a semi-finished school building with a heating system to students before November. To finish this project, the "eagle" team needed to deal with traffic inconvenience and overcome the altitude sickness, which made the team truly become as brave as an eagle.

Having received assistance of RMB10 million, Labu Landsea Hope Elementary School has a total construction area of more than 3,200 square meters, including 1,560 square meters of teaching buildings, 882 square meters of student dormitories, canteens, boilers and shower rooms. The school building is in Tibetan style and it can withstand a magnitude 8 earthquake. It is also the first school to be put into use after earthquakes. Moreover, it is the first school to be equipped with a heating system. Now the number of teachers and students there has increased by 1.5 times.

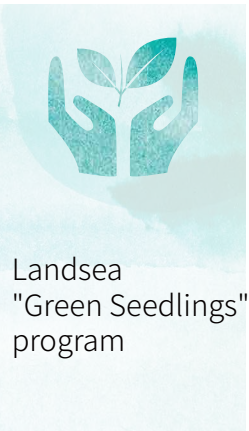
After the completion of the building work of these schools, Landsea employees have visited these two Elementary Schools for many times and provided voluntary services for them. These schools have also been supported by Landsea partners and property owners. They not only donated money, but also donated a large number of books.

**“One-to-one aid” Program**

In addition to rebuilding school buildings for Hope Elementary School students, Landsea also keeps on watching children's education. It organized school teachers and students to communicate with other mainland schools, carried out summer camps and supported poor students. Landsea hopes that all these children can change their fate, realize their dreams and contribute to society after receiving education.

Since 2008, Landsea has been organizing "one-to-one aid" program to help students born into poor families receive education and promote education in remote areas. Landsea Wuquan Hope Elementary School and Labu Landsea Hope Elementary School were among the first schools to be funded. In 2014, this program was handed over to Landsea Nanjing Charity Fund Club and was officially renamed as Landsea "green seedlings" program. It aims to provide standardized, large-scale and sustained support for students. Since its founding, the program has received donations of more than RMB770,000 by the end of 2015. Every RMB1,000 can support a student to complete a whole year's education. Landsea employees have been honoring their promises to students.

In the spring of 2016, the Fund received RMB89,000 of grants from the staff and other caring people to fund 59 poor students in Landsea Wuquan Hope Elementary School and 30 students in Labu Landsea Hope Elementary School. In the autumn of 2016, the Fund organized another program in which the Landsea staff raised more than RMB16,000 to support 33 female students in Tuojue Central Elementary School in Liangshan County of Sichuan Province with an aim to reduce the local female student drop-out rate and encourage these students to further their study.



Landsea  
"Green Seedlings"  
program

We focus on the environment

The "Green Bud Action" to fight haze for kindergartens



Children are vulnerable in the face of heavy haze. Landsea Green Property and Landsea Nanjing Charity Fund Club jointly launched the "Green Bud Action" Campaign, hoping to use their own experience in the field of constructing environmentally-friendly buildings to equip kindergartens with free anti-haze systems so that children can get more fresh air.



professional technical teams, Landsea decided to transform Beijing Lantianlinghang International Bilingual Kindergarten, Wuhan Shuguang Kindergarten, Chengdu Longcheng Experimental Kindergarten, Hangzhou Dongxin Experimental Kindergarten, Tianjin Eco-City Hailida Kindergarten, Suzhou Experimental Elementary School & Kindergarten, Hefei Fangfeiniaoo Jiangnan Kindergarten, and Shanghai Changning District Bell Kindergarten. Kindergartens for children with special needs will also be added to the list. Landsea promised that it will finish the transformation of these kindergartens in 2017 and it will not affect the teaching activities of these kindergartens.



We care about society

Landsea Nanjing Charity Fund Club is actively communicating and cooperating with other non-profit organizations, including the Amity Foundation, Southeast University Education Foundation, to pay attention to people with special needs.

Participate in a 30 km charity fundraising walk

At the end of 2015, Landsea staff participated in a 30-kilometer charity walk organized by the Amity Foundation to raise funds for elderly people affected by Alzheimer’s disease. The Landsea team successfully raised funds which were equal to over 200 yellow positioning wristbands for the elderly, helping those affected by Alzheimer’s disease to find their way home.



Support the employment of vulnerable groups

Our business meetings regularly purchase bread, cookies and dessert from the "Amity Bakery" for coffee breaks-they are made by bakers who are mentally handicapped.



Set up the Landsea Education Fund

In 2016, the set up the Landsea Education Fund at Southeast University to encourage and support college students to promote public welfare. RMB50,000 of the donation were used to support a 21-day volunteer teaching program called "my future, your dream" in which college students went to teach in Minzu Wanquan Elementary School of Panshi Town in Songtao Miao Autonomous County of Tongren City, Guizhou Province.

Industry contribution

As the green building in China is entering a stage of rapid development from the initial stage, the basic research around green building and its popularization play a revolutionary role in promoting the transformation of the traditional production mode in the building industry. Landsea has been dedicated to building houses using green technologies since 2004, and, for over ten years, has been consistently upholding the concept of green building, upgrading its products, and actively participating in the international and domestic activities and forums to share its construction practice featuring innovation, energy-saving, and sustainability to promote the upgrade of the industry.

In addition, Landsea has been dedicated to promoting the sustainable development of the industry by establishing special funds and inviting industry experts, members of public institutions, university scholars, and real estate counterparts to actively elaborate over and closely examine the procurement standards of the green supply chain action.

Focusing on green building while meeting market demand

On March 28, 2014, Landsea was invited to participate in the "Tenth International Green Building and Building Energy Conference and New Technology and Products Expo" initiated by the Ministry of Housing and Urban Construction, and delivered a keynote speech on the "Green Building and Indoor Environment Optimization Forum" to share with domestic and foreign experts on green building and peers the demonstration of "Green Health Housing Exploration and Practice - with Landsea residence as an example".

On March 30-31, 2016, Landsea demonstrated its innovative technologies and products in the "12th International Green Building and Building Energy Conference and New Technology and Products Fair", and held a sub-forum themed "The Roadmap for Green Building Market" to engage in an in-depth discussion of the of development model of the green building market.



Xie Yuanjian, CTO and Vice President of Landsea Green Properties, was invited to address the opening ceremony of the conference



Sub-forum of "Roadmap for Green Building Market"

Help build a green building exchanging platform Between China and Germany

To promote exchange and communication on Sino-German green building technologies and information, build a bridge for technological exchanges and project cooperation between the two countries, jointly push forward the development and promotion of green sustainable buildings in China and Germany, and contribute to energy conservation, emission reduction and building of inhabitable homes worldwide, Landsea leveraged its sound base of cooperation with relevant Chinese and German institutions, and, through active participation and coordination, effectively promoted the establishment of the German Department of Affairs of the China Green Building Council (hereafter referred to as the CGBC).

On April 26, 2017, Landsea, as a leading green developer, was invited to participate in the ceremony for establishing the German Department of Affairs of the CGBC in the Frankfurt City Hall, and also attended the Sino-German Green Building Technology Seminar. During the event, Mr. Wang Youwei, Chairman of CGBC, granted Mr. Chen Wei, General Manager of Landsea European Technology Company, and Deputy General Manager Mr. Kristof Schmid, the letter of appointment as the Deputy Directors of the German Affairs Department.

CGBC’s German Affairs Department, composed of enterprises and organizations of the building industry, is an independent non-governmental and non-profit organization. Landsea hopes this platform can better promote exchanges and cooperation between the company and China and Germany.



Ceremony for establishing the German Affairs Department of the CGBC



Landsea entered the US market in 2013 as a local property developer that goes green. Compared to other real estate developers, it is more focused on providing quality, comfortable and energy-efficient residential communities and healthy lifestyles for first-time house buyers and customers looking for house improvement. Its current operations span both the east and west coast of the US-New York, Boston, California, San Francisco, Los Angeles and other first-tier cities. Its products cover both urban high-end apartments and suburban villas.

## About Landsea Holdings Corporation

Landsea Holdings Corporation ("LHC"), a wholly-owned subsidiary of Landsea Group, was founded in 2013. In January of 2016, Landsea US became a subsection of Landsea Green Property-a listed company in Hong Kong (stock code: HK106) which belongs to Landsea Group.

Landsea US positions itself as a green property developer. To distinguish itself from other developers, it pays more attention to providing high-quality, comfortable and energy efficient residential communities and encouraging healthy lifestyles for first-time and second-time home buyers.

Landsea US is operated by a team comprised of experienced boards of directors and local managers. It will provide independent houses and duplex apartments in coastal cities such as New York, Boston and California. As of December 31, 2016, Landsea US has launched seven residential development projects in the east and west coast of the US.

## Landsea's energy saving practice in the United States

The green building and energy efficiency standards vary widely across the US. In the western part, the standards are relatively high-California is a good example. However, in the eastern part, such as New Jersey, the standards are relatively low.

Adhering to its green values, Landsea strictly follows local energy conservation laws in the west while also follows these laws in the east. Therefore, compared with other projects on the east coast of the US, Landsea's buildings are more energy efficient. For example, the Avora project in New Jersey is designed and built according to LEED Silver Certification standards.

As a company that has a leading edge in green building, Landsea has always emphasized the importance of environmental protection in developing our business models, projects and final products.

The Avora project is located in the 800 Avenue at Port Imperial, 64.01 Weehawken, New Jersey. The project covers an area of 1.97 acres and is planned to be built into an 11-story residential project with a total planned construction area of 347,029 square feet, including 184 sets of available residential apartment units, 5,000 square feet of retail units and 245 underground parking spaces. The Avora project is planned and constructed with reference to the LEED-CS Silver Certification standards. It puts particular emphasis on the overall reduction in total energy consumption and natural gas and is expected to be certified in 2018 after the completion of the project. The project is currently under construction.



Architectural rendering of Avora

## Employee care and development for employees of Landsea US

### Equal employment, diversity and anti-discrimination

Landsea US advocates equal opportunities and is committed to complying with all US federal, state and local laws. We promise to provide equal employment opportunities for our employees and make job decisions according to individual competencies. Our promises apply to all staff. At the same time, we require each employee to complete the Employment Eligibility Verification Form I-9 in accordance with the terms of employment before entry. The form ensures that Landsea does not employ child labor or forced labor.

Diversity in the workplace is a powerful competitive advantage. A workforce comprising individuals from different backgrounds, experiences, cultures and generations allows our company to be an industry-leader. Landsea is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available person in every job. Company policy prohibits unlawful discrimination based on race, color, religion, sex, gender expression, gender identity, transgender status, gender dysphoria, ethnicity, marital or domestic partnership status, familial status, caregiver status, age, national origin or ancestry, qualified physical or mental disability, legally protected medical condition, pregnancy, sexual orientation, military or veteran status, or any other consideration made unlawful by federal, state or local laws. The company is committed to complying with all applicable laws providing equal employment opportunities. This policy applies to all employment terms and conditions including compensation decisions, benefits, discipline, hiring, promotions, terminations and training.

As of December 31, 2016, Landsea US did not have any irregularity or lawsuit in terms of employment, remuneration, benefits, anti-discrimination, equal opportunities, hours of work, leave, dismissal, occupational safety and health, child labor and forced labor.

### Talent training and development

Landsea US improves the staff's learning ability by providing them relevant and timely trainings that include necessary tools and skills for success. This mechanism also reserves experienced professionals for the company. With changing ways for people to learn and use information, we also improve the staff's learning experience by investing in useful technologies and other innovative ways of learning. Landsea also offers a tuition reimbursement program for employees who would like to receive additional education relevant to their career.

### Employees' occupational safety and health

At Landsea US, everyone must be safety conscious at all times and responsible for the safety of themselves and others in order to maintain a safe workplace. Landsea safeguards health and safety both through management systems that are continually improving and developing and promoting approaches based on prevention and the effective handling of occupational risk. It also introduces legal security advisers from a third-party to reduce the company's potential risks.

Based on US state and local laws and the company's philosophy of maintaining a safe workplace, Landsea maintains an Injury and Illness Prevention Program. Our field and office employees receive First Aid, CPR and Safety Training, staying up to date on state and city laws.

### Employee benefits

For all eligible employees, Landsea provides an overall group insurance package which includes hospitalization, major medical, prescription drug, dental, vision care and life. Certain portions of this coverage are also available for family members and dependents of the employee at employee's expense.

Landsea also offers Social Security, Workers' Compensation, State Disability Insurance, California Paid Family Leave, and State Unemployment Insurance.

Landsea gives its employees ten paid holidays throughout the year; those holidays are New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving Day, Christmas Eve Day, and Christmas Day. Landsea also provides employees vacation hours. Employees receive 24 hours of sick time at the beginning of each calendar year. Thereafter they can accrue up to 48 hours of sick time throughout year. Landsea promotes health and wellness among their employees through company fieldtrips that include company hikes, encouraging employees to go outside and take walks during their breaks, and stocking the kitchen with healthy snacks.



2016 Group Photo of Landsea US



2016 Field Trip



2016 Portola Program Site



Los Angeles New Year's Race (sponsored by Landsea US)



## Environmental report

Project name	lectricity consump- tion of central air conditioning system (kWh)	Electricity consumption of engine room ventilation (kWh)	Electricity consumption of ground source heat pumps (kWh)	Grid emission factor (kgCO <sub>2</sub> / kWh)	Carbon emission (tCO <sub>2</sub> )	Carbon emissions per unit area (kgCO <sub>2</sub> /m <sup>2</sup> )	The amount of emissions that are saved comparing to traditional buildings (tCO <sub>2</sub> )
Nanjing Green Street A District	2,161,187	1,796,934	442,703	0.7035	3,095.98	30.79	619.20
Nanjing Green Street B District	4,044,897	1,774,745	729,588	0.7035	4,607.38	33.63	921.48
Suzhou South Gate	814,441	136,831	275,055	0.7035	862.72	39.65	172.54
Suzhou Green Street	4,662,380	1,769,105	891,632	0.7035	5,151.81	33.23	1,030.36
Shanghai Hongqiao Green County of Landsea	721,023	220,152	254,040	0.7035	840.83	42.95	168.17
Wuxi Tiancui	603,279	182,934	111,837	0.7035	631.78	20.89	126.36

Note: The above data cover projects of Landsea Green Properties and its project hosting.

During the reporting period, the company did not have any irregularities in or receive any complaint in respect of the environment.

Project name	lectricity consump- tion of central air conditioning system (kWh)	Electricity consumption of engine room ventilation (kWh)	Electricity consumption of ground source heat pumps (kWh)	Grid emission factor (kgCO <sub>2</sub> / kWh)	Carbon emission (tCO <sub>2</sub> )	Carbon emissions per unit area (kgCO <sub>2</sub> /m <sup>2</sup> )	The amount of emissions that are saved comparing to traditional buildings (tCO <sub>2</sub> )
Nanjing North Park	2,358,193	520,440	291,998	0.7035	2,230.54	34.30	446.11
Nanjing Central Park	3,393,584	440,183	0	0.7035	2,697.06	23.85	539.41
Nanjing South Park	2,480,109	473,053	622,133	0.7035	2,515.22	28.77	503.04
Nanjing Zhongshan Green County of Landsea	3,320,594	1,166,446	721,379	0.7035	3,664.12	34.69	1,136.24
Changzhou Garden	3,862,758	670,608	945,446	0.7035	3,854.34	28.32	1,285.04
Wuxi B District	1,916,618	338,660	325,264	0.7035	1,815.41	30.56	363.08
Wuxi A District	3,177,294	543,971	0	0.7035	2,617.91	29.13	523.58
Wuxi Green Street	2,354,569	1,176,174	612,486	0.7035	2,914.76	31.12	582.95
Suzhou Neighborhood	3,825,156	805,427	0	0.7035	3,257.62	24.94	1,277.96
Shanghai Green Island	1,876,350	272,252	589,113	0.7035	1,925.98	24.93	385.20
Shanghai Green Street	2,402,390	407,563	452,542	0.7035	2,295.17	27.64	674.09
Hangzhou Block	5,086,602	751,032	1,053,623	0.7035	4,848.00	27.71	969.60
Hangzhou Tianyuan	1,466,663	434,277	311,289	0.7035	1,556.30	32.79	311.26
Chengdu Green Street	591,650	332,794	225,620	0.5257	604.59	24.81	120.92
Suzhou Dongwu Green County of Landsea	1,440,833	611,550	395,125	0.7035	1,721.82	33.79	926.86
Wuhan Green Street	2,019,917	448,945	0	0.5257	1,297.88	21.98	433.62
Keqiao Green Street	3,525,162	1,755,855	635,231	0.7035	4,162.08	31.88	976.84
Suzhou Dongwu II	1,060,557	414,615	185,534	0.7035	1,168.31	19.33	233.66
Da Pu Tong	893,9129	381,627	117,2417	0.7035	979.82	14.43	212.82

Note: The above data cover the remaining projects of Landsea Group.

## Social Report

### 1. Employment

Indicators		Unit	Year 2016
Number of employees		Person	1,612
Gender	Male	Person	1,031
	Female	Person	581
Type	Labor contract system	Person	1,612
	Labor dispatch system	Person	0
Age	Under 30	Person	644
	30 to 50	Person	919
	Above 50	Person	49
Region	Mainland China	Person	1,531
	Overseas (Including HK, Taiwan and Macao)	Person	81
Staff turnover		%	12
Gender	Male	%	14
	Female	%	10
Age	Under 30	%	8
	30 to 50	%	18
	Above 50	%	6
Region	Mainland China	%	13
	Overseas (Including HK, Taiwan and Macao)	%	7

During the reporting period, the Company did not uncover any confirmed irregularities or a lost verdict in respect of employees' employment, remuneration, benefits, anti-discrimination, equal opportunities, working hours, holidays, dismissal, occupational health and safety, and human rights.

Note: During the reporting period, the company has an ongoing staff litigation case, and as of the date of publication of the report, the result of the trial has not yet been received on notice of the company.

### 2. Health and Safety

Indicators	Unit	Year 2016
The number of deaths in workplace	Person	0
The ratio of employees who died at work	%	0
The number of occupational injuries	Case	1
Loss of working days due to occupational injuries	Day	0

Note: this single injury did not cause disability or death.

### 3. Development and Trainings

Indicators		Unit	Year 2016
Staff training coverage		%	100
Age	Male	%	100
	Female	%	100
Rank	Ordinary employee	%	100
	Intermediate management	%	100
	Senior management	%	100
The average length of trainings for all employees per year		Hour	35
Age	Male	Hour	38
	Female	Hour	32
Rank	Ordinary employee	Hour	28
	Intermediate management	Hour	42
	Senior management	Hour	35

### 4. Supply Chain Management

Indicators		Unit	Year 2016
Total number of suppliers		Company	380
Region	Mainland China	Company	340
	Overseas	Company	40
The number of suppliers involved in the supplier selection process		Company	380

During the reporting period, the company was not reported on any actual or potential negative impact from suppliers on commercial ethics, environmental protection, human rights and labor protection, nor any illegal case of or litigation for human rights violations.

### 5. Product Liability

Indicators	Unit	Year 2016
The ratio of products recalled for safety and health reasons	%	0
Number of complaints about products and services received	Case	1,773
Complaint handling rate for products and services	%	100

During the reporting period, the company did not have any irregularities in or receive any complaint about the safety, advertisements or labels of the products and services provided, or a violation of customer privacy.



6. Anti-corruption

Landsea Green Property pursues strict policies to prevent corruption and strictly abides by the four rules: no bribery, no false accounts, no tax evasion, and no deception on customers. Those who disobey these rules will be held accountable. When necessary, the company will resort to law.

As we have zero tolerance for corruption, we have created many platforms for people to report on corruptive behaviors. They can report by email, hotline and WeChat public platform. Any charge of corruption, once proven to be valid, will be reported to the police without any mercy. People involved will be announced to the public and will be publicly warned. Related information will be published on the official website and WeChat public platform of our company. No matter where do these reports come from, we will investigate into all of them equally. Once verified, we will deal with them seriously according to the provisions of our company.

Landsea pays equal attention to the punishment and education of corruption. We set up detailed provisions on the code of conduct for the staff and organize regular lectures and case sharing sessions. The Audit Office conducts regular and special audits of regional companies and hires external agencies to audit the internal control of the company to cover the loopholes in internal control, reduce the probability of corruption, and control corruption at source.

In the reporting period, we have set up an anti-corruption committee, which consists of Mr. Tian Ming, the Chairman of the Board, as the chairman, Mr. Xiang Jiong, the Chief Executive Officer, and Ms. Zhou Qin, the Chief Human Resource Officer as the vice chairman, the supervisory and audit office, the legal department and the human resource center as the working bodies.

Code of Conduct for Landsea employees

Employees are not allowed to engage in activities that are in conflict with the interests of the company, such as: engaging in activities similar to or related to the business of the company, serving as part-time worker without the company’s approval, providing information or services to competitors.

The company encourages employees to recommend suppliers or other partners for the company. However, when an employee's relatives or close friends are doing business with the company, or engage in business which may harm the company's interests, a full report should be made to the company.

Management staff shall in no way encroach on revenues or embezzle money. No "insider control" shall be permitted.

Employees are not allowed to accept any amount and form of gifts from business partners. If it is difficult for them to refuse, they should turn over these gifts to the company.

Employees are required to comply with the company's regulations on the protection of trade secrets. Without the authorization or approval from the company, they shall not disclose or use any confidential information.

It is the responsibility of employees to report to their superiors on any misconduct of other employees that may harm the interests of the company.

Indicators	Unit	Year 2016
Number of cases of corruption litigation filed and concluded during the reporting period	Case	1

During the reporting period, Sales Manager Hu Jingliang, Sales Director Shen Xufei, Sales Clerk Yin Ran, Property Consultant Li Hong and Jiang Jian from the Shanghai Branch of Landsea Green Property use their positions to collude, falsify records, illegally keep good houses, sell them for higher price in secret and make money on that spread in the Suzhou Science and Technology City Project. After investigation, the company immediately reported this case to the public security organs. The above five were removed from office and were arrested or obtained a guarantor pending trial. The local procuratorial organ initiated a public prosecution to the court. On February 28, 2017, a judgment was made in the first instance by the local court. The specific decisions are as follows:

**Defendant Hu Jingliang was guilty of embezzlement and was sentenced to five years’ imprisonment.**  
**Defendant Shen Xufei was guilty of embezzlement and was sentenced to five years and five months’ imprisonment.**  
**Defendant Yin Ran was guilty of embezzlement and was sentenced to three years’ imprisonment and four years’ probation.**  
**Defendant Li Hong was guilty of embezzlement and was sentenced to three years’ imprisonment and five years’ probation.**  
**Defendant Jiang Jian was guilty of embezzlement and was sentenced to one year’s imprisonment and two years’ probation.**  
**Defendant Hu Jingliang, Yin Ran, Li Hong, Jiang Jian shall return RMB339,000 to Suzhou Science and Technology PRC Town Landsea Property Co., Ltd.**

Defendant Hu Jingliang, Shen Xufei, Yin Ran, Li Hong, Jiang Jian shall continue to return the remaining part of their illegal income according to their own share to Suzhou Science and Technology PRC Town Landsea Property Co., Ltd.

**For any act of corruption and any behavior that will damage the interests of the company and the shareholders, Landsea will adopt a zero-tolerance policy and impose harsh punishment.**

7. Community Investment

Indicators	Unit	Year 2016
The amount of the company’s charitable donations	RMB10,000	5
The amount of employees’ charitable donations	RMB10,000	10.3

Note 1: in 2016, the company’s charitable donations were from the Landsea Education Fund of Southeast University, which was used to support college students to promote public welfare. See chapter 9.6 for details.

Note 2: in 2016, the employee’s charitable donations were used for supporting the Landsea Green Shoots Financial Aid Program, which were donated to 59 students from Wuquan “Hope” Elementary School, 30 students from Labu Landsea “Hope” Elementary School and 33 students from Tuoju Central Women School in Butuo, Liangshan, Sichuan Province.



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**LINDSEA 朗诗**

—— 朗朗乾坤 诗意人生 ——

