



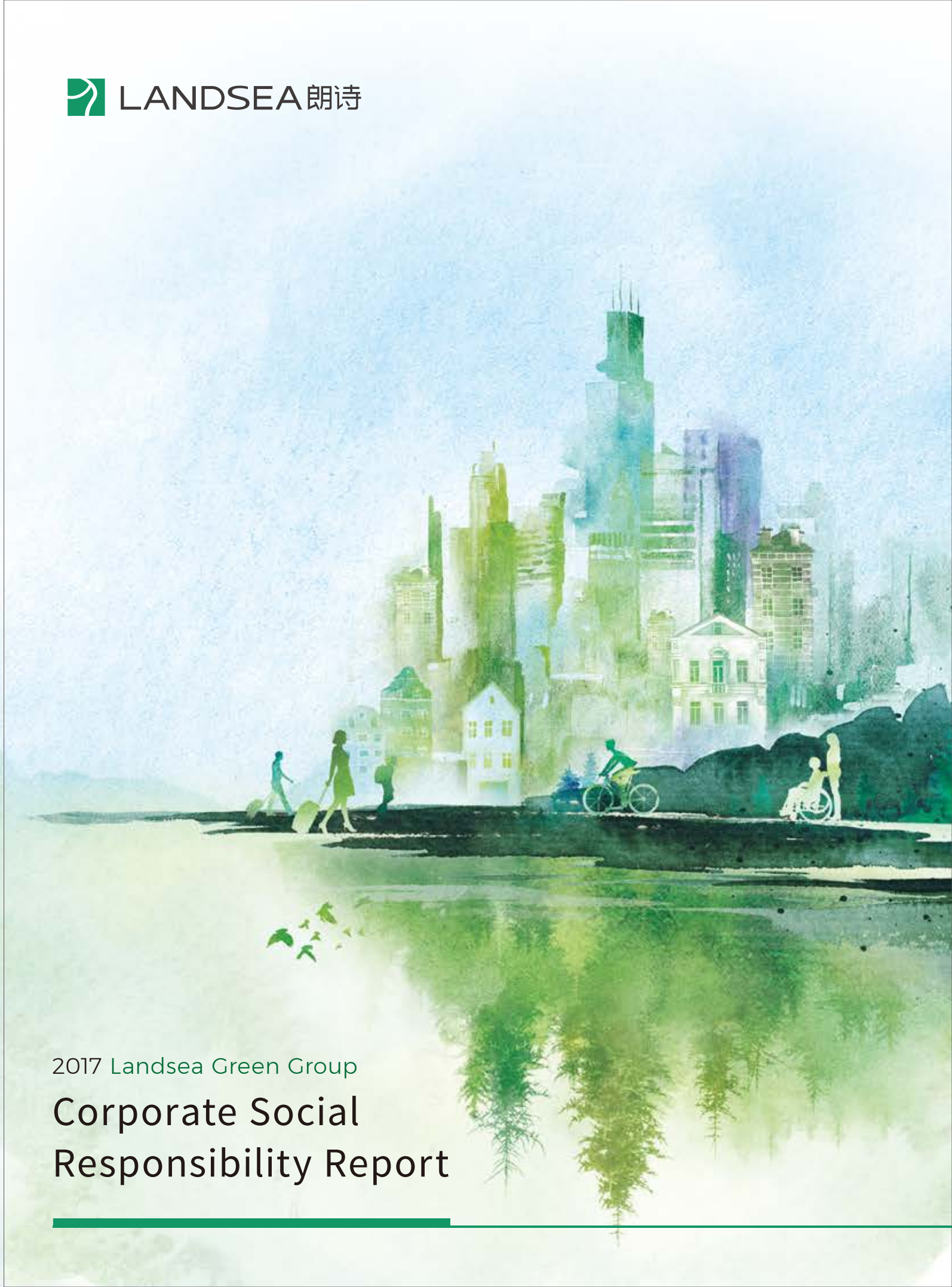
LANDSEA 朗诗

2017

Landsea Green Group
Corporate Social Responsibility Report



2017 Landsea Green Group
Corporate Social
Responsibility Report



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A leader of Green Life in the New Era

In 2017, Chinese economy and market experienced dramatic changes while the world economy continued its slow recovery. In this specific stage of economic development, the whole society of China has widely recognized the concept of green and sustainable development. We are fully aware that in the new era, the aim of the economic and social development is to help people live a better life and to achieve harmonious coexistence between man and nature. Confronting the new changes and developments, Landsea will stick to green and sustainable development by actively fulfilling its social responsibilities and, striving to become a leader of green life that covers the whole customer lifecycle based on green technologies.

Landsea upholds a “people-oriented” corporate philosophy and operational philosophy. It embraces the shared value of “people-oriented, positive and transparent, green and sustainable”, contributing to environmentally and socially



responsible business, and forming the corporate vision of “a sustainable green company”. To put it another way, Landsea advocates the harmonious co-existence of people, society and the environment, endorses and consistently explores a path of sustainable development for the corporation, the environment, and society, in order to serve the society and realize sustainable development and growth.

Throughout more than a decade of development, Landsea has always been firmly implementing the strategy of focusing on differentiated competition, it is gradually growing from a developer the only building houses with green technologies to a green group that has roots in green construction technologies and sprawls into real estate development, long-term rental, elderly care and finance as its major business. In the past few years, Landsea has been focusing on the innovation and upgrading of green technologies, which enables the company to pay more attention to human needs and the internal demands of the sustainable environmental and social development in regarding to its products and services. In 2017, Landsea focused on its fourth-generation housing products, By providing healthy, comfortable, intelligent, energy-saving, and environmentally friendly products, it worked towards a more eco-friendly and better life. Meanwhile, with the asset-light transformation of the green properties, Landsea attracted an increasing number of long-term strategic partners; the company’s positioning as an international development

services provider is clearer and its overseas business enjoys a healthy growth. Moreover, Landsea has invested in long-term apartment rental business, which helps relieve the social contradiction between high residential property prices in cities and urgent housing demands of young people. Besides this contradiction, Landsea also pays attention to the major social concern of “comfortable later life”. After five years of exploration, Landsea has gradually built an elderly care business system which will become a diversified business segment with prioritized arrangement and investment. Instead of solely providing investment and financing services for traditional housing companies, Landsea’s finance business also focuses on green finance and urban upgrades and actively coordinate the cooperation with financial institutions to support and implement the company’s transformation and upgrading strategies.

Landsea Green Group has developed from a specialized property developer into an environmentally friendly group with vertically integrated business portfolio through its expansion. It now has more subsidiaries and business units, wider footprints, and more employees, customers and partners. The sustainable development of a company depends on not only its own growth, but its contribution to the development and benefits of many more stakeholders. Landsea is striving to be a “Beneficial Component I” of society by, which actively protecting natural ecological environment, continuously creating value, advancing social progress, and committing to

public welfare. Its fulfillment of the social responsibility reflects on three tiers: the first tier is to ensure the company’s healthy operation and reasonable profiting, to bring benefits to stockholders and customers, to facilitate employee development, and to co-exist with the environment and society; the second tier is to pay more attention to the wellbeing of the public, to help people, even though they are not direct stakeholders, and to contribute to solutions of major environmental or social issues; and the third is to inspire and gather more people to contribute to the welfare of the masses and better environment and sustainable social development.



Landsea is a green company that upholds the banner of idealism, values its social responsibility, and adheres to sustainable development.

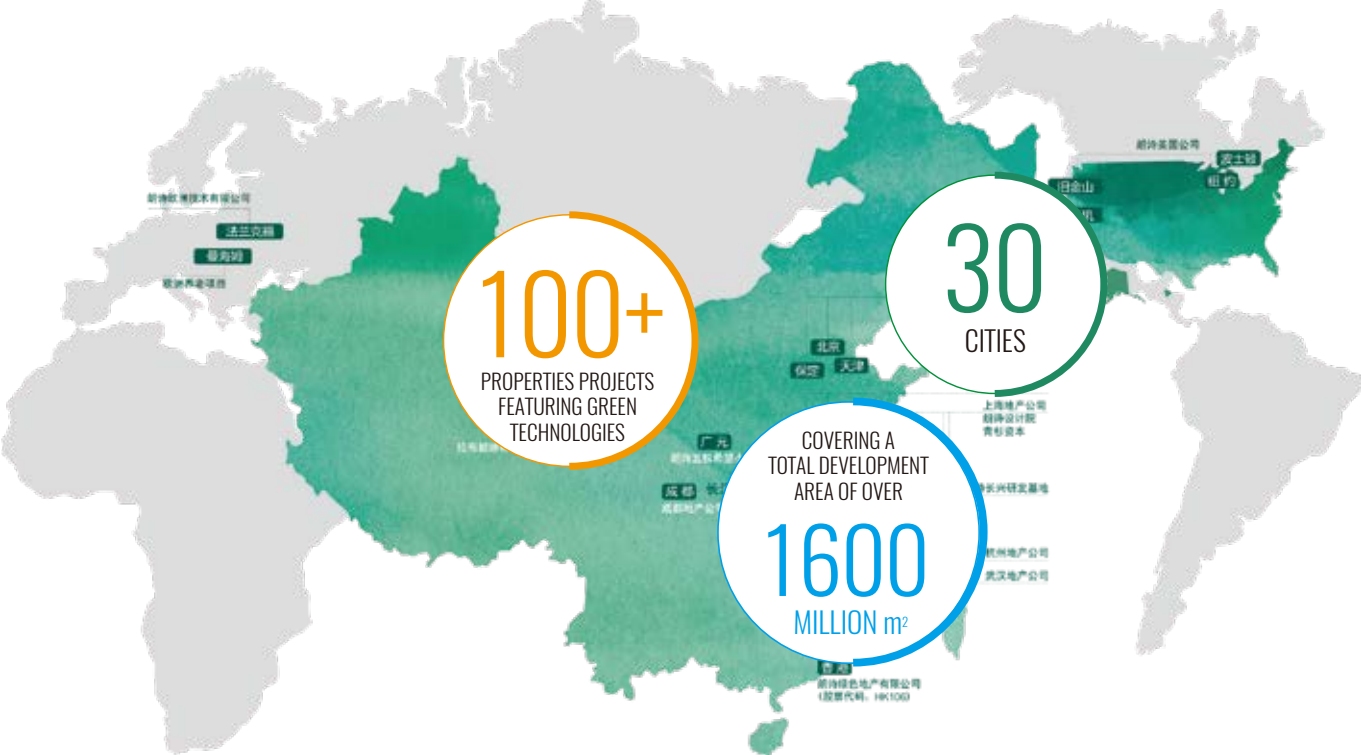
Tianming
Chairman of the Board

Landsea Green Group Co., Ltd. (“Landsea”, and its subsidiaries, the “Landsea Green Group”) is the sole listed platform of Landsea Green Group that operates green housing development business. Established in 2001, Landsea Green Group ranks among the top 100 Chinese property companies and is an international property development service provider with green building technologies and vertically-integrated business portfolio.

Since 2004, Landsea Green Group has been implementing the strategy of differentiated green technologies in buildings. With residential property development as its main business, Landsea Green Group is also actively conducting businesses such as green elderly care, green financial services, green design, green property management, green

decoration, and long-term apartment rental. It also proactively expands its overseas property business in the US and Germany. Landsea Green Group is a founding member of the China Green Building Council, and also a member of the German Sustainable Building Council and the US Green Building Council.

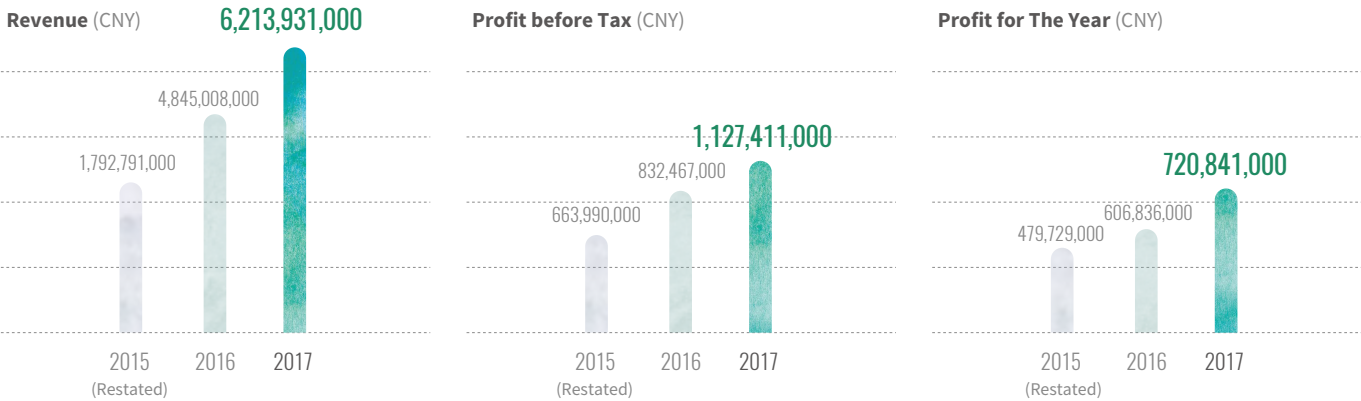
Holding the value of “people-oriented, positive and green”, Landsea has developed more than 100 properties projects featuring green technologies in nearly 30 cities across China. It has provided healthy, comfortable, energy-saving, and environmentally friendly housing products and all-round green property services to 300,000 homeowners, covering a total development area of over 16 million square meters.



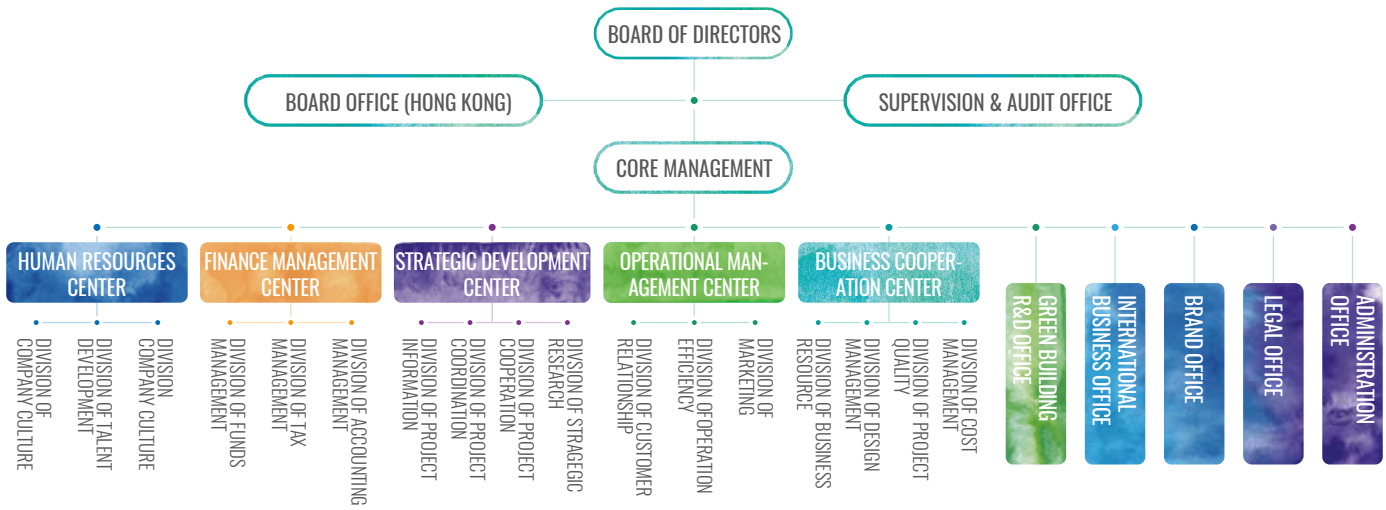
Company Name	Landsea Green Group, Co., Ltd.
Stock Code	HKEX: 106
Registered Address	Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda
Head office & principal place of business in Hong Kong	Room 5103, Level 51, The Center, 99 Queen's Road Central, Central, Hong Kong
Date of incorporation	December 24, 2001
Capital	CNY 31,800,000

Total Number of Shares Issued	3,917,570,961
Total Market Value	CNY 2.938 Billion
Number of Employees	2,402
Total Floor Area of Land Reserves	7,386,735.6 Square Meters; Calculate According to Equity Interests: 2,898,492.8 Square Meters
Business Footprints	More than 30 major cities in China, including Beijing, Shanghai, Shenzhen, Tianjin, Chongqing, Nanjing, Hangzhou, Wuhan, Chengdu, Xi'an and Guangzhou, as well as tier-one gateway regions in the US.

Revenue and Margin of All Business



Organizational Structure



Practicing Legal Operation

The Notion of Legal Operation

Landsea believes that a lawful operation refers to adopting an environmental and socially friendly operational philosophy in compliance with applicable laws and regulations, and defines it as a lasting operational agenda that ensures the everlasting prosperity of the company.

In 2017, we vigorously executed lawful operation and designed related policies and systems for risk management and internal control, and took multiple measures to ensure the implementation of these policies and systems.

Systematic Ensurance of Lawful Operation

Landsea set up the Supervision and Audit Office dedicated to, under the leadership of the Board, continuous inspection and audit against corruption and violation of applicable laws and regulations across the company, including the management team, to ensure that the company operates lawfully at the organizational level.

Meanwhile, to guard against unnecessary legal risks such as legal disputes with customers due to information leakage, the company reinforced all types of information management across all levels. Landsea not only established a system of transferring information between different levels within the headquarters and regional companies, but also published documents such as Information Security Management System and Employee Non-disclosure System to ensure lawful operation at the policy level. In 2017, there was neither any lawsuit related to customer information and privacy nor violation of relevant laws and regulations.

Landsea Green Group



By the end of 2017
Landsea had received thirty two 3-Star Green Building Labels.
The 3-Star Label represents the highest standard in China's *Green Building Evaluation Standard.*



On Aug. 17
Landsea won the award of 2017 China's Green Real Estate Developer.



On Sep. 6
Landsea • ESG Development Index (ESGDI) was officially released.
On Sep. 28
Landsea Green Group was re-elected as China's Blue Chip Real Estate Company.



On Oct. 14
Landsea ranked first in China's Real Estate Industry Green Supply Chain CITI Index.
On Oct. 23
Landsea's Green Bud Action won the honour of Excellent Case Demonstrating Corporate Social Responsibility of the 2th *α*i Social Value Co-creation Award.



On Dec. 8
Landsea won the China Professional Talent Scheme - Value Co-Creation Award organized by China Business Network.
On Dec. 13
Landsea Green Group was listed among Top 10 Most Competitive Green Developers.

Landsea Projects

- Landsea Taihu Lake Green Building R&D Base**
Landsea Taihu Lake Green Building R&D Base was approved as Green Building R&D Demonstration Base.
- Landsea Projects won 5 awards of the 14th Elite Award in Nov. 2017**
Landsea 3-star project on No. 8, Renmin Road won the Gold Medal of the Elite Award, the highest honour of the Elite Award.
Zhongbei Landsea Xihua Mansion won the Outstanding Sustainable Community of the Elite Award.
Landsea Apartments located on the north bank of Suhewan River, Shanghai won the Outstanding Long-term Rental Apartments and the Elite Award Decoration of the Elite Award.
Nanjing Landsea Xihua Mansion was awarded the Decoration of the Elite Award.

- Avora Project in the US**
In April, the Avora Project won the title of Community of the Year in 2017 and received 10 SAM awards.
- At the 2017 China Green Building Industry Chain Summit and China International Real Estate & Architectural Technology Fair (CIHAF)**
Landsea's Le Mansion was awarded with the honour of Top 10 CIHAF Green Projects in 2017;
Shanghai Landsea Construction Technological Co., Ltd was awarded the CIHAF Green Pioneers in 2017.

THE ENVIRONMENTALLY AND SOCIALLY-FRIENDLY OPERATIONAL PHILOSOPHY

04

04

THE ENVIRONMENTALLY AND SOCIALLY-FRIENDLY OPERATIONAL PHILOSOPHY

People-oriented Corporate Philosophy

The people-oriented concept refers to the protection, pursuit, and concern for mankind's dignity, value and destiny. Upholding the people-oriented corporate philosophy, Landsea Green Group adopts the model of socially and environmentally friendly and sustainable operation, and complies with the principle of minimizing the resource consumption throughout the building's life cycle, aiming to provide healthy, comfortable, energy-saving, environmentally-friendly, and intelligent products and services to its customers, and promoting a green and healthy lifestyle.

Landsea focuses on customer value, environmental value and social value as it creates economic value in the region.

Five Core values

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



As a company in constant pursuit of innovation, Landsea endeavours to bring about all-round innovation in technology, product, marketing, management, operation, and business model.

For Landsea, innovation is also about pursuing a positive, healthy and advanced green lifestyle. The innovation of Landsea will be sustainable. Green refers to not only a color but a sustainable development mode.



ECONOMIC VALUE

- Sustainable, rationalized interests
- Contribution to regional and industrial economies

INNOVATIVE VALUE

- Technologies and R&D
- Intelligent operation
- Business model

ENVIRONMENTAL VALUE

- Resource and energy utilization
- Protection of ecosystems
- Monitoring of air pollution

CUSTOMER VALUE

- Healthy
- Comfortable
- Energy-saving
- Environmental friendly
- Intellectualized

SOCIAL VALUE

- Mutual benefit and win-win
- Talent development
- Promoting environmental awareness and low-carbon lifestyles
- Promoting the creation of relevant policies and business standards

Adhering to Green Development Strategy

After almost 17 years of development, Landsea has transformed from a green property company into a green group with diversified business portfolio. As China's leading green real estate developer operator and household service provider, Landsea Green Group is committed to providing its customers with a green life system covering the entire life cycle.



Against the backdrop of strategic transformation, Landsea has been further expanding its business portfolio vertically and horizontally. At the end of 2017, Landsea replaced the second name for its listed platform (HK106) “Landsea Green Properties Co., Ltd.” with “Landsea Green Group Co., Ltd.”. The new name embodies the company’s new wish and development vision of expanding its business portfolio.

While exploring new opportunities to grow its domestic green real estate business, Landsea also looks forward to a long-term development in the US market, with an aim to be one of the top in the industry. In view of the risks and uncertainties of China's real estate market, Landsea has developed the banyan tree scheme and established various departments, including Landsea Apartments, Landsea Chang Qingteng, The Green Fir Investment, and Landsea Homes. It also set up Landsea Property, Landsea Decoration, Landsea's design institutes, Landsea Marketing Company and other brand systems, forming new strategic pillars in addition to its real estate business, and expanding its vertically-integrated business portfolio.



Despite the company's presence in an increasing number of industries and business fields, Landsea still adheres to its green development approach, which not only gives Landsea a competitive edge, but also is embedded in the DNA of Landsea. Landsea will continue to grow its diversified business portfolio centered on the green real estate business, gradually building a customer-oriented, healthy, green and sustainable business eco-system.

Looking ahead, Landsea will adhere to the healthy, compliant and sustainable development, developing into a green company with 100 years of history.

SPECIAL REPORT: NEW CONCEPT OF FOURTH- GENERATION RESIDENTIAL PRODUCTS 05



In 2017, together with China Real Estate Chamber of Commerce (CRECC), China Urban Realty Association (CURA), China Association of Building Energy Efficiency, International WELL Building Institute, and Lendleaf Tech, Landsea Green Group proposed a new standard for urban housing, the fourth-generation urban housing standard. It combines the concept of people, nature and sustainable development of society and focuses more on residents' demand.

In addition to basic features and aesthetics, Landsea's fourth-generation housing products maintain a comprehensive balance among five dimensions: they should be healthy, comfortable, energy-saving, environmentally friendly, and intelligent. This new-generation products are evolved from the first-generation houses with only simple function to the second generation with improved functions, then the third

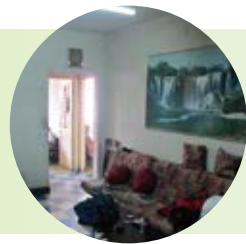
generation with comprehensive facilities and finally the fourth generation that are people-oriented and ecological.

Housing products developed by Landsea in 2004 were featured with many basic characteristics of the fourth-generation urban housing standard. With years of exploration and practice, Landsea has accumulated experience accumulation and improved technology improvement and has successfully implemented all kinds of international health standards in the new-generation houses in China. It saves building energy by adopting passive building design and renewable energy technologies and practices the "People-Oriented" corporate philosophy in projects to ensure the sustainable development of the society, environment, and the group.

REAL CASES USING THE FOURTH-GENERATION HOUSING PRODUCTS



House with Simple Functions



House with Improved Functions



House with Comprehensive Facilities



People-oriented and Eco-friendly House

Fourth-generation Housing Products: Concept and Standard

Meet the demand for basic features and aesthetics, and maintain a comprehensive balance among five dimensions: they should be healthy, comfortable, intelligent, energy-saving, and environmentally friendly.



HEALTHY

- Air Quality
 - Microbial Pollutants
 - Chemical Pollutants
 - Physical Pollutants
- Water Quality
- Air Flow in Kitchens



COMFORTABLE

- Temperature and Humidity
- Sound and Light Environment
- Temperature Difference Control



INTELLIGENT

- Visible Environment
- Remote Control
- Automatic Control
- Scenario Modes



ENERGY-SAVING



ENVIRONMENTALLY FRIENDLY

DIMENSIONS	GENERAL STANDARDS	LANDSEA'S YUE MANSION STANDARDS
CHEMICALS POLLUTION	Fewer chemicals that may cause allergies	Finland S1 Standard (The most rigorous global standard: Formaldehyde $\leq 0.03\text{mg}/\text{m}^3$ TVOC $\leq 0.2\text{mg}/\text{m}^3$)
DECORATIVE MATERIALS	Minimum use of plywood and decorative materials that may release chemicals	
VENTILATION	The house has a ventilator that effectively expels pollutants and extractor fans in the kitchen, bathroom and smoking areas	100% fresh air, indoor micro-positive air pressure Extractor fans in the kitchen and bathroom
TEMPERATURE	The temperature in the living room, bedroom, toilet, hallway and bathroom is kept between 17°C and 27°C all year round	18 - 26°C
HUMIDITY	Indoor humidity is kept between 40 and 70% all year round	30 - 70%
CO ₂ CONCENTRATION	CO ₂ concentration below 1000ppm	$\leq 1000\text{ppm}$
AIR QUALITY	Dust particle concentration below 0.15 mg/m ³	95% of PM2.5 filtered
NOISE	Noise levels below 50 dB	No more than 40dB during the day No more than 35dB at night
LIGHT	Guaranteed sunlight for at least 3 hours and lighting equipment that provides sufficient light	Suitable and healthy lighting
NATURAL DISASTERS	The house is highly resilient to natural disasters	Certified
CARING FOR PEOPLE	Enough building area per capita to ensure privacy, residential care for the elderly and disabled	Certified

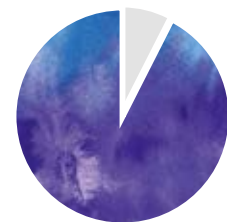
Healthy

Control Indoor Formaldehyde Concentration

Research shows that when the formaldehyde content in indoor air reaches 0.1mg/m³, people may feel uncomfortable; 0.2mg/m³ can cause pharyngitis, conjunctivitis and asthma; 0.5mg/m³ can cause eyes to water; and 0.6mg/m³ can cause throat ache. Formaldehyde is defined as a carcinogen by the World Health Organization (WHO) on the grounds that those exposed to a certain concentration of formaldehyde have a higher risk of cancer. Statistics show that more than 90% of infants with leukemia develop the disease within one year of moving into newly furnished homes, and research shows that children under the age of 6 have no resistance to formaldehyde.

The World Health Organization has set the safe concentration of formaldehyde in indoor air at 0.1 mg/m³. The WELL certification system issued by the International WELL Building Institute (IWBI) requires the indoor formaldehyde concentration to be lower than 0.0324 mg/m³, which is very close to the SI standard of Finland.

FORMALDEHYDE IS DEFINED AS A CARCINOGEN BY THE WORLD HEALTH ORGANIZATION (WHO)



MORE THAN 90%
of infants with leukemia develop the disease within a year moving into newly decorated home



0.1mg | DISCOMFORT

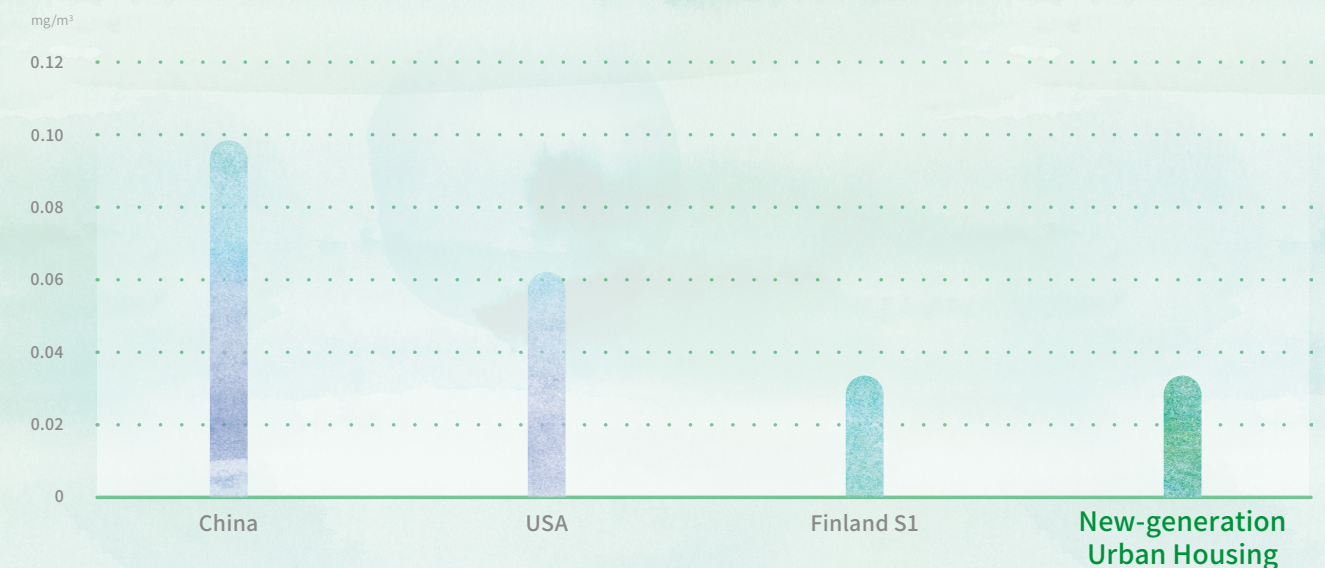
0.2mg | PHARYNGITIS/CONJUNCTIVITIS/ASTHMA

0.5mg | TEARS

0.6mg | SORE THROAT

After many years of research and practice, the new-generation housing products of Landsea in China comply with international health standards, allowing people to move in immediately without waiting for the house to be odor-free or worrying about the damage caused by chemical pollution such as formaldehyde. At Landsea Xihua Mansion, formaldehyde control was built into the design plan and decorative material selection right from very beginning, ensuring that the concentration of formaldehyde met the S1 standard of Finland through construction control and specific detection.

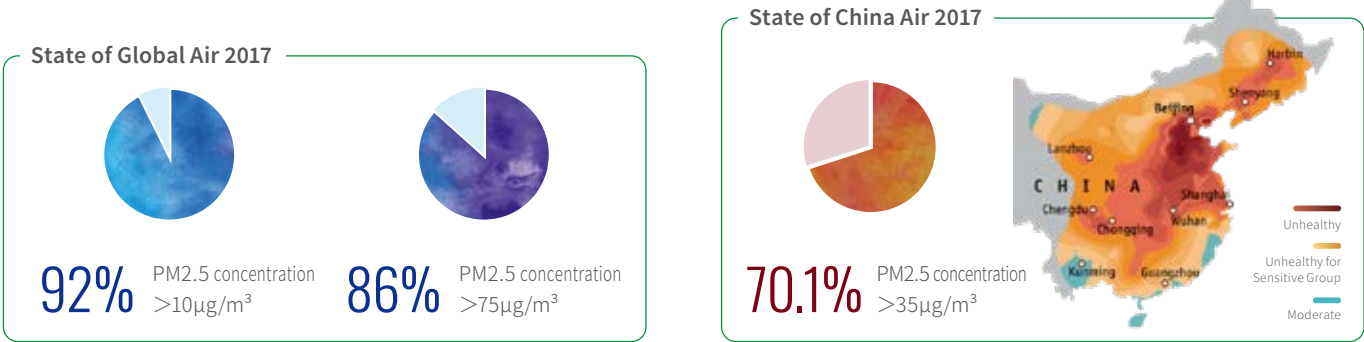
The S1 Standard of Finland Regulates Indoor Formaldehyde Concentration



Fully airtight building and Fresh Air Supply System Filtrate PM 2.5

According to the State of Global Air 2017, 92% of the world's population lives in areas with average annual PM2.5 concentration higher than the WHO threshold of 10 µg/m³.

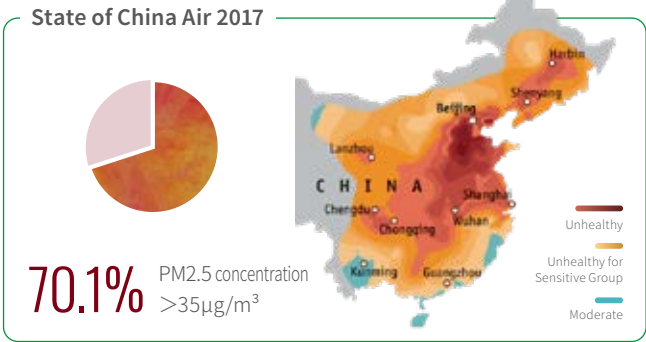
According to the global environmental organization Greenpeace, among 356 cities in China, average annual PM2.5 concentration in 256 cities (70.1%) exceeded the national secondary standard (35 µg/m³) in 2017.



During research for the new-generation urban housing, Landsea ensures that the buildings are fully air-tight, like wearing a protective suit, so that doors, windows and building envelopes are completely sealed, to keep PM2.5 out of peoples' homes. In addition, the fresh air supply system ensures highly efficient filtration of PM2.5, for example, the indoor PM2.5 filtration rate of Landsea's Le Mansion in Hangzhou is up to 95%.

Control Indoor CO₂ Concentration

In this new-generation urban housing standard, indoor CO₂ concentration must also be effectively controlled. In China, the health standard for CO₂ concentration is less than 1,000 ml/m³, i.e. the CO₂ content in the air should be less than 0.1%. Landsea Le Mansion provides a ventilation system that can completely replace the indoor air every two hours. Even with up to eight people in a room, the concentration will be no more than 800 ml/m³.



Air Flow System in Kitchens Reduces Harm Caused by Cooking Smoke

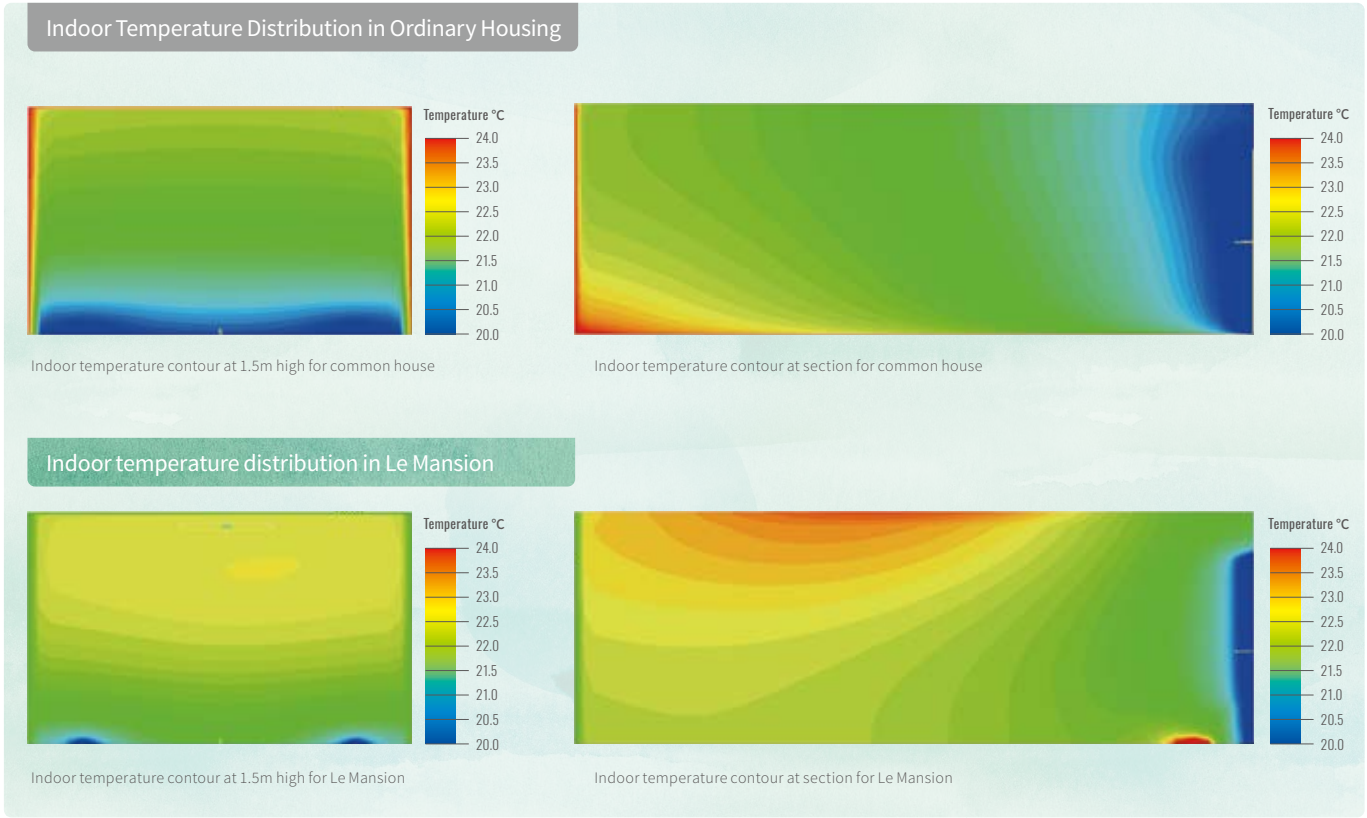


To offer Chinese residents a healthy cooking environment, we have installed a kitchen air flow system allowing cooking smoke to be rapidly expelled by an extractor fan, causing no pollution to other functional areas outside the kitchen and reducing the chance of breathing in harmful substances.

Comfortable

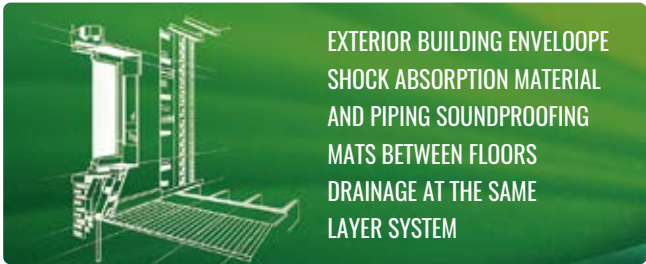
Temperature and Humidity

In our research for the new urban housing, we follow the World Health Organization guidelines for healthy housing and maintain a relative indoor humidity of between 40% and 60% through excellent thermal insulation performance and the highly airtight properties of the building itself, as well as a ventilation system that controls temperature and humidity, offering our customers comfortable humidity levels in their living space.

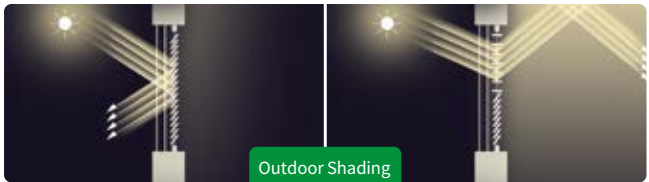


Acoustic and Daylight Environment

In terms of noise reduction and soundproofing, we have an external envelope structure, shock absorption material and piping, soundproofing mats between floors, and a same-floor noise damping system to create a quiet living space for our customers.



To design and plan the desired indoor light conditions, we simulated the impact of sunshine on the buildings throughout the year, to achieve an optimal spatial layout that ensures much greater exposure to sunlight in winter than in summer. At the same time, outdoor shading is also used to prevent the light pollution caused by direct sunlight.



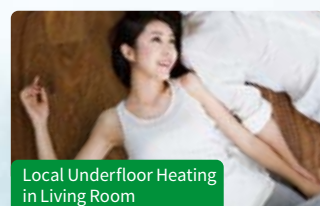


Temperature Difference Control

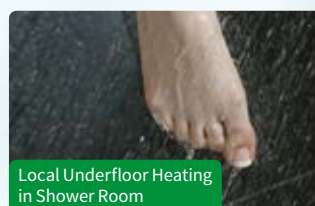
We often face these problems indoors like legs and feet getting especially cold in winter, temperature feels lower beside the window.

The ventilation system allows fresh air to move steadily from bottom to top around the entire house, without generating the strong air currents of traditional air conditioning, or making some areas too hot or too cold.

There is also a partial floor heating system installed in the buildings, so that when you're too sleepy to put on your slippers, your feet can rest on a warm floor; the carpet around the sofa area that your children like best is also warm; and when you walk barefoot to the shower room, the floor tiles will warm you up too.

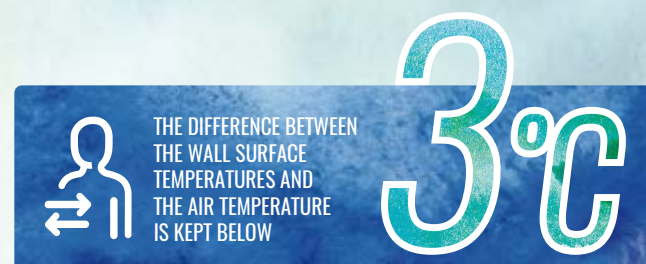
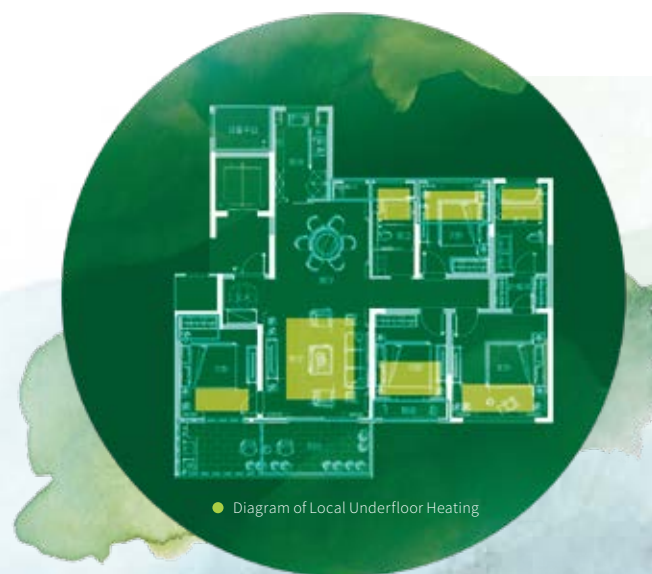


Local Underfloor Heating in Living Room



Local Underfloor Heating in Shower Room

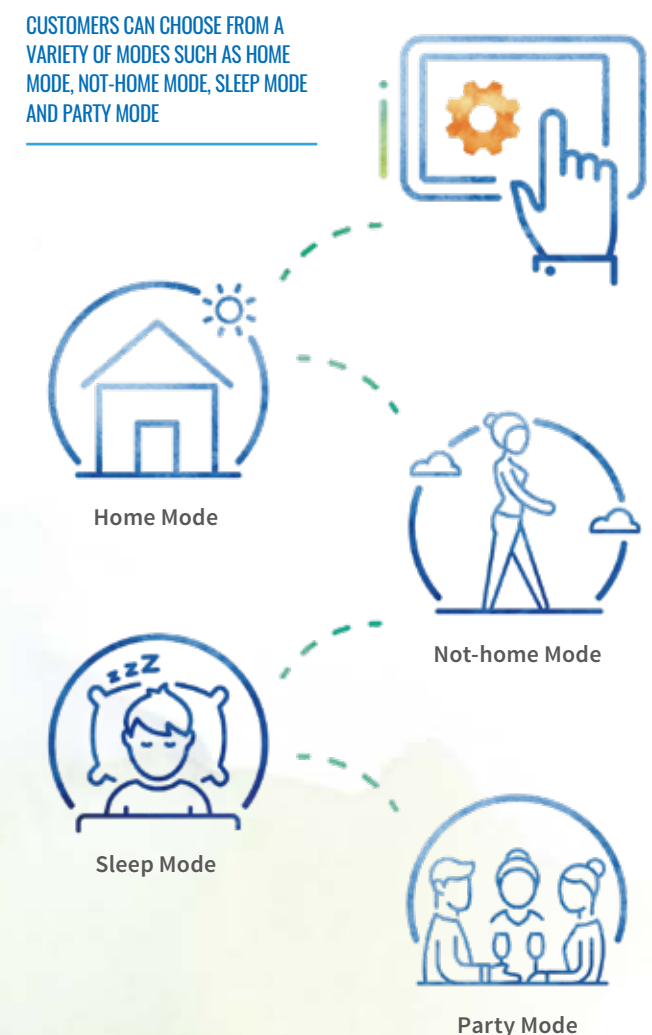
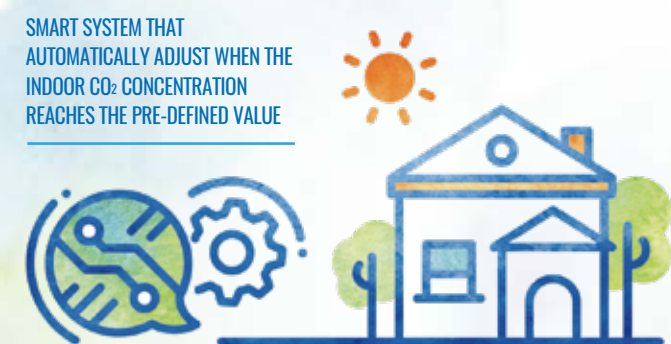
At the same time, the temperature difference between the wall surface and the air is kept below 3°C to ensure greater consistency throughout the home. In winter, users won't feel cold at all; they can enjoy the beauty of the scenery outside without feeling the slightest chill.



Intelligent

Following the prevailing trend for intelligent technology in current social development, the new generation urban housing products will provide a smarter and more convenient living experience for customers. In Landsea's residential products, there are screens (Landsea Screen) that display indoor temperature and humidity, CO₂ concentration, PM2.5 concentration, formaldehyde concentration, etc.

Like human brain, The Landsea screen monitors and controls indoor systems, and can be remotely controlled with a cell phone app. All the indicators relevant to health and comfort are shown on the screen and customers can see and make adjustments at any time. The automatic control mode is also available: when the indoor PM2.5 level is too high, the system will automatically improve air filtration and when indoor CO₂ goes beyond a pre-defined level, it will increase the intake of fresh air.



Environmentally-friendly

Landsea reduces energy consumption and negative environmental impacts by applying methods such as building energy saving and fresh air heat recycling to the new generation of urban housing, which is consistent with the concepts of Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB, German Sustainable Building Council) and the Passive House Institute (PHI).



German DGNB Certified System

Makes a comprehensive evaluation of the environment, economy, social culture, and functionality, based on building's entire life cycle



PHI Authentication System

90+% energy saving rate

With passive building design and renewable energy technologies, Landsea achieves a building energy saving rate of over 80%, much higher than China's national standards. Landsea's residential products with energy-saving technologies can reduce 47374.21 tons of CO₂ emissions every year, equivalent to that of over 20,000 Boeing 747 round trip flights between Shanghai and Los Angeles.

If this level of energy saving could be achieved throughout the 1.2 billion square meters of new buildings in China, the country could save 30 billion kWh of power each year and reduce its CO₂ emissions by 1.8 billion tons.



Based on the principle of adjusting measures to fit local conditions and human demands, Landsea continues to make technological innovation so as to upgrade its products. At the end of 2017, Landsea launched a new generation of self-developed products, which adopts an independently controlled household system on the basis of passive buildings, to live up to its concept of coming up with more user-friendly and intelligent products and to deliver values to customers with such healthy, comfortable, intelligent, energy-saving and environmentally friendly products. The 4.0 version of this product marks the launch of Landsea's first self-developed project, demonstrating its capability to produce global-leading green residential products.

With a total construction area of 80,204.4 m², Landsea's Le Mansion is located in the Wenhui District of Hangzhou, one of the premium locations in downtown Hangzhou. The project enjoys convenient transportation in all directions, as it is only 3 kilometers away from Wulin Square, a shopping center, and 5 kilometers from the West Lake. Sitting in the bustling downtown, Landsea's Le Mansion carries in itself the rich cultural heritage of Hangzhou. As the first product of Landsea 4.0, Le Mansion has been upgraded to be more healthy, comfortable, intelligent, energy conservative and environmental friendly, and demonstrated corresponding solutions.



Le Mansion 4.0



Passive Building

- Major benefit: more energy-saving because users can maintain a comfortable indoor environment with fresh air ventilators, with no need for conditioning except during extreme weather



Healthy Home

- S1 pollution control system from Finland for decoration materials
- Air conditioning without condensed water prevents mold



4 Way Fresh Air Ventilator + Small central air_conditioner for the home

- Efficient smog resistance: ≥95% PM2.5 filtration rate
- Replacement ventilation method offers greater efficiency
- Humidity control: humidity is kept between 30% and 70%; no strong air currents
- Temperature control: 20°C in winter and 25°C in summer



Intelligent Home

- Whole house information system keeps you informed of the status of the living environment
- Intelligent mode and remote control based on machine learning
- Residential information means all owners are better served

CONTRIBUTING TO ENVIRONMENTALLY AND SOCIALLY-FRIENDLY BUSINESS

06



Current environmental and social problems faced by China will have far-reaching implications for China's future development. Landsea believes that a sustainable development requires proper handling of the relationship between corporate development and environmental and social issues, which is also an important precondition for Landsea's long-term prosperity. Therefore, Landsea is committed to contributing to environmentally and socially-friendly business.

To tackle the difficulty to rent apartments that urban people face, Landsea has invested in long-term rental apartments to provide healthy, comfortable, energy-saving and environmentally-friendly living experience to white-collar workers and new urban migrants. In an aging society, Landsea actively develops its senior care service business to provide a comfortable retirement life. Facing the increasing amount of existing buildings in cities that have low operational efficiency, Landsea's financial business also plays an active role in urban renewal.



1ST GENERATION HOUSING

1st-generation Housing / Before 1990s
WITH BASIC FUNCTIONS

Having a house of one's own

Key words:

Functions are not clearly separated;
little decoration

Monotonous unit design / Small space / Unreasonable functions /
Poor heat preservation and prevention, and sound proofing / No decoration

2nd-generation Housing / 1998-2008
WITH IMPROVED FUNCTIONS

Having a comfortable home

Key words:

Varied house designs; preliminary function division

Diversified house design / Dynamic-static separation and dry-wet separation /
Unprecedented number of electrical appliances / Valuing interior decoration /
Green materials are used, and property companies in large-scale communities

Insufficient facility development and application



2ND GENERATION HOUSING



3RD GENERATION HOUSING

3rd-generation Housing / 2009-2016
WITH COMPREHENSIVE FACILITIES

Having a home for the family

Key words:

Decoration with brand products; supporting facilities; building
landscape design; catering to all age groups; preliminary smart
technologies

Demand-based house design and overall community planning / People-oriented
and improved space functions / Beautiful community environment and landscape /
most of the decoration materials are well-known brands with after-sales services /
well-equipped community facilities

Inflexible interior functions and environmentally unfriendly

Creating Healthy and Comfortable Green Buildings

Based on the "people-oriented" corporate philosophy and the results of market research, Landsea will subdivide the customer groups according to their needs and abilities to pay. After more than ten years of learning and accumulation, optimization and innovation, Landsea Green Group has been continuously updating its green residential products, and has products with different green building technologies to target various customer groups.

Based on the principle of adjusting measures to fit local conditions and human demands, Landsea provides services to customers to create value.



4TH GENERATION HOUSING

**4th-generation
Housing**
2016 - Future
**PEOPLE-ORIENTED
AND ECO-FRIENDLY**

Healthy, comfortable, and environment-friendly life

Key words:

Energy conservation and
environmental protection;
Green building technology

Valuing environmental protection and
sustainable development

The impact of fog and other harmful
weather is reduced

Buildings' applicability, environment,
affordability, safety and durability
have been greatly improved

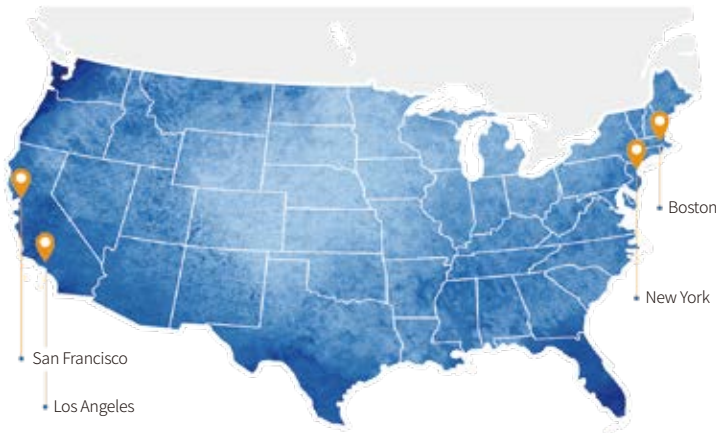
Smart technologies make family life
more convenient

Demand for healthy and
comfortable living environment facilitates
the development of green buildings

Going Global as a Green Real Estate Brand

Landsea Green Group entered the US real estate market in 2013. It is committed to a long-term development in the US, and competing with the best local developers. Because China and US markets are different in their economies and development stages, using US market to hedge the risks and uncertainties that may exist in China's real estate market is favorable for the sustainable development of the company.

Landsea Homes has entered many first-tier cities in the US, including New York, Boston, San Francisco, and Los Angeles, providing first-time and move-up buyers with high-quality, comfortable and energy-efficient houses, while advocating a healthy lifestyle. Its products cover both urban high-end apartments and suburban villas. It is operated by a team comprised of the Board of Directors and local managers experienced in real estate development and management.



Adhering to its green values, Landsea strictly follows local energy conservation laws.

The Vale project is located in Sunnyvale, California, the center of Silicon Valley. The project is a community under a master plan with a total of 450 fine-decorated townhouses. The community covers 25 acres, including nearly 2 acres of open space, playgrounds, walking trails and community centers.

This reconstruction project transformed a former industrial land into a high-quality neighborhood under a master plan and integrated into the urban area. The project adapts well to the expected increases in the population and employment of the city, and provides another option for existing and future urban residents to choose their home ownership.

According to the current local and national environmental regulations, the project will be developed with “green technologies” and other sustainable elements.



IMPLEMENTING GREEN BUILDING MEASURES



- The project will be built in accordance with state CalGreen regulations to minimize energy consumption and waste.
- The project will also meet the GreenPoint requirements, which is roughly equivalent to the requirements of 2013 California Energy Code No. 24

SIGNING CONSTRUCTION AGREEMENTS



- Best Management Practices (BMP) in the BAAQMD CEQA Air Quality Guidelines
- Use equipment meeting the EPA Tier 3 standards

Offering Green and Comfortable Dwellings to Young People in Cities

Eye-popping housing price and urgent residential needs in big cities of China have become a critical social problem impeding the development of economy and society. In 2017, Landsea actively sought solutions to “rental difficulties” , a social issue and decided to venture into the long-term rental business after careful market research and analysis. With rich experience in green residential property, Landsea’s long-term rental apartments aimed to go green since its establishment.

Green and Comfortable Apartments

Landsea’s long-term rental business, Landsea Apartments, showcases its business philosophy, green technologies and operating capability to a wider range of customers and stakeholders. Landsea Apartments has been committed to providing its customers with green, eco-friendly, healthy and comfortable living experience since its establishment. Different from traditional apartments, Landsea Apartments plans space layout including space functions, sizes, and lines based on the product positioning and customers’ needs. Relying on a sound management system, Landsea strictly controls on material selection, procurement and construction processes, and manages supplier rigorously. Landsea is dedicated to providing greener and healthier long-term rental apartments for its customers by solving problems like air, light and sound pollution during the design.



Business Layout

As of the end of 2017, Landsea’s long-term rental apartment business have operated in cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Nanjing, Suzhou, Chengdu, Xi’an, Wuxi, and Ningbo, and obtained 55 projects, ranking among the top 5 in the industry. Fourteen apartment projects have been put into operation, with a total of 1,208 units have been delivered and 919 units rented out. While attaching great importance to customer experience and project operations qualities, Landsea also actively innovate business models and provide value-added services to contribute to a green and healthy community.

Landsea Apartments on the north bank of Suhewan River, Shanghai won:

THE 2017
EXCELLENCE
APARTMENT
INNOVATION AWARD
OF THE 14TH ELITE
TECHNOLOGY AWARD



THE BEST BRAND
APARTMENT OPERATION
FOR IDEAL LIVING
OF THE 2017 CHINESE
REAL ESTATE AWARD



Provision of a Green and Comfortable Retirement Life

Faced with the diversified needs of mid and high-end customers, Landsea advocates the mode of building “easily accessible nursing institutions for the aged” on the basis of overall market research. Specifically, the building of “easily accessible nursing institutions for the aged” adheres to two principles fully reflecting Landsea’s respect for people and care and love for family.

The principle of “easily accessible nursing institutions for the aged”

Close to where the elderly live:
build nursing institutions for the aged in their familiar environment, enabling them to contact with old friends and neighbors, maintain their original lifestyle and enjoy a comfortable retirement life;






Close to where the children live:
build nursing institutions for the aged near the residences of their children who take care of them all the year round, enabling these children to visit their parents more frequently and easily, and helping them save energy and time.



Chang Qingteng Aged Care Service System

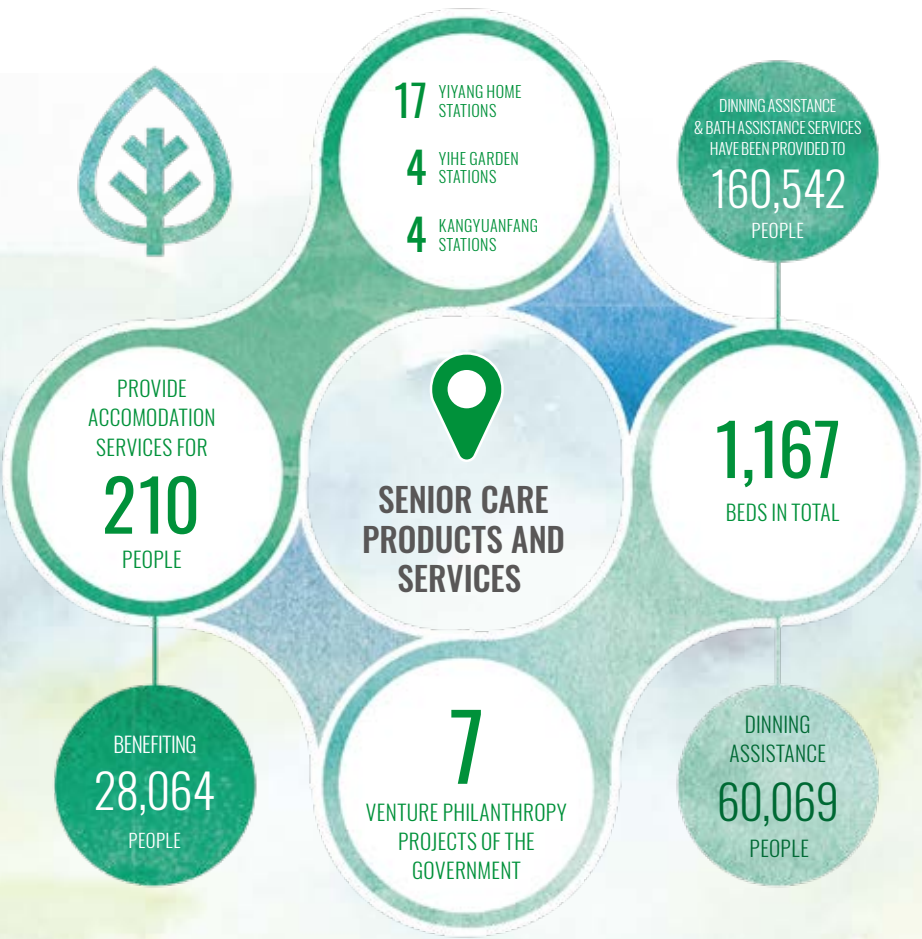
The system aims to provide the elderly with an ideal living environment and improve their self-care ability through professional assistance, enabling the elderly to enjoy a healthy, comfortable and high-quality life. After 6 years of trial and error, Landsea’s Landsea Chang Qingteng Aged Care has evolved into a professional, quality and diversified care service system with family affection for the elderly at all ages.

THE ELDERLY	NEEDS	TYPES OF AGED CARE	CARE PROVIDERS	SERVICES	STAFFING
 YOUNGER ELDERLY 60-69 years	Assistance in entertainment activities and daily life	Home-based care	Community care facility	Chang Qingteng colleges for the elderly, Home-based care, Mutual assistance of seniors in communities	Social workers, Home-based care providers, Rehabilitation therapists, Physical therapists Volunteers
 MIDDLE-AGED 70-79 years	Professional home-based care	Home-based care	Community care facility		
 SENIOR AGED 80+ years	Health care needs due to health problems	Institutional care	Nursing institutions for the aged	Long-term care, Short-term care (during festivals or for a short period), Daytime care, Personalized care (hospital care, rehabilitation care)	Elderly care nurses / Nurses, Rehabilitation therapists, Nutritionists, Cooks, Social workers

Business Development

Landsea Chang Qingteng Aged Care offers home-based, community-based, institution-based and one-stop senior care products and services to meet the different needs of the elderly. Landsea addresses senior care pain points through comprehensive solutions such as home visit, community care, institutional care and one-stop care.

In 2017, Landsea basically completed the establishment of senior care service stations in pilot city Nanjing, including 17 Yiyang Home stations, 4 Yihe Garden stations and 4 Kangyuanfang stations, with 1,167 beds in total, and undertook the construction of 7 venture philanthropy projects of the government, benefiting 28,064 people. These stations have provide accommodation services for 210 people, and dining assistance services for 60,069 people. The dinning assistance and bath assistance services have been provided to 160,542 people. Through the building of senior care network and chain, Landsea offers comprehensive elderly care services from rehabilitation to medical care. We have primarily established a line of products covering the elderly people’s life cycle, and formed a framework for standardizing related services, deepening the research on the needs of the elderly.



Green Finance Facilitates Urban Upgrading

Green Finance

Launched in 2012, Shanghai Green Fir Investment Co., Ltd. (hereafter “Green Fir Investment”) is a professional investment and financing management institution under Landsea, which focuses on the green industry chain.

Aiming to become a green finance and asset management platform, Green Fir Investment seeks to form an integrated model of investment and financing for green finance, build capabilities of foundation management, asset management and capital operation by integrating project and financial resources, and strengthen the ability to provide investment and funding and financial services for external markets. As of the end of 2017, Green Fir Investment manages assets of CNY 6 billion.

Urban Upgrading

First-tier cities like Beijing, Shanghai, Guangzhou and Shenzhen have entered the era of houses in stock, with the development of new properties at low ebb, while inventory properties in downtown areas face problems of outdated design, obsolete facilities and out-of-date management. On the other hand, the market’s demand for high-quality commercial, office and residential properties keeps growing, which cannot be met with low-quality inventory properties. The real estate industry in the first and second-tier cities has expanded its operation model from “Land + Development” to urban upgrading that focuses on “old building renovation and inventory improvement”.

Green Fir Investment eyes undervalued and inefficient inventory assets with inappropriate positioning or low utilization. Through acquisition and pooling of financial resources, it transforms such assets with Landsea's differentiated green solutions, improving their use value and allowing resources to fully perform social functions. Green Fir Investment strives to save social resources, meet market demands and improve the overall urban effectiveness.



May 2017
2nd Annual Conference of
Real Estate Equity Investment and REITs

Green Fir Investment
Ranked Among:

- The TOP 10 Real Estate Equity Investment Funds
- The Most Recognized Inventory Real Estate Investment Fund

Green Fir Investment's efforts in inventory asset transformation and urban upgrading have been recognized by the market.



Investment Platform for Renovation of Real Estate Inventory

Green Fir Investment has invested in many urban upgrading projects, covering formats including residential buildings, commercial and office buildings, as well as long-term leasing apartments. Since September 2016, Green Fir Investment has established urban upgrading investment platforms with CITIC Capital, Ping An Real Estate and Zhongrong International Trust to explore the renovation of real estate inventory in first-tier cities. It planned to increase the amount of assets under its management to CNY 10 billion in three years from 2016 to 2019.

PARTNERS	TYPE OF FUND AND INVESTMENT ORIENTATION	3-YEAR OBJECTIVE OF ASSET MANAGEMENT	FIRST PROJECTS IMPLEMENTED
CITIC CAPITAL	Urban Upgrading	CNY 10 Billion	Landsea Zangfeng Project In Shanghai
PING AN REAL ESTATE	Owned Long-term Rental Apartments	CNY 10 Billion	Huangxing Mansion And Senlan Projects In Shanghai, And Jiefang Mansion Project In Guangzhou
ZHONGRONG INTERNATIONAL TRUST	Long-term Rental Apartments	CNY 10 Billion	Jiefang Mansion project in Guangzhou

Note: Around 1,100 rooms converted into long-term rental condominiums.

IMPLEMENTING GREEN OPERATION 07



07 IMPLEMENTING GREEN OPERATION

Green Supply Chain

China's Real Estate Industry Green Supply Chain Action

In 2016, Landsea, together with the Society of Entrepreneurs & Ecology (SEE), China Urban Realty Association (CURA), China Real Estate Chamber of Commerce (CRECC) and Vanke, launched the "China's Real Estate Industry Green Supply Chain Action", calling on Chinese real estate companies to manage their own supply chains, make green purchases, strive for green upstream and downstream industrial chains, and improve environmental benefits and resource utilization rates.



Green supply chain promotion committee of Real Estate Industry in China

Since January 2017, Landsea has led industry peers to track and check the environmental impact of upstream enterprises following a strict process, and released a white list that includes 519 iron and steel corporations, 42 aluminum product manufacturers and 12 wood flooring producers.

January 2017

Landsea initiated the effort to establish the "open green supply chain website", to build an open and transparent green supply chain mechanism, based on public supervision of the white list.

June 2017

During the joint procurement by members of the China Urban Realty Association (CURA), Landsea made efforts to drive the implementation of the green procurement standards. Meanwhile, Landsea has continued to improve the timber tracking system, and helped two flooring companies to join the Global Forest and Trade Network (GFTN) under the World Wide Fund for Nature (WWF), encouraging them to keep increasing the portion of timber purchased from certified woodlands.

ON THE 9/9 PHILANTHROPY DAY 2017

Landsea joined hands with the SEE Foundation to launch a philanthropic fundraising event, "Buy Only Green Products", encouraging internal employees and various business partners to form 43 fundraising teams. A total of RMB 730,000 was raised for the development of green procurement standards, independent third-party testing, and the promotion of environmental information disclosure.



November 11, 2017

During the 23rd UN Climate Change Conference, Landsea represented Chinese companies as it described its experience in working with industry peers to drive waste reduction along the supply chain, helping their green supply chain operations gain more support and recognition from environmental organizations.

November 2017

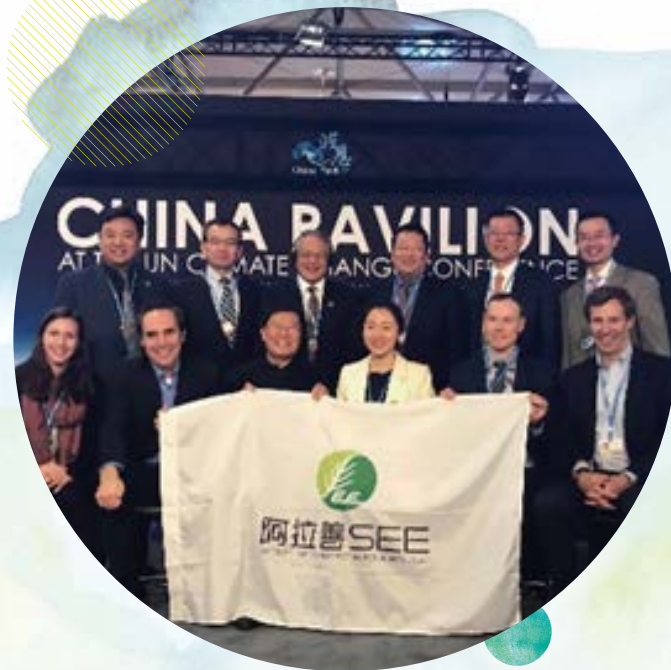
Landsea published the "Guidelines on Formaldehyde Control in Green Real Estate Residential Projects", establishing indoor air formaldehyde control standards based on the S1 Category of the Finnish Classification of Indoor Climate, the strictest standard in the world. Landsea strictly controls the indoor air formaldehyde levels throughout the project life cycle, from design to procurement, construction and decoration.

2017
GREEN SUPPLY
CHAIN ACTION

Landsea proposed a plan for controlling the hazardous properties of HBCD flame retardants in green supply operations, aiming to reduce and eventually end the use of such flame retardants. Landsea has already used non-HBCD* thermal insulation materials in projects such as the Landsea Xihua Mansion and at the Renmin Road in Suzhou.

* Hexabromocyclododecane (HBCD) is a type of persistent organic pollutant that poses great danger to human health and the environment, but it has been widely used as a flame retardant in polystyrene-based thermal insulation materials.

Landsea manages its supply chain across the environmental and social spectrums, and eliminates environmental and social risks associated with its suppliers through suppliers' credibility investigations in various aspects, for example the environment pollution events. Only suppliers who passed such credibility investigations will be procured by Landsea Green Group to ensure the suppliers comply with the Landsea Green Group's approach to social and environmental policies.



Green-Building Life-Cycle Development Process

Landsea continues to leverage innovative technologies to offer distinctive "healthy, comfortable, energy-saving, and environmentally-friendly" products and deliver growing customer value. Landsea has been adhering to the "green-building life-cycle development process," and, by consolidating internal and external resources, is implementing green technologies throughout various processes, including land acquisition, planning, design, procurement, construction, and operation.



Green-Building Planning and Design

In 2017, in addition to the original Green Building Design Center, Landsea further established the Green Building Technology Center, which consists of the Green Building Research and Consulting Office, the Heating and Ventilation Technology Office, Plan Creation Office, etc. The center aims to further promote green technologies, build capabilities for using such technologies, and identify the technological pathway for them. Through studying typical projects, the center has conducted in-depth explorations into the design of green buildings and put the

results into practice, helping it to accumulate important experience and lay a solid foundation for future development.

The center steers the design of green buildings from a more specialized perspective, and has made forward-looking investigations into green buildings and related technologies. As well as carrying out research on topics relating to green building design, patents and technologies, the center focuses on the systematization of green building products.

Renovation of China Europe International Business School (CEIBS) (Shenzhen)

The project involved the renovation of the CEIBS campus in Shenzhen, which faced the following unfavorable conditions:

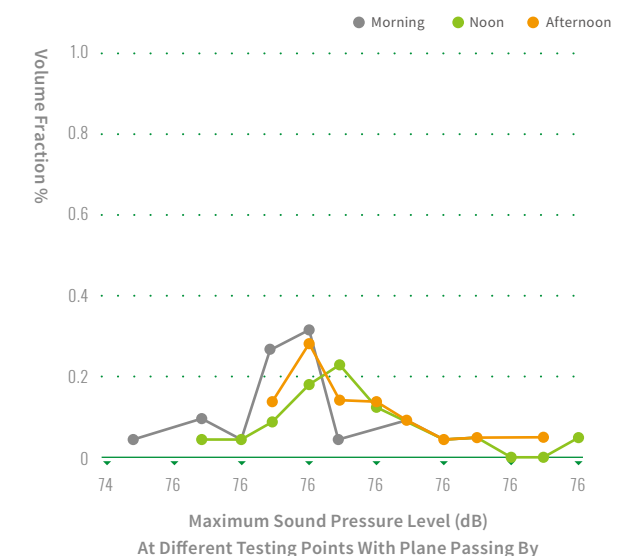
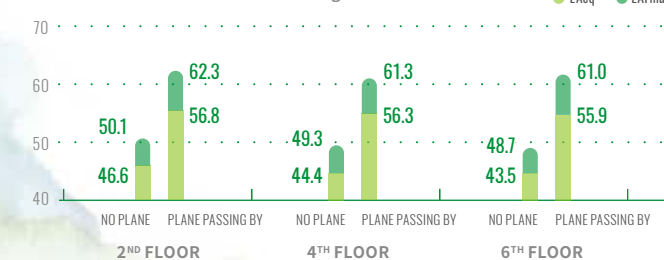
- 1 The buildings were originally used for production, which made the renovation quite difficult;
- 2 The noise from airplanes flying in and out of the airport adjacent to the project would have a serious impact on day-to-day teaching; moreover, the external doors and windows had a poor insulating effect, which was another major unfavorable condition for the renovation;
- 3 The owner of the property required that the facades and roof surfaces should not be changed in order to maintain a uniform style;
- 4 The electromechanical system was to use the existing equipment.



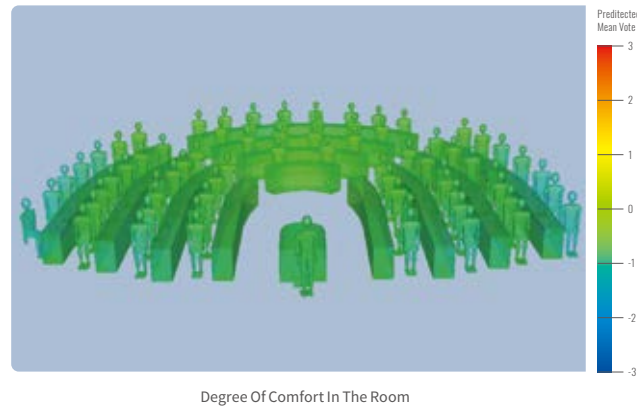
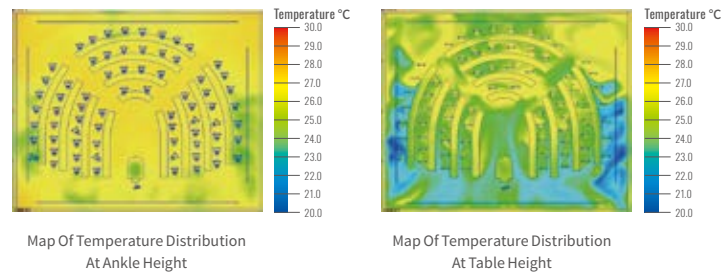
To deal with the above disadvantages, we adopted the following measures during the design phase:

- 1 Major adjustments to the interior space to ensure that the sub-function of the building meets the requirements for teaching and studying.
- 2 Noise tests both inside and outside the building to determine a noise-reducing plan to effectively reduce the noise levels.

Noise Test Results Inside The Building



- 3 Designing the air-conditioning system in a reasonable way while utilizing the original equipment; using CFD technology to optimize the air-conditioning design to ensure the comfort of all internal areas.



Combining traditional design technology and new green-building design technology, the renovation project for the Shenzhen campus of CEIBS has received good feedback in terms of its function, noise, and indoor comfort. The renovated building has already been put into use.

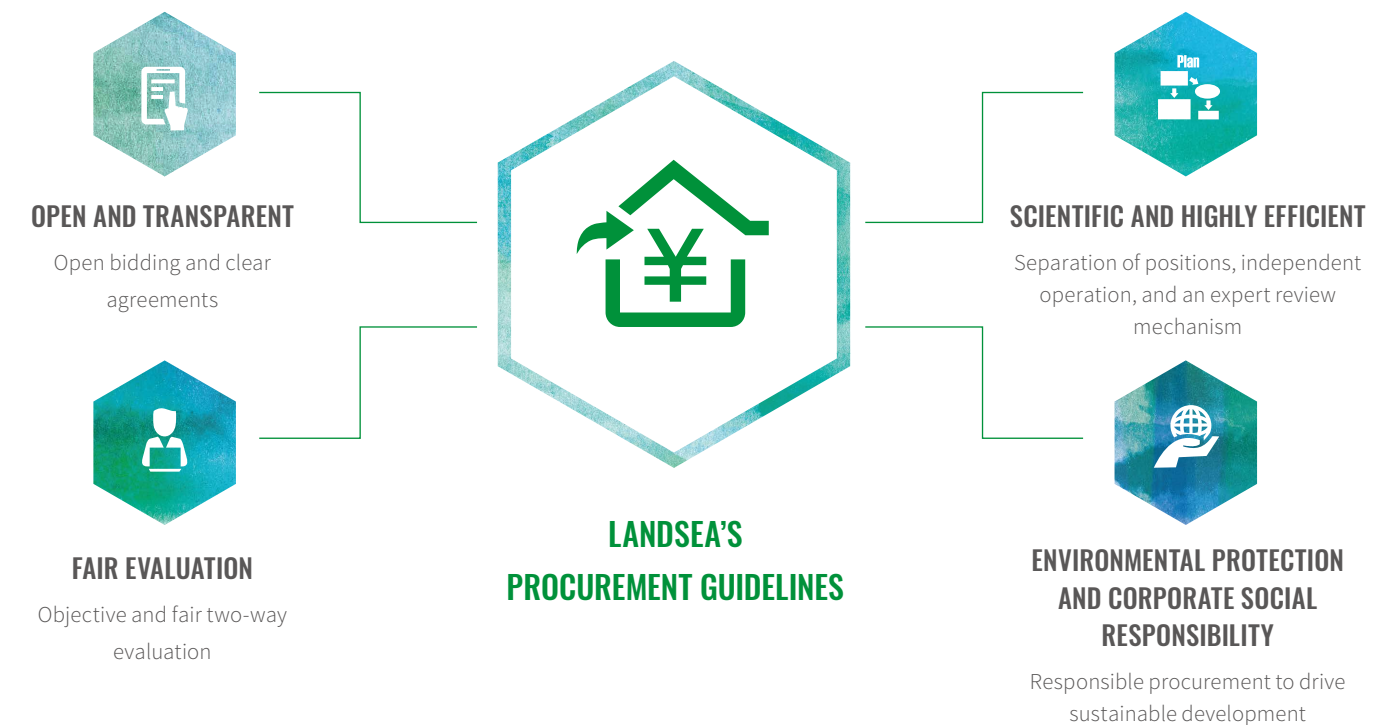
Green Procurement

As the world progresses at a fast pace, more and more people are increasing their focus on the natural environment in which they live. To transform economic development models with high consumption, enormous carbon emissions, and heavy pollution, many countries have adapted their development concepts, pushed for the continued optimization and upgrading of economic development, and supported the development of low-carbon economies through high technologies. Against this backdrop, Landsea continues to push forward diversified development strategies with a focus on green technologies. As a key link in the execution of these strategies, green procurement has become an important component of Landsea's diversified strategy.

GREEN PROCUREMENT

In collaboration with outstanding partners, Landsea is establishing an open and interactive platform and coming together with the Green Supply Chain Strategic Alliance to create a green system encompassing the whole life-cycle. The aim is to implement a sunshine-model procurement that is open, transparent, scientific, and efficient. Landsea also encourages upstream suppliers to engage in sustainable development, advanced production processes, and production and discharge compliance, so as to jointly provide healthy residential products.

In the 2017 "green supply chain CITI index" published by the Institute of Public & Environmental Affairs (IPE), Landsea featured in the Top 30 alongside famous international companies such as Apple and Adidas, and came top in the real estate developer category.



Method of Material Supplier Control

- ✓ Landsea's suppliers register through Landsea's official website and will be added to the supplier pool if registration is successful.
- ✓ Each year, Landsea conducts performance evaluations on the suppliers it cooperates with based on factors such as quality, progress, and coordination, and ranks them according to the assessment results.
- ✓ To promote consistency between the suppliers' policies and Landsea's own procurement policies and improve mutual understanding, Landsea holds annual supplier conferences to share information with suppliers about its operational status, product strategy, latest operation plans, and procurement policies, and to present awards to outstanding suppliers.

Procurement of Green Products and Monitoring

- HCHO** In its third and fourth generation projects, Landsea Homeses only floorboards with formaldehyde emissions of less than 0.5 mg/L to eliminate interior decor pollution emissions and create a healthy and comfortable indoor environment. Every batch of supplies will undergo formaldehyde emission testing by third-party organizations before it is put into use.
- Landsea has joined the Global Forest Trade Network under the World Wide Fund for Nature and complies with the principle of using wood of legal origin. Landsea undergoes SGS's flooring supply-chain audit every year, in compliance with the agreement to use wood of legal origin.
 - ✓ Not procure wood from war-affected regions or forest areas with a high conservation value
 - ✓ Not procure wood types which included in The Convention on International Trade in Endangered Species of Wild Fauna and Flora
 - ✓ Not procure wood which planted on land converted to arable land, or genetically modified wood
- Landsea submitted a list of 105 production partners in its upstream supply chain to the Public Environmental Research Center NGO and, by searching for compliance records, confirmed that 81 of them had no record of environmental regulation violations. As for the remaining 24 players who had records of violation, Landsea issued formal notices requiring them to submit documents for a public statement or removal of the record. Four of the 24 players have removed the records by submitting public statements. The remainder shall be disqualified from the next bidding process if they do not take remedial action.


Green Construction

Quality Management System


We have established a quality management system which covers lean process control and strict result verification. The system includes a 3-tier mechanism, consisting of an HQ tier, regional company tier, and project division tier.

HQ	<ul style="list-style-type: none"> Plan the evaluation of Landsea's projects and manage project security, quality, and progress Organize and delegate third-party companies to perform evaluation and, based on the evaluation results, comment on the management of front-line projects Start a project system conference to improve organizational and administrative capacity in projects
Regional Company	<ul style="list-style-type: none"> Take responsibility for the quality of Landsea's project in the corresponding region as well as the organization and implementation of security management Cooperate with the Central Product Quality Division to organize and coordinate the inspection-tour evaluation and monthly supervision of projects in the region Define detailed regulations and reward or penalize the relevant personnel in charge according to such regulations and inspection results
Project Division	<ul style="list-style-type: none"> Urge construction and supervision units to take effective actions to fully implement self-checking and re-checking of product quality and to handle the quality issues and high-risk items identified by evaluation units in a comprehensive and timely manner Take responsibility for keeping the general constructor and supervisor of the project informed about the third-party quality evaluation, for evaluating the result, and for delivering relevant training and disclosure Take responsibility for implementing the remedies for the project issues identified during evaluation and inspection


Lean process control mainly includes the comprehensive evaluation of quality during the project development, anti-seepage and anti-leakage assessment, and the process and delivery evaluation of decorative finishes.



COMPREHEN-SIVE QUALITY EVALUATION



ANTI-SEEPAGE ASSESSMENT



EVALUATION OF DECORA-TIVE FINISHES



DELIVERY EVALUATION

- Comprehensive quality evaluation includes actual measurements, public safety, and quality risks.
- Identifying high-quality risk projects, monitoring and implementing risk control measures, and eliminating quality risks
- Judging the management status of front-line companies and proposing more targeted upgrading and improvement management requirements

- This evaluation includes the anti-seepage assessment of basements, kitchens, exterior walls and windows, and roofs.
- Compiling Landsea Anti-Seepage Standards to standardize anti-seepage practice within Landsea

- Improving the appearance and quality of decorative finishes
- Arrange two decorative finish evaluations to be performed at the following two times: when 30% of the waterproofing and wall- and floor-tile work is complete and, when most of the wall- and floor-tile work and 30% of the carpentry work is complete
- To include actual measurements, perceived process quality, protection of finished products, materials, etc.

- Sorting and resolving issues before delivery, improving the quality of the product to be delivered, reducing delivery risks, and improving customer satisfaction in the delivery phase.
- To include indoor section, public section, garden landscape, facade, etc.

Besides, Landsea adheres to regulatory requirements under the Advertising Law of the People's Republic of China on product marketing, sales and labelling, etc.

Green Construction

As a leader in green estate development, Landsea focuses on differentiated green building and green decoration in the construction process, in addition to the conventional requirement of "4 savings and 1 protection." The "4 savings and 1 protection" requirement covers "saving of energy, land, water and materials, and protection of the environment," which is among one of the highest standards in China currently for the construction of residential communities.



ENERGY-**SAVING**

Set out energy-saving measures targeting construction sites and consumption reduction measures targeting specific processes with high energy consumption



LAND-**SAVING**

Optimize utilization of the land in the layout of the construction site and require temporary on-site facilities to meet the needs of the number of workers and site conditions



WATER-**SAVING**

Adopt measured water usage management in construction projects and strictly control water usage during construction



MATERIAL-**SAVING AND RESOURCE UTILIZATION**

Optimize construction plans, select green materials, actively promote new materials, advance the rational use of materials, and cut actual consumption of construction materials




ENVIRONMENTAL **PROTECTION**

control dust pollution, toxic gas emissions, water and land pollution, noise pollution, light pollution, solid construction waste, and environmental impact

Landsea's differentiated green construction is characterized by full use of geothermal energies to reduce energy consumption, including heat-source pumps, radiant ceilings, and ventilation systems.



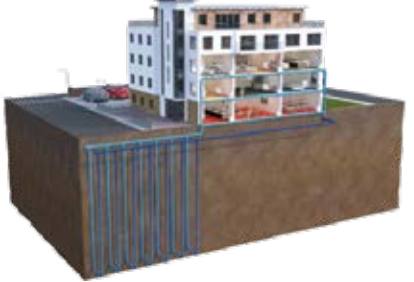
GROUND-SOURCE **HEAT PUMP**




RADIANT **CEILING**



FRESH-AIR SUPPLY **SYSTEMS**



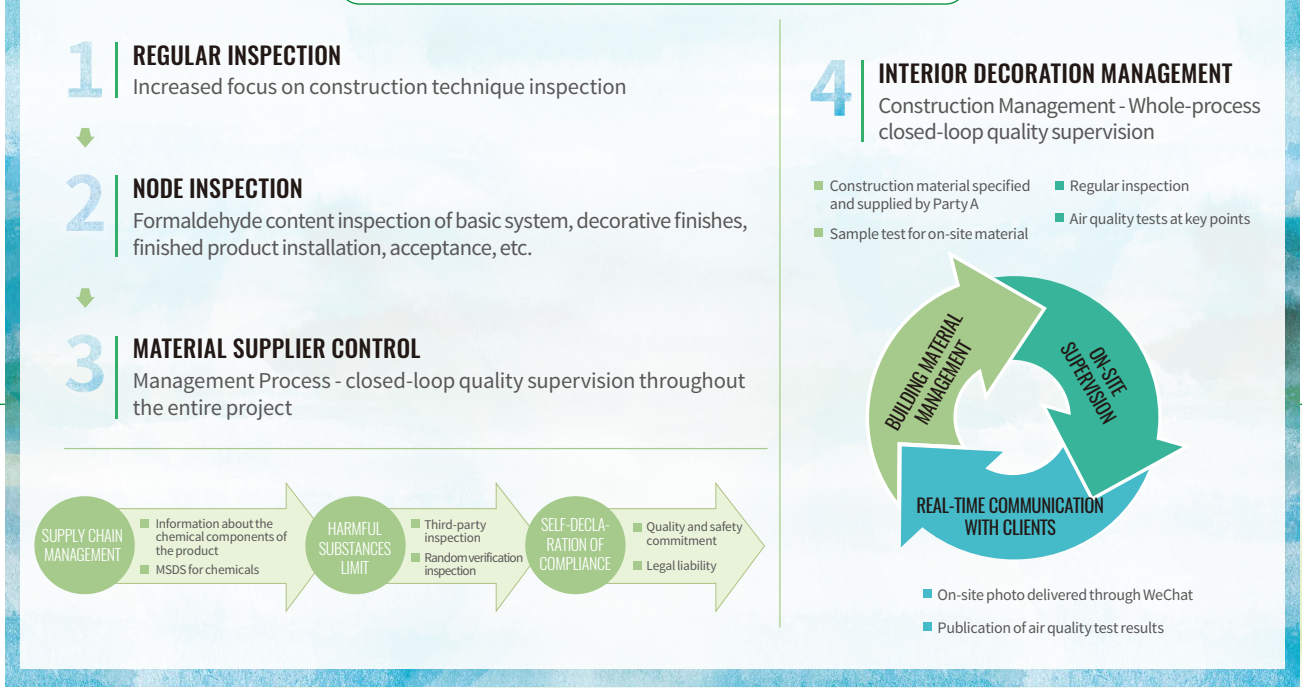




Green Decoration, A Humane Approach – Closed-loop Formaldehyde Control

MATERIAL CONTROL Quality Testing In The Lab	<ul style="list-style-type: none">• Lab testing of the formaldehyde content in materials used for a sample room, only qualified materials to be ordered in volume.	<ul style="list-style-type: none">• Lab-testing the formaldehyde content in the sample of each batch order	<ul style="list-style-type: none">• No untested material allowed for construction site, including both main and supplementary materials
KEY POINTS TEST formaldehyde tests at nine points	<ul style="list-style-type: none">• Suspension Points for Retesting: loading material into the site, completion of water & electricity lines, wall & floor construction, putty application, plank base installation, emulsion paint application, floor tiling, framing & padding, timber product installation	<ul style="list-style-type: none">• After passing the formaldehyde content test, the construction will be allowed for continue & move into the next step	
ECO-FRIENDLY OFFICER WEEKLY INSPECTION	<ul style="list-style-type: none">• Inspection of air formaldehyde content & material quality		
COMPLETION INSPECTION & ACCEPTANCE	<ul style="list-style-type: none">• Acceptance test subject to GB 50325-2010 (2013 Version) Regulations for Indoor Environmental Pollution Control of Civil Building Engineering• For buildings with natural ventilation, the acceptance test shall be performed after windows and doors have been closed for one hour	<ul style="list-style-type: none">• Acceptance test must be performed pre-handover and no later than 7 days following the project completion	<ul style="list-style-type: none">• For buildings with a centralized air-conditioning system, the acceptance test shall be performed with the air-conditioning system in operation• Air-tightness inspection

Flow Chart of Continuous Formaldehyde Control



Air-Tightness Guarantee in the Project Construction

Landsea applies the air-tightness guarantee through all stages of its construction process, including construction methods, construction procedures, and material selection. Particular attention is paid to key aspects such as windows and doors, openings in the external structure, gaps between brickwork and structural elements, and the roofs and eaves.



1 BEFORE CONSTRUCTION IS STARTED

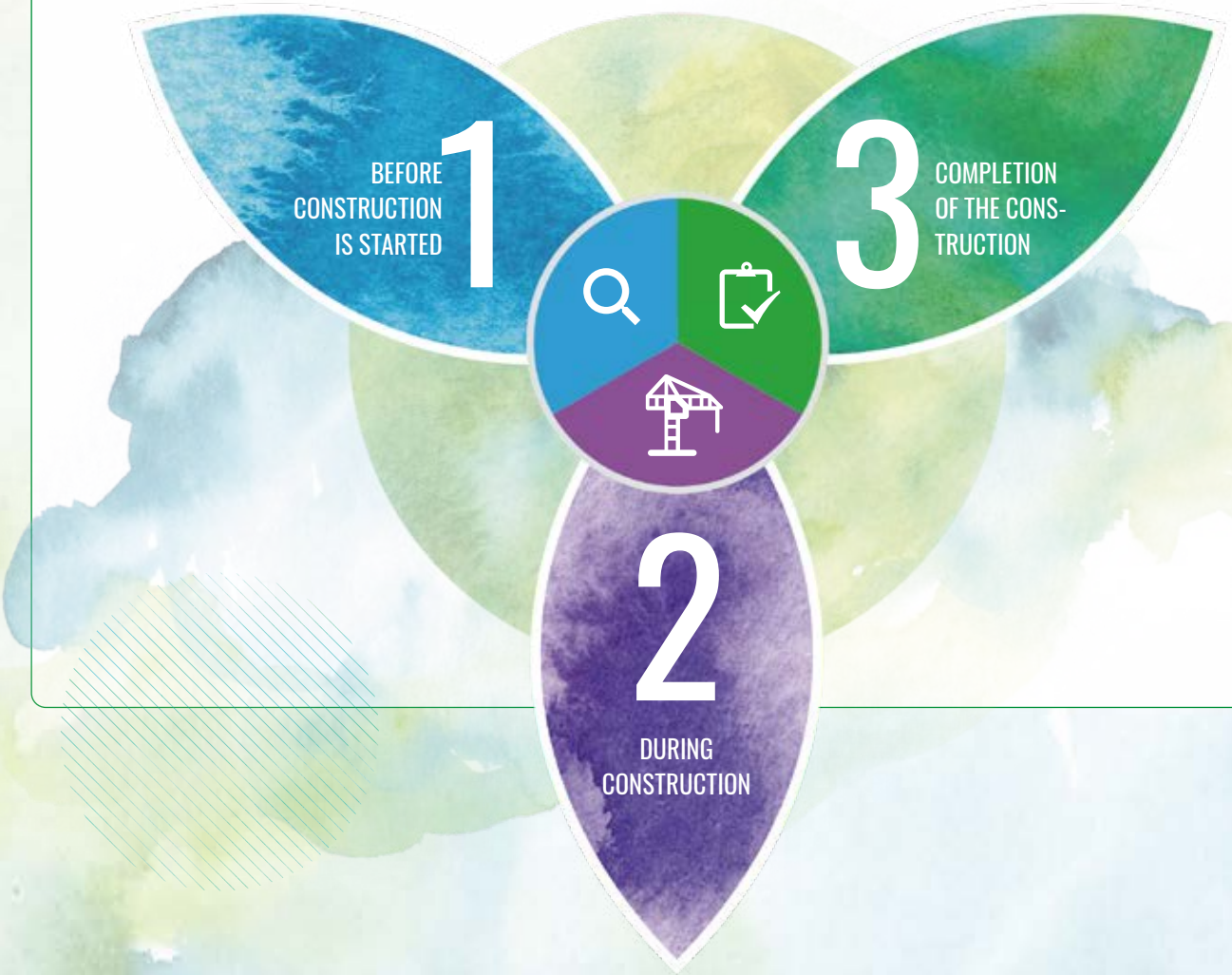
The project design team, construction team, supervisor, acceptance evaluator, and testing institutes will together clarify the air-tightness implementation plan and receive the relevant training, with a view to defining the obligations and scope of work of each party, determining the time scale for inspections, and establishing the principles of rewards and penalties.

2 DURING CONSTRUCTION

The air-tightness inspection should be performed during construction to ensure air-tightness. Blower door tests can be performed during construction to ensure air-tightness. With the blower door method, the ventilation rate is measured at certain indoor air pressures (positive or negative) that are generated by blowing in or extracting air. The results of this serve as an indicator of air-tightness.

3 COMPLETION OF THE CONSTRUCTION

The air-tightness tests are performed following completion of the construction to remedy any possible weak points.



Green Decoration

Landsea Green Decoration Company actively upholds the core values of “people-oriented, positive and transparent, green and sustainable”. Based on more than a decade of real estate service provision and the concept of “harmonious coexistence between human and nature, and sustainable development”, the company has been making great efforts to develop technologies for health, environmental protection, and high-quality decoration at home and abroad to satisfy customer needs.

Landsea Green Decoration Company has advanced technologies, resources and achievements in the industry of green decoration, including independently developed intellectual property rights, the class-A professional qualification for architectural decoration, special qualification for architectural engineering design, blue-collar workers, a training school, and management practices of green decoration projects.

Seeking cooperation with trade organizations and business partners, Landsea Green Decoration Company has been making sustained efforts to promote the upgrading of the green decoration industry through the application of modern information technology, establishment of industrial standards, product development, technical progress, resource sharing, cooperation, and division of labor.

PARTICIPATIONS IN TRADE ORGANIZATIONS

Special strategic partner of Chinese real estate companies

Member of China Building Decoration Association

Member of the green supply chain organization China Urban Realty Association

Vice chairman organization of the Expert Committee of Livable China Housing Industrialization and Green Development Alliance

It effectively integrates green decoration technologies into architectural space, building forms, usage scenarios and green value, and provides real estate developers, listed companies and influential firms that aim to achieve a high level of health, environmental protection, and quality with “faster, better, cost-effective, healthy, environmentally friendly, and human-oriented” green decoration solutions as well as differentiated green value.



Green Operation and Maintenance

Comprehensive Customer Service System

As a customer-oriented company, Landsea prioritizes customer needs and builds up a customer service system covering all key areas from “product positioning in the early stage to movement into the house”.



Since 2017, with the continuous implementation of asset-light strategic transformation, the customer service work under the previous heavy asset model has changed a lot. How to pass on customers' ideas to partners? How to make partners fully aware of the importance of standardization? How to protect Landsea's brand? These problems make it particularly important and urgent to change the traditional customer service model.

“Work planning, dynamic risk control and full communication” are most frequently mentioned keywords in customer service work in 2017. Provide against problems and take proactive measures to plan the work during the product positioning and drawing review stages.

At the same time, potential risks in the sales demonstration areas must be strictly controlled, and through benchmarking of drawings submitted to government departments, sand table models, sales pitches, and living spaces, and delivery standards of model rooms, the sales materials in the sales demonstration areas must be standardized to avoid the risk of exaggerated promotion. The sales demonstration areas with potentials problems must be rectified, otherwise, they are not allowed to be open to the public.

In 2017, the reverse review team of the customer service line completed:

34

PROJECTS
(Sales & Delivery)

41

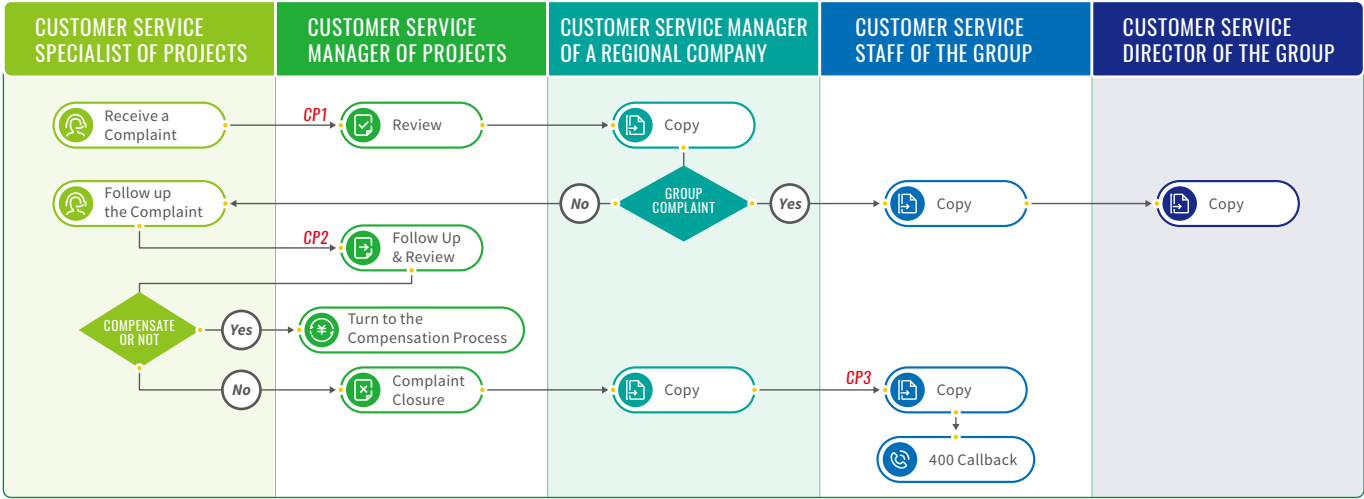
REVIEW
PEPORTS

3

EXERCISED
VOTE POWER

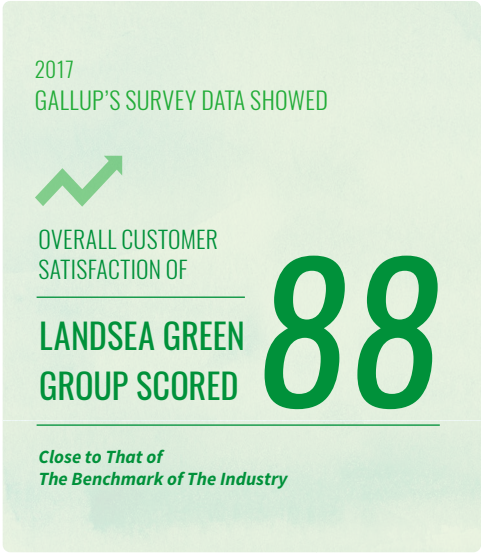
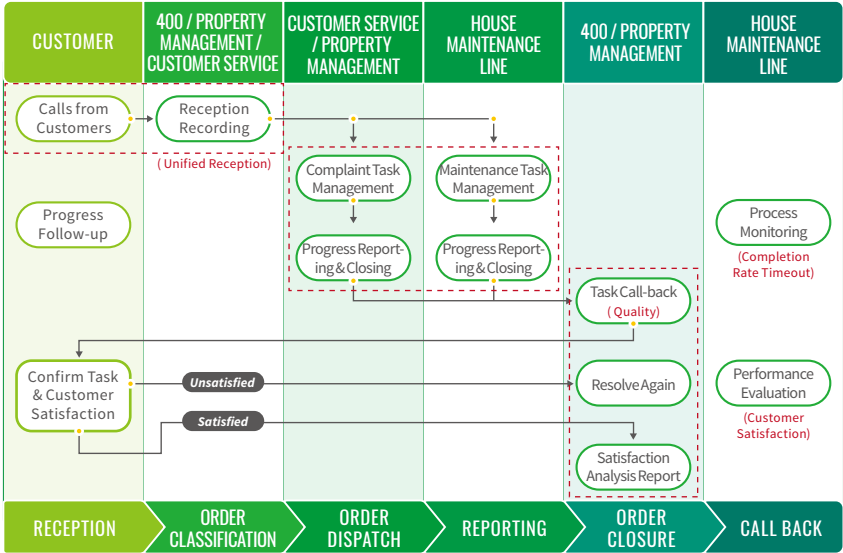
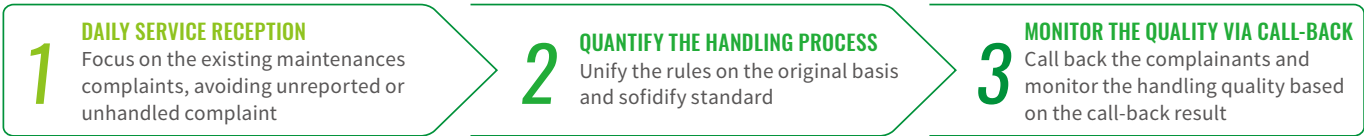


Overall Process of Complaint Business



In daily customer service work, it is also very important to fully communicate with partners. Some partners made light of sales risks and did not pay enough attention to customer complaints that might arise later on. To protect the projects and the brands of the both sides, customer service specialists have communicated closely with the partners and weighed up the pros and cons, and the partners have developed a new understanding of customer awareness and actively cooperated with the customer service work of the project.

Daily Task - Reception and Handing



Iron Triangle of The Property Management

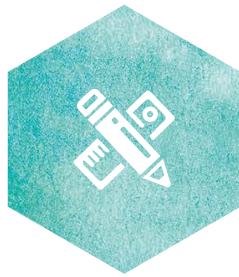
In 2017, Landsea Green Group upgraded the "iron triangle" service system featuring "butlers + environment + projects". In close contact with homeowners, butlers act as the most intimate and flexible "mobile front desk" in communities, responsible for communicating all property service. As long as homeowners inform butlers of their problems, butlers will provide services according to the specific situation.



Green Operation of Landsea Apartments

Landsea Apartments controls both the design and the construction process to make sure that its products can meet China's national environmental protection standards in green construction, and Landsea's internal green building technical indicators such as formaldehyde control and indoor air quality. Its products are healthy, comfortable, energy-saving and environmentally-friendly, making them competitive among their counterparts.

Green Design, Construction and Operation



GREEN DESIGN

Relying on a sound design management system, Landsea controls the materials, procurement, and suppliers in its design process.



GREEN CONSTRUCTION

The closed-loop quality supervision and management throughout the whole construction process ensures green decoration. Indoor environmental quality testing will be conducted as a last step to verify its implementation.



GREEN OPERATION

As a place where a lot of tenants live, the apartment consumes many resources and produces a lot of waste.

Green Design

Relying on a sound design management system, Landsea controls the materials, procurement, and suppliers in its design process.

WALL DECORATION MATERIALS	Wooden panels will not be used in large scale for wall decoration, instead, most of the walls are painted with environmentally-friendly coating, with the background wall decorated with non-pollution and environmentally-friendly PVC wallpaper or painted with colorful latex paint.
FLOOR DECORATION MATERIALS	There is a wide selection of floor decoration materials, such as floor tiles, wooden floors, and floor mats. Tiles generally produces no pollution, and natural stone will not be used. Selected plates containing no radioactive element are used in some areas. The chemical composition of selected reinforced flooring and glue will be investigated and sent for testing.
CEILING MATERIALS	Except the entryway, the ceiling of the long-term rental apartment is usually undecorated. If the ceiling is decorated partially or totally, materials such as light steel gypsum plasterboards and aluminum gussets (for bathrooms) will be used, and wooden splints are not allowed.
SOFT DECORATION MATERIALS	Curtains, bedspreads, pillowcases, sofa fabrics and other soft decoration materials should be fabric containing a higher proportion of cotton and linen, and the dyes should be odorless, stable, easy to clean and color-sustained.
COATING MATERIALS FOR WOODEN PRODUCTS	The most commonly used coatings for wood products are various paints. However, in white-collar apartment and boutique apartments, paints are in little or rare use. Instead, environmentally-friendly PVC and wood-based boards are used as alternatives, and thus the use of paint wood products would be effectively controlled. Paint-coating wood products, if needed, shall not use benzene diluent, and the paint should have little irritating smell and be environment friendly. Particle board in use should be E0 grade.

Green construction

The closed-loop quality supervision and management covering the whole construction process ensures green decoration. Indoor environmental quality testing will be conducted as a last step to verify its implementation.



Use natural lights whenever possible to reduce the use of lights

No leftover and no extravagant meal

Set the air conditioner at a higher and comfortable temperature to save energy

Turn off electronic appliances timely to reduce electricity consumption

Choose green transportation and low-carbon lifestyle

Follow the trend and use new energy

Print on both sides of paper to save paper

Sort the trash and recycle reusable resources

Every drop of water is worth saving

Landsea Apartments develops a strict control system for material suppliers

Green Operation

There are two major energies consumed in apartments: water and electricity, with electricity taking the largest share. The power consumption of air-conditioners accounts for half of the total energy consumption. Apartments are major energy consumers, and conserving energy and reducing basic consumption in apartments not only ensure lower operating costs and increased operating profit, but also promote ecological sustainable development.

Comfortable, Eco-Friendly Lighting

Improper lighting could harm optic nerves and long-term exposure may cause optic nerve disorders. When choosing lighting products, we prefer daylight-mimicking lights that deliver indirect lighting and avoid excessive brightness. Most of the lights we choose emit a warm light. Color temperature and light intensity can be controlled by light switches to meet the lighting needs of different spaces and times of day, so as to create a comfortable atmosphere.

For indoor lighting, LED lights with a wattage lower than 5 watts are required. The standard can be eased slightly for public-space lighting, which can use time-shared and split-loop control.

We make sure the materials are environmentally friendly through continuous monitoring and control in the entire construction process. In the tender invitation stage, the general contractor strictly implements the environmental protection monitoring system of Landsea Apartments. During the construction, any unit failing to comply with the environmental protection standards will be fined heavy penalties and contracts with it may be unconditionally terminated.

SUPPLY CHAIN MANAGEMENT

- Information of chemical ingredients
- Supply chain safety technology manual

LIMITATION ON TOXIC MATTERS

- Third party testing
- Confirmatory Sampling

COMPLIANCE SELF-DECLARATION

- Quality and safety commitment
- Legal liability

The main material is supplied by Party A or by Party B designated by Party A to ensure the reliability of the material sources. The construction will be inspected by phases before it is approved, the materials are sampled and the furniture manufacturers will be subjected to unannounced inspection.

According to a testing organization and the date it issued, apartments in operation have been all met the national standards of formaldehyde.

Landsea Apartments takes the following measures to ensure energy-efficiency:

The public space acts as the workplace for staff, as well as a space for entertainment and social activities for tenants of the long-term rental apartments. This versatile space requires a high wattage to support a range of electric appliances. According to its operational standards and the conditions of the specific location, Landsea Apartments uses time controllers to control their external light-box signs and public-space lighting separately, regardless of time and area. Intelligent products like voice-controlled lights are used in fire escape stairs to ensure energy efficiency.



We should increase our day-to-day management of electricity consumption, which is greatly affected by operations, and establish management norms and standards. The thermostat of air-conditioners in public spaces and workplaces should be set to no less than 26 degrees Celsius in the summer and no higher than 20 degrees in the winter to provide guests with a comfortable environment. With the exception of air-conditioning used in extreme weather, back offices should reduce the use of air-conditioners to ensure indoor air quality.



The energy-saving awareness of our workers has been raised by advocating, for instance, taking the stairs instead of elevator within four floors and without carrying heavy objects.

To reduce indoor power consumption, Landsea Apartments has been actively promoting environmental awareness and energy-saving techniques among the tenants to help them develop the good habit of saving electricity.

To reduce water consumption, we have taken measures to maximize the reduction of water usage in public restrooms of our apartments, for example, placing mineral water bottles filled with water in toilet tanks. Besides, we also promote the awareness of water-saving and relevant techniques among the tenants, and regularly detect water pipeline leakage and timely replace leaky taps and pipes.

TIPS FOR PROTECTING ENVIRONMENT

- Please turn off the lights, air conditioners, and TVs when leaving the conference room
- Please check whether the computers, air conditioners and lights are turned off when leaving the company
- Everybody is responsible for saving paper through double-sided printing
- Do not smoke outside the smoking area
- Do not pour the residue into the sink to prevent the tank from being clogged
- Please recycle the waste (For example: using blank paper cut off from invoices to make notebooks)
- Do not throw away pens running out of inks as they can be reused after replacing their refills

The maintenance of electric equipment has been standardized and enhanced. Take air conditioners for an example, we clean the filtering nets and the outdoor cooling fins quarterly to ensure the efficient operation of air conditioners.

Figure. Landsea Apartments in Wenhui, Hangzhou



Community Integration

We organize sports games and green running for the young people living in Landsea Apartments, calling for them to choose low-carbon transportation, engage in activities for public good, and pursue healthy life and work. We are attracting more and more young people to engage in the new and forward-looking community culture, thereby improving the brand influence and adhesion of Landsea Apartments.



Figure. Sports game of residents of Landsea Apartments in Lumu, Jiangsu

Landsea Chang Qingteng Green Healthy Design

China has the world's largest aging population and is facing ever-increasing problems for elderly care. Landsea Chang Qingteng - Landsea Green Group's elderly care business now provides whole cycle, continuous one-stop elderly care services for the elderly. Landsea Chang Qingteng was among the Top 10 famous brands for elderly care services in 2016 and its business footprints cover over 30 elderly care centers in China as of today.

Green buildings and health buildings are mainly applied in interior health system and interior barrier-free design in Chang Qingteng's elderly care business.

In terms of interior health system, Landsea's complete and comprehensive healthy indoor system ensures that the elderly can enjoy a high-quality later life. At the same time, Landsea's advanced green building technology gives technological support for materializing the interior health system.

Advanced Green Building Technology

Healthy Air Condition



- Well- designed air inlet ensures the air quality at the source
- Filtering PM 2.5 to effectively reduce indoor physical pollution
- With total replacement ventilation, the interior is under ventilation once an hour



Healthy Temperature Environment



- Stable interior temperature to avoid catching a cold while using the toilet at night
- Tiered temperature setting that meets health requirement of human body



Healthy humidity Condition



- Humidity is under 70% all year round to meet health requirements of human body
- Humidity is at an appropriate level to soothe diseases like arthritis



Healthy Sound Environment



- Good external sound insulation
- Low interior noise level



Healthy light Environment



- Effectively shield sunlight and harmful lights
- A sleeping environment can be created during the day just as during the night
- No point light sources in the interior, thus reducing light pollution



Healthy Fine Decoration



- Strict standard of selecting material to control VOC at source
- Meticulous design and construction to control VOC in the process



Barrier-free Design

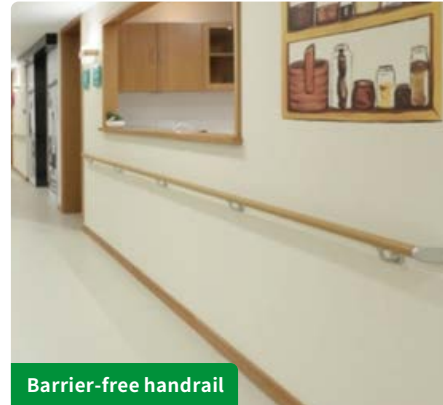
Moreover, as an important link in the design of green building and healthy building, barrier-free design is given special consideration in Landsea Chang Qingteng's elderly care buildings.



Mechanical bathroom



Barrier-free Basin



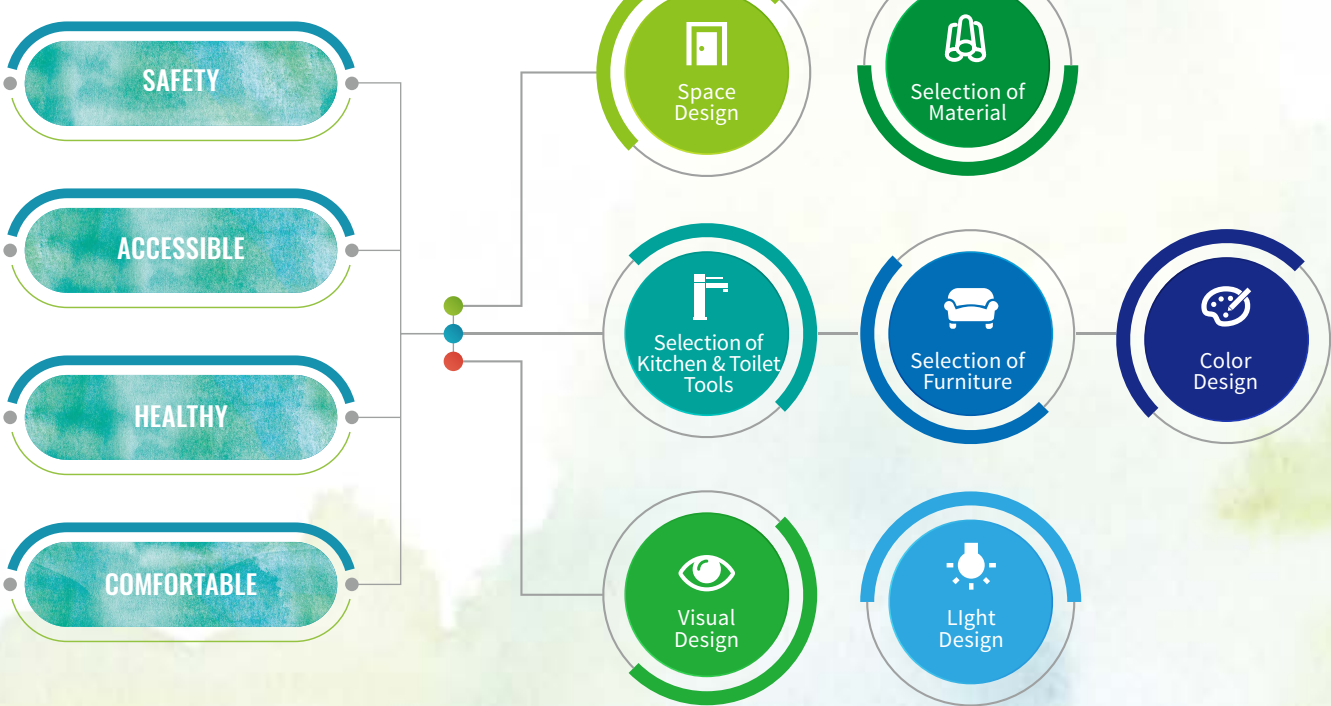
Barrier-free handrail

Elderly-friendly Design

Since the beginning of Landsea Chang Qingteng's projects, designs that are fit for flexible renovation in the future have been added. The dynamic improvement and real-time updating of elderly-friendly design is included in the whole construction process and the long-term maintenance and operation after delivering the project. The elderly-friendly design in Landsea Chang Qingteng's elderly

project demonstrates the solving of potential problems in the future from a sustainable perspective by using temporary elderly care buildings designs. Putting forward an effective method for tackling aging crisis in the building domain to enhance the timeliness and foresightedness of the elderly-friendly designs of elderly care buildings.

Key Points of Design



Green Property Management Company

Green Community

In September 2017, China Real Estate TOP 10 Research Team convened the 2017 China Real Estate Brand Value Research Result Release Conference and the 14th China Real Estate Brand Development Summit at the Yanqi Lake International Convention Center in Beijing. The 2017 China Property Management Brand Value Research Report was released at the conference, and Lansea's Green Property Management Company won the awards of 2017 China Leading Property Management Companies in terms of Characteristic

Service - Green Property and Green Community and 2017 Property Management Brand Companies in East China Region.

Landsea's Green Community is unique. Although this was the first time that Lansea Green Property Management Company was invited to the summit, it won two awards. In June 2017, Lansea Green Property Management Company was credited as 2017 China TOP 100 Property Management Company and 2017 China Leading Property Management Companies in terms of Characteristic Service.



Saving resources has been an important measure promoted by Landsea's Green Community. Landsea is very active in wastes recycling and garbage sorting in the community. It also provides consultancy services for energy using and saving management in the buildings.



Blue Chip Property Management Company

As a component and important force for Landsea's strategic transformation, Landsea Green Property Management Company closely cooperates with Landsea Green Group and emphasizes customer orientation to improve its service quality and expand its brand value.

On September 26, 2017, the 2017 China Property Management Company Blue Chip Annual Conference was held in Beijing. With its industry-wide accepted green and healthy company brand value as well as the overall competitiveness of Green Community as the benchmark in the property management service industry, Landsea's Green Community was reelected as China's Blue Chip Property Management Company. The ingenuity and innovative spirit that Landsea Green Property Management Company shows is in line with the theme of this conference - innovation and originality.



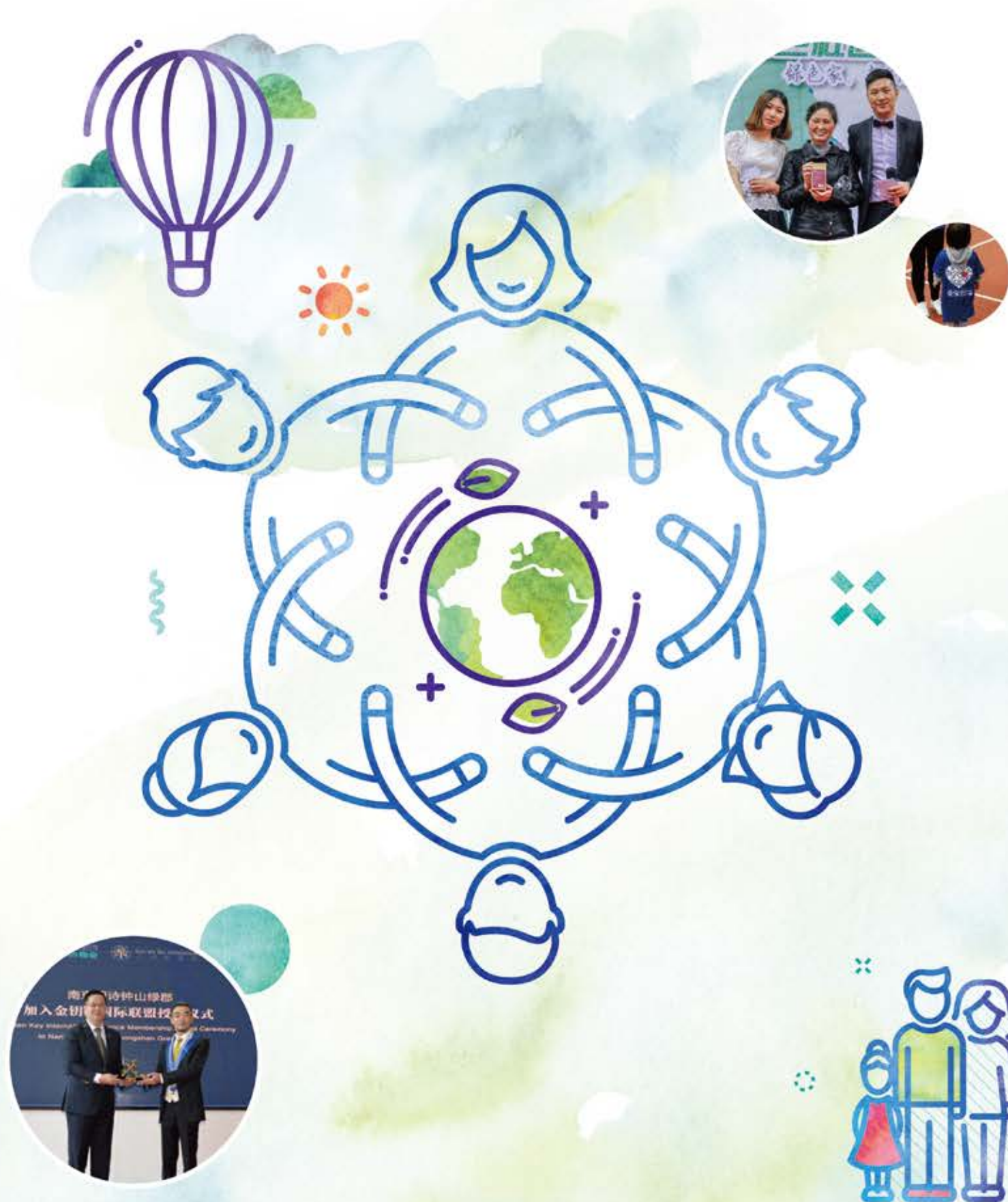
Membership of GKIA

(first GKIA member in Nanjing in terms of residential community)

On October 26, 2017, a membership awarding ceremony was held by the Golden Key International Alliance (GKIA) and Landsea Green Property Management (LGPM), with Landsea Zhongshan Green Village awarded the first member of the GKIA in Nanjing.

Featuring the unique Padova style and as a model of Landsea's 2.0 science and technology system, Zhongshan Green Village is excellent both in terms of the simulation experiments in the early construction stage and the interpretation on customers' needs in the later construction phase.

Since the early construction stage, LGPM has participated in the project to fully understand the features of the system and constantly study in-depth property owners' problems through learning, simulation and practice, thus satisfying their reasonable but nearly demanding needs continuously. Years of high satisfaction and top prices of second-hand houses in the region have proven the service quality of LGPM.



Community Activities

Community Cultural Event

Compared with 2016, LGPM's community activities are more pertinent and delicate. Cultural events are held revolving around the five themes of "health, safety, environmental protection, convenience and humanity".

We not only held activities related to custom and festival, traveling, sports, environment protection, public benefits and intelligent life, but also launched special programs like "Engineering Competition" and "Order-abiding Competition", in order to ensure that property owners fully understand property management and its services, and build a two-way bridge through which property services can be upgraded to being "mutually built" instead of just "meeting needs".

Those cultural events integrated Landsea green communities with the existing ones and set the goal and atmosphere of jointly building a green community.

"520" Family Confession Day

Among a variety of cultural events, "520" Family Confession Day is especially significant. For the 3000 families taking part in the activities from the whole country, "confession" can be the same with "home", not necessarily high-profile but simple, common but powerful. Let's speak out the plainest words in our life and share with our beloved our inner world.

Family is always defined as the joints and strength pool of LGPM. Prioritizing "humanity" as the most important part of green property management, Landsea green communities are homes to those new nobles that love their families.



Property magazine

In 2017, LGPM issued a property magazine Home, a brand new media platform for all Landsea green communities. Though brand new, it adopts the traditional paper form with soothing odor of inks. It is a big hit among widespread property owners and in every issue they contribute actively articles with touching words.

Compared with “short, flat, fast” new media, the paper magazine provides for the property owners a platform to express their more profound thoughts and emotions. Among those articles, the one titled “Why a graduate from Tsinghua University finally chooses Wuhan after 13 years’ drifting in Beijing” gives readers a happy feeling expressed in the verse “Snow flying to hot areas makes people there feel cool. The place bringing inner peace is my home.”



HEALTHY

House Check

Mobile Home Inspection

- Build health pre-warning system to promote community digitalization
- Disseminate the green lifestyle via online live video streaming

CONVENIENT

Butler call

Life consultant

- Provide functions such as online property management services, online community, and online shopping store
- Play the role of life consultant through training and support from back-end operational department

ENVIRONMENTALLY FRIENDLY

Waste Sorting

- Hold wasting sorting activities to promote the concept of waste sorting

SAFE

High Responsibility

- Stick to the principle of providing a safe, sound and comfortable community

HUMANISTIC

Community Cultural Event

Nationwide Reading

- Organize several community events themed on festival celebration, public welfare, hot issues, and so on
- Continue to promote the “Reading Warehouse” in communities, and provided over 40,000 books and the book-exchanging function



Eco-friendly Office

Landsea mitigates the environmental impact from its products and supply chain via green buildings and green supply chain practices. Additionally, since the environmental impact of Landsea's operation mainly comes from use of resources and wastes generated in its offices, Landsea actively promotes Eco-friendly Office practices.

Landsea advocates eco-friendly offices to ensure energy conservation and emission reduction. The eco-friendly offices motivate the staff to act in an energy conserving and environmentally friendly way in everyday tasks with an aim to reduce emission, so as to contribute to the health of our environment.

Energy Conservation and Emission Reduction

We focus on the management of water, energy, and other natural resources, seek to reduce energy and water consumption through a series of measures. At the same time, we encourage our employees to choose public transportation so as to reduce the carbon footprint.

Introduction of Our Practices of Energy Conservation and Emission Reduction

Energy Saving

- Control the indoor air-conditioning temperature: no higher than 20°C in winter, no less than 26°C in summer.
- Control the use of elevator: stop on odd numbered floors and take stairs to floors nearby.
- Control the use of lighting: try to use natural light instead of artificial lights during the daytime, and switch off the lights after use.
- Lease a printer and copier instead of purchasing.
- Switch off the lights, AC, computers and other devices after use.

Strengthen Inspections on Water And Electricity Supply System

- Ensure the smooth operation of water and electricity supply system and avoid water dripping and leaking.

Water Saving

- Encourage the staff to use their own water cups to reduce the use of disposable water cups.
- Mark your bottled water with a marker pen to avoid waste.

Promotion of public transportation

- Encourage green commuting and ask employees to use public transportation for commuting and business trips.
- Promote carpooling to reduce the use of single-occupancy vehicles.

Resource Management

We purchase office supplies on a monthly basis to strictly control the cost, advocate the use of recycled paper, pens that can be refilled, toner cartridges, rechargeable batteries and other recyclable items, and encourage sharing across the company. We conduct proper maintenance of different equipment to prolong their service life and reduce the purchase of new ones. Except important documents or documents specifically required for single-sided printing, employees are encouraged to print double-sided to effectively reduce the use of paper.

Great efforts are being made to promote e-offices. Online approval procedures are introduced for related business matters and employees are encouraged to communicate in a paperless way. In 2017, a total of 180,000 online approval processes were launched, which greatly reduced the use of paper and improved office efficiency. At the same time, some marketing and advertising activities has been carried out online via apps, public accounts on social media, official websites and other online channels, to reduce the use of paper and save storage space. In July 2017, the mobile video conferencing system was officially

launched, and 738 mobile video conferences were held throughout the year with an accumulated duration of over 3,800 hours.



Our canteens have completely canceled the use of paper lunch boxes to use stainless steel and degradable tableware, provided food on demand to eliminated waste, and handed over the kitchen waste to waste management companies for regular recycling, turning parts of the waste into compost.

Enhancing Environmental Awareness by Conducting Environmental Protection Activities

We integrate the green philosophy into our workplace by posting environmental awareness stickers in the office area to remind and encourage employees to act in an eco-conscious way. In addition, we actively participate in various environmental protection activities to advocate environmental protection and raise employees' awareness of environmental protection.

Landsea “Earth Hour” Campaign 2017

On March 25, 2017, in response to the “Earth Hour” movement organized by the World Wide Fund for Nature (WWF), Landsea released a series of posters themed on “Sustainable Living Guide” to call on its employees and all sectors of society to pay attention to sustainable development.



Employee Development

Employees are Landsea's core resources. Landsea believes that a company is obliged to create a transparent working environment and ensure that all employees have equal opportunities. Landsea encourages employees to be dedicated to their work, but not sacrifice their personal life. Landsea values the personal development of its employees, and provides a stage for them to achieve their career goals.



Employees' Rights and Interests, and Employment Equality



LAW-ABIDING

- Follows laws and regulations including the Company Law of the People's Republic of China and the Labor Law of the People's Republic of China relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare of its employees.
- Complies with relevant laws and regulations on child and forced labour practices. It prohibits child labor and any sort of forced labor in all of its businesses. For instance, as part of its employment practices, Landsea conducts age checks of applicants when hiring. There is no reported child labor and forced labor in the company during the reporting period.
- Employees work five days per week, and the average working week is no more than 40 hours. Employees are entitled to public holidays, marriage leave, compassionate leave, maternity leave, and family support leave. After one year of work at the company, they can take annual leave in accordance with the relevant regulations.

EQUALITY

- Sets high standards for recruitment processes and conducts fair and transparent recruitment. The hiring and dismissal of staff shall first be approved by the manager of the human resources department in accordance with Landsea's hiring procedures which are in accordance to applicable laws and regulations.
- Creates a working environment with equal opportunities for its employees by fully respecting workers of different backgrounds and ensuring that no one is discriminated against because of their race, color, gender, or age.
- Ensures that female and male employees enjoy equal pay and benefits and provides them with equal opportunities for career development.
- Career promotion is based on their capabilities and achievements.

INTEGRATION

- Values overseas training of domestic employees, and works to promote mutual respect, understanding, and integration among employees of different cultural backgrounds.



LANDSEA PROVIDES EMPLOYEES WITH TWO CAREER DEVELOPMENT PATHS, SPECIALIZATION AND MANAGEMENT

1

Specialization

Conducting in-depth research into one or more areas, and continually improving professional knowledge to become an expert in the field

2

Management

Taking charge of team coordination and organization, leading a team to perform tasks and achieve good performance



Remuneration and Benefits

In accordance with the principle of marketization, Landsea provides competitive pay for the industry, retains and attracts talents, and pays employees in line with their post, capacity, performance, and the market conditions.

Statutory Benefits:

Five insurance policies plus one fund as stipulated by the state (i.e. pension, medical care, unemployment, work-related injury, and maternity insurance and housing fund), public holidays, wedding and funeral leave, maternity leave, breastfeeding leave, high-temperature subsidies, single-child fees, heatstroke prevention fees, etc.

Additional benefits:

Overseas travel for outstanding workers, additional paid annual leave, various kinds of allowances on occasions such as weddings or funerals, etc. In addition to the medical insurance specified in laws and regulations, Landsea pays for complementary commercial medical insurance for employees every year. Landsea also provides family medical insurance policies, which employees can choose to opt in to depending on their family members' health conditions.

Occupational Environment

Landsea fosters an environment where employees take their work seriously while maintaining relaxed interpersonal relations. Whether or not colleagues are good friends, they are partners at work. They are encouraged to upkeep the virtue of honesty, not to form cliques, or shirk from responsibilities. Landsea advocates problem solving instead of personal attack, opposes “shaking hands on the stage while fighting offstage”. Employees are encouraged to bring problems to the table for discussion. Bureaucracy and formality are avoided as much as possible, and greeting each other with titles is discouraged.



Smooth Communication

Landsea provides its employees with various channels for communication, enabling them to communicate with the managers as appropriately and effectively as possible. In this way, employees can fully protect, claim, and apply for their lawful rights and interests.

Internal Communication Channel for Employees



(senior-level manager)
Open Door



Employee
Meeting



Labor Union



Face-to-face
Communication
about Work



Discussion
& Meeting
about Work



E-mail to
Anybody



Online Forum



Survey on
Employees' Job
Satisfaction



The Company's
Information
Disclosure Channel

Health and Occupational Safety



The occupational health and safety risks in employees' daily business and their working environment are relatively low and Landsea has complied with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards. The company is continuously improving its processes and daily management regarding employees' health and safety to foster a safe, healthy, and comfortable working environment for all employees.

According to the company's employee welfare policy, Landsea provides annual physical examinations for its employees, in an effort to promote their physical and mental health. Landsea also conducts safety inspections on a daily basis and during holidays, and urges all departments and divisions to be mindful about safety and security. It conducts regular safety inspections on office buildings and project sites, including comprehensive inspections on water and electricity safety hazards in particular, and puts a lot of effort into fire prevention and anti-theft measures, etc.

Moreover, the company tries to create a good working environment for its employees by renovating the work facilities. In 2017, in order to create a better, greener working environment for its employees, Landsea renovated and upgraded parts of offices while adopting several suggestions from its employees, for example, new desks and chairs, plants around the office, a fresh air system, and installation of LED lights.

Creating A Better Working Environment

- ✓ Placing hydroponic plants on desks while reducing the numbers of plants cultivated in soil to reduce the cost of plant maintenance;
- ✓ Banning smoking in all office areas and setting up a smoking area in the corridor to create a cleaner working environment;
- ✓ Setting up a book corner. Employees are encouraged to recommend or donate books. All the books are numbered for lending management, saving a lot of resources and fostering a culture of sharing and learning.

The Most Beautiful Desk Campaign in the Pension Affairs Department

In December 2017, the Pension Affairs department ran a campaign called “The Most Beautiful Desk”. 312 employees participated in the campaign, and 30 of them were singled out for the final selection via online voting. In total there were 3939 votes, with 26,657 visits, which effectively promoted the idea of a eco-friendly office and improved working environment.

Employee Training

Talent is the most important driving force for a company's sustained development. Landsea aims to attract and cultivate talents and help them to find fulfilling roles. It provides its employees with valuable training courses, bright prospects for career development, and a broad platform for personal growth.

Landsea emphasizes continuous learning and believes that learning is the best way to make progress. From the very beginning, Landsea displayed a banner in its conference room: a team that's quick at learning is better at taking on competition.

In 2017, during its strategic transformation period and in keeping with its organizational capacity, Landsea optimized and upgraded its training system to cover all employees and branding, with the aim of exploring a long-term employee training mechanism.



Two Channels to Create A Supply Chain of Professionals And An Internal Support System

MANAGERIAL LEVEL	LEADERSHIP DEVELOPMENT	CORE TALENT CULTIVATION LEADER CADRE TRAINING REGIMENT		IMPROVED ABILITY		POSITIONS INVOLVED
EXECUTIVES ASSISTANT GENERAL MANAGER & ABOVE MIDDLE LEVEL MANAGEMENT MANAGEMENT TRAINEES	Leadership Strategy		Dragon Camp (Light Asset)	Architecture Heating & Ventilation Investment & Expansion	Cost Management Human Resources etc.	Professionals at All Levels
	Sword Strategy	Tiger Camp (General Project Managers)				
	Blade Strategy		Taozhu Camp (Operation & Sales Management)	HEADQUARTERS + IMPROVED ABILITIES FOR ALL DIVISIONS		
	Razor Strategy	Luban Camp (Engineering Managers)				
	Source Power					
	Teacher Camp (Training for Company Trainers)		Advisor Training			
	New Employee Orientation					
	Featured Training (Leadsea Cultrue, Strategy and Product Promotion)					



Establishing a functioning employee hierarchy mechanism that is conducive to nurturing professionals who have worked in their jobs for two to three years.
Providing human resources support for the strategic development of the company.

- ✔ **Business Support**
Talent pool can help to meet the demands of business expansion
- ✔ **Management Ability**
Improving the management skills and mindset of managers at all levels
- ✔ **Professional Skills**
Putting in place a team of professionals with adequate skills that can meet the demands involved in making transitions

Landsea attaches great importance to exporting Landsea training programs. By cooperating with external institutions such as CEIBS, high-level executives are enrolled in EMBA programs and take part in study opportunities such as exchanges and program inspections, so as to improve their management abilities and leadership qualities. The Leader Cadre Training Regiment focuses on cultivating core employees by maintaining the Tiger and Dragon Camps while launching new camps including Taozhu and Luban. New employees received training to familiarize them with the company culture and values. Professional clubs provide a platform for exchange, sharing, innovating, and learning from each other. In 2017, 480 training sessions of various kinds, delivering 4,088 lessons for 14,844 participants, were organized across the group, with the training covering 100% of employees.



TRAINING ACTIVITIES ORGANIZED
ACROSS THE GROUP IN 2017

480

TRAINING SESSIONS

4,088

LESSONS

14,844

PARTICIPANTS

COVERING
100%
OF EMPLOYEES

TIGER CAMP

- Based on the overall quality model for Landsea's programs, the overall quality and values have strict thresholds. Using the four aspects of key experience, personality traits, professional and managerial capabilities, and long-term performance, the criteria for human resources competence were defined and a comprehensive analysis conducted to create a diagram showing the distribution of talents in the form of a nine-square grid, and thus make decisions about development and appointment. According to the analysis report, the employees involved were contacted individually for feedback, in order to better interpret the results.
- Employees at different levels receive different training. Industry experts were invited to conduct five intensive trainings on professional skills and management skills, totaling 80 hours, so as to broaden the horizon of employees and improve their abilities.

DRAGON CAMP

- Operating on small stocks, real estate funds, and new business models, it focused on asset management, long-term rental apartments, and Landsea Apartments. Five activities centered on new business knowledge and capability were conducted. The venue of activities was expanded to include things such as project investigation.
- It continued to integrate various professional resources and set up project teams responsible for operating the light assets, and to run training in the form of competitions so that participants can gain experience and enhance their capabilities through practical work.

TAOZHU CAMP

- Taozhu Camp adopted a model of small class training. Focusing on themes such marketing innovation and reform, brand positioning, and experiential marketing in the era of big data, three focused training sessions were conducted. Theoretical lectures, internal seminars, and discussions all strengthened participants' professional knowledge, and enabled them to quickly discover various new methods adopted by benchmarking companies to improve their qualities, thus enhancing the capacity of the marketing system under Business Model 2.0.

LUBAN CAMP

- Luban Camp trains engineering management personnel through rolling and phased sessions. In line with the course setup, three training courses on industry trends with (conventional and differentiated) professional modules, management modules, and practice modules have been completed, totaling 48 sessions, to improve the overall development level of Landsea projects.

■ 637 people participated in new employee orientation across 96 sessions. Consisting of team-building, dialogue with senior executives, training classes, benchmarking case studies, and examinations, the programs enable new employees to carry forward the Landsea culture and promote Landsea values, while fostering a sense of belonging in Landsea.

■ The architecture, heating and ventilation, and HR clubs continued to run activities to establish a platform of both learning and exchange, where professionals can share experiences, learn from each other, and exchange ideas. Activities such as lectures by external experts, industry forums, visits to benchmarking projects, and case studies have been successfully conducted.

■ The "New Green" trainee training camp is a preliminary project for the "source power" talent development plan, aiming to ensure a rapid growth in students becoming professionals. Launch the careers of new graduates at Landsea, providing them with coaches, post rotation, and camp training.

■ After a period of three to five years, graduates with outstanding expertise and managerial skills will be promoted to become the new backbone of Landsea.

NEW EMPLOYEE ORIENTATION

PROFESSIONAL CLUB

SOURCE POWER

Landsea Chang Qingteng League College

In order to maintain high-quality service levels, Landsea has established its own Landsea Chang Qingteng League College to cultivate high-quality service professionals.

In 2017, Landsea completed the Landsea Chang Qingteng League College's five-level training system: source power training, employee promotion education, a training camp for potential management teams, external training for managers, and training on professional systems. Forms of training include group teaching, on-post training, job placement, external exchanges, etc. Over the year, 303 employees were recruited and 100% of new employees were trained. A total of 2,000 employees coming from all kinds of units, including 15 team leaders and eight facility managers, were trained to meet the human resources deployment requirements for business development.

In 2018, Landsea will continue to refine its systematic training courses for senior careers and establish a graded training system, with emphasis on training internal management personnel.



Employee Care and Development of Landsea Homes

Landsea Homes is an Equal Opportunity Employer complying with all U.S. Federal and State employment laws. All on boarding Human Resource documents comply with all U.S. Federal and State requirements to ensure compliance. During each employees onboarding process, they receive a complete Employee Handbook which includes Workers Compensation and Labor Code section 132a to fully understand Federal laws and company policies regarding any work related injuries.

Landsea Homes is committed to recruiting and retaining top-notch industry talent and providing competitive salaries and benefits to all of its employees in the US. Landsea Homes recruits employees of different genders and races. The company's policies explicitly prohibit any form of discrimination against employees under the protection of federal laws.



NAVEX Global Ethics Point systems was put in place for all Landsea Homes employees to enhance communication and empower each employee to promote safety, security, and ethical behavior. This third party system empowers each employee to voice any concerns or questions they have that they feel unable to voice directly to their manager.

Each full time employee (30 hours a week) receives eligible sick and vacation days, voluntary enrollment in Retirement plan, Health Insurance benefits, and 10 annual paid holidays. All employees are reimbursed for personal cell phone expenses based on position for work related usage. Team building activities are planned within each division and department including such activities educational lunches, painting, local 5k events, and summer BBQ to name just a few.

Talent cultivation and development

100% of the Landsea Homes employees received training from their direct reports and peers to understand their roles and responsibilities. Additional annual training hours per employee in our construction, sales, management, and support staff averaged 15/hours.

The company reimburses educational expenses up to \$2,000 in a calendar year to all full-time employees after one year of service.



Employee occupational safety and health

In Landsea Homes, All field employees receive current safety training and ensure that all trade partners are following company safety standards.

There was 3 work related injuries with 2 days lost and 0 fatalities in 2017. There were no legal cases brought against Landsea Homes in 2017.

Landsea Homes offers each employee gym access and opportunity for personal training hours during the month. The Human Resources Division puts up health and safety related posters in the office area every month.

Anti-corruption

Landsea Green Group pursues strict policies to prevent corruption, fraud and money laundering and strictly abides by the four rules: no bribery, no false accounts, no tax evasion, and no deception on customers. Those who disobey these rules will be held accountable.

The company has not been involved in any money laundering, fraud, extortion litigation or arbitration by regulatory bodies during the reporting period.



As we have zero tolerance for corruption, we have created many platforms for people to report on corruptive behaviors. They can report to the president by email, mailbox, hotline and WeChat public platform, channels unveiled both internally and externally. Any charge of corruption, once proven to be valid, will be reported to the police without any mercy and published on Landsea's official website and its corporate WeChat account. No matter where do these reports come from, we will investigate into all of them equally. Once verified, we will deal with them seriously according to the provisions of our company.

Sticking to a method combining punishment and education, we set up detailed provisions on the codes of conduct for the staff and organize regular lectures and case sharing sessions. The Inspection and Auditing Office conducts regular and special audits of regional companies and hires external agencies to audit the internal control of the company to cover the loopholes in internal control, reduce the probability of corruption, and control corruption at source.

We opened the Incorruptibility Bulletin of Landsea Green Group and established a specialized incorruptibility account. Employees who have had or may receive cash gift in public or social activities for various reasons may deposit the cash into this account when they fail to decline

such cash gift. Employees should keep the remittance vouchers for future reference and use it as an evidence for proving their rejecting cash gifts. Gifts and securities shall be handled according to the gift submitting system.



In 2017, a total of 1 case was completed in the first instance and 2 cases had been reported to the public security agency. The people involved in these cases were taken compulsory measures against by the law enforcement agencies. 10 special inspections were conducted in which 7 cases of regulation and discipline violations involving 10 people were handled, in addition to the cases transferred to judicial authorities.

In 2017, special audits were conducted on the e-commerce management of Landsea's regional companies during 2015 and 2016. The audit opinions were submitted and relevant units were required to make rectifications. In 2017, internal control audits were conducted in all of Landsea's real estate branches, including Shanghai Branch and Nanjing Branch, and design institutes, during which more than 100 audit opinions were provided to require rectification in responsible units.



Public Welfare

Green Bud Action

Apart from their homes, children spend most of their time at kindergarten. In the event of haze, they cannot do outdoor activities and even opening the window is not recommended. In November 2016, Landsea Green Property and Landsea Nanjing Charity Fund Club jointly launched the “Green Bud Action-Tour of Kindergartens against Haze” (the “Green Bud Action”), which provided kindergartens with a program focusing on air ventilation, efficient reduction of haze, intelligent monitoring, energy saving, and ultra-low noise. The anti-haze system is able to efficiently improve indoor air quality. It is equipped with an integrated control panel, allowing parents and teachers to monitor real-time indoor air quality.

"Green Bud Action” in Ten Cities

As of December 31, 2017, the "Green Bud Action" has covered 12 kindergartens in ten cities, namely Beijing, Tianjin, Shanghai, Suzhou, Nanjing, Hefei, Hangzhou, Chengdu, Wuhan, and Baoding. Now 11 kindergartens have been put into normal operation after renovation.

Wuhan Governmental Directly-Subordinate Shuguang Kindergarten	Tianjin Eco-city Hailida Kindergarten	Affiliated Kindergarten of Suzhou Experimental Elementary School
Beijing Blue Sky Navigation International Kindergarten	Nanjing Gulou District Jiangdong Street Kindergarten	Hebei Baoding Cambridge Kindergarten
Sichuang Normal University Longcheng Experimental Kindergarten	Shanghai Changning Bell Kindergarten	Beijing Chenguang Rehabilitation Center for Children with Cerebral Palsy
Hangzhou Dongxin Experimental Kindergarten	Hefei Bird Flying Jiangnan Kindergarten	Shanghai QingCongquan Training Center for Children with Special Needs



Landsea Green Real Estate is delivering these "easy-breathing kindergar-
tens" out of concern for our children. By implementing the "Green Bud
Action" in all these cities, Landsea is demonstrating its strong philan-
thropic commitment to society. At the second Social Value Co-Creation
through Outstanding Corporate Social Responsibility Practices in China
Competition on November 23, 2017, Landsea’s "Green Bud Action" stood

out from numerous practices to win the "Merit Award for CSR Practices."
The award is recognition of Landsea’s ability to achieve "value
co-creation" and "crossover cooperation" by a professional organiza-
tion. In the future, Landsea hopes that more and more like-minded
companies will participate and achieve value creation through CSR
practices.



Positively Engage in Charity Activity

In addition to solving problems of aging society, Landsea Chang Qingteng Business Unit positively engages in various charity activities, and launches events and community renovation regarding to the aged group, and draws public attention to the aging society problems and substantially helping the aged and improving their living standard.

Cases of Charity Projects

PROJECT NAME	PROJECT DESCRIPTION
Rising Sun Living-alone Aged Care Project (2017.5.1—2018.4.30)	<ol style="list-style-type: none">1 Prepare manual of basic information of the aged living alone and highlight the priority support for living-alone aged people2 Trace the health and safety condition of the aged, improving their living security.3 Organize a friendly association for the aged, regularly hold team activities, enriching daily life and meeting mental demands of the aged. <i>22 Activities Held in 2017, Benefiting 200 Aged People</i>
I’m With You Community Micro Charity Project In Fenghuang Garden (2017.6.1—2018.5.30)	<ol style="list-style-type: none">1 Mental comfort: pay visits, create health file and hold various activities2 Medical aid: free blood pressure and blood sugar measurement, and medical consultation3 Rehabilitation with Chinese and Western medicine: moxibustion therapy, massage, cupping therapy and various western rehabilitation training4 Life nursing: safety check, medicine management, bathing assistant, pedicure, etc.5 University for the aged: Wechat class, handcraft course, music course6 Health promotion: TCM health preserving meeting, nutritious diet meeting, health manual, etc. <i>Serve Nearly 5,000 People in 2017</i>
Make the Sunset More Beautiful Mental Care Service For The Aged (2017.10.1—2018.10.30)	<ol style="list-style-type: none">1 Targeting middle-aged and senior people, build aged art team and set courses for the aged to motivate the younger elderly to help the senior aged people, enabling the aged to feel to be cared by the government and society and enriching their mental life.2 Compile story manuals with the theme of “filial piety culture” and recruit the younger elderly to deliver these manuals to the senior aged people in the community, forming an atmosphere of respecting and caring the aged people
Renovation For The Aged In Jianye And Gulou District (2017.7.8—2018.6.30)	Install handrails, annunciators, slope reconstruction, safety guidance at home <i>Serve Over 400 Households in 2017</i>
Life nursing service for the aged over 90 years old in Xuanwu District (2017.10.25—2020.10.24)	<ol style="list-style-type: none">1 Life support services: buying food and cooking, shopping, accompanying to see the doctor2 Mentally accompany services: chatting, reading books and newspapers, psychological counseling, mental comforting3 Safety guarantee: heatstroke prevention, cold protection, utilities check4 Special assistant services: emergency aid, contact relatives and friends

In 2017, 45% of the employees of Landsea Homes actively participated in charitable activities in which they raise funds of over 70,000 dollar. Landsea Homes also cooperated with its trading partners and subcontractors to participate in the fund-raising activities of the City of Hope project.



Promoting Responsible Investment

China's ESG Development Index (ESGDI) is a newly created sub-index of China's New Economic Index (NEI). Unlike the New Energy Vehicle Index, New Economy Consumption Index, and Digital Economy Index, the ESGDI analyzes the influence of companies, industries, and even society on the country's new economic growth on the basis of sustainable development.

Landsea China ESG Development Index



Most of the traditional ESG index studies focus on a single listed company and analyze that company's environmental, social, and governance performance. Unlike the traditional ESG index developed by listed companies, ESGDI no longer focuses on a single company but a macro ESG index built on a reliable index model and big data that can objectively indicate the ESG performance within a region, city, province, or nation, so that the ESG index can better inform macro investing. It can be said that ESGDI is the "barometer" of ESG

development in a region. Specifically, the value of ESGDI lies in enabling the public, media, and other stakeholders to understand the overall ESG development in a region, informing financial regulatory agencies and investment institutions in their decision-making, improving enterprise management, and boosting the sustainable development of society as a whole.



As a strategic partner, Landsea actively promoted research into ESGDI in 2017, in alignment with the company's social strategic layout. By participating in ESGDI research, Landsea promotes the core concept of green corporate development to the public and the nation and takes responsibility for transforming social and environmental development as a company.

Because ESG investing has a far-reaching impact on the investment environment, Landsea will continue to work with its partners to establish an ESG indicator evaluation system to guide policy-making, align with the international ESG capital market, better inform government policy-making, and guide investment, as well as promote the transformative development of enterprises and the social economy.



The Value of the Landsea China ESG Development Index

ENTERPRISE

In addition to financial performance, the non-economic factors must also be considered to support the sustainable development of the company

- ✓ Extensive development of traditional enterprises does not pay enough attention to responsible investment and environmental investment
- ✓ During the transformation of traditional enterprises, decision makers only have access to formal information, and lack data on environmental, social, and corporate governance
- ✓ Corporate Social Responsibility becomes more and more important in the process of shaping the brand image. It is imperative for a company to make its voice heard in the industry

INVESTOR

Obtaining non-economic data other than financial performance index to evade investment risk and achieve long-term stability

- ✓ Obvious trend of value investment and liability investment
- ✓ The traditional investment philosophy focuses solely on financial performance

Landsea China ESG Development Index Forum

The first ESG Development Index was launched in September 2017 under the Landsea name. Dozens of well-known media participated in and reported on the forum. In their reports they wrote that current research showed that ESG practice had a significant financial impact and companies underperforming in ESG would face higher capital costs and volatility. They also concluded that the positive value chain of ESG would effectively promote a change in investment value orientation. They added that the launch of Landsea China ESG Development Index was expected to fill the gap in China's ESG research.



GOVERNMENT

Providing necessary reference for the State Council, Development and Reform Commission, etc.

- ✓ Filling China's gap in the macro ESG index
- ✓ Monitoring and early warning of regional sustainable development
- ✓ Monitoring industrial structural changes
- ✓ Precise delivery and continuous evaluation of corporate support policies

Promoting the Sustainable Development of the Real Estate Industry

Landsea has always been committed to promoting the development of green building and green housing products. Each year, it takes concrete actions to support the development and landing of green building in China.

At the International Green Building and Building Energy Conference, Landsea discussed the future development of green building products by sharing practical landmarks, showing the way for companies in the exploring stage of green buildings.

Landsea Taihu Lake Green Building R&D Base was awarded "Green Building R&D Model Base". This is the second time that Landsea Taihu Lake Base has been awarded the national green building research and development model base after the tenth Green Building Conference in 2014. As the first green building experimental model base in East China, Landsea Taihu Green R&D Base focuses on the study and development of energy-saving and pollution-free green buildings. Now it has a number of experimental bases, including passive building experiment base, decoration test base, and house type R&D test base.

Landsea and a number of well-known companies and construction research institutes in the green building field signed the China Good Architecture Action Agreement with China Association of Building Energy Efficiency, promising to increase building energy efficiency by 10%-20% in the next 5-10 years. This does not only clarify the specification and restriction on the development of green buildings, but also demonstrates the company's willingness to undertake social responsibilities.



2015

Landsea was elected as the rotating chair of China Passive Building Alliance.

2017

Landsea strived to carry out full-lifecycle and all-round experience exchanges in the development, design, construction, product and operation debugging of passive buildings, and conducted research-based advocacy, which has greatly promoted the development of passive buildings in China.

Mar. 2017

As a leading domestic green building developer, Landsea was invited to the ceremony of establishing the German Affairs Department of the CGBC in the Frankfurt City Hall, and attended the Sino-German Green Building Technology Seminar held at the same time. The establishment of the German Affairs Department will play an active role in the exchange of green building technology and information between China and Germany.

Apr. 2017

Jul. 2017

As the vice chairman of China Association of Building Energy Efficiency, and as an advocate and practitioner of the green supply chain initiative, Landsea, along with other corporate representatives and scholars from China and the United States, participated the 8th U.S.-China Energy Efficiency Forum hosted by the National Development and Reform Commission of China and the U.S. Department of Energy, making great contribution in achieving energy security, environmental protection and combating global climate change. John Ho, the chief executive officer of Landsea Homes, signed a cooperation memorandum on the "Good Architecture in China Action" Sino-U.S. Framework Agreement on behalf of Landsea.

Oct. 2017

In the sustainable green buildings aspect, Landsea was invited to act as the vice chairman of the Urban Renewal Club, and at the CRECC City Renewal and Existing Building Remodeling Branch and 2017 China Urban Renewal Summit, Landsea representatives presented practical examples to the participants, sharing Landsea's valuable experiences and rich achievements in the field of urban renewal and renovation of existing buildings. The summit also had a discussion session on the "Green Development Path to Urban Renewal".

Promoting the Development of Business Ethics

As an alumni company of the CEIBS Alumni Association, Landsea Green Group actively practices corporate social responsibility and is committed to advancing the development of business ethics. In 2017, Mr. Tian Ming, Chairman of the Board of Directors of the Landsea Green Group, was elected as the President of the CEIBS Alumni Association. He has actively engaged in the many issues of corporate social responsibility of the CEIBS alumni, and promoted Landsea's continuous contribution to various aspects of corporate social responsibility.

Aug. 18. 2017

The CEIBS Alumni Association released a proposal for alumni corporate social responsibility. In the afternoon of the same day, the opening ceremony of the CEIBS Alumni Corporate Social Responsibility Proposal, the Theme Forum and the Achievement Exhibition were held by the CEIBS Alumni Association in the Shihua Hall on Shanghai Campus of the CEIBS.

As an alumni company, Landsea participates in the interview, preparation and integration of the China-Europe Corporate Social Responsibility (CSR) Report. The CSR Report analyses the forms and trends of a one-year corporate social responsibility, highlighting the model cases of CEIBS alumni companies in terms of social responsibility and emphasizing their leading and model role.



The value recreation of business civilization and the practice and exploration of corporate social responsibility are the era propositions that each contemporary entrepreneur must think about. Business changes the world, and responsibility leads the future. As entrepreneurship is becoming a driving force for a country, Landsea will continue to advance ahead in promoting business ethics by working with other Chinese entrepreneurs to cope with challenges.



Communication with Stakeholders

Landsea values the stakeholder identification and communication.

With the help of important functional departments, representatives of front-line employees and external experts, it systematically categorizes the company's internal and external stakeholders including employees, clients, shareholders, investors, suppliers, local communities, and cooperation partners like industry alliances and




scientific research institutes.

Landsea has established standard communication mechanism with stakeholders deeply learns about opinions and suggestions from them and positively responds to their appeal and expectation by taking a series of measures.

MAIN STAKEHOLDERS	EXCHANGE AND INTERACTION ACTIVITIES	KEY ISSUES	RESPONSES
 CUSTOMERS	<ul style="list-style-type: none"> Customer satisfaction survey Activities for property owners 	<ul style="list-style-type: none"> Improving comfort Indoor PM2.5 concentrations Improving service quality 	<ul style="list-style-type: none"> Fresh air ventilators updated Risk control and management Product quality progress monitoring Visits to mystery clients Annual resident surveys and annual reports
 CORPORATE PARTNERS	<ul style="list-style-type: none"> Business cooperation and exchange assembly Regular communication meetings with strategic partners Supplier evaluations 	<ul style="list-style-type: none"> Third-party evaluation of project quality Open and transparent Scientific and highly efficient Fair evaluation 	<ul style="list-style-type: none"> Project management app Development of Landsea's online recruitment platform Technological Resource Bank to establish an expert review mechanism Creation of a reverse evaluation system for suppliers
 EMPLOYEES	<ul style="list-style-type: none"> Recruitment system Diversified training Labor safety and protection Psychological health management Welfare and employee care 	<ul style="list-style-type: none"> Promoting employment of female labor Employees' work-life balance Promoting harmonious development of employment relationships 	<ul style="list-style-type: none"> Multifaceted development of talent: dual-conduit development system Conducting various forms of training Organizing different sports events Providing basic welfare and multiple extra benefits and offering employee support
 SHAREHOLDERS AND INVESTORS	<ul style="list-style-type: none"> Shareholders' assembly Launching performance reports Launching mid-year reports and annual reports Engaging in road shows Announcements 	<ul style="list-style-type: none"> Explaining operational strategies and plans fully and systemically 	<ul style="list-style-type: none"> Communicate with shareholders or investors through newsletters, announcements, or annual report
 INDUSTRY	<ul style="list-style-type: none"> Participation in industry associations Participation in green supply chain operations of the real estate industry 	<ul style="list-style-type: none"> Pushing forward energy conservation, environmental protection, health, and comfort within buildings Leading the green development of the industry and promoting win-win cooperation Improving environment management capabilities Promoting formulation of relevant government policies 	<ul style="list-style-type: none"> Participation in the compilation of standards for healthy buildings and the ensuing evaluation Initiated the establishment of an "open green supply chain website" Joint procurement conference of the China Urban Realty Association (CURA) Participation in formulating the review standards for green supply chain white list
 LOCAL COMMUNITIES	<ul style="list-style-type: none"> Promoting green communities Holding community events to promote public welfare Supporting education 	<ul style="list-style-type: none"> Building healthy, convenient, environmentally friendly, safe, and cultural green communities Protecting the health of children 	<ul style="list-style-type: none"> The "Love Home" app National large-scale community cultural festivals Property-focused journal - Home Green Bud Action



In 2017, based on its real estate business, Landsea further diversified its business portfolio by tapping into segments such as Landsea Chang Qingteng Aged Care, long-term rental apartments, and green finance. This led to a more specific classification of Landsea's stakeholders, helping the group to better respond to its stakeholders' requests and expectations.

TYPES OF BUSINESSES	MAIN STAKEHOLDERS	KEY ISSUES	RESPONSES
 LANDSEA CHANG QINGTENG AGED CARE	<ul style="list-style-type: none"> Seniors over the age of 60 Family members of seniors 	<ul style="list-style-type: none"> Confronting the aging population Maintaining and improving seniors' quality of life 	<ul style="list-style-type: none"> Landsea Chang Qingteng colleges for the elderly Home-based care services Mutual assistance of seniors in the community Establish catering advisory committee Appoint person in charge of each floor and room Introduce third-party satisfaction survey Professionals participate in customer communication meeting
 LONG-TERM RENTAL APARTMENTS	<ul style="list-style-type: none"> Urban young people pursuing high-quality life 	<ul style="list-style-type: none"> Provide an ecosystem that focuses on living life and combines business, office and cultural and creational functions 	<ul style="list-style-type: none"> Establish BU for long-term rental apartments Develop long-term rental apartments under the brand "Landsea Apartments" Improve the professional skills of customer service staff Customized service of apartment product line Women's Day/love season/other theme activities Series of activities of poetry festival Exclusive interviews at poetry festival Satisfaction survey and specific correction Rent installment Rental and selling of goods often used by residents Self-shopping
 GREEN FINANCE BUSINESS	<ul style="list-style-type: none"> Real estate developers Investors 	<ul style="list-style-type: none"> Green finance Support city development 	<ul style="list-style-type: none"> Green Finance BU Investment & funding and financial services Build fund cooperation platforms Gradually expand cooperation fields Increase frequency of high-level mutual visits

Material Topics of Social Responsibilities

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

Material Topics and Boundary Identification

Based on the EGS Reporting Guides issued by the Stock Exchange of Hong Kong Limited and *the Guidelines of Sustainable Development Report* issued by GRI, and combined with Landsea's CSR concept, strategy and business focus, Landsea identifies 16 material topics and their boundaries that are closely related to the company by benchmarking excellent peer reports home and abroad.

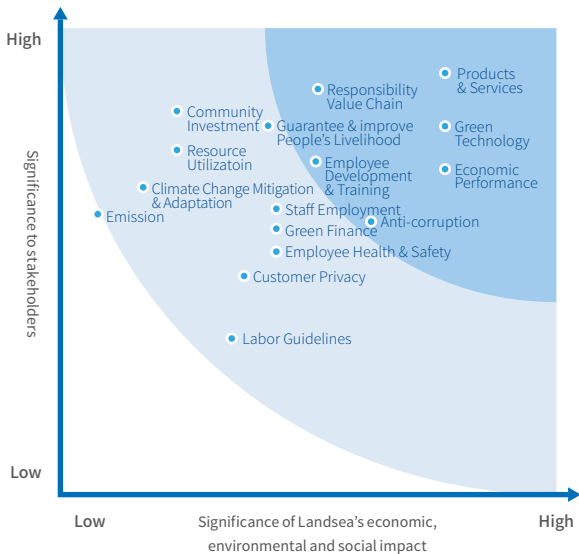
Landsea Chang Qingteng Aged Care and long-term rental apartment business that were promoted in 2017 are closely related to the improvement of people's livelihoods. This year Landsea added and identified the topics of people's livelihood guarantee and improvement. Besides, in order to promote the green finance business development, green finance is also included in this year's material topics.

MATERIAL TOPICS	LANDSEA INTERNAL BOUNDARY	LANDSEA EXTERNAL BOUNDARY		
		CUSTOMER	SUPPLIER	COMMUNITY
ECONOMIC PERFORMANCE	✓	✓		
CLIMATE CHANGE AND MITIGATION	✓			
RESOURCE USAGE	✓			
EMISSIONS	✓		✓	
GREEN TECHNOLOGIES	✓		✓	
GREEN FINANCE	✓			
STAFF EMPLOYMENT	✓			
STAFF DEVELOPMENT & TRAINING	✓			
STAFF HEALTH AND SAFETY	✓			
LABOR STANDARDS	✓			
PRODUCT AND SERVICES LABELS	✓	✓		
CUSTOMER PRIVACY	✓	✓		
ANTI-CORRUPTION	✓			
RESPONSIBLE VALUE CHAIN	✓		✓	
COMMUNITY INVESTMENT	✓			✓
SECURE AND PROTECT PEOPLE'S WELL-BEING	✓			

Material Topics Analysis

Based on the appeal and focus of stakeholders as well as the judgment of experts, we prioritize material topics from two dimensions including significance to stakeholders and significance of Landsea's economic, environmental and social impact, for the purpose of better responding to the highly material topics in the report.

Analysis of material topics of the CSR of Landsea Green Group

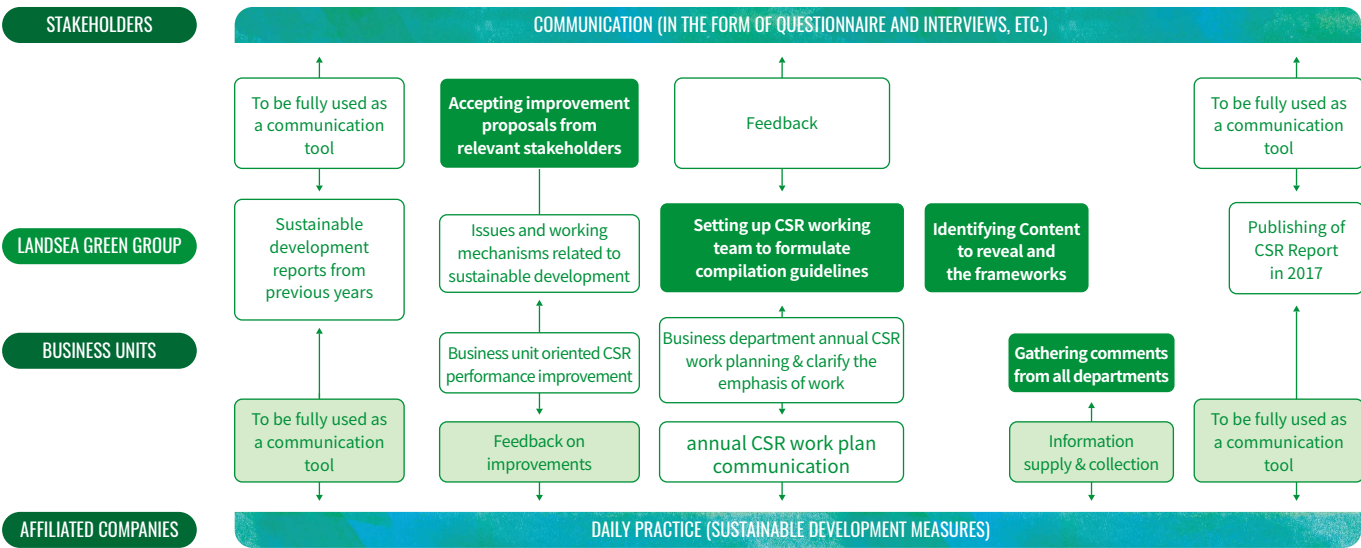


Corporate Social Responsibility (CSR) Report

In order to better convey Landsea's sustainable development concept and disclose its performance to all stakeholders, Landsea has issued corporate social responsibility report in the format of separate brochure since 2016 which is an important tool for Landsea to increase its transparency and improve its sustainable development management.

The report is prepared under the guidance of the Sustainable Development Committee of Landsea Green Group and based on the EGS Reporting Guides issued by the Stock Exchange of Hong Kong Limited and the Guidelines of Sustainable Development Report issued by GRI. With the

preparation principles of importance, accuracy, balance, and consistency and combined with the group's strategic layout and business, it describes Landsea's CSR management approaches, strategies, priorities and objectives in diversified forms like text presentation, data comparison, process presentation, and case study. It presents other relevant business modules' CSR strategies in the context of transformation and upgrading strategy of Landsea green group. Landsea is looking forward to enhancing communication with all stakeholders to promote the sustainable development of relevant management businesses.



Environmental Report

Index ¹	Unit	Year 2016	Year 2017
Resource Usage ²			
Office Power Consumption ³	Megawatt	1,056.16	1,113.02
Office Water Consumption	Cubic meter	7,439.20	8,639.81
Consumption of Printing Paper	Ton	11.16	11.71
Consumption of Other Paper Products ⁴	Ton	1.72	2.46
Consumption of Recycled Printing Paper & Other Paper Products	Ton	1.76	1.99
Self-owned Car Petrol Consumption	Liter	87,928.18	103,698.55
Self-owned Car Diesel Consumption	Liter	9,209.29	9,882.04
Power Consumption Per Unit Area	Megawatt/m ²	120	110
Water Consumption Per Unit Area	m ³ /m ²	0.87	0.84

[Notes]

1. The Year 2016 column includes environmental data from Landseas headquarters and branches in Hong Kong, Nanjing, Shanghai, Hangzhou, Wuhan, Chengdu and Beijing while the 2017 column includes additional data from Landseas Xian branch;

2. Compared to 2016, data of each index increased in 2017 due to the companys business expansion and increase in the number of projects and employees in 2017;

3. Water for office usage is resourced from water for urban administration purposes and waste water is channeled to urban sewage treatment plants.

4. Other paper products include business cards, notebooks, paper cups, posters, brochures, etc. for use within the office environment.

5. Greenhouse gas emission includes range one and range two greenhouse gas emission. Range one refers to the emission from the petrol and diesel consumption of the companys self-owned cars while range two refers to the emission from the electricity purchased by the company from external suppliers.

6. Data of hazardous and non-hazardous wastes come from Landseas headquarters and branches in Nanjing, Shanghai, Hangzhou, Chengdu and Beijing. The hazardous wastes include lamp tubes, wastes battery and electricity wastes, etc. The non-hazardous wastes mainly are the waste paper. Landsea recycled some of the non-hazardous wastes, and other wastes are disposed of by the property.

Index ¹	Unit	Year 2016	Year 2017
Emissions			
Total greenhouse gas emission ⁵	Tons of CO ₂ equivalent	1,037.45	1,119.92
Range one greenhouse gas emission	Tons of CO ₂ equivalent	231.58	270.56
Range two greenhouse gas emission	Tons of CO ₂ equivalent	805.87	849.36
Carbon emissions per unit area	Tons of CO ₂ equivalent / m ²	0.12	0.11
Total hazardous waste from office ⁶	Ton	1.28	0.88
Total non-hazardous office waste	Ton	20.68	18.83
Total recycled non-hazardous waste	Ton	1.32	0.91
Total discarded non-hazardous waste	Ton	19.36	17.92

Project	Effluents (m ³)	Total Hazardous Wastes ¹ (ton)	Total Non-hazardous Wastes ² (ton)
Poly Landsea Weilan	16,629.00	36.35	34.30
Changzhou Xinbei Green County of Landsea	11,845.00	23.43	25.20
Landsea Xihua Mansion	45,500.00	99.50	94.30

[Notes]

1. Hazardous wastes include electronic wastes, fluorescent lamp tube wastes, carbon powder box wastes, oil wastes, etc.

2. Non-hazardous wastes include domestic wastes, scrap metal, stone material wastes, glass wastes, and other construction-related wastes.

Staff Responsibilities

Indicators	Unit	Year 2016	Year 2017
Staff Employment			
# of staff ¹	Person	1,612	2,402
Male employees	Person	1,031	1,395
Female Employees	Person	581	1,007
Employees under labor contract system	Person	1,612	2,400
Employees under labor dispatch system	Person	0	0
Employees under post-retirement employment system	Person	0	2
Employees aged under 30	Person	644	901
Employees aged 30 to 50	Person	919	1,479
Employees aged above 50	Person	49	22
Employees working in mainland China	Person	1,531	2,290
Employees working in Hong Kong, Macao, Taiwan and overseas areas	Person	81	112
Staff turnover %	%	12	15
Male employee turnover %	%	14	16
Female employee turnover %	%	10	14
Turnover % of employees aged under 30	%	8	15
Turnover % of employees aged 30 to 50	%	18	20
Turnover % of employees aged above 50	%	6	10
Turnover % of employees working in mainland China	%	13	18
Turnover % of employees working in Hong Kong, Macao, Taiwan and overseas areas	%	7	6
Health and Safety			
Number of work-related fatalities	Person	0	0
Number of occupational injuries ²	Case	1	0
Loss of working days due to occupational injuries	Day	0	0
Staff Training			
Coverage of staff training	%	100	100
Coverage of female staff training	%	100	100
Coverage of male staff training	%	100	100
Coverage of staff training for senior managers	%	100	100
Coverage of staff training for middle managers	%	100	100
Coverage of staff training for junior employees	%	100	100

Indicators	Unit	Year 2016	Year 2017
Average length of staff training completed per employee	Hour	35	38
Average length of training completed per female staff	Hour	38	44
Average length of training completed per male staff	Hour	32	32
Average length of staff training completed per senior manager	Hour	35	38
Average length of staff training completed per middle manager	Hour	42	46
Average length of staff training completed per junior employee	Hour	28	30
Staff rights			
Employees under the protection of the collective negotiation agreement	%	0	0

[Notes] 1. The number of staff considerably increased in 2017 due to the company' s long-term apartment rental business and elderly care services grew significantly in that year.
2. In 2016, no disability or death was caused by occupational injury.

Product Liability

Indicators	Unit	Year 2015	Year 2016	Year 2017
Number of complaints received about products and services	Case	743	1113	747
Percentage of complaints handled	%	100	100	100

Operating Convention

Indicators	Unit	Year 2015	Year 2016	Year 2017
Anti-corruption				
Number of cases of corruption litigation filed and concluded during the reporting period	Case	—	—	1
Supply Chain Management				
Total number of suppliers	Company	396	282	327
Number of suppliers in mainland China	Company	396	282	327
Number of suppliers in in Hong Kong, Macao, Taiwan and overseas areas	Company	0	0	0
Suppliers who underwent environmental compliance examination and promised to improve their environmental impact	Company	—	9	5
Suppliers with whom Landsea communicated on environment-related issues	Company	—	35	17

Community

Indicators	Unit	Year 2016	Year 2016
Community Investment	k RMB	400	500
Length of volunteer activities	Hour	100	200
Person-times of employees engaging in volunteer activities	Person-time	160	220



Legitimate Operation

Landsea takes legitimate operation to be a fundamental principle in its fulfillment of social responsibilities. In 2017, Landsea did not have any violation or irregularity lawsuit in terms of employment, remuneration, benefits, anti-discrimination, equal opportunities, hours of work, extortion, fraud, and money laundering, against Landsea or its employees, leave, dismissal, occupational health and safety, product services and labels, and marketing. Nor was Landsea made aware of any violation or irregularity lawsuit of any of its major suppliers in terms of business ethics, environmental protection, human right or labor practices.

In 2017, the Legal Line handled 78 litigation and arbitration cases, basically equal to that of 2016 (82 cases). Four of them were not completed in 2016 and then handled in 2017, so 74 cases were newly emerged in 2017. With the business increase in investment expansion, and the development of long term rental apartment and asset operation business unit, the Legal Line handled 117 industry and commerce cases in 2017.

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This report is an independent corporate social responsibility report issued by Landsea Green Group Co., Ltd. (Landsea Green Group, stock code: HK106), aiming to share with stakeholders and the public the efforts and contributions of Landsea in the field of sustainable development, and enhancing communication and exchange with all friends, colleagues and relevant stakeholders who care about Landsea.



The report is available at: <http://www.landsea.hk/c/csr.php>

Landsea Green Group has disclosed its sustainable development reports in its annual reports for three consecutive years, and has independently published corporate social responsibility reports for two consecutive years. This report not only continues the philosophy of sustainable development mentioned in previous reports, but also demonstrates Landsea's new strategy of being a leader of green life. The report fully presents the scope and progress of Landsea's work, including the integration of green properties and sustainable development in practice, business expansion, building of green communities, customer value orientation, green supply chain system, staff development and cultivation, overseas business expansion, public welfare, and corporate social responsibility.

To disclose Landsea's efforts in the fields of green building technologies and sustainable development more thoroughly and systemically, the report is based on the Environmental, Social and Governance Reporting Guides, appendix 27 of The Rules and Guidance on Listing Matters of the Hong Kong Stock Exchange, and refers to the Guidelines of Sustainable Development Report of the Global Reporting Initiative (GRI Standards)

- Duration of the report: January 1, 2017 to December 31, 2017
- Release cycle of the report: the report is released annually and the last version was released in June 2017.
- Comments and suggestions on the report can be sent by e-mail to csr.report@landsea.cn