



當代置業(中國)有限公司

MODERN LAND (CHINA) CO., LIMITED

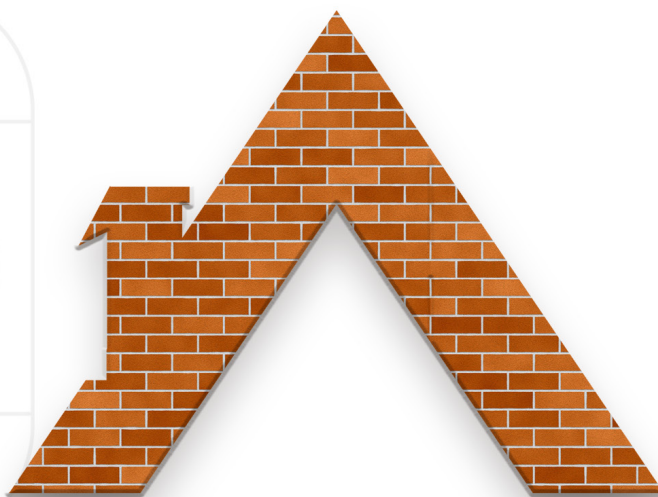
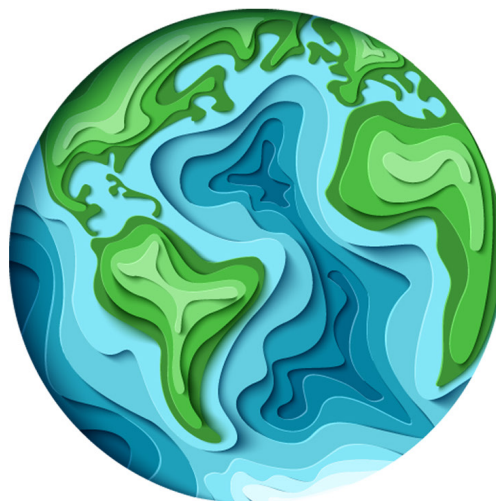
(Incorporated in the Cayman Islands with limited liability)

Stock Code:1107



2017

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT





**MODERN LAND (CHINA) CO., LIMITED**  
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

# CONTENTS



<b>0. REPORT OVERVIEW</b>	2	2.2 PROVISION OF A SAFE AND HEALTHY WORKING ENVIRONMENT	33
0.1 ABOUT THIS REPORT	2	2.2.1 MANAGEMENT OF SAFETY AND HEALTH	33
0.2 MESSAGE FROM TOP EXECUTIVES	3	2.2.2 CORPORATE CULTURE WITH A SIMPLE FOCUS	34
0.3 COMPANY PROFILE	4	2.3 MANAGEMENT OF ANTI-CORRUPTION	35
0.4 GREEN STRATEGY AND MANAGEMENT VISION	6		
0.5 STAKEHOLDER ENGAGEMENT AND IDENTIFICATION OF MATERIAL ISSUES	7	<b>3. OUR VALUE CHAIN</b>	37
0.5.1 INFORMATION ABOUT AND COMMUNICATION WITH STAKEHOLDER	7	3.1 OUR CUSTOMERS	37
0.5.2 PROCESSES OF IDENTIFICATION OF MATERIAL ISSUES	9	3.1.1 MANAGEMENT OF PRODUCT QUALITY	37
		3.1.2 MANAGEMENT OF COMPLAINTS	38
<b>1. OUR ENVIRONMENT</b>	10	3.1.3 MANAGEMENT OF CUSTOMER PRIVACY	39
1.1 OVERVIEW OF GREEN ARCHITECTURE AND TECHNOLOGY INNOVATION	10	3.2 OUR SUPPLIERS	39
1.1.1 GREEN ARCHITECTURE	10	3.2.1 MANAGEMENT OF SUPPLIERS	39
1.1.2 GREEN TECHNOLOGY INNOVATION	15	3.2.2 GREEN PROCUREMENT INITIATIVES	42
1.1.3 GREEN OPERATION AND MAINTENANCE OF BUILDINGS	17	<b>4. OUR COMMUNITY</b>	44
1.2 MANAGEMENT OF ENERGY AND WATER	17	4.1 IN HARMONY WITH THE COMMUNITY IN WHICH OUR PROJECTS ARE LOCATED	44
1.2.1 MANAGEMENT OF ENERGY	18	4.2 ACTIVITIES FOR PUBLIC CAUSE	45
1.2.2 MANAGEMENT OF WATER	22		
1.3 MANAGEMENT OF EMISSIONS	23	<b>5. FUTURE PROSPECTS</b>	48
1.3.1 MANAGEMENT OF GREENHOUSE GAS EMISSIONS	23		
1.3.2 MANAGEMENT OF EXHAUST GAS	24	<b>6. APPENDIX</b>	49
1.3.3 MANAGEMENT OF WASTE	25	6.1 INDEX TO THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE	49
1.3.4 MANAGEMENT OF WASTEWATER	26	6.2 READERS FEEDBACK	54
<b>2. OUR EMPLOYEES</b>	28		
2.1 PROTECTION OF EMPLOYEES' RIGHTS AND INTERESTS	28		
2.1.1 EMPLOYMENT AND STAFF BENEFITS	28		
2.1.2 EMPLOYEE TRAINING AND DEVELOPMENT	30		

## 0. REPORT OVERVIEW

### 0.1 ABOUT THIS REPORT

#### INTRODUCTION TO THE REPORT

This report is the annual environmental, social and governance report (the "Report") released by Modern Land (China) Co., Limited (the "Company", "Modern Land", "we" and "us", together with its subsidiaries and related companies, the "Group"). It, adhering to the principles of materiality, quantification, balance and consistency, comprehensively illustrates the Group's management approach and work performance in respect of the environment, society and governance during 1 January 2017 to 31 December 2017, and focuses on the matters concerned by the stakeholders as well as the way the Group demonstrates the sustainable development of the economy, environment and society. Unless otherwise stated, the information presented in the Report represents the data performance in 2017, and the short-, mid- and long-term objectives commencing from such period.

#### SCOPE OF THE REPORT

Upon materiality assessment, the Group decided that the Report mainly covers the overall performance of the Group's operating projects that are under construction or have been delivered in the PRC in two key areas, namely the environment and society.

#### PREPARATION BASIS OF THE REPORT

The Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") under the Appendix 27 to the Rules Governing the Listing of Securities on Hong Kong Exchanges and Clearing Limited ("HKEX").

#### ACCESS AND RESPONSE TO THE REPORT

The electronic version of the Report can be downloaded from the following website: [www.modernland.hk](http://www.modernland.hk); for any comments or suggestions on the environmental, social and governance performance of the Group, please email [ir.list@modernland.hk](mailto:ir.list@modernland.hk).



## 0. REPORT OVERVIEW

### 0.2 MESSAGE FROM TOP EXECUTIVES

In 2017, the differences in real estate market among cities further escalated. Commercial property market in the first and second tier cities showed a trend of stabilizing price and declining transaction volume, while such market in the third and fourth tier cities located in over-heated metropolitan areas presented a trend of stabilizing price and increasing transaction volume, with increasing price and transaction volume in some third and fourth tier cities. Transaction volume remained at a high level, indicating increasing differentiation among regions and real estate enterprises. Benefiting from our precise business layout and differentiated product roadmap, contracted sales hit a record high during the period, achieving its stage development target.

In 2017, adhering to our regional market penetration strategy and in response to policy implication, the Company passed overheated cities and invested in seven cities including Quanzhou and Wuxi. As at the end of 2017, the Company has made business presence in 27 cities, and acquired land bank at a value of RMB45 billion during the year. The Company also established strategic cooperation with dozens of quality partners, and obtained credit facilities in an aggregate amount of over RMB67.5 billion. Coupled with our market strategy of high turnover, many projects in Hefei, Wuhan, Xi'an, Taiyuan, Jinjiang, Xiantao and other places were sold out soon after their launch, providing solid source of cash flow. Sufficient land bank, balanced city layout and efficient turnover and inventory elimination capability will lay a solid foundation for the healthy development of the Company in the future.

The Company focused on the development of differentiated core competitiveness and stepped up efforts in developing green technology properties, effectively enhancing its influence in the industry. In 2017, the Company was granted 34 green property operation awards, 5 elite technology awards and 8 green certifications, of which, Modern MOMA (Beijing) consecutively obtained the "Green Building Three-Star Certification", Modern Wan Guo Fu MOMA (Foshan) was among the first batch of enterprises that obtained the WELL Building Three-Star Certification in China, and Modern Land again was accredited as "China Model Green Property Developers in Operation (ranking No.1)".

In 2017, Modern Land paid great attention to the needs of home owners and expanded its new business segments, in an effort to satisfy lifestyle needs of customers at different age groups. In 2017, First Sports, a related company, was listed on the National Equities Exchange and Quotations Co., Ltd. and attracted investments by leading venture capital institutions such as Shenzhen Capital Group, while First Property, a listed company on the National Equities Exchange and Quotations Co., Ltd., obtained investments from CICC, CDH and Cinda Securities, etc. Bigger obtained Series A financing and Bigger Old Dock located in Shanghai was opened, while 51VR obtained financing with SenseTime as the lead investor. Modern Land and related companies in common community operations including green recreation and sports, green office and green space operations strongly boosted price premiums and brand value of products.

In August 2016, the Company published Modern Land Green Bond Framework (《當代置業綠色債券框架》) ("Framework") under the Green Bond Principles as issued by the International Capital Market Association (ICMA). Under the Framework, the Company issued its debut US\$350 million Green Bond in October 2016 and later upsized the issuance to US\$500 million in December 2016. The Company subsequently issued its second US\$130 million Green Bond in July 2017 and another highly successful US\$350 million issuance in February 2018. The issuance of green bonds by the Company was primarily used for energy conservation and reduction of greenhouse gas emissions.

## 0. REPORT OVERVIEW

### 0.3 COMPANY PROFILE

Modern Land (China) Co., Limited is a company listed on the Main Board of HKEX from 12 July 2013 with Class 1 qualification in real estate development in the People's Republic of China (the "PRC" or "China").

The Company has always been adhering to the development concept of "Technology Buildings and Quality Living", sticking to the development philosophy of "Natural Simplicity, Harmonious Health, Simple Focus, and Endless Vitality" and focusing on the theme of "Action of Loving My Homeland" to bring home owners the sincere and real life experience and achieve positive economic and social benefits.

The Company pours herself to a homeland of "Green + comfort + energy-saving + full life cycle residential properties with mobile internet". In 2002, "MOMΛ" was born. MOMΛ consists of four text graphics "M" "O" "M" "Λ". Two "M" symbolises our home, "O" represents the origin of the universe and "Λ" stands for human. The left and right half of the pattern "Λ" symbolises architecture and life, respectively, which in turn provides a vivid interpretation for the concept of the Company of "Technology Buildings and Quality Life". At present, MOMΛ has become an iconic brand in the energy-saving real estate industry of China.

The Company has developed the core expertise on technological real estate, i.e. "high comfort level and low energy consumption" since 2002. With over a decade of development, "Green + comfort + energy-saving + full life cycle residential properties with mobile internet" has become the core competitiveness of the fourth-generation product. When creating an equally high comfortable level, with the indoor temperature around 20-26℃ and humidity around 30%-70%, which fits the definition of the "most comfortable environment" within ISO7730, the energy consumption of MOMΛ products is estimated to be only 1/3 of that of other normal residential buildings in China at present. This will save a slew of cost for the residents and create a pleasant ecological environment for the society.

In 2017, the Group achieved contracted sales of RMB22,186 million, representing an increase of 33.9% as compared to the corresponding period of 2016; and the contracted sales area was 598,448 sq.m. In 2017, a dividend of HK5.9 cents per Share was distributed, representing a decrease of 6.3% as compared to the dividend of HK6.3 cents per Share distributed in 2016. As at 31 December 2017, the land bank was 6.49 million sq.m.: among which, 14% was in the first-tier cities, 57% in the second-tier cities, and 29% in the third- and fourth-tier cities.





## 0. REPORT OVERVIEW

As of 31 December 2017, the Company and its subsidiaries held a total of over 100 patents. In particular, Nanchang Man Ting Chun MOMΛ, Wan Guo Cheng MOMΛ (Changsha), and Modern MOMΛ passed China Green Building Three-Star Certification. Up to now, the Company is the only enterprise that has passed the top certification for green building in China — China Green Building Three-Star Certification for three times. In 2015, Modern Land collaborated with the Human Habitat Environment Committee of China Real Estate Research Association to jointly develop exemplary green residences in full swing. Currently, there are various demonstration projects for green residences, showcasing that green habitat demonstration projects for green residences are in place. The Company has successively obtained various honours including but not limited to China Top 100 Real Estate Developers (中國房地產百強), China Specialised Real Estate Company — Green Technology Real Estate (綠色節能地產特色運營優秀企業), the Innovative Brand of Chinese Real Estate (中國房地產創新品牌), the Elite Technology Award (精瑞科技獎), the Chinese Responsible Property Developer (中國責任地產), the Real Estate Internet Innovation Enterprise (房地產互聯網創新企業) and the Best Green Building Real Estate Enterprise (最佳綠色建造地產企業), etc.



## 0. REPORT OVERVIEW

### 0.4 GREEN STRATEGY AND MANAGEMENT VISION

Sustainable development has become an issue closely relating to each enterprise and individual, since this concept was first put forward by the United Nations World Commission on Environment and Development in 1987. As a leader in China's energy-saving real estate industry, the Company always follows the philosophy of balancing economic and social development while practicing environmental protection. Since its inception, the Group has been living up to its social responsibility and never forgets to give back to society in the process of its ongoing development.

As Chinese residents call for higher life quality amid economic development, energy-saving and green products will gradually dominate the market. Meanwhile, the state has made it clear that green and energy-saving building is the inevitable development trend of China's real estate industry in the future. Shortly after the Company's establishment, the Group began to delve into research and development of green and energy-saving real estate, well ahead of other domestic real estate companies, and has secured huge leading advantages in such niche.

The Company always adheres to the development concept of "Technology Buildings and Quality Living" and the development philosophy of "Natural Simplicity, Harmonious Health, Simple Focus and Endless Vitality", and centres on the theme of "Action of Loving My Hometown" to offer consumers comfortable and energy-saving products, which not only affords them considerate and real living experience by improving the quality of their living environment, but also shows care for nature, energy conservation and environmental protection.

The Group aspires to ensure sustainable business development and operate in an environment-friendly manner, and bring shareholders stable long-term returns while protecting the environment. In addition, the Group, as an enterprise with great integrity and high operational standards, wishes to bring positive energy and contribute to the community on a continuous basis.





## 0. REPORT OVERVIEW

### 0.5 STAKEHOLDER ENGAGEMENT AND IDENTIFICATION OF MATERIAL ISSUES

#### 0.5.1 INFORMATION ABOUT AND COMMUNICATION WITH STAKEHOLDER

The Company duly considers and effectively responds to the concerns and appeals of stakeholders, in an effort to advance the economic and social development while sharing development results with them.

Stakeholders	Expectation of stakeholders	Communication and engagement mechanism	Corporate responses
Employees	Uphold employee remuneration and benefits, care for safety and health of employees, improve communication mechanism, offer equal promotion and development opportunities, and participate in company management	Labour contracts and employee satisfaction survey	Strictly abide by the items of labour contracts, improve remuneration and benefits system, offer development paths for both position and function, and organise staff training
Investors	Boost the Company's market value and profitability	General meeting, information disclosure, and company website	Release periodic reports, disclose information in a truthful and comprehensive manner, endeavour to improve results and generate profits, advance corporate governance and risk management level, convene general meetings, and enhance investor relations management
Customers	Provide quality products and safeguard customer's legitimate interests	Sign contracts and agreements, and customer satisfaction survey	Provide a highly comfortable, green and energy saving living space, and quality property management services, and establish a sound customer service system and customer opinion, feedback and complaints mechanism

## 0. REPORT OVERVIEW

Stakeholders	Expectation of stakeholders	Communication and engagement mechanism	Corporate responses
Government	Obey the law, operate in compliance with the regulations, and implement national policies	Engagement in relevant governmental meetings	Strictly observe relevant laws and regulations, continuously enhance corporate compliance management, and execute relevant national policies
Suppliers	Fair and impartial cooperation with integrity, mutual benefits and win-win to promote industry development	Sign contracts and agreements, and regularly hold tender and bidding, and supplier meetings	Actively perform the contracts and agreements by adhering to public and transparent business principles, adopt a public and transparent procurement model, and develop an accountable supply chain
Community	Co-construct community civilisation, support community public welfare, and focus on social development	Advocate and organise charitable activities, take part in voluntary activities, and employment guarantee	Devote to public welfare by carrying out extensive charitable activities, construct a harmonious and civilised community, and aim to promote local employment
Peers	Fair competition, cooperation with integrity, transparent and public information, compliance with industry standards, and advancement of industry innovation	Exchanges with relevant research institutes, associations, mainstream media in the industry <sup>1</sup>	Strengthen exchanges and cooperation with peers, jointly develop a healthy and orderly competition environment, participate in industry innovations and researches and appraisal of outstanding enterprises, achieve mutual benefits, win-win and mutual improvement, and put forward proposals for industry standards

<sup>1</sup> Such as Chinese Society for Urban Studies (中國城市科學研究院), China Real Estate Association Human Settlement Committee (中國房地產協會人居環境委員會), China Real Estate Business (中國房地產報), etc.



## 0. REPORT OVERVIEW

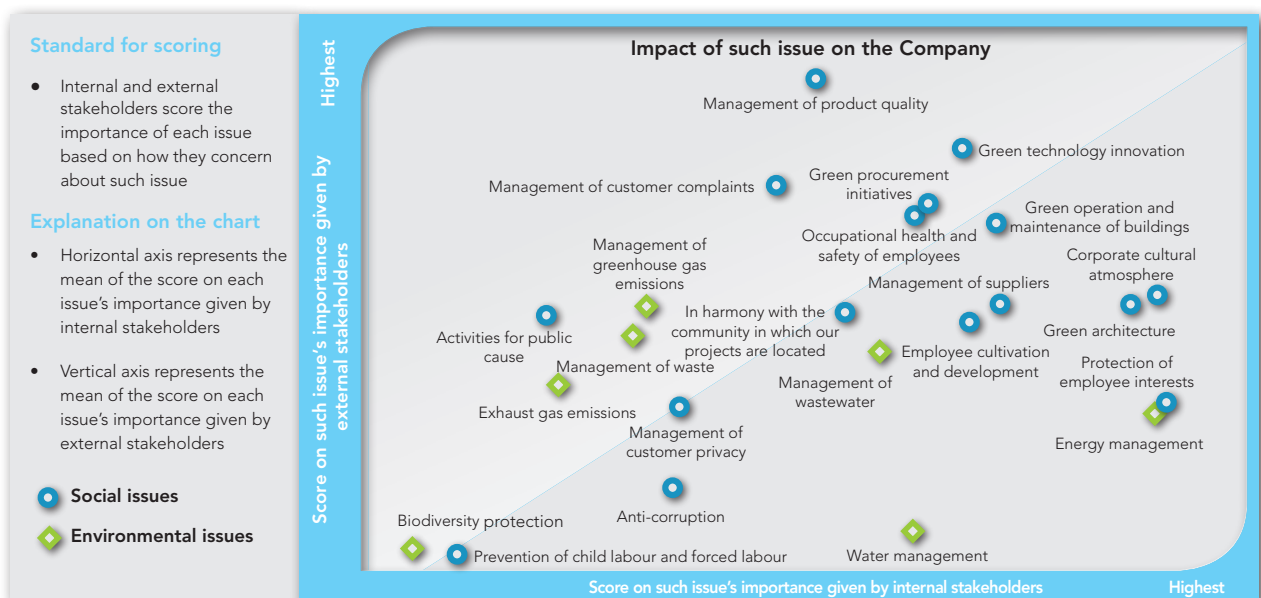
### 0.5.2 PROCESSES OF IDENTIFICATION OF MATERIAL ISSUES

Under the requirements of the ESG Reporting Guide issued by HKEX and with reference to the procedures for materiality analysis formulated by the Global Reporting Initiative ("GRI"), the Company collects the issues concerned by major stakeholders through questionnaire, interview and other forms, and conducts analysis and priority of such issues, to finalise the substantial ones in the environmental, social and governance aspects and make disclosure thereof in the Report.

Four steps of procedures for identification of material issues are as follows:

- Identify relevant ESG issues with reference to the ESG Reporting Guide issued by HKEX, GRI Sustainability Reporting Guidelines (G4 version) and those disclosed by our peers at home and abroad;
- Prioritise the issues. While conducting materiality assessment, major considerations of internal stakeholders include the impacts on our corporate strategies, policies, procedures and commitments, impacts on the Company's competitive edges and management excellence, and current and future financial impacts on the Company; and major considerations of external stakeholders include the impacts on the Company's evaluation and decision-making, and on the interests of themselves;
- Verification. The Company's management reviews and approves the issues so identified and their priorities;
- Review. After this reporting period, the Company will seek feedback from internal and external stakeholders on the contents of the Report for this period, to prepare for the report for the next period.

The chart below is the materiality analysis matrix of the Company in 2017.



# 1. OUR ENVIRONMENT

## 1.1 OVERVIEW OF GREEN ARCHITECTURE AND TECHNOLOGY INNOVATION

### 1.1.1 GREEN ARCHITECTURE

The Company always pours herself to a homeland of green + comfort + energy-saving + full life cycle residential properties with mobile internet. As an industry-leading operator of full life cycle green technology real estate with “top-notch black technology + sound hatching capacity + strong self-innovation”, the Company has created the green technology residential property – MOMA for a green technology lifestyle; as a leading full life cycle operator with mobile interconnection, the Company has created a space featuring “Internet of everything, human-computer interaction as well as integration of satellite with existing network as a whole” through digit-driven innovation and developing an ecological system with digital industry chain and value chain. The Company advances the reform and development of the green technology real estate industry with an innovative spirit, realises value appreciation of heavy assets through the business model of light assets, and develops a new real estate development model with unique core competitiveness by industry integration and gravitational acceleration, thereby facilitating the reform of the entire industry chain. We continue to diversify the standard product line of full life cycle residential property with mobile interconnection so as to refine our customer service operations, and seek opportunities to develop more real estate projects and share the bonus of developing the existing city space.

As mentioned by Zhang Lei, the Chairman of the Company, in his speech delivered at China Urban Realty Association in Beijing at the beginning of 2018, the green technology real estate of the Company experiences four stages of greening, namely original greening, self-greening, proper greening and full life cycle, and this is what Modern Land has been sticking to as our original intention, for perseverance weighs more than option.

In 2017, the Company participated in drafting the national standards including the Evaluation Standards for Healthy Building (《健康建築評價標準》), the Standards for Green Residential District (《綠色住區標準》) and the Evaluation Standards for Fully-furnished Residence (《住宅全裝修評價標準》); and our related enterprise, First Renju, participated in drafting the group standards including the Evaluation Standards for Passive Ultra Low Energy Consumption (《被動式超低能耗評價標準》), the Design Principles for Fresh Air Purification System for Primary and Middle Schools (《中小學新風淨化系統設計導則》) and the Technical Regulations for Fresh Air Purification System for Primary and Middle Schools (《中小學新風淨化系統技術規程》).

As at the end of 2017, the Company gained more than 30 green architecture recognitions, including 3 three-star Certificates of Green Building Operation Label (and completing the renewal of three-star certificate for the first residential property project across the country), and 5 three-star Certificates of Green Building Design. As to healthy building, Wan Guo Fu MOMA (Foshan) project won the first batch of three-star Certificates of Healthy Building Design in the PRC.



# 1. OUR ENVIRONMENT

At present, the Company is also continuously exploring hundred-year residence system, German PHI system, Danish active house certification system, WELL healthy building certification system and BIM applications<sup>2</sup>, and is practicing such systems in many projects. Modern Changping Shang Pin Wan project (Beijing) is in the process of preliminary planning and designing of hundred-year residence. Wan Guo Cheng MOMA (Tongzhou) and Wan Guo Fu MOMA (Foshan) also launched the certification of WELL healthy building at the beginning of 2017.

The “MOMA Building & Arts Museum” located at Tongzhou Wan Guo Cheng MOMA community in Beijing obtained the certification by ACTIVE HOUSE Alliance (hereinafter referred to as “AH Alliance”). Ms. Longna, the Secretary General of AH Alliance, issued the certificate for the project, and Li Huiguang, the deputy general manager of Modern Land, Beijing Branch, received the same on behalf of the project party. As the first museum exhibition project in the PRC, “MOMA Building & Arts Museum” is the first museum project which passed AH international certification across the globe as well as the second active house certified project in the PRC after Active House Alliance Velux office project. By virtue of such project, Modern Land also carried out comprehensive cooperation with China Passive Building Alliance, dena, German PHI and other renowned institutions at home and abroad in respect of buildings with ultra low energy consumption, so as to further deepen the research on green and energy-saving technology and explore a new low-carbon, energy-saving and environmentally-friendly building designing, construction and operation model.

<sup>2</sup> Hundred-year residence system: “Hundred-year residence” is built, through industrialisation method, to be a sustainable new residence featuring longer length of service, finer quality, and green & low carbon, with a view to achieving a healthy living environment with permanent residential value by virtue of the new industrialisation system and integrated technology with the core of performance assurance, quality planning and design, construction, maintenance and use, renovation.

German PHI system: German Passive House Institute (“PHI”) advocates a passive building with a highly cosy living space, which can achieve “passive” heat supply and cooling purposes in the absence of a separate active heat supply or air conditioning system in winter or summer. In such building, passive technologies are mainly adopted to achieve a comfortable living space with sound heat preservation. Solar energy is passively gathered by super glass to efficiently recycle heat from exhaust steam, and preheat fresh air in a passive manner.

Danish active house certification system: Danish “Active House” emphasizes on an integration of comfort, environment and energy with a rating evaluation system.

WELL healthy building certification system: WELL certification system is a performance-oriented system, which measures, certifies and monitors architectural environmental features, such as air, moisture, nutrition, light, health, comfort and philosophy. With a foothold in medical research institutes, WELL certification explores the health and well-being relationship between the buildings and residents, and enables home owners and employers recognize that their building’s space is designed to improve the health and well-being of residents, and can operate as expected.

BIM: Building Information Modeling (“BIM”) is a complete information model, which is able to integrate the engineering-related information, process and resource of a project at all stages of a full life cycle for the convenience of all parties. 3D digital technology is adopted to simulate the real information of a building in order to provide a coordinated and internally consistent information model for engineering design and construction. Such model can achieve integration of design and construction, and coordinated work of all parties, and therefore lower production costs, and ensure the project can be completed as scheduled with desirable quality.

# 1. OUR ENVIRONMENT

## FOSHAN PROJECT CASE

In order to implement the strategic deployment of Healthy China, raise the standard of people's health, create a healthy building environment and promote a healthy lifestyle, and guide the construction of healthy buildings, the Evaluation Standards for Healthy Building (《健康建築評價標準》) (T/ASC02-2016), a standard of the Architectural Society of China, was issued and implemented on 6 January 2017, which was formulated jointly by China Academy of Building Research and other related entities. Such standard regulates the evaluation on the designing and operations of healthy buildings from six indicators including air, water, comfort, body-building, cultural and services. Such standard indicator system duly considers the national conditions of the PRC and the features of healthy buildings, which will play an important role in advancing the development of healthy building industry in the PRC, guiding the construction of healthy buildings and regulating the evaluation of healthy buildings. Wan Guo Fu MOMA (Foshan) project (hereinafter referred to as the "Project") is in the first batch projects which are evaluated based on the above standard, and won the three-star Design Label in the end. At present, the Project is in the process of preliminary preparation for obtaining the three-star Certificate of Healthy Building Operation Label.



Figure 1 Wan Guo Fu MOMA (Foshan) Drawing





# 1. OUR ENVIRONMENT

As the first project of the Company in the Pearl River Delta, Wan Guo Fu MOMΛ (Foshan) adheres to the spirits of meticulous design, low energy consumption and high quality while laying more stress on users' physical and psychological health, subjective feeling and living standard on the basis of ensuring green technology and energy-saving. In respect of indoor environment, through the application of its self-developed "Dinosaur No. 2" technological living system, it tried an innovative indoor humidity solution for hot-summer and warm-winter region, so as to provide intelligent, smog-free, green and comfortable living space experience. As to outdoor community building, through designing a healthy and vibrant community, it combined the elements closely related to human's health, such as water view, green plants, light and sports, striving to create an ecological community model which contributes to human's health and human interaction. As healthy buildings are still at the initial development stage in the PRC, the designing and operating experience accumulated in the Project is expected to offer a new development idea for healthy buildings, and serves as a trigger to return to buildings' functional attribute of "Human Foremost" by considering the healthy living environment while valuing energy-saving and environmental protection.

As to community operations, the property service system of First Property (Beijing) Co., Limited (hereinafter referred to as the "First Property") under Modern Land was introduced. Adhering to the philosophy of "services without limits", the Company offers a healthy and comfortable living space to the home owners by focusing on energy-saving technology system management, boosting the use efficiency of equipment, advancing safety grade, improving engineering practical management capacity, and using clean energy. In addition, the property management company can provide customers with human-friendly and differentiated services through the establishment of network service platform, integration of social and commercial resources, and enrichment of cultural activities in the community under a standard management system.



## Overall Floor Plan of Vibrant Community

- 01 Children sports & recreation area
- 02 Special children activity area
- 03 Activity area for the elderly
- 04 Digital sports area
- 05 Energetic sports area
- 06 Dynamic social interaction area
- 07 Sports staircase
- 08 City farm
- 09 Day & night jogging track
- 10 Auxiliary cooling fans
- 11 Drinking water point, wash basin
- 12 Benches
- 13 Emergency call device
- 14 Lockers
- 15 Public washroom
- 16 Bicycle maintenance station
- 17 Open floor leisure area
- 18 Swimming pool

Figure 2 Overall Floor Plan of Wan Guo Fu MOMΛ (Foshan) Vibrant Community



## 1. OUR ENVIRONMENT

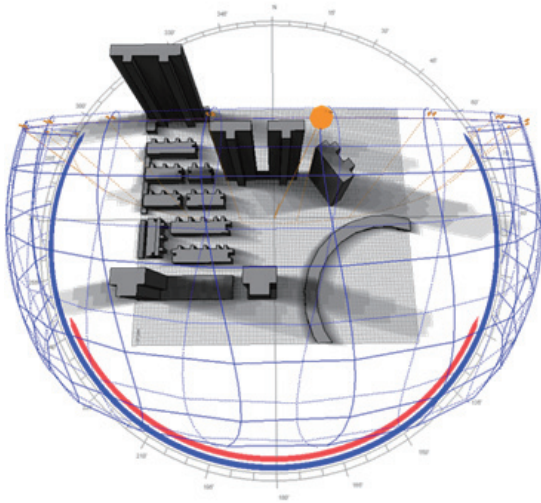


Figure 3 Overall Analysis of Shading of the Project

The building groups of the Project are generally designated to stand in a northbound and southbound way with well space, namely there is one hundred meter space between each two buildings, so as to avoid any shading. This ensures, to the largest extent, the sunshine time on each building and the residential privacy, thereby achieving the effect that each household has a sound view with sufficient ventilation.



Figure 4 Outdoor Street View of the Project

# 1. OUR ENVIRONMENT

Green technology industrial small towns are also a development focus of the Company in the future. Huizhou Xuri Small Town and Jiuhuashan Lotus Small Town are under the preliminary planning. Such small towns with its own abundant natural resources have its innate environmental advantages. We are now studying a set of industrial model for green development to serve as the template for the development of small towns, such as developing industries covering green sports, green agriculture and green food.

Full decoration is another focus of the Company's green development practices. The Company will develop Decoration Branch of China Real Estate Chamber of Commerce ("China Decoration") into an authority in the full decoration industry, a high-end full decoration development think tank as well as an integration platform for full decoration industry chain. We will promote our decoration results toward the orientations of green full decoration, comfortable full decoration and healthy full decoration, so as to better advance the industrialisation of interior decoration and realise the industrialisation of residences. We position our development objectives as "five ones": to establish one set of live full decoration experiencing zone for customers, to issue one standard — Industrialisation Standard for Residential Fine Decoration/Interior Decoration (《住宅精裝/內裝工業化標準》), to formulate one partnership guidance for full decoration supply chain, to hold one value-oriented industry exchange meeting and exposition each year, and to establish one full decoration industrial partnership fund.

The Company has 3,952,200 sq.m. of green building certified area, and is estimated to manage approximately 8,500,000 sq.m. of green building area. 100% of the Company's new projects have passed environmental impact assessment; and the Company has 82 green-related core technical patents.

## 1.1.2 GREEN TECHNOLOGY INNOVATION

In 2017, the Company revised the Operating Standards for Management of Green Building Reporting (《綠色建築申報管理作業標準》) and the Operating Standards for Management of Green Residential District Reporting (《綠色住區申報管理作業標準》), and issued the first version of the Operating Standards for Management of Healthy Building Reporting (《健康建築申報管理作業標準》). Through formulation and revision of such standards, the Company could maintain its continuous practices and technological innovation in projects in relation to green building, healthy building, green residential district and other areas.

The Company stays committed to the development of green technology real estate, and has developed a series of patented products focusing on constant temperature, constant humidity, constant peaceful environment and constant oxygen content. Since our first patent applied in 2004, the Company has set foot on the protection of intelligent property rights. At present, the Company has obtained over 150 inventions, utility models and exterior design patents. We owe such achievements to our management system building.



# 1. OUR ENVIRONMENT

As a leader in technology real estate, the Company has made great efforts in the research & development on and patent application for technology systems. The technology patents we applied mainly range from technology systems, technology products to smart household. We develop an industry through the following procedures: project practices, research & development to form a patent, and innovative design as guided by the patent and then implementation of the project. Currently, we have industrialised our technology product patents and have applied them to a certain extent, such as Hongsheng Man Ting Chun (Shaanxi), Huadi Forest Lake (Auhui) and other internal and external projects.

The mini Dinosaur No. 1 developed by First Renju, an innovative enterprise under the Company, has currently completed the mass production of model machines, and is ready to be sent to Apple Inc. for test. Upon authorisation and certification by Apple Inc., it can officially enter into the Homekit under Apple Inc. The smart products in the Homekit system can be controlled by icloud of an iPhone. Such system shares product information with ios system. Some functions, such as siri and wifi networking, under ios system can be directly used in such system. Therefore, such system is safer, more stable and human-friendly.

In addition, by integrating internal and external advantageous resources including the Company's technical accumulation in green technology area in the past 18 years, 51VR, and the technology systems, smart household, energy cloud platform and AI of First Technology and First Renju, the Company will create the 3.0 version of MOMA technology community and MOMA AI community which will also be the first cloud calculation-based AI community in the PRC.

The MOMA technology community can achieve security to the largest degree through face recognition, vehicle identification and intrusion prevention in the future; achieve maximum energy conservation as to public lighting and air conditioning and other facilities through the energy cloud platform monitoring system; and achieve the most intelligent household by voice recognition, far-end smart household, profound learning and automatic control. The Company is about to practice AI sample room in Haidian Yue MOMA (Beijing) project.



MOMA AI community will realise the further upgrade of AI by combining it with consumers' needs, to achieve a "Good AI" which can truly meet users' demands.

# 1. OUR ENVIRONMENT

## 1.1.3 GREEN OPERATION AND MAINTENANCE OF BUILDINGS

The Company has our own property management company, First Property (Beijing) Co., Limited, which is the first green property management company in the PRC and responsible for the green operation and maintenance of the Company. Established in December 1999, First Property manages properties including villas, high-rise residences, commercial office buildings, office buildings, etc. with business presence in large and medium-sized cities of the PRC. On 18 May 2016, First Property was listed on the National Equities Exchange and Quotations Co., Ltd (stock code: 837498). With the core competitiveness of green technology, comfortable services, procedural and standardisation, First Property pours itself to the operation of a homeland of green + comfort + energy-saving + full life cycle with mobile interconnection, and reduces living costs of home owners to improve living experience. First Property is among top 100 China property management enterprises, a member of China Property Management Institute, as well as a high-tech enterprise located in Zhongguancun with grade one qualification issued by the Ministry of Housing and Urban-rural Development. It offers green preliminary consultation services to developers, and constructs a green community operation model by leveraging on community service platform and starting from the living feelings and needs of customers, thereby presenting a green, comfortable, energy-saving, and convenient living space to the customers. First Property has made great efforts in research and development, and technology innovation while implementing energy conservation and consumption reduction in daily business operations. Currently, First Property has obtained 16 self-developed patented technologies and 43 micro-innovations, which have been in duplicate use among projects across the country to improve quality and efficiency of operation and management. As the first green property management company in the PRC, First Property has obtained two Green Building Three-Star Certifications, being the highest-level certification issued by the Ministry of Housing and Urban-rural Development of the PRC, two Green Building Two-Star Certifications, and several four-star and five-star demonstrative property management project awards. The green operation contribution made by First Property is an integral part of the Company's green architecture and technology innovation.

## 1.2 MANAGEMENT OF ENERGY AND WATER

Modern Land attaches great importance to natural resources conservation and strictly complies with relevant laws and regulations including Water Law of the People's Republic of China (《中華人民共和國水法》) and Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》).

There is a full-time professional team for mechanical and electrical energy conservation at the headquarters of Modern Land, and an Energy Management System (《能源管理制度》) has been formulated for respective functional department and property management projects to manage and evaluate the energy consumption of facilities and equipment. Energy-saving goals are set at the beginning of each year and dynamic analysis on target energy consumption is carried out in the process. The Company conducts comparison in respect of energy consumption of projects on a month-on-month and year-on-year basis. Based on the analysis on aspects with increase in energy consumption, guidance is offered on preparation of energy-saving management and control plan for projects. An assessment is conducted once in the heating season and cooling season, respectively, to ensure efficient operation of equipment.





# 1. OUR ENVIRONMENT

During the reporting period, the operation and management standards amended by the First Property, a subsidiary of the Company in charge of property management projects, are as follows:

Operational Standards for Operation, Maintenance and Exception Handling of Chillers of the First Property (《第一物業冷水機組運行保養及異常處理作業標準》)	Operational Standards for Calibration Management of Common Instrumentation of the First Property (《第一物業常用儀器儀錶校驗管理作業標準》)
Operational Standards for Operation, Maintenance and Troubleshooting of the New Wind System of the First Property (《第一物業新風系統運行保養及故障處理作業標準》)	Operational Standards for Hydraulic Balance Commissioning of HVAC System of the First Property (《第一物業暖通空調系統水力平衡調試作業標準》)
Operational Standards for Lighting in Public Areas of the First Property (《第一物業公共區域照明作業標準》)	Operational Standards for Maintenance and Exception Handling of Cooling Towers of the First Property (《第一物業冷卻塔維護保養及異常情況處理作業標準》)
Operational Standards for Operation, Maintenance and Exception Handling of Rainwater Treatment System of the First Property (《第一物業雨水處理系統運行維護保養及異常情況處理作業標準》)	Operational Standards for Management of Cold and Heat Source Room of the First Property (《第一物業冷熱源機房管理作業標準》)
Operational Standards for Maintenance and Exception Handling of Pumps of the First Property (《第一物業水泵維護保養及異常情況處理作業標準》)	

The purpose of the above-mentioned amendments to the management and operation standards is to update in accordance with the revision of national or industry standards; to improve the standards according to the actual situation of the operation site, to expand the scope of use to fit the actual operation site; and to optimize the process to facilitate the learning and implementation of grassroots staff.

## 1.2.1 MANAGEMENT OF ENERGY

The energy consumed by the Company's property management projects, headquarters of the Company and under-construction projects mainly comprises electricity, natural gas and gasoline. Taking Wan Guo Cheng (Taiyuan) property project as an example, during the reporting period, its electricity consumption totaled 9,904,506 kWh, natural gas consumption amounted to 4,633,700 standard cubic metres, integrated energy consumption amounted to 9,628.12 tonnes of standard coal, and integrated energy consumption intensity amounted to 46.65 kilograms of standard coal/square metre. The headquarters of the Company are equipped with service cars only. During the reporting period, total gasoline consumption amounted to approximately 25.55 tonnes, electricity consumption amounted to 350,575 kWh, and natural gas consumption amounted to 23,326 cubic metres in the headquarters of the Company.



# 1. OUR ENVIRONMENT

Saving energy and effective use of energy can reduce energy and operating costs of enterprises, and also serve as a way for enterprises to practice social responsibility as well as achieve coordinated and sustainable development among human, resources and environment.

## Property management projects (delivered)

In order to formulate reasonable planning regarding the use of energy and achieve refined and digital management of the full life cycle of electromechanical systems and large equipment, Modern Land has developed and built a cloud platform for full life cycle management of electromechanical systems in green buildings, which can collect, collate and analyse the full life cycle data of electromechanical systems from design, bidding, construction, acceptance, commissioning to operation and maintenance, so as to provide basic data for the purpose of design enhancement, cost reduction and cost efficiency maximisation for the full life cycles of energy systems. With the platform, the Company can perform central analysis of relevant project data to improve management efficiency and reduce energy consumption costs, thereby achieving sustainability of green buildings. In addition, the Company has taken a variety of measures to decrease energy consumption, including using LED lights and infrared control form for all lamps; on the basis of ensuring sufficient lighting, designing several independent circuits for control over basement lighting; adding longitude and latitude switches for control over landscape lighting; installing secondary electricity meters and water meters based on the specific purpose for the landscape to facilitate subsequent energy consumption analysis conducted by the property management company.

Modern Land always insists on the use of renewable energy in property projects. As at the end of 2017, the Company had put into operation over 1,000 ground source heat exchanger wells, nearly 100 groundwater wells (including recharge wells), approximately 700 heat exchanger wells with cast-in-place piles, over 400 sets of large cold and heat source equipment including a variety of heat pumps and direct-fired machines, more than 500 sets of large air-conditioning equipment including new wind units and air-conditioning units, more than 1,200 sets of auxiliary equipment such as various types of large water pumps, heat exchanger units and cooling towers. A large amount of electromechanical equipment is currently under construction and installation. By the end of 2018, Modern Land will raise the proportion of use of renewable energy to the total energy demand of development projects in the same period to over 30%; it is expected that, by the end of 2021, the proportion of use of renewable energy to the total energy demand of development projects of Modern Land will exceed 50%.



# 1. OUR ENVIRONMENT

## Headquarters of the Company

The energy used by the headquarters of the Company is supplied by Wan Guo Cheng MOMA service centre and is under the unified administration of the property management centre. In office buildings, there are dedicated personnel in effective charge of turning on and off the lighting and motor fan coil units.

## Under-construction projects

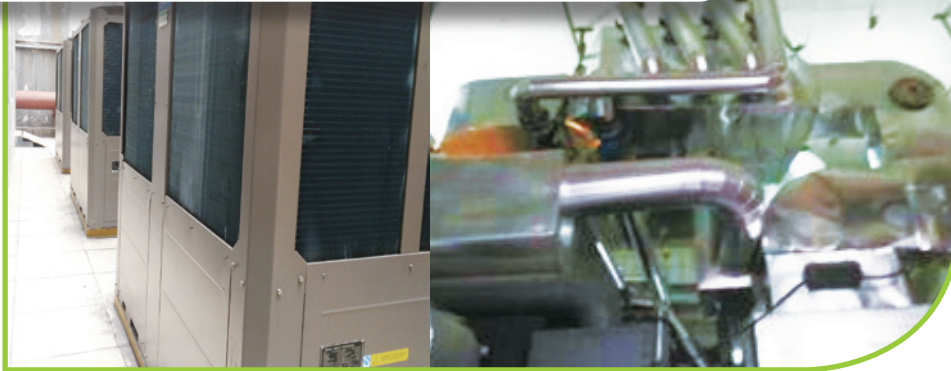
Based on the Operating Standards for Regulated Sites of Modern Land (《當代置業標準化工地作業標準》), the Company issued an upgraded Operating Standards for Green and Experience-oriented Sites of Modern Land (《當代置業綠色體驗式工地作業標準》) in 2017, which fully regulated standard administrative measures for saving energy, materials, and land use during project construction:

In respect of materials saving, the Company made full use of local material resources with the core of less use of natural resources and purpose of cyclic use of materials. The Company will endeavour to realise that use of materials within 300 kilometres around the construction site will account for 80% of the total materials; utilisation rate of construction material waste and dregs at the construction site will reach 60%, and the application rate of steel coating and aluminum coating for high-rise buildings will attain 60% by 2021.

In respect of energy saving, the Company gave preference in using energy-saving construction equipment and machinery, and made rational use of natural resources at the site, such as lights, ventilation, and day lighting, in an effort to reduce electricity consumption; used LED energy-saving lights for indoor lamps, adopted new dysprosium lamps, which featured high brightness and low power and could operate once lowering the voltage, for construction sites, and designed independent circuits for power supply for indoor offices, residential districts and construction sites; adopted automatic time controller for dysprosium lamps at construction sites to ensure they were turned off as scheduled; selected and used energy-saving lamps for temporary power supply, and enhanced joint handling for heat preservation and insulation and turnover structure to reduce loss of electricity and heat. The Company will strive to achieve the objective that construction site lighting will not exceed 20% of the minimum brightness on the basis of satisfying the minimum lighting requirement by 2021.

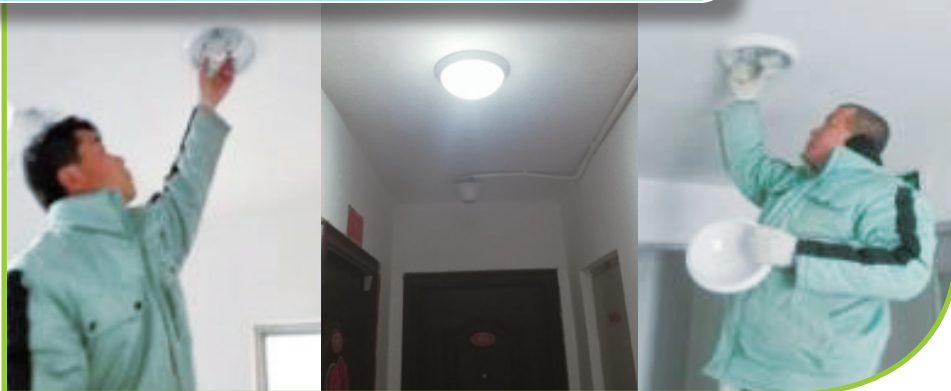
## 1. OUR ENVIRONMENT

### THE PHASE I HOT WATER ENERGY SAVING TRANSFORMATION FOR THE SERVICE CENTER OF WAN GUO CHENG MOMA (TAIYUAN)



The phase I hot water energy saving transformation for the service center of Wan Guo Cheng MOMA (Taiyuan) was completed on 8 October 2017. The gas-fired hot water boiler system was replaced by an air source heat pump and a direct-fired machine flue gas recovery system. The energy saving rate is 56.7% while the temperature of hot water remains constant.

### LIGHTING EQUIPMENT WAS REPLACED IN ALL PUBLIC AREAS OF CAIYU MAN TING CHUN XIANG MAN YUAN



A total of 1,150 40W incandescent lamps had been replaced with 5W LED energy-saving bulbs in the public areas of floors in all units of Caiyu Man Ting Chun Xiang Man Yuan project, saving energy cost of approximately RMB18,000 each year.



# 1. OUR ENVIRONMENT

In future, the Company will continue to promote energy saving and improvement in energy utilisation efficiency, including putting forward measures for subsequent energy saving at the preliminary development stage of a new project, and implementing such measures; continuing to apply for national high-tech enterprises, developing and implementing utility patents, with an aim to decrease the integrated energy consumption of all the Company's projects nationwide by 2% each year.

## 1.2.2 MANAGEMENT OF WATER

Modern Land has many low-energy consumption projects, certain of which have the ability to use reclaimed water and rainwater. Statistics of energy use are made through the information cloud platform for green technology and safety industrial chain, and analysis is conducted on the statistical results. The subsequent water use is subject to management and control to achieve delicacy management and reduction of operating costs.

During the reporting period, the total water consumption of the Company's Wan Guo Cheng (Taiyuan) property project amounted to 104,255 tonnes, and total water intensity amounted to 505.18 kilograms/square metre. The water consumed by the headquarters of the Company was mainly used in canteen and toilets. During the reporting period, its total water consumption amounted to 7,428 tonnes, and water intensity amounted to 804.03 kilograms/square metre, which was higher than that of the project as the headquarters of the Company had water demand for canteen.

The water saved by properties of the service center of Wan Guo Cheng MOMA during the reporting period was approximately 15,859 tonnes, mainly because greening water for irrigation is water from domestic sewage after treatment; the shower room in staff dormitory is equipped with a card reader; greening irrigation is conducted by way of sprinkling.

As to under-construction projects, the Company set up a rainwater collection system on the roof of the residential district and at the hardening construction site, and made rational use of the rainwater so collected for washing vehicles exiting the site and spraying the site with water for dust reduction; made full use of wastewater by recycling the upper-layer clear liquid upon sedimentation of the wastewater which overflowed during stirring process; conducted sprinkling during cutting and polishing process to avoid excessive moisture; and prevented leakage of all water supply pipes and water-using devices in the construction site to reduce loss of water resource. The Company will step up efforts to make come true that the reuse rate of non-traditional water resource and recycled water resource during construction will be higher than 40% by 2021.

During the reporting period, there was no issue within the Company regarding sourcing water that is fit for purpose.



# 1. OUR ENVIRONMENT

## 1.3 MANAGEMENT OF EMISSIONS

The Company strictly abides by the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the Law of the People's Republic of China on Water Pollution Prevention and Control (《中華人民共和國水污染防治法》), the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) and other laws and regulations on prevention of environmental pollution. During the reporting period, there was no environmental pollution or ecological damage event, nor violation of regulations relating to waste management within the Company.

### 1.3.1 MANAGEMENT OF GREENHOUSE GAS EMISSIONS

During our operation, the Company mainly generates carbon dioxide. Greenhouse gas (scope I) mainly comes from combustion of natural gas for heat supply and combustion of gasoline by motor vehicles, and greenhouse gas (scope II) mainly comes from electricity consumption.

During the reporting period, greenhouse gas (scope I) emissions of the Company's Wan Guo Cheng (Taiyuan) property project amounted to 10,046.79 tCO<sub>2</sub>e, and greenhouse gas (scope II) emissions amounted to 6,042.74 tCO<sub>2</sub>e. The greenhouse gas emissions in total of this project amounted to 16,089.53 tCO<sub>2</sub>e, and the intensity of greenhouse gas emissions was 77.96 kilograms CO<sub>2</sub>e/square metre. The Company is committed to decreasing aggregate carbon emissions of all properties under our operation by 10% on the basis of the exiting carbon emission in five years to come.

Greenhouse gas (scope I) emissions of the headquarters of the Company amounted to 128.81 tCO<sub>2</sub>e, and greenhouse gas (scope II) emissions amounted to 213.89 tCO<sub>2</sub>e. The greenhouse gas emissions in total of the headquarters of the Company amounted to 342.70 tCO<sub>2</sub>e, and the intensity of greenhouse gas emissions was 37.09 kilograms CO<sub>2</sub>e/square metre.

Meanwhile, the Company actively advocates a green and low carbon corporate culture. With a mission of Loving My Homeland, each individual pursues a life of natural simplicity and harmonious health, and upholds the principles of simplicity and practicality, to start from paying attention to details for energy saving and emission reduction.

# 1. OUR ENVIRONMENT

## 1.3.2 MANAGEMENT OF EXHAUST GAS

The Company may generate exhaust gas during combustion of natural gas for heat supply and combustion of gasoline by motor vehicles. Sulfur dioxide emission caused by the combustion of gasoline by motor vehicles of the headquarters amounted to 0.51 kilogram<sup>3</sup>, and sulfur dioxide emission, nitrogen oxides emission, and smoke & dust emission caused by combustion of natural gas by Wan Guo Cheng (Taiyuan) property project amounted to 0.83 tonne, 8.15 tonnes and 1.10 tonnes, respectively.

Shangdi property project replaced the original two 1.5T vertical water boilers with 1,000KW condensing heat supply generation units, which reduced energy consumption by over 10%, and greatly lowered exhaust gas emissions by making nitrogen oxides emission less than 200 milligrams/ cubic metre with no emission of carbon monoxide and smoke and dust as shown in the inspection report issued by a third party institution. From March 2017 to the end of 2017, the amount of hot water input after the renovation increased by 798 cubic metres on a year-on-year basis with 45,858 cubic metres of natural gas saved for water boilers.



<sup>3</sup> The mileage shall be gathered by vehicle type according to the Appendix 2 — Environmental Key Performance Indicators Reporting Guide of the HKEX. As a statistical procedure has not been established for such indicators during the reporting period, it is impossible to disclose the data of nitrogen oxides and smoke and dust generated by combustion of gasoline by motor vehicles.



# 1. OUR ENVIRONMENT

## 1.3.3 MANAGEMENT OF WASTE

During project development and operation, the Company generates construction waste, decoration waste and office waste, the improper disposal of which will cause pollution of and impacts on the Company and surrounding environment. The Company disposes of solid waste under the principles of "reduction and recycling". In 2018, the Company will draft the Evaluation Standards for Fully-furnished Residence (《住宅全裝修評價標準》) jointly with China Real Estate Chamber of Commerce and near one hundred entities along the upstream and downstream of the industry chain by integration and reasonable use of the advantageous resources of all parties, so as to reduce the generation of waste from the source.

### Property management projects (delivered)

During property project operation, the Company generates hazardous wastes, such as waste batteries, waste oil, waste ink and coatings, waste cleaning products (including packaging containers), waste oil gloves (finger stalls), waste oil rags, waste fluorescent tubes and waste drugs, as well as non-hazardous solid wastes, such as decoration waste and domestic waste<sup>4</sup>.

To reduce the generation of wastes, the Company has set up an effective waste management mechanism, including the Standards for Categorised Management of Hazardous Substance and Non-hazardous Substance (《有害物質、無害物質分類管理標準》) developed during the reporting period, demanding that hazardous wastes shall be gathered and delivered to companies with hazardous waste treatment qualifications for unified treatment; and non-hazardous wastes shall be gathered and classified in a manner that recyclable wastes, such as waste plastic, waste paper, waste electric wire, and waste metal, shall be delivered to qualified recycling units for treatment, and domestic waste shall be gathered by local environmental hygiene department for unified treatment.

### Headquarters of the Company

During office process, the headquarters of the Company mainly generate hazardous wastes including waste toner cartridges, as well as non-hazardous wastes, such as waste paper and other office wastes and domestic waste. As to toner cartridges, the Company generally refills cartridges to increase reuse rate and reduce the generation of waste toner cartridges. Non-reusable toner cartridges are properly treated by companies with hazardous waste treatment qualifications engaged by the Company. As to non-hazardous wastes, the Company arranges dedicated personnel to classify the office waste in a central manner before unified treatment by the property management company of the park.

<sup>4</sup> The Company is now establishing a statistical procedure for solid waste, and will make corresponding disclosures in our next annual report.



# 1. OUR ENVIRONMENT

## Under-construction projects

The Company has issued the Operating Standards of Modern Land for Waste Management During Project Construction (《當代置業項目建設階段廢棄物管理作業標準》) in 2015, which prescribes, under the principles of safe, environmentally friendly, reasonable and appropriate, detailed regulations on the classification, stacking, recycling, storage, transportation and burying of hazardous wastes, such as waste cement bags, waste oil drums and waste batteries, as well as non-hazardous wastes, such as waste paper, domestic waste, waste cable and waste steels, generated during construction.

In actual management, the Group's engineering management centre is responsible for special inspection on all construction sites on a monthly or irregular basis; and the project department is in charge of strict supervision over the classification, collection and treatment of wastes conducted by main contractors during routine inspection process, and imposes penalties on and demands rectifications by those violating the Operating Standards of Modern Land for Waste Management During Project Construction (《當代置業項目建設階段廢棄物管理作業標準》). Later, the Company will set up a waste management filing system and arrange dedicated staff to take charge of waste management at construction sites.

## 1.3.4 MANAGEMENT OF WASTEWATER

### Property management projects (delivered) and headquarters of the Company

The waste water generated during business operation of the Company mainly includes domestic sewage. Home owners discharge their domestic sewage into the sewage wells of building and the sewage will ultimately flow into the municipal sewage pipe network after flowing into the septic tank via sewage pipe for multiple settlements. The Company adopts the rainwater-sewage separation system to avoid mixed drainage of rainwater and domestic sewage. The rainwater is drained into the rainwater well through the trench and flow into the municipal sewage pipe network after settlement in the settling basin.



# 1. OUR ENVIRONMENT

## Under-construction projects

Wastewater generated by under-construction projects includes industrial wastewater and domestic sewage. Industrial wastewater mainly arises from the sewage generated during stirring of concrete and mortar; muddy water generated by bored pile; sewage from cutting and polishing stones and ceramic chips; and sewage from site and instrument cleaning.

The Company demands the main contractors to designate a complete, scientific and thorough wastewater treatment plan at project development stage, and submit the same to the project company for approval. The Company also adopted effective measures for wastewater management at construction sites: a certain area was kept for flow of wastewater generated during construction, sewage from cutting and polishing process was collected with basins or concave boards, and then discharged into municipal pipeline network upon sedimentation; upon filtration through 1-2mm grating, domestic sewage flowed into regulation reservoir for water quality and volume regulation, and then transported to MBR sewage treatment system, and later discharged into municipal sewage pipeline network upon part of oil bio-degradation; industrial wastewater and domestic sewage pipes were separated from rainwater pipes.



## 2. OUR EMPLOYEES

### 2.1 PROTECTION OF EMPLOYEES' RIGHTS AND INTERESTS

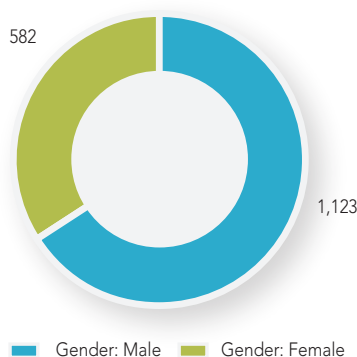
#### 2.1.1 EMPLOYMENT AND STAFF BENEFITS

##### Employment

The Company strictly abides by the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and other relevant laws and regulations. In order to attract more qualified talents, the Company has developed the Recruitment Management Standards of Modern Land (《當代置業招聘管理作業標準》), which divides recruitment process into recruitment demand management, recruitment channel management, recruitment implementation management, talent assessment management, recruit interview management, recruitment progress management and recruitment assessment management. The recruitment demand management requires that staffing schedule shall be in strict accordance with the Company's position needs and staffing standards and based on the staffing group data, which will be updated on a quarterly basis.

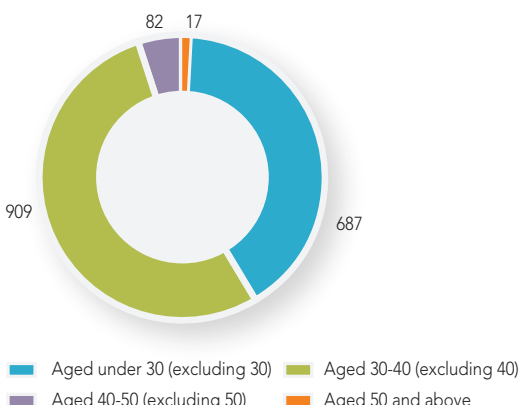
As at 31 December 2017, the Company had a total of 1,705 employees. Total number of employees by gender, age group and employment type are as follows:

Number of employees by gender



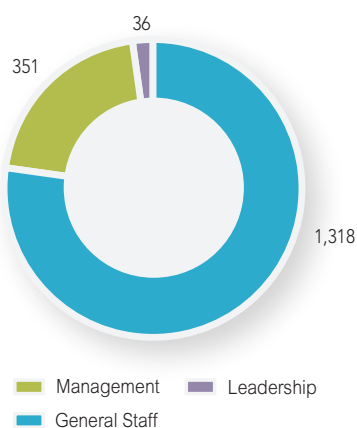
Gender: Male Gender: Female

Number of employees by age



Aged under 30 (excluding 30) Aged 30-40 (excluding 40)  
Aged 40-50 (excluding 50) Aged 50 and above

Number of employees by employment type



Management Leadership  
General Staff

## 2. OUR EMPLOYEES

The Company values the talents that meet the “Three-Self Qualifications” for its talent recruitment. “Three-Self Qualifications” refers to: The first qualification requirement is self identity with the Company’s intellectual-empowered culture, contemporary core values, intellectual business principles, and modern green-technology undertakings. The second qualification requirement is being highly self-motivated, passionate, enthusiastic and responsible for others. The third qualification requirement is being professionally competent, multi-skilled and keen to learn and grow for self-achievements at present and in the future.

In order to further standardize the recruitment process, the Company held interviewer certification in 2017. The certification enables every interviewer to select the candidates meeting the “Three-Self Qualifications” from the professional perspective of human resources.

The Company respects the religious belief and personal stances of each candidate, and evaluates the applicant’s capabilities and qualifications against the job requirements in a value-oriented manner without any ethnic, disability or gender discrimination or any other unfairness.

### LABOR STANDARDS

In strict compliance with the Provisions on Prohibition of Child Labour (《禁止使用童工規定》), the Company strictly prohibits labour under 16 during recruitment. The Company enters into a labor contract with each employee and implements standard working hours system of 8 hours per day.

During the reporting period, there had been no issues relating to child and forced labour, nor had there been any violations of relevant employment policies, laws and regulations.

### STAFF BENEFITS

Based on its strategic business objectives, the Company has established an employee compensation and benefits system according to the Operational Standards of Incentive and Accountability Mechanism of Modern Land (《當代置業激勵問責機制模型作業標準》). The compensation structure, which follows the principle of value creation and risk and benefit sharing, mainly comprises a broadbanning system, an internal partnership mechanism, a project incentive & accountability mechanism and a special incentive & accountability mechanism:

1. The broadbanning system covers salaries, performance bonuses, allowances and benefits, which are paid to each employee according to his/her value creation;
2. According to the Operational Standards for Internal Partnership of Modern Land (《當代置業智業合夥作業標準》) and the Operational Standards for Exercising the Options of Modern Land (《當代置業期權行權作業標準》), the Company has set up an internal partnership mechanism for the Company and its employees to create shared value and achieve win-win results, so as to achieve risk and benefit sharing between the Company and its employees;
3. The project incentive & accountability mechanism, which is built on the project procedures and operations, gives priority to assessing the implementation of 100 tasks for project milestones, project progress and quality, project receivables collection, project-specific net profit generation, balance of project cost budget, completion of critical works of project and other project data, in order to achieve the project budget goals, complete the project procedures and give incentives to the staff.



## 2. OUR EMPLOYEES

In addition, the Company contributes to social insurance plans for its employees in accordance with the national regulations and local laws and regulations, and the contribution percentages and bases are in compliance with local laws and regulations. Pursuant to the national laws and regulations, all employees are entitled to a variety of leave options including paid annual leave, maternity leave, marriage leave and personal leave. Moreover, the Company offers additional paid annual leave to those employees who have worked for the Company for many years in a row. The Company carries out rich staff care activities on staff's birthday, employment anniversary and other festivals.

### 2.1.2 EMPLOYEE TRAINING AND DEVELOPMENT

#### EMPLOYEE TRAINING

In 2017, the human resources center of the Group prepared the Operating Standards on Training Management of Regional Branches of Modern Land (《當代置業地區公司培訓管理作業標準》) for like-minded and training specialties to streamline the training management procedures of companies to improve and regulate the training management of the companies; formulated the Operating Standards on Training Management of Orientation Camp of Modern Land (《當代置業新知營培訓管理作業標準》) and the Operating Standards on Training Management of Eight Skills of General Manager of Modern Land (《當代置業總經理八項技能培訓管理作業標準》) to standardize the talent training mechanism in terms of standard and process; and amended the Operating Standards on Training Management of Modern Land (《當代置業培訓管理作業標準》) and Operating Standards on Like-minded Management of Modern Land (《當代置業同合管理作業標準》) to further improve, like-minded management and other talent cultivation mechanism.

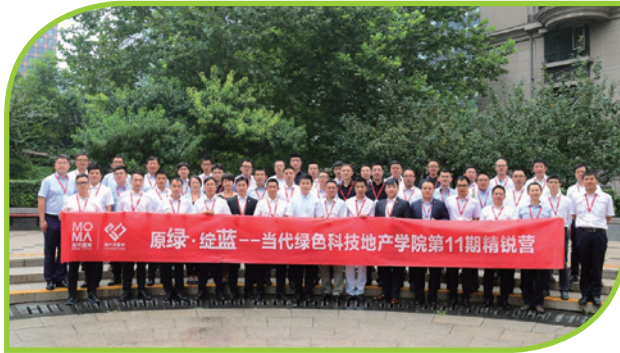
Modern Land formulated respective training projects for new employees, management and leadership staff. The introduction training for new employees includes Entry Date training, Entry Month training and Orientation Camp training. Orientation Camp training is a five-star training provided by the Group for new employees who have joined the Company for about 3 months and is conducted by means of internal intensive teaching, experimental training, etc. The training schemes, which are schemed out, arranged and implemented by the Human Resources Centre in the forms of internal central lecturing and experiential training, cover such areas as company introduction, intellectual-empowered culture, process and operation, etc.



For employees at management level, we design elite camp training for them mainly in the forms of internal and external central training, in order to help the newly-promoted managers and reserve managers learn and master basic management skills and the art of leadership.



## 2. OUR EMPLOYEES



For the leadership staff, we orchestrate “Training on Eight Skills of General Manager” for them on a semi-annual basis to help these managers understand the Company’s development strategies deeply and have a good command of the Company’s processes and operations.



With the increasing updates of training management technologies, the traditional training methods can no longer meet the ever-changing needs of the times. We have developed a diverse range of company-wide flexible training programs, such as the outdoor experiential training program on eight skills of general manager which enables employees to gain in-depth understanding of the Company’s intellectual-empowered culture in games and outdoor training and organizes trainings by way of team competition, process and operation knowledge contest, case teaching, case study and discussion, and other means to explain comprehensive development of employees.

International study tour is a training program for employees at the vice president level or above. We will selectively send them to a prestigious overseas business college for closed study from time to time, and will also send some excellent employees among them to study in international companies or foreign universities in a student exchange program.



## 2. OUR EMPLOYEES

Currently, we are proactively establishing the training management mechanism for Modern Green Technological Real Estate College. In the future, we will establish secondary and tertiary colleges of Modern Green Technological Real Estate College including professional competence colleges for eight specialties including Leadership College, Core Competence College, General Ability College and Real Estate Development College. Through the cultivation model covering the whole life cycle, the Company cultivates inter-disciplinary talents with one specialty and multiple skills to help the implementation of the Company's strategies.

	Male	Female	General staff	Management	Leadership
Proportion of trained employees (%)	93.82	96.43	94.65	97.64	100
Average training hours (hrs)	40.78	41.08	29.59	33.07	23.06

### Dual-Channel Career Development

The Company publishes the Arrangements of Organisational Structure, Position Structure, Staffing and Team Formation (《組織結構、崗位結構、人員編制及團隊建制的決定》) within the Group on a quarterly basis, and issues the Arrangements of Personnel Appointment and Human Resources Development and Exchange (《人事任命及人力資源開發與交流的決定》) irregularly. Any employee who meets the Company's "Three-Self Qualifications" has opportunities and space for promotion.

The employees of subsidiaries of Modern Land can achieve cross development of positions and functions in a "H" type pattern. Employees of functional lines, after entry into the Company, will pursue functional line development if the management level is below management; while employees of position lines, after entry into the Company, will pursue position line development if the management level is below management. The development paths of professional career of management and leadership are interchangeable.

The employees of the Company and its subsidiaries stick to a "Y-shape" career development path. Specifically, the employees below the deputy general manager level are all in the functional line leveraging their professional abilities, which helps create a flat, professional and competitive organisation structure. There are various professional functions as classified by profession, and an employee can be promoted to a professional director and enjoy dual-channel career development.

With the further progress of market economy development in China, the competition among enterprises is becoming increasingly fierce. To get an invincible position in competition, it is required to constantly enhance competitiveness. The competition among enterprises is ultimately the competition in respect of talent and, to a certain extent, the competition in terms of corporate training. The most fundamental means for enterprises to achieve development is to place the focus on training, the enhancement of comprehensive quality of employees and recognition of corporate culture to build enterprise into a learning organisation and to ultimately realize a "win-win" situation between enterprises and employees through enhancement of corporate core competitiveness.



## 2. OUR EMPLOYEES

Based on the human resource strategy targeting five types of talents and the 12-level position structure for such functions as process management, operation and human resources, the Company improves the staff's capabilities and caliber, help them identify their career anchors, and achieve its organisation construction goals through sound management on training courses, trainers, training processes and operations. In this regard, Modern Land has established complete and reasonable training management mechanism and management system, and made prompt updates and adjustments according to the strategic direction and business content.

### 2.2 PROVISION OF A SAFE AND HEALTHY WORKING ENVIRONMENT

#### 2.2.1 MANAGEMENT OF SAFETY AND HEALTH

A safe and comfortable working environment helps improve the work efficiency of the staff, makes sure that they have sound physical and mental health and is conducive to the normal operation and management of the Company. Moreover, as a real estate developer, Modern Land has strictly complied with the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) and strengthened safety management on construction sites.

For the safety of staff, the Company required that there should be no potential safety hazards in the office environment or public places pursuant to the Operating Standards of Modern Land Governing Administrative Office (《當代置業行政辦公管理作業標準》) and adopted a series of measures to ensure workplace safety:

- collaborated with property companies in supervising and checking the safety quality of the Company on a regular basis;
- had relevant professionals on duty on national statutory holidays and festivals to make sure there were no safety issues; conducted regular fire safety inspection in the Group's office area, primarily including inspection of automatic fire alarm systems, fire sprinklers, fire hydrants, secret channels, indicator lamps for emergency evacuation as well as heavy-current and light-current control boxes. All these items were found to be in compliance with national requirements for fire safety;
- for the control of staff access and exit, staff without badges were strictly prohibited from access into the office area;
- security guards conducted 24-hour patrol inspection;
- the interior of the office was fully covered by cameras for real-time monitoring;
- smoking was strictly prohibited in the office area.



## 2. OUR EMPLOYEES

For construction, the Company has issued the Operating Standards of Modern Land Governing Project Safety (《當代置業工程安全管理作業標準》) in 2013, and has conducted two revisions thereof. The Standards provides specific regulations on various safety management requirements for construction units, including safety education management, occupational hygiene management, protective equipment management, management of temporary facilities at construction sites, scaffold safety management, aerial work management, fire safety management, welding and cutting operation management, gas cylinder safety management, site fire control management, and accident management. In future, the Company will continue to improve safety and health management system, and set up a mechanism comprising four-layer integrated controls, namely routine inspection by supervision department, daily key inspection by project company, weekly safety inspection by regional company and monthly special safety inspection by the Group. Responsibilities are delegated to individuals, and linked to their personal performance.

For prevention of occupational disease, the Company provides our employees with a comfortable office environment with constant temperature, humidity, oxygen content and tranquility, in addition to arranging body check for them each year. In the meantime, the Company carries out daily setting-up exercises during the break and regular team building activities to help employees relax and improve the soundness in their mind and body.

During the reporting period, there was no work-related fatality within the Company, with no lost days due to work-related injuries.

### 2.2.2 CORPORATE CULTURE WITH A SIMPLE FOCUS

Corporate culture allows employees to work together with a company and to help each other, enhances employee loyalty, improves work efficiency and allows employees to agree with the company's development goals and work hard for these goals.

The Company advocates a corporate culture that features "a simple focus, transparency, results-oriented, nothing is impossible and never giving up". A simple focus is the core and prerequisite for the culture as well as the basis for improving and attaining performance. Simplicity is reflected in simple communication, simple interpersonal relationship, clear process and operation as well as specific policy on granting authority; while focus is reflected in the same target, same pace and attention to detail. The culture is highly transparent and reflected in culture of openness, win-win situation, efficiency, tolerance and environmental health.



## 2. OUR EMPLOYEES

The Company has established 100 Zhiye Guidelines covering various dimensions and aspects, such as operations, management, conflicts of interests, asset preservation, code of conduct, professionalism, to make sure that the rules are clear, execution is transparent, attitude is firm and supervision is effective. The Company has adopted an array of initiatives to implement the transparent corporate culture with a simple focus, including requiring all the staff above the manager level to keep their office doors open to allow supervision by staff; keeping the bills of top executives open; keeping the tasks of each staff member as well as the completion and evaluation of these tasks open; and keeping all the meetings open so that anyone is welcome to listen to and be in attendance at the meetings.

Moreover, the audit department assured with legal means and from another dimension that our culture was highly transparent by making available to the public an anti-corruption hotline and an e-mail box for receiving any anonymous or real-name reports. The transparency of a company is also a driving force for enhancing its culture positively, and a cornerstone for the healthy and sound development of a company.

### 2.3 MANAGEMENT OF ANTI-CORRUPTION

The Company has strictly implemented policies and regulations focusing on anti-corruption and formulated and published the Operating Standards of Modern Land Governing Rewards and Punishments (《當代置業獎懲管理作業標準》) which are strictly against staff's acts of corruption and bribery. Anyone who is in contact with business associates shall handle various kinds of internal or external banquet and social entertainment activities carefully, and shall decline to attend any social entertainment activities required beyond normal business contacts. Moreover, the Company has set up a staff care fund. All staff members are required to have a duty and an obligation to incorporate the cash gifts and gifts given by suppliers and partners into the staff care fund. The fund is managed and distributed by the Company on a unified basis as an essential means to prevent employees from soliciting or accepting bribes, and to safeguard compliance with national laws and the Company's rules.

The staff members are required to keep the professional bottom line and execute the Zhiye Guidelines of Modern Land to abide by the "Five Nots":

1. Not to practise inequity through power, not to carry out corruption, not to solicit bribes, not to accept bribes and not to deceive the Company by trickery;
2. Not to attend dinner or after-work drink parties of suppliers;
3. Not to participate in pornographic, gambling, drug abuse and other recreational activities;
4. Not to accept gifts, presents, entertainment, rebates and remuneration;
5. Not to accept, imply or designate a partner to pay bills or reimburse any fees for themselves or their own relatives.



## 2. OUR EMPLOYEES

To prevent bribery during procurement, the Company's procurement strictly follows the ten principles set out below:

1. **Honest and integrity:** All employees involved in procurement shall strictly abide by the Zhiye Guidelines of Modern Land and are obliged to advocate the same to suppliers. Nobody shall alter or endeavour to affect the results of procurement decisions by any means;
2. **Fairness and impartiality:** All suppliers shall be treated equally while selecting supplier candidates and during procurement process, to erect and maintain a sound corporate image and creditworthiness;
3. **Collective decision making:** Collective decision making shall be conducted during the whole process of supplier management, with active coordination, comprehensive communication and information sharing among all departments;
4. **Adequate competition and merit-based selection:** A sufficient number of suppliers with same or similar qualifications shall be selected for tendering to ensure the competitiveness of procurement;
5. **Abstention:** Referrer of suppliers, procurement staff who has interests with the suppliers and relevant staff, or those who have a family relationship with the persons-in-charge of suppliers shall abstain on a voluntary basis;
6. **Whole process management:** Procurement management shall cover market research, selection of suppliers, inspection on suppliers, qualification review and rating, procurement process management, cooperation process management and cooperation assessment;
7. **Operation through information system:** Procurement business within the scope applicable to this measure shall be conducted through MBS platform to achieve information and resource sharing within the Group;
8. **Traceability:** Information on whole procurement process, including suppliers management (inspection and qualification review, assessment, and performance improvement, etc.), procurement (procurement plan, process, records of interview, minutes of relevant meetings, etc.) and agreements, shall be timely gathered, sorted, uploaded and filed as required;
9. **Confidentiality:** Various procurement documents, including supplier candidates, procurement process, decision making process, privacy documents of suppliers, agreements and contracts, are strictly confidential to the Company, and shall not be leaked or used for improper commitments;
10. **Case-by-base basis:** During special procurement, in case of any matter which may not be executed according to the standards in extreme situations, the general manager of regional company/project company shall, upon communication with the procurement staff of the Group, directly report it to the President who shall confirm the matter and give explicit opinions on a case-by-case basis. The tender item on a case-by-case basis shall be presented at the Group's meeting held for selection of tenderer.

The audit department is responsible for handling all cases related to money or interests and in violation of laws and regulations. The anti-fraud reporting hotline is 010-84408717. The e-mail is [sunnymoma@modernland.hk](mailto:sunnymoma@modernland.hk).

There was no litigation arising from corruption in the Company during the reporting period.



## 3. OUR VALUE CHAIN

### 3.1 OUR CUSTOMERS

In line with the continual development and advancement of the real estate industry in recent years, improvement in service quality and construction of software facilities on the basis of product quality assurance have gradually become important parts of corporate strategic planning. The Company is in strict compliance with the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), the Law of the People's Republic of China on Protection of Consumers' Interests (《中華人民共和國消費者權益保護法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and other laws and regulations, and has been adhering to the development concept of "Technology Buildings and Quality Living". During the reporting period, no violations of product liability, advertising, labelling and privacy are occurring in the Company. The Company has set about transforming our corporate strategies from "Product Leadership" and "Procedural Excellence" to "Service Foremost" long before, to realise the shift from "Product-oriented" to "Customer-oriented". To better carry out this strategic transformation, 2017 was designated as "a year of customer care", during which Modern Land, while providing customers with quality technological residential buildings backed by its service value chain, showed respect for the customers and kept improving customer service quality to upgrade to "rendering services" from "selling flats". It strengthened complaint management and placed emphasis on handling customer complaints to enhance customer loyalty.

#### 3.1.1 MANAGEMENT OF PRODUCT QUALITY

Assurance of product quality and service quality is not only the lifeblood of a company but also a cornerstone for the long-term, sustainable development of a company. This is why we have been treating the management of product and service quality as a top priority and have adopted a series of quality control measures to make sure that the best products and services are being delivered to our customers.

For construction projects, the Company has set up a three-layer quality control system comprising the headquarters, regional companies and project companies. Headquarters are responsible for setting overall quality targets, developing a standard quality control system, supervising the implementation of such targets and system by all regional companies and project companies; conducting quality assessment on regional companies and project companies on a regular or irregular basis; and carrying out training, lending technical support, and allocating resources for regional companies and project companies. Regional companies are responsible for refining and improving various quality control standards developed by the headquarters based on the local conditions, supervising the implementation of projects under their administration, conducting assessment on projects on a monthly basis, carrying out inspection and rectification, and developing reward and punishment policy. Project companies are responsible for implementing the quality standards of the headquarters and regional companies; developing and executing detailed quality control plan for a project, carrying out inspection and rectification, and providing feedback and summary, to achieve the quality targets set by the headquarters.



### 3. OUR VALUE CHAIN

The Company has successively introduced a series of administrative measures for (product) engineering quality:

Operating Standards of Modern Land for Professional Engineering Management Procedures and Operation (《當代置業工程管理專業流程與運營作業標準》)	Operating Standards of Modern Land for Actual Measurement (《當代置業實測實量作業標準》)
Operating Standards of Modern Land for Professional Technical Procedures and Operation (《當代置業技術專業流程與運營作業標準》)	Operating Standards of Modern Land Governing Materials and Components (《當代置業材料部品管理作業標準》)
Operating Standards of Modern Land for Completion Acceptance (《當代置業竣工驗收作業標準》)	Operating Standards of Modern Land for Rectification of Miscellaneous Items (《當代置業整改銷項作業標準》)
Operating Standards of Modern Land for Three Model Rooms (《當代置業三個樣板間作業標準》)	Operating Standards of Modern Land for Prevention of Leakage (《當代置業防滲漏作業標準》)
Operating Standards of Modern Land for Feedback on Defects (《當代置業缺陷反饋作業標準》)	Operating Standards of Modern Land for Engineering Planning (《當代置業工程策劃作業標準》)
Operating Standards of Modern Land for Technical Requirements and Management Requirements (《當代置業技術要求與管理要求作業標準》)	Operating Standards of Modern Land for Materials Check (《當代置業材料檢驗作業標準》)
Operating Standards of Modern Land for Standard Construction Drawings (《當代置業標準化施工圖集作業標準》)	Operating Standards of Modern Land for Project Assessment (《當代置業工程考核評估作業標準》)

During the reporting period, no product of the Company sold or shipped was subject to recalls for safety and health reasons.

#### 3.1.2 MANAGEMENT OF COMPLAINTS

For a better all-round understanding of customer feedback on our product and service quality, we have set up call centres in Beijing, Shanxi, Shaanxi, Hunan, Jiangxi and other places in 2017 in addition to our MOMΛ 400 hotline, to improve rapid site feedback on customers appeals, streamline information transfer process, and raise customer information handling efficiency, thereby reducing customer complaints caused by late handling of customer information.

Moreover, we upgraded and optimised our customer complaints handling mechanism in 2017. The following are examples:

1. Making public of customer complaints: After a 400 hotline colleague has made a preliminary decision on identifying who is responsible for the type of customer complaint upon receiving it, he/she will immediately notify the project leader of the responsible unit accordingly to handle the complaint, and immediately pass the complaint information to the Group's customer service centre and marketing management centre for supervision. Handling process and follow-up process will be made public in the WeChat group of MOMΛ 400 hotline. 400 hotline will regularly arrange re-visits for complaint handling, and publish the feedback in the WeChat group. In this way, each customer complaint catches the attention of all management of the Group during the 365 days round the year;

## 3. OUR VALUE CHAIN

2. Upgraded management of customer complaint: For the handling of various complaints, the Group has set up the 1715 principle for complaints handling in 2017, which means that an alert will be made for a complaint the required time for handling is almost up, and such complaint will be handled under the supervision of superior management to promote rapid handling of customer complaints;
3. While implementing the above management measures for complaints, the Company's customer service centre advances the handling progress of all types of customer complaints, and is in charge of full circle risk control and management on all regional/project companies from plan designing, sales, main house type of existing residences to project occupation stage, as well as rectification of miscellaneous items left over by project sales, management of public opinions, and maintenance of customer relationships.

### 3.1.3 MANAGEMENT OF CUSTOMER PRIVACY

Customer information is confidential information, therefore the Company has put a limited access system in place for the inquiry and collation thereof. Project consultants and designated customer service staff members shall input customer information through Mingyuanyun customer system, and shall have entry access only with no access right to view. Project marketing directors have access to view and can only view the information about a single item. Only the Group's President and leaders of the marketing management centre have the access to view information about all projects. The Group's digital operation centre develops and manages the grant of and change in the right of access. Change in the right of access shall be conducted upon approval by our leaders. The Company will continue with the protection and management of customer information, and execute the process and operation in strict compliance with the right of access.

## 3.2 OUR SUPPLIERS

### 3.2.1 MANAGEMENT OF SUPPLIERS

Since the real estate development value chain has been effectively integrated with the supply chain resources, the Company carries out effective management of the entire process of supply chain through value analysis, expansion, assessment, process tracking and continuous improvement to achieve the maximum value of supply chain management.



### 3. OUR VALUE CHAIN

#### Selection of suppliers

As a real estate developer, the Company has its collaborative project suppliers managed by the “five 3s” centre on a unified basis. Pursuant to Modern Land’s Description of the Operating Standards for Energy-saving Strategic Procurement (《當代置業節能戰略採購作業標準說明》) and Modern Land’s Description of the Operating Standards for Energy-saving Procurement for Special Projects (《當代節能專項採購作業標準說明》), all procurement by invitation of tenders, except those as designated by the government, is carried out in public on the online tender platform. All suppliers can participate in tendering upon registration on the online tender platform and obtaining approval. The Company’s procurement is mainly divided into two types, namely special procurement and procurement for special projects. Special procurement includes general contracting, fine decoration, external facade (excluding doors and windows), elevators, green architecture energy saving system, under the charge of the procurement division of the “five 3s” working centre of the Company. Procurement for special projects includes consultation service (supervision, costs, inspection), landscaping, those designated by the government, miscellaneous procurement and eligible experience centre projects, under the charge of “five 3s” working departments of project companies.

The Company conducts a strict review on suppliers, and groups them into potential suppliers, qualified suppliers and alternative suppliers. Potential suppliers refer to those who are able to provide products or services desired by the Company with intent of cooperation, but have not been preliminarily reviewed in terms of qualifications; qualified suppliers include the potential suppliers who have passed qualification review, and those who are deemed qualified based on the results of performance evaluation; and alternative suppliers are those who have passed preliminary review on their information, but have not passed inspection and qualification review.

The Company’s main procedures for selection of suppliers are as follows:

1. The Group and all regional companies make a supplier resource plan for the next year in each December;
2. The supplier resource plan for last year is subdivided into quarterly supplier resource survey targets and plans;
3. Arranging information filing by suppliers and preliminary review on such information;
4. All regional companies make and implement inspection plan on suppliers who have passed preliminary review on their information;
5. Completing qualification review on suppliers who have passed inspection upon approval before selection of tenderer;
6. Qualification review shall be in strict accordance with the power of attorney.



### 3. OUR VALUE CHAIN

During inspection on suppliers, the Company will conduct background survey on them through the national enterprise credit inquiry system, information sheet of suppliers, sealed credit files provided by suppliers, survey on suppliers conducted by our peers, white and black lists issued by industry associations. In addition, in view of the environmental and social responsibilities of suppliers, the Company also demands them to provide environmental management system certification, occupational health and safety certification, quality management system certification and other corresponding qualification certifications and safety production permits besides checking their financial information.

The Company has set up the MBS supplier management system. The information of all suppliers under inspection will be input in the system, and marked with “qualified” or “unqualified”. Only those marked with “qualified” may be taken into consideration for final selection.

#### Periodic evaluation and rating of suppliers

An MG-BD-102-014 Supplier Evaluation Sheet (《MG-BD-102-014供應商考評單》) has been compiled to conduct (semi-annual or annual) process assessments or post-assessments on all suppliers. Process assessments refer to the semi-annual or annual assessments on suppliers, who have entered into contracts, conducted in each May or November under the charge of the procurement division of the “five 3s” working centre of the Company with the participation of “five 3s” working departments, engineering management departments and plan designing departments of all regional companies. The “five 3s” working departments conduct summarisation on the assessment results before they are confirmed by the leaders of regional companies and uploaded to the MBS supplier creditworthiness archives. Post-assessments will be conducted on suppliers who have performed the contract within four months after project acceptance or collective delivery by “five 3s” working departments of regional companies with involvement of engineering management departments, plan designing departments and property companies. The “five 3s” working departments conduct summarisation on the assessment results before they are reviewed and approved by the leaders of regional companies, and uploaded to the MBS supplier creditworthiness archives, and reported at the 12th review meeting.

The Company conducts a star-rating on suppliers, containing three grades, namely three-star, four-star and five-star. Calculation rules are set by the procurement division of the “five 3s” working centre of the Company based on our strategic development plan and from the prospective of process assessment and engineering assessment, and will be revised in each October. While scoring the suppliers, adjustment may be made by the “five 3s” working centre due to regional differences and strategic development plan, but its proportion shall not exceed 10% of the full mark. Star-rating results will be released upon approval. Partnership plan, reward and punishment policy, and adjustment to grades of suppliers will be made for suppliers of different grades.

### 3. OUR VALUE CHAIN

The Company will continue to improve the supplier evaluation system for the management of suppliers, trying to meet the requirements for quantitative management; improve the supplier green procurement platform to make it an open, fair, equitable and transparent platform for the invitation and submission of tenders; set up a green supply chain procurement alliance to allow suppliers within the alliance to be able to find a common goal, so that partners within the alliance no longer have a simple contractual relationship between two parties. The alliance will certainly move towards three collaboration trends: (1) industrial partnership, which will create a supply chain between upstream and downstream cooperation; (2) sectoral partnership, which will create collaboration between different real estate companies so that these companies can help each other and learn from each other; and (3) ecological partnership, which is boosted by capital so that every member of the alliance can benefit.

#### 3.2.2 GREEN PROCUREMENT INITIATIVES

To put our concept of green procurement into practice, enhance our green image and win the long-term trust of our customers, the Company has established a strategic alliance with the upstream and downstream companies to carry out green development all together and effectively.

##### CURA's Green Supply Chain Action — Legitimate timber sources

Modern Land, one of the 64 member companies of the China Urban Real Estate Developers Strategic Alliance ("CURA"), participate in various activities of CURA. CURA was established in 1999 with a mission "to put the advanced human habitat concept into practice, to promote companies' social citizenship and to create a liveable green eco-community" driven by a customer demand-oriented approach. On 5 June 2016, which was just the 45th "World Environment Day", CURA together with SEE Conservation, China Real Estate Chamber of Commerce and 48 real estate enterprises and their associates such as Modern Land, Landsea and Vanke jointly announced the "real estate industry's green supply chain action". Such action consisted of a green procurement plan for five categories of materials, which covered control over the procurement of heavy-polluted cement and steel as well as aluminium alloy without chromium passivation, control over the legitimate procurement of timber sources as well as control over interior decorative panels and their products. After the action was carried out for a period of time, we published in conjunction with a third-party evaluation agency a white list of qualified suppliers as well as a blacklist of unqualified suppliers. We will expand the green procurement plan to cover more categories of materials in the future.

Modern Land plays a lead role in the control over the "Legitimate procurement of timber sources", one of the five categories of materials under the green procurement plan for five categories of materials (wood, steel, aluminium alloy, cement and wood products for interior decoration), by establishing a mechanism for helping the real estate enterprises to evaluate whether the sources of raw materials from wood products suppliers are legitimate or not and by establishing a due diligence policy for timber supply chain to make sure that timber sources are legitimate so as not to carry out deforestation in the deforested areas for achieving "zero deforestation" gradually.





### 3. OUR VALUE CHAIN

On 7 January 2017, a white list containing the first batch of suppliers was released. This was a partial achievement of the green supply chain project. The white list will be reviewed every 12 months. It was compiled to encourage more enterprises to enhance environmental benefits and use of resources as part of their own responsibility for social development and environmental protection. On 22 March 2018, a white list containing another batch of suppliers was released. The scope of lawful timber sources gradually expands to timber doors from timber floors.

To accomplish the plan for green procurement initiatives in a reasonable and effective manner, and improve the system of lawful timber sources, CURA will implement the plan according to the following three stages: Stage one: during 2016-2017, the current 70 enterprises involved are required to make their environmental protection up to the standard, and relevant suppliers are prohibited to materially violate any environmental laws; Stage two: during 2018-2020, the enterprises involved will be expanded to over 600 who are core members of CURA, to promote enterprises under the supply chain to attain major energy saving and emission reduction indicators of relevant sizable industrial enterprises as stated in the Thirteenth Five-year Green Industry Development Plan (《十三五工業綠色發展規劃》) with a scale of almost all major representative enterprises in the industry; Stage three: during 2021-2025, all enterprises under the supply chain shall strive to maintain their environmental protection at the premium international level;



## 4. OUR COMMUNITY

The Company actively participates in and organizes community activities based on community needs learned from communication with communities, in a drive to assume and fulfill corporate social responsibility.

### 4.1 IN HARMONY WITH THE COMMUNITY IN WHICH OUR PROJECTS ARE LOCATED

To better support people in search for a better life, Modern Land creates sustainable community environment for MOMA residential properties 4+1 (namely green residences, technological communities, healthy communities, all-age-group communities + international communities) by adhering to the concept of full life cycle residential properties featuring “green technology + comfort and energy saving + mobile internet”.

#### Green residences

To achieve green residences, Modern Land has established green energy saving strategies tailored for various areas and customers with research on green technology of energy saving. Meanwhile, Modern Land has extended its green philosophy to the planning of residential areas, refinement of community environment and tailored design, thus creating a highly comfortable, symbiotic and sustainable community. To build up a strong image of green urban environment, Modern Land and the Human Habitat Environment Committee have jointly developed the project of “Modern Dongdaihe • Bai Jin Hai MOMA” and other demonstration models of green residential properties during 2015 and 2017, from which Modern Land has developed a set of “product standards for green residences” to be adopted in future projects.

#### Technological communities

Technology advancement has changed human’s life, bringing smart, safe, convenient and comfortable experience. Modern Land has established a special project team for green technological communities to launch the products of Modern Land technological communities and high-tech household appliances after long-time research and development and install such products in projects including Xingsha MOMA, Han Yang Man Ting Chun MOMA (Wuhan) and Modern Wan Guo Fu MOMA (Shanghai), drawing wide attention and receiving recognition from its customers. With the comprehensive upgrade of technological communities in the future, Modern Land will explore limitless possibilities of living style.



## 4. OUR COMMUNITY

### Healthy communities

Modern Land ensures the healthy living of residents through “three steps towards health” and “seven health systems”. The first step towards health is paying attention to and setting out our standards of the key indicators in closest relation to health and comfort, including natural light, ventilation, temperature, humidity, noise, air quality, water quality and spaciousness, all of which can be monitored and controlled in real time via a mobile application. The second step is creating a healthy and harmonious community environment through tailored design to advocate a green and healthy lifestyle by encouraging working out, environmental protection, waste sorting and pet management. The third step is the convenient medical treatment and real-time health management provided by our community medical services, coupled with green channels for doctor appointment, family doctor, remote medical treatment, call-out service and other convenient services provided by means of long-term partnership with and the consolidation of leading health and medical resources nationwide.

### All-age-group communities

All-age-group communities refer to the full life cycle residential properties. All items in the community, from the ancillary facilities to garden landscapes, are designed bearing in mind the needs of toddlers, children, teenagers and the seniors. The most important aspect of an all-age-group community is the emphasis on the living conditions of the seniors, and therefore we have put forward a solution for aging population from the standpoint of a property developer, that is, developing the Ivy MOMC product line to provide residential products suitable for the seniors in the communities.

### International communities

Based on its three platforms, namely North America green property development platform, North America green financing platform and North America green life platform, the international communities of Modern Land are full life cycle lifestyle platforms for MOMA residents in North America, covering investment immigration, educational planning and asset appreciation.

## 4.2 ACTIVITIES FOR PUBLIC CAUSE

Modern Land has been committed to social charitable projects by actively investing resources in activities in relation to safety and environmental protection, education and student grants, and caring for the seniors. During the reporting period, the Company has initiated the drafting of the Operating Standards of Modern Land for Action of Loving My Homeland — Charitable Activity (《當代置業愛我家園行動 — 公益活動作業標準》), which will regulate charitable activities from eight aspects, namely principle for activities, scope of activities, duties of each department, guideline for the standards, standards atlas, supporting documents of the standards, and supervision on the standards. The President will be the party in charge of the activities, and the financial centre will be the accounting party, and a working group for opening ceremony of charitable activities and a working group for the implementation of charitable activities will be set up as managerial executing parties.



## 4. OUR COMMUNITY

### Bud Moistening Plan

In 2017, the Company joined hands with China Social Welfare Foundation Water Fund to carry out a charitable activity named “Action of Loving My Homeland – Bud Moistening Plan”. In cooperation with the First Care (第一資產), the First Education (第一教育), the First Sports (第一體育), MOMA Financial (摩碼金服) and 51VR, the First Property implemented the “Bud Moistening Plan” to deliver water purification equipment to Tangshan Yunpu Zhongxin Elementary School (唐山雲鋪中心小學) in Guojiaqiao Township, Yutian County, Tangshan City that had been facing serious water pollution issue. Lasting for 184 days, a total of 20 communities nationwide earned 10,000 charity scores through adoption of buds. An aggregate of 2,471 household participants in the communities engaged in the activity, successfully solving the issue in seriously polluted areas and provided access to purified water for 500 kids.

### MOMA Accompany and Smile 1+1

During 5 November to 6 November 2017, the Company joined efforts with Hong Foundation, our related enterprises including First Care, First Property, First Education and 51VR to launch the public welfare activity headed “Action of Loving My Homeland — MOMA Accompany and Smile 1+1” at Caizhai Primary School in Nigou Township and Daizhai Primary School in Guanzhuang Township, Qi County, Henan Province. Money and materials, totaling RMB270,000, were donated to Caizhai Primary School and Daizhai Primary School for road construction, doors and windows, lawns, desks and chairs; and 744 love backpacks and over 300 gloves, hats and scarves were also sent to the kids. In addition, we also conducted visits, public welfare classes, and held birthday parties.



## 4. OUR COMMUNITY

### MOMΛ Gives You A Pair Of Wings

On 17 December 2017, the Company, together with Wan Guo Cheng MOMΛ (Tongzhou), First Care, and Music World, held an annual concert for public cause themed with “MOMΛ Gives You A Pair Of Wings”, which raised a total of RMB100,000 for 8-year-old Wang Shunxue to cover the living costs, medical expenses and education fees for attending a school for the blind. As supported by China Foundation of Culture and Arts for Children, this program was on Lejuan, Tencent’s public welfare platform for fund raising, with money donations from a total of 2,168 individuals and companies.

### Community cultural activities

First Property has proactively developed community cultural activities of not less than 12 times per year for projects it involved, resulting in an array of community cultural activities featuring green initiatives that cover “water conservation of 3,000 tonnes for the earth”, “putting out the light for an hour on earth”, “achieving green environment through plating trees” and “enjoying tranquility during the exam season”. First Property has also carried out fire drills and promotion of care for the elderly and the juniors on a regular basis. Through on-site interaction with owners, First Property is able to establish communication channels with its customers, thereby achieving the culture of green community.



## 5. FUTURE PROSPECTS

As a leading operator of full life cycle residential property featuring green technology + comfort & energy-saving + mobile interconnection in the PRC, the Company has accumulated considerable systematic operating information and experience in the past 18 years, which produces the Company's irreproducible technology buildings with leading green technology, and also practices the Company's commitment of resolving the climate changes. In the future, the Company will unswervingly contribute to the environmental protection and our sustainable development toward a development mode of energy conservation and environmental protection, green technology and full life cycle.

In 2018, property transactions will remain at a high level, with differentiated micro adjustments to certain restrictive policies in some cities. The implementation of control measures in various cities will present a rational property market. Against the backdrop of metropolitan areas with high population density and shortage in residence land resources in cities, and under the policy of "curbing home speculation", a long-term effective and diversified housing mechanism promoting the parallel development of commercial property for sales and for lease will gradually come into shape. A long-term balance will be maintained by focusing on both housing inventory and new supply. With consumption upgrading, customers pursuing for quality lifestyle will become the pillar of our customer base, and the middle class group in China will continue to expand. Under this circumstance, companies with strong operational capability focusing on product quality and green technology will benefit greatly from the favorable government policy.

As to business layout, the Company implements the "3+13+M" development strategy in 2018, which is to exploit the three major city agglomerations including Jing-Jin-Ji megalopolis, Yangtze River Delta and Pearl River Delta, penetrate into thirteen core first- and second-tier cities, and seek opportunity to tap into the typical third- and fourth-tier cities. The Company has successively acquired a great quantity of quality land in Beijing, Shanghai and Guangzhou through acquisitions, mergers and purchase and at open market during 2015 to 2017, which add to the land value and profit reserve of the Company. In the future, the Company will continue to watch closely for investment opportunity in the first-tier cities, and participate in land auctions at open market when appropriate, so as to capture projects with sufficient cash flow, maintaining our market share and further increasing our brand influence.

On development strategy, the Company will focus on development of the entire industry value chain. Adhering to the operation mode of full life cycle residential properties featuring "green technology + comfort & energy saving + mobile interconnection", the Company will strive to provide our customers with a healthy and comfortable green lifestyle. A diversified development mode featuring competition and cooperation will also enhance the competitiveness of the Company, taking a unique position in the diversified market landscape.

Looking forward to 2018, we are still confident that a unique enterprise with differentiated core competitiveness will have a more stable and sustainable operation regardless of changes in the market conditions.





## 6. APPENDIX

### 6.1 INDEX TO THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

ESG Reporting Guide		Page	Contents in the Report
A. Environmental			
Aspect A1: Emissions			
<b>A1</b>	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	23-26	1.3 MANAGEMENT OF EMISSIONS (Management of greenhouse gas emissions, Management of waste, Exhaust gas emissions and Management of wastewater are not important issues for the Company)
<b>A1.1</b>	The types of emissions and respective emission data.	24	1.3.2 MANAGEMENT OF EXHAUST GAS
<b>A1.2</b>	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	23	1.3.1 MANAGEMENT OF GREENHOUSE GAS EMISSIONS
<b>A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		The Company is now establishing a statistical procedure for solid waste, and will make corresponding disclosures in our next annual report
<b>A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
<b>A1.5</b>	Description of measures to mitigate emissions and results achieved.	24	1.3.2 MANAGEMENT OF EXHAUST GAS
<b>A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	25-26	1.3.3 MANAGEMENT OF WASTE

## 6. APPENDIX

ESG Reporting Guide		Page	Contents in the Report
<b>Aspect A2: Use of Resources</b>			
<b>A2</b>	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note:</i> Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	17-18	1.2 MANAGEMENT OF ENERGY AND WATER
<b>A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	18	1.2.1 MANAGEMENT OF ENERGY
<b>A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	22	1.2.2 MANAGEMENT OF WATER
<b>A2.3</b>	Description of energy use efficiency initiatives and results achieved.	19-22	1.2.1 MANAGEMENT OF ENERGY
<b>A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	22	1.2.2 MANAGEMENT OF WATER
<b>A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		IRRELEVANT
<b>Aspect A3: The Environment and Natural Resources</b>			
<b>A3</b>	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	10-27	1. OUR ENVIRONMENT
<b>A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	10-27	1. OUR ENVIRONMENT



## 6. APPENDIX

ESG Reporting Guide		Page	Contents in the Report
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<b>Aspect B1: Employment</b>			
<b>B1</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	28	2.1.1 EMPLOYMENT AND STAFF BENEFITS
<b>B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	28	2.1.1 EMPLOYMENT AND STAFF BENEFITS
<b>Aspect B2: Health and Safety</b>			
<b>B2</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	33-34	2.2.1 MANAGEMENT OF SAFETY AND HEALTH
<b>B2.1</b>	Number and rate of work-related fatalities.	34	2.2.1 MANAGEMENT OF SAFETY AND HEALTH
<b>B2.2</b>	Lost days due to work injury.	34	2.2.1 MANAGEMENT OF SAFETY AND HEALTH
<b>Aspect B3: Development and Training</b>			
<b>B3</b>	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	30-32	2.1.2 EMPLOYEE TRAINING AND DEVELOPMENT
<b>B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	32	2.1.2 EMPLOYEE TRAINING AND DEVELOPMENT
<b>B3.2</b>	The average training hours completed per employee by gender and employee category.	32	2.1.2 EMPLOYEE TRAINING AND DEVELOPMENT



## 6. APPENDIX

ESG Reporting Guide		Page	Contents in the Report
<b>Aspect B4: Labour Standards</b>			
<b>B4</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	29	2.1.1 EMPLOYMENT AND STAFF BENEFITS
<b>Operating Practices</b>			
<b>Aspect B5: Supply Chain Management</b>			
<b>B5</b>	General Disclosure Policies on managing environmental and social risks of the supply chain.	39-42	3.2.1 MANAGEMENT OF SUPPLIERS
<b>B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	39-42	3.2.1 MANAGEMENT OF SUPPLIERS
<b>Aspect B6: Product Responsibility</b>			
<b>B6</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	37-38	3.1 OUR CUSTOMERS 3.1.1 MANAGEMENT OF PRODUCT QUALITY
<b>B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	38	3.1.1 MANAGEMENT OF PRODUCT QUALITY
<b>B6.2</b>	Number of products and service related complaints received and how they are dealt with.	38-39	3.1.2 MANAGEMENT OF COMPLAINTS
<b>B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	39	3.1.3 MANAGEMENT OF CUSTOMER PRIVACY



## 6. APPENDIX

ESG Reporting Guide		Page	Contents in the Report
Aspect B7: Anti-corruption			
<b>B7</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	35	2.3 MANAGEMENT OF ANTI-CORRUPTION
<b>B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	36	2.3 MANAGEMENT OF ANTI-CORRUPTION
Community			
Aspect B8: Community Investment			
<b>B8</b>	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	45	4.2 ACTIVITIES FOR PUBLIC CAUSE
<b>B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	45-47	4.2 ACTIVITIES FOR PUBLIC CAUSE
<b>B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	46-47	4.2 ACTIVITIES FOR PUBLIC CAUSE

## 6. APPENDIX

### 6.2 READERS FEEDBACK

Dear readers:

Thank you for reading this report. We particularly wish to listen to your comments and suggestions for they are the driving force behind our continuous improvement of report compiling work. Please assist in completing the related questions in this feedback form, and fax the completed form to (852) 2187 3619 or email it to [ir.list@modernland.hk](mailto:ir.list@modernland.hk).

1. Your general evaluation on the Company's environmental, social and governance report is  
☐ Good      ☐ Relatively good      ☐ Average
2. Do you think that this report can reflect the Company's significant influences on the environment, society and governance  
☐ Good      ☐ Relatively good      ☐ Average
3. What's your opinion on the accuracy and completeness of the information and indicators disclosed in this report  
☐ Good      ☐ Relatively good      ☐ Average
4. What do you think of the Company in serving its customers and protecting the interests of its stakeholders  
☐ Good      ☐ Relatively good      ☐ Average
5. Which part of this report do you concern the most?  


---



---
6. Is there any content that you are looking for but not found in this report? If yes, please write down what you are concerned about.  


---



---

Should you wish, you are welcome to provide personal information:

Name:	Occupation:
Organisation:	Contact address:
Postal code:	Tel:
Fax:	Email:

