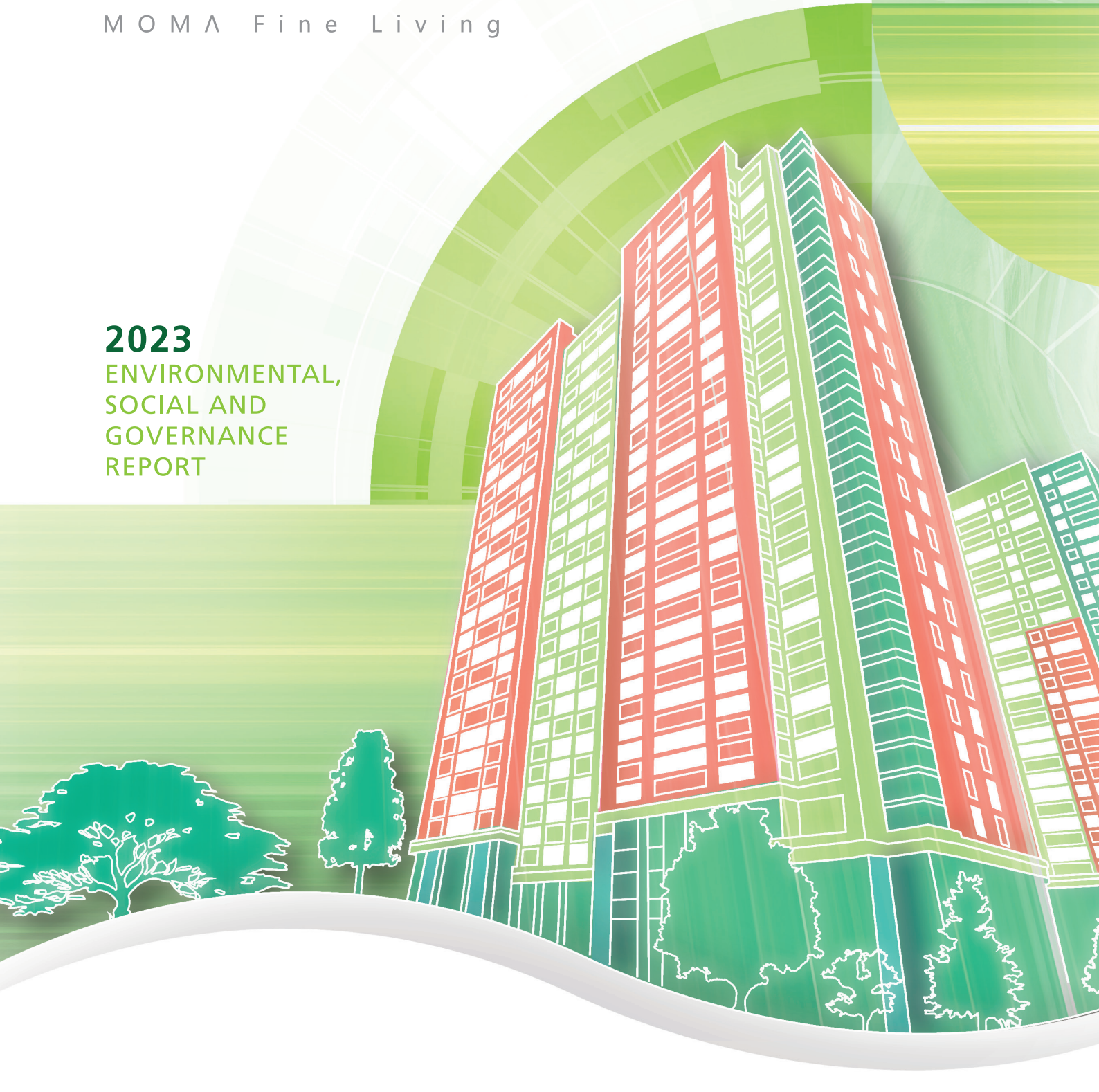
當代置業（中國）有限公司
MODERN LAND (CHINA) CO., LIMITED
(incorporated in the Cayman Islands with limited liability) Stock Code: 1107

科技建築 綠色家園 城市向美

MOMA Fine Living

2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023

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Environmental, Social and Governance Report 2023

About this Report

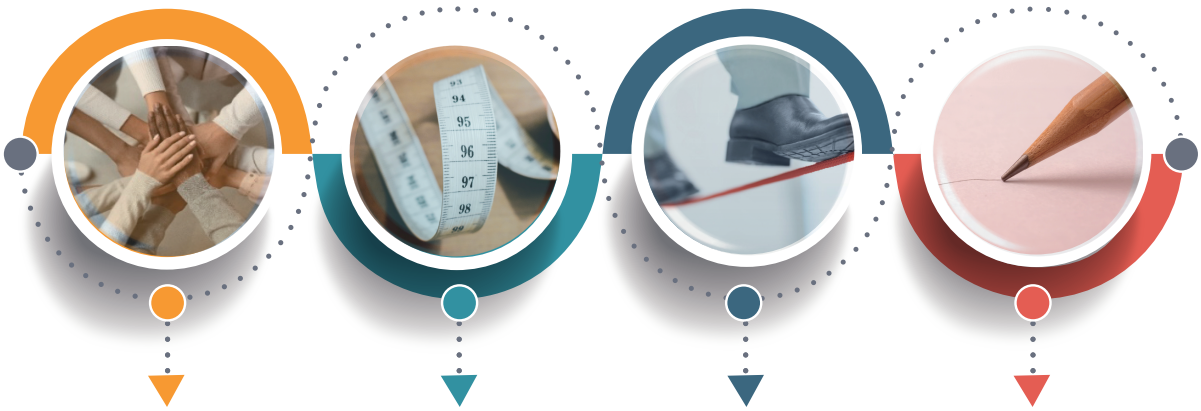
This report is the annual environmental, social and governance ("ESG") report (the "Report") released by Modern Land (China) Co., Limited (the "Company", "Modern Land", "we" or "us", together with its subsidiaries, the "Group"). It comprehensively describes the Company's management policies and performance in respect of the environment, society and governance, and focuses on the topics concerned by the stakeholders and how the Company continues to promote sustainable development.

Scope of the Report

The Report covers the period from 1 January to 31 December 2023. The Report mainly describes the headquarters of the Company and city companies and principal subsidiaries in the region (the statistical scope of environmental data is the headquarters). For details, please refer to the 2023 annual report of the Company. There is no significant change in the main scope for the year as compared with the previous year.

Reporting Principles

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") under Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In preparing the Report, the Group followed the basic reporting principles under Appendix C2, including materiality, quantitative, balance and consistency across reporting periods:



Materiality

The Company established criteria to identify which ESG issues are material to our stakeholders.

Quantitative

The Company set targets, key performance indicators (KPIs) and numerical or forward-looking quantitative information to reduce impact and enable progress monitoring.

Balance

The Company is committed to presenting reports objectively and without bias, and also avoids selective or incomplete disclosure.

Consistency

The Group applied a consistent approach to ESG data collection and reporting to enable meaningful comparison of our performance indicators between reporting periods.

Access and Response to the Report

The electronic version of the Report can be downloaded from the website of Stock Exchange (http://www.hkexnews.hk) and the Company's website. This Report is published in both Chinese and English. In case of any discrepancies existing between the Chinese and English text, the Chinese version shall prevail. For any comments or suggestions on the environmental, social and governance performance of the Company, please email to ir.list@modernland.hk.

About Us

Adhering to the corporate mission of "Technological Architecture, Green Homeland Community and Beautifying Cities"

Modern Land was established in 2000 with its headquarters in Beijing and listed on the Main Board of the Hong Kong Stock Exchange on 12 July 2013 with qualification in real estate development of the People's Republic of China. Modern Land has always been adhering to the corporate mission of "Technological Architecture, Green Homeland Community and Beautifying Cities" with the development philosophy of "Natural Simplicity, Harmonious Health, Simple Focus and Endless Vitality", and focusing on the theme of "Action of Loving My Homeland", creating life experience with sincerity and authenticity for clients, and good social benefits for the whole society.

Our core competitiveness lies in creating a "Green Technology + Comfort & Energy-saving + Digital Interconnecting Whole-life Cycle Industrialised Communities", and through the application of green technology, we have established our iconic brand MOMΛ (i.e. The Museum of Modern Architecture), which means "new architecture of technology and art". The logo consists of four text graphics, of which the two "M" symbolise our home, "O" represents the origin of the universe, and "Λ" stands for human. The overall design expresses the harmonious coexistence of architecture and life.

MOMΛ not only represents a new type of architecture that combines technology and art, but is also a concrete manifestation of our corporate philosophy. Such product series has excellent performance and has won many authoritative green building honors at home and abroad. At present, we have more than 200 patents and more than 200 green building awards, and have developed nearly 200 high-quality projects in nearly 50 cities, becoming China's leading green technology real estate operator. We have been rated as one of the "Top 100 Real Estate Companies in China" for seven consecutive years and have ranked among the top in many sales and brand rankings. We also have multiple three-star green building operation logo projects. The "Contemporary Architecture & Art Museum" in Tongzhou is the first museum project in China to obtain AH international certification, and the Modern Wang Guo Fu MOMΛ in Foshan has won the first three-star healthy building design logo in China.

In terms of social responsibility, Modern Land actively participates in public welfare activities and has won many awards, such as the Heartwarming Enterprise Award and the Responsible Real Estate Award. We work with industry partners to promote green causes and are committed to the development of high-quality real estate. In 2023, we became the initiator of the second HiHi Healthy Home and Building a Safe Home Joint Initiative Public Welfare Action, and participated in other socially influential activities. In addition, Modern Land strives to achieve zero emissions, zero carbon, zero pollution, and reduce the heat island effect. We aim to improve building comfort, coordinate energy use with environmental needs, and contribute to urban development and human living environment.

Environmental, Social and Governance Report 2023

Statement of the Board of Directors

Continuously improving corporate governance and risk management is a key factor in the sustainable development of the Company. Good corporate governance is not only the basis for the effective management of ESG affairs, but also provides necessary support for the management of environmental and social risks. As the highest decision-making body for ESG management, the Board of Directors is responsible for guiding the sustainable development direction of the Group and formulating the overall vision, goals and management strategies. The ESG Committee under the Board of Directors is responsible for reviewing ESG-related matters and making governance recommendations to the Board of Directors. All departments actively cooperate with the ESG Committee to implement relevant work to ensure the effective implementation of policies.

Based on the external socio-economic environment and the Company's development strategy, the board of directors of Modern Land regularly reviews important ESG issues, discusses and identifies related risks and opportunities, incorporates the management and improvement of these key issues into the annual ESG strategic work, and integrates them into the overall strategic formulation to ensure effective supervision of issue management and performance.

Through the identification of important issues, we found that ESG issues such as green buildings and green technology innovation are of high importance. Therefore, we always adhere to the corporate mission of " Technological Architecture, Green Homeland Community and Beautifying Cities", focusing on " Green Technology + Comfort & Energy-saving + Digital Interconnecting Whole-lifecycle Industrialised Communities", and are committed to the research and development and practice of green buildings, healthy buildings, active buildings, century-old houses, passive houses, green residential areas, net zero energy buildings and production capacity buildings.

In the future, we will continue to strengthen communication with all parties. We believe that through joint efforts, we can make positive contributions to society and the environment while promoting corporate development, thereby achieving true sustainable development.

Our Approach to Sustainability

Modern Land has always been adhering to the corporate mission of "Technological Architecture, Green Homeland Community and Beautifying Cities" and is committed to creating a sustainable living environment. Since its establishment in 2000, the Company has focused on the application of green buildings and energy-saving technologies, with the core competitiveness of creating " Green Technology + Comfort & Energy-saving + Digital Interconnecting Whole-life Cycle Industrialised Communities" and "heating and cooling unique solution + air quality unique solution + energy consumption and operation cost reduction unique solution". We not only provide comprehensive technical consulting services for the entire process of building artificial environment for real estate developers and individual customers, but also continuously develop equipment suitable for improving the living environment according to market demand, and continuously accumulate user data and tap into data value in combination with mobile Internet terminal technology to better serve the people and create a healthy and comfortable indoor artificial environment ecosystem.

From supplier management to internal management, from green technology to green buildings, we have embedded the belief in ESG in our daily operations, planning and projects. Our goal is to contribute to economic and social development while actively practicing environmental protection. In addition, around the theme of "Love My Homeland Action", the Company has long been committed to supporting various social welfare projects and actively investing resources to participate in public welfare activities such as environmental protection and education assistance.

Our Core Values



Environmental, Social and Governance Report 2023

ESG Governance Framework



The ESG Committee under the Board of Directors is responsible for implementing more specific ESG measures and conducting close monitoring. Its main responsibilities are:

ESG management objectives, strategy and structure:

- Review the Group's ESG vision, strategies, objectives and strategies, and review annually the progress of the achievement of the relevant objectives and offer recommendations to the Board, including but not limited to the following issues:

  a) Environmental aspects: the impact of the Company's operations on the environment, such as energy management, emission management, carbon neutrality and climate change response, etc.;

  b) Social aspects: the impact of the Company's operations on various stakeholders such as customers, employees, suppliers and the community, including staff employment and health and safety, product responsibility and customer management, sustainable supply chain, charity and social welfare, etc.;

  c) Governance aspects: the Company's internal corporate governance, such as compliant operation with integrity, anti-money laundering and anti-unfair competition, etc.

- Review and evaluate the adequacy and effectiveness of the management structure of the ESG and make recommendations to the Board of Directors (if necessary).

- Adopt and update the ESG policy of the Group as necessary to ensure compliance with legal and regulatory requirements.

- Review the major trends as well as risks and opportunities in ESG development, and to report and make recommendations to the Board of Directors on relevant matters that have a significant impact on the Company's operations and/or the interests of other significant stakeholders.

ESG Performance:

- Oversee, review, evaluate and report to the Board of Directors on the actions taken by the Group to promote its ESG objectives, strategy and structure; and the Group's performance against appropriate international or national standards (where applicable) in relation to ESG.

- Monitor the internal work on ESG and make recommendations for its improvement.

ESG Report:

- Review and recommend to the Board of Directors for approval of the annual ESG Report and recommend specific actions or decisions for consideration by the Board of Directors in order to maintain the integrity of the ESG Report.

- Ensure that the Company's annual ESG Report is prepared in accordance with the ESG Reporting Guide.

- Determine the appropriate international or national standards for ESG, where applicable, and to monitor and report regularly.

- At the same time, the relevant departments are responsible for the implementation of the ESG-related work of the Company with reference to the ESG indicator system and under the unified coordination and organisation of the ESG Committee in accordance with the division of responsibilities.

Environmental, Social and Governance Report 2023

Communication with Stakeholders

The Group is fully aware of the importance of stakeholder engagement in ESG management and is committed to establishing open communication channels to understand their concerns and suggestions. Where feasible, we will incorporate the opinions received into the Group's ESG strategy. The following table summarises our communication with major stakeholders during the reporting period.

Stakeholders	Expectation of stakeholders	Communication and engagement mechanism	Corporate responses
Investors	— Boost the Company's market value and profitability — Continuously improve the Company's environmental and social responsibility performance	— General meeting — Annual and interim performance analysis reports/financial reports — Annual ESG report — Information disclosure — The Company's website	— Release periodic reports, disclose information in a truthful and comprehensive manner, endeavour to improve results and generate profits — Advance corporate governance and risk management level, convene general meetings, enhance investors relations management and strive to improve environmental and social responsibility management
Customers	— Provide quality products — Safeguard customer's legitimate interests — Customer experience and privacy	— Sign contracts and agreements — customer satisfaction survey	— Provide a highly comfortable, green and energy saving living space — Establish a sound customer service system and customer opinion, feedback and complaints mechanism
Employees	— Uphold employee remuneration and benefits — Care for safety and health of employees — Offer equal promotion and development opportunities — Improve Communication mechanism, participate in company management	— Labour contracts — Employee participation and discussion — Feedback channels (including employee satisfaction surveys, suggestion boxes, meetings) — Employee communication, broadcasts, internal websites	— Strictly abide by the items of labour contracts, improve remuneration and benefit system — Protect employees' rights and interests and pay attention to their safety and health — Offer equal promotion and development opportunities, as well as equal communication channels — Offer dual-channel career development and organise staff training

Stakeholders	Expectation of stakeholders	Communication and engagement mechanism	Corporate responses
Suppliers	— Care about fair and just cooperation, and promote industrial development in a trustworthy, mutually beneficial and win-win manner	— Suppliers' meetings — Sign contracts and agreements with suppliers — Internal instant messaging tool — Regular bidding and tendering	— Proactively implement and improve contracts and agreements — Adopt an open and transparent procurement model to establish a responsible supply chain
Community	— Co-construct community civilisation — Support community public welfare — Focus on social development	— Advocate and organise charitable activities — Take part in voluntary activities — Employment guarantee	— Participate in community service projects — Organise educational and training events — Promote the public welfare — Aim to promote local employment
Regulatory authorities	— Observe the law — Operate in compliance with the regulations, and in line with national policies	— Engage in government-relevant meetings	— Strictly observe relevant laws and regulations, continuously enhance corporate compliance management, respond to national policies and submit necessary reports and documents in a timely manner
Peers	— Fair competition among peers, cooperation with integrity, transparent and public information — Comply with industry standards, and advancement of industry and product innovation	— Industry conferences, exhibitions and professional association events — Communicate with relevant research institutes, associations, and mainstream media in the industry	— Take part in industry exchanges and cooperation, jointly research industrial innovation, and achieve mutual benefit and win-win results — Participate in appraisal of outstanding enterprises and put forward proposals for industry standard

Environmental, Social and Governance Report 2023

Identification of Material Issues

Under the requirements of the ESG Reporting Guide issued by Stock Exchange and with reference to the procedures for materiality analysis formulated by the Global Reporting Initiative ("GRI"), Modern Land collects data of the issues of concern to major stakeholders through questionnaire, interview and other forms, and conducts analysis on their importance and prioritise accordingly, to finalise the substantial issues of the environmental, social and governance aspects and make disclosure thereof in the Report.

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

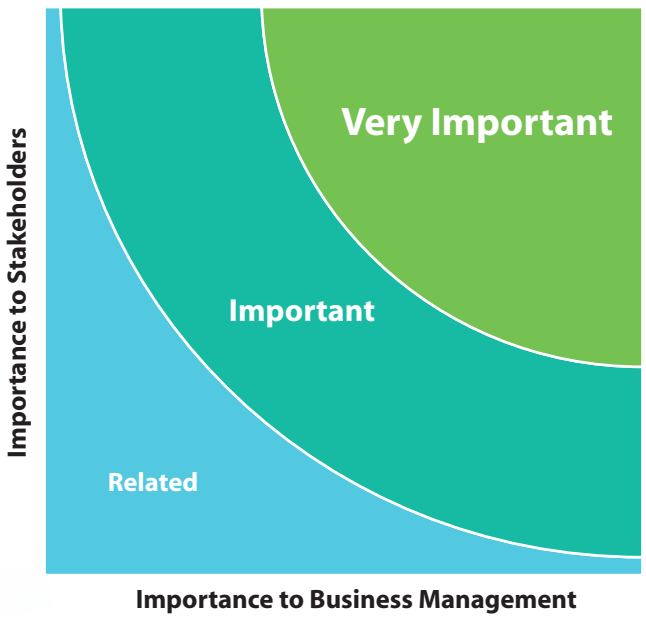
1. identify. Relevant ESG issues with reference to the ESG Reporting Guide issued by Stock Exchange, GRI Sustainability Reporting Guidelines (GRI Standards version) and those disclosed by our peers at home and abroad;

2. prioritise the issues. Major considerations of internal stakeholders while conducting materiality assessment, include the impacts on our corporate strategies, policies, procedures and commitments, impacts on the Company's competitive edges and management excellence, and current and future financial impacts on the Company; and major considerations of external stakeholders include the impacts on the Company's evaluation and decision-making, and on the interests of themselves;

3. verification. The Company's management reviews and approves the issues so identified and their priorities;

4. review. After this reporting period, the Company will seek feedback from internal and external stakeholders on the contents of the Report for this period, to prepare for the report for the next period.

We have divided the topics into three categories: high, medium and low based on the results of the materiality assessment. The topics that are most important to the business operations of the Group and of the greatest concern to our stakeholders have been shown in the upper right corner of the materiality matrix. The chart below is the analysis matrix of Modern Land's materiality issues in 2023:



The following are the materiality issues that Modern Land has identified in 2023:

Very Important

- Green building
- Anti-corruption
- Product quality management
- Green technology innovation
- Customer complaint management
- Energy use

Important

- Customer privacy management
- Green procurement initiative
- Supplier management
- Protection of employee interests
- Corporate culture
- Activities for public cause
- Waste water management
- Air emission
- Harmonious coexistence with communities
- Water management
- Employee occupational health and safety
- Employee cultivation and development
- Climate change
- Waste management
- Greenhouse gas emissions

Related

- Prevention of child labour and forced labour
- Biodiversity protection

1. Green Technology and Innovative Development

1.1 Green Strategy and Development Plan

As a pioneer in China's energy-saving real estate industry, Modern Land has always been committed to combining environmental protection with sustainable social and economic development, and adhering to the development concept of " Technological Architecture, Green Homeland Community and Beautifying Cities" to provide customers with environmentally friendly and energy-saving living space. In the context of the current global environmental challenges, we are well aware of the importance of sustainable development. In response to the various green building and environmental protection policies implemented by China, we have established a green strategy to promote the research and development of green and energy-saving real estate, and promote the green development of the industry through continuous innovation and development of sustainable building design and green and healthy technology. At the same time, we improve the lives of our customers by providing comfortable and energy-saving living experiences and create green and healthy integrated communities. Through the above efforts, we have always regarded improving the quality of residential products and providing high-quality supporting services for owners as our strategic focus.

We will rely on our differentiated core competitiveness in the field of green technology to gradually transform into a service provider of green technology construction, green technology operation and green technology integrated construction, and persevere in strengthening and increasing the proportion of green technology achievements applied in practice.

1.2 Improvement of the Ability to Innovate in Green Technology

Under the national strategic background of "carbon peak in 2030, carbon neutrality in 2060", promoting energy conservation, emission reduction and carbon reduction in buildings has become a consensus in the development of the real estate and construction industry. As a leader in green technology real estate, we have continued to innovate and develop to provide higher quality residential products and product service standards, focusing on the development concept of green technology as our core competitiveness, and achieving the Company's strategic business goals and people's expectations for high-quality residential life during the year.

Modern Land is committed to promoting the MOMΛ Green Home 4+1 community system, allowing customers to experience a community that brings together creativity, culture, life, education and the future from five dimensions: green residential areas, technology AI communities, all-age communities, healthy communities and humanities and arts communities, and to work together with customers to create a future model of lifestyle.

Environmental, Social and Governance Report 2023



In addition, Modern Land has equipped MOMΛ buildings with high-tech building systems such as geothermal pump system, ceiling radiation cooling and heating system, exterior temperature preservation system, high performance exterior window system, full displacement ventilation system and noise reduction system independently developed by our dedicated R&D and design institute. This allows the indoor temperature of MOMΛ products to be stable at about 20°C to 26°C throughout the year, the PM2.5 purification rate to reach more than 95%, and the relative humidity to be controlled within 30%-70%, meeting the most comfortable environment defined in ISO7730, and the indoor noise is 5 decibels lower than the national standard. Such measures not only improve the comfort of the living environment, but also significantly reduce the negative impact on the environment. Its energy consumption is only 1/3 of the energy consumption required for ordinary houses in China to achieve the same comfort. Moreover, compared with ordinary houses, every 10,000 square meters of MOMΛ buildings can save 930 tons of standard coal, which not only practices green energy conservation and low-carbon concepts, but also effectively reduces the generation of social waste and energy consumption. Through these efforts, we have made positive contributions to environmental protection, promoted sustainable development, and created a healthier and better living space for the future.

With respect to corporate strategy, we adhere to the low-carbon product development strategy with "three 75s" as the core for the medium-term technology route of low-carbon buildings and carbon reduction and energy conservation. The three 75s represent:

1. increase the comprehensive energy saving rate of exterior building to 75%,
2. raise the electrification rate of building operation energy consumption to 75%, and
3. improve the proportion of clean energy (green electricity) to total energy consumption to 75%.

We will gradually achieve these goals in a phased approach, striving to reach the carbon peak target for the Company's newly developed communities by 2030, in order to achieve the country's "carbon peak and carbon neutrality" development goals. In the future, we plan to continue to invest heavily in the research and development of green building products, making full use of our expertise in green building and electromechanical technology to create smart communities and smart homes for customers. At the same time, we will accelerate the implementation of low-carbon and zero-carbon buildings to achieve sustainable development goals by combining with the progress of project development. We believe that these efforts will create a higher quality living environment for customers and promote the overall sustainable development of society.

1.3 Application of Innovation in Green Technology

Top 10 Green Real Estate Operators in China

In January 2023, at the 2022 iGreen Building Carbon Neutrality Big Data Research Results Release Conference and the 2022 Green Real Estate Awards Ceremony hosted by iGreen Think Tank, Modern China was honoured two green awards, in which Modern Land won the "Top 10 Green Real Estate Operators in China in 2022" and Modern Fu MOMA (Shijiazhuang) won the "Top 10 Green Building Benchmark Projects in 2022".





The Green and Low Carbon Honors in China

In August 2023, Modern Land successfully won the "2023 China Green Low-Carbon Real Estate (Private Enterprise) TOP10", "2023 China Green Low-Carbon Real Estate (Residential) TOP10", "2023 China Green Low-Carbon Real Estate (Operation) TOP10" and other honors at the 2023 China International Green Finance and Green Low-Carbon Building Forum, and was shortlisted for the "2023 China Green Low-Carbon Real Estate Index TOP20". The awards were judged based on a comprehensive assessment of green and low-carbon development such as corporate green buildings, ultra-low energy consumption buildings, prefabricated buildings and fully-decorated finished houses, greenhouse gas emissions, pollutant gas emissions, water resource consumption, solid waste emissions and environmental information disclosure.



China Real Estate Huabiao Awards

In November 2023, Modern Land won three awards at the 2023 China Urban Innovation and High-Quality Development Forum and the 10th China Real Estate Huabiao Awards Ceremony. Among which, Modern Land won the "2023 Leading Construction Enterprise", Chairman Zhang Peng won the "2023 China Low-Carbon City Contributor", and Modern Land's affiliated company Hotel MoMc won the "2023 China Real Estate Huabiao Award Designated Enterprise".



1.4 Protection of Intellectual Property Rights

Intellectual property is not only the cornerstone of innovation and creation, but also the core element of our competitiveness. Based on the Patent Law of the People's Republic of China (《中華人民共和國專利法》), Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), and in combination with the processes and operations of Modern Land, we have formulated the Operational Standards of Intellectual Property Rights Management of Modern Land V9.0 (《當代置業知識產權管理作業標準V9.0》) to clarify the Company's standards and processes for the creation, use, management and protection of intellectual property. The Intellectual Property Department regularly manages existing and pending trademarks, patents and copyrights through monthly reports, and cooperates with the Legal Department to actively prevent external infringements. We encourage independent innovation, develop patents, trademarks, works of art and computer software according to business needs, and ensure timely submission of applications.

As at 31 December 2023, Modern Land owns 144 patents for core green-related technologies, covering green building materials, green technologies, green products and other aspects; we have received more than 200 industry patents, over 200 green building honors, 30 green residences, and honors such as LEED-ND certification and WELL BUILDING certification in the United States.

2. Green Operation Saves Resources and Reduces Emissions

2.1 Efficient Use of Resources

Efficient use of resources has become a critical challenge for the real estate construction industry in pursuing sustainable development. Natural resources conservation not only reduces production costs and enhances corporate competitiveness, but also minimises environmental impact and promotes ecological balance. Modern Land strictly abides by national laws and regulations, such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Water Law of the People's Republic of China (《中華人民共和國水法》) and the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), effectively planning and allocating the conservation of natural resources. The Company has set saving resources and raising the use efficiency of resources as regular monitoring targets.

2.1.1 Energy Management

Headquarters of the Company — Energy Efficiency Management

In 2023, Modern Land continued to improve its management system in terms of energy consumption and optimise energy saving measures. The headquarters of Modern Land is located in a Modern MOMΛ (Beijing) residential project. The Company manages the use of various energy sources at the headquarters, regional, and project levels in accordance with the "Energy Management System" and operating standards to ensure energy conservation in a closed-loop manner. Electricity, natural gas and gasoline are the major resources consumed by the headquarters of the Company in its operation.

Energy consumption of headquarters of the Company

Index	2023	2022
Total electricity consumption (kWh)	**18,279**	352,450

In addition to actively conserving electricity, the significant reduction is also due to a decrease in office space and the number of employees.

Environmental, Social and Governance Report 2023

We have adopted a range of energy-saving measures as follow:

Improve Energy Conservation Awareness

- Vigorously promote energy saving and create a good culture of "Conserving Energy By Everyone".
- Call for practicing economy from all staff by taking the "Four 1s" action: to save every one kilowatt-hour of electricity, one drop of water, one litre of oil, and one piece of paper.
- Make reasonable suggestions and link energy conservation with the economic benefits and implement reward and punishment system to improve resource utilisation.

Control Electricity Consumption

- Strictly control the use of electricity in office buildings and turn off unnecessary lights in the daylight.
- Turn off the lights in the conference room when it's not in use, and turn off the power switch before leaving the workplace.
- The power switch of the entire office building will be inspected by the property staff after office hours to ensure resource saving.

Elevator Management

- Turn off the west elevator after work and preserve the east elevator to save electricity used on elevators.

Save Energy on Air Conditioner Systems

- To prevent wasting energy consumption and avoid temperature loss as a result of opening windows for ventilation, the office will seal the outer windows.
- Add new ventilation systems to increase inflow of fresh air, ensuring a comfortable environment while reducing energy consumption.

Engineering Construction Projects — Energy Efficiency Management

In 2023, we continued to adhere to the construction standards outlined in the Standard Atlas for Green Experiential Site of Modern Land (《當代置業綠色體驗式工地標準圖集》) to build green experiential sites. These sites are open to industry professionals and clients to gain insight into how we integrate green principles into every aspect of site management, thereby achieving effective energy management. Upon construction completion of the green experiential sites, we rated the sites (silver, gold, and platinum) in accordance with the Operating Standards for Green Experiential Site of Modern Land (《當代置業綠色體驗式工地作業標準》). For green experiential sites rated silver or above level, we would issue certificates and publicly display them. By this approach, we aim to demonstrate and promote the efficient use of energy within the industry, and advance the implementation of environmental protection measures, to enhance the overall sustainability of the construction sector.



In terms of energy utilisation, in order to enhance the management standards of the project's energy machine rooms, we have also developed the Operating Standards for Green Experiential Energy Machine Room of Modern Land (《當代置業綠色體驗式能源機房作業標準》). Through normalised, process-based and standardised settings, we demonstrate the application of green energy machine rooms, and wish to provide property owners with a deeper understanding of the Company's philosophy in energy technology through the open access to these energy machine rooms. Based on established evaluation criteria for machine rooms, we will assess whether the construction of each energy machine room meets the basic configuration requirements and rate them accordingly.

In addition, we actively promote the concept of energy conservation. We put up signs of "Save Electricity" and "Turn Off The Lights When You Leave" in the office area, and set up the voice-activated sensor light in the washroom to achieve better energy-saving results. We encourage the use of energy saving lights and prioritise use of high-efficiency and environmentally friendly construction equipment that complies with national and industry standards, such as energy saving equipment with frequency conversion technology.

In terms of temporary facilities for production, living and office, we reasonably designed the shape, orientation and window-to-wall area ratio to make sure they receive good sunlight, ventilation and lighting. These temporary facilities use energy saving materials, and the wall and roof use high-quality heat-insulated materials which would reduce the energy consumption of air conditioners in the summer and heaters in the winter. Moreover, hot water for bathing mainly comes from solar and air-source heat pump water heaters, further reducing one-time energy consumption. Through these measures, we not only strive to enhance energy efficiency, but also hope that these efforts will help us achieve higher environmental standards and advance the Company's green transformation.

2.1.2 Management of Water Consumption

Headquarters of the Company — Water Conservation Measures

The water resource consumption in the Company's headquarters is mainly for catering and toilet water, as well as landscape water system and greening water. We actively promoted the effective use of water resources by using water from water systems for irrigation of green space of the park, and recycling rainwater and air-conditioning condensates to clean the ground of the park. These measures not only improve the efficiency of water resource utilisation, but also reduce dependence on municipal water supplies.

In 2023, the Company did not encounter any problems in seeking suitable water sources, all of which was sourced from the municipal water supply system.

Water Consumption of the Headquarters of the Company

Indicator	2023	2022
Water Consumption (cubic meter)	**2,600**	2,980
Water Consumption Intensity (cubic meter/sq.m.)	**0.51**	0.32

2.2 Reduction of Pollution Emission

We always regard promoting the emission management and environmental protection as our long-term target, committing to realising the concept of recycling economy and sustainable development. We strictly abide by the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), the Law of the People's Republic of China on Water Pollution Prevention and Control (《中華人民共和國水污染防治法》) and other relevant laws and regulations during daily operation. We actively promote the concept of energy saving and consumption reduction and environmental protection, reducing the production of emissions from the origin.

During the reporting year, there was no significant environmental pollution or ecological damage event, which fully demonstrates our efforts and achievements in environmental management.

2.2.1 Air Emission Management

Headquarters of the Company — Air Emission Reduction Measures

Its emissions mainly come from natural gas combustion, combustion of gasoline and diesel in vehicles and canteen cooking fumes. Among these, natural gas combustion is mainly used for buildings, heating and domestic hot water production; and electricity consumption is mainly required for the daily use of equipment for project management, lighting, and providing cooling, heating, and domestic hot water for building owners.

In 2023, the Company actively took a series of actions to reduce air emissions, including:

Perform energy-saving retrofit of gas boilers

- Improve the energy efficiency of gas boilers through technological upgrades and equipment optimisation, thereby reducing energy consumption and air emissions from the origin.

Establish maintenance and repair systems:

- Regularly inspect and maintain equipment to ensure proper operation, reduce failure rates, and thereby reduce unnecessary air emissions.

Encourage staff to use public transportation for commuting or business trips:

- Promote flexible working arrangements to reduce carbon emissions from commuting, while encouraging the use of public transportation to lower the frequency of personal vehicle use.

Install exhaust gas export facilities:

- Add specialised facilities for waste gas treatment, to effectively filter and treat waste gas to ensure compliance with environmental protection standards.

Increase resources utilisation to reduce exhaust gas emissions:

- Reduce waste generation by optimising resources allocation and improving resources recycling rates, further reducing air emissions.

To effectively manage canteen cooking fumes, we took the following measures in particular:

Arrange specific staff for air emission management:

- Make sure that the air is emitted after meeting the standards according to relevant laws and regulations, to protect the health and safety of employees. The administration department shall conduct supervision of the overall air emission condition, ensuring that all measures are implemented effectively.

Install three sets of electric absorption and attachment air purifiers:

- These devices have met the testing standards of the Beijing Environmental Protection Bureau and effectively remove cooking fumes and odors.

Establish the maintenance and inspection mechanism:

- Conduct overall cleaning of the range hoods every two months, while keeping records of the waste gas treatment, to ensure the system continues to operate effectively.

Engineering Construction Projects — Air Emission Reduction Measures

Under the guidance of the Operating Standards for Green Experiential Site of Modern Land (《當代置業綠色體驗式工地作業標準》), the work involving environmental protection in the Company's engineering construction projects are included in the contracts, ensuring to minimise environmental impacts during the construction process. Before starting the construction of the projects officially, all equipment involved with treatment of waste gas and dust must be installed in advance and approved by the property owners and government authority units before the construction commences.

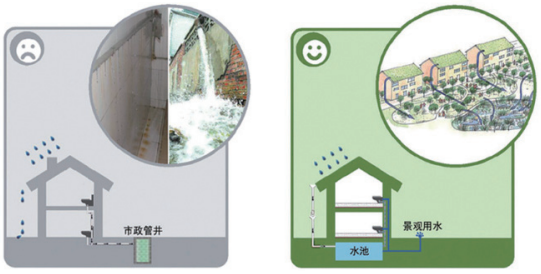
For example, full coverage is required for transporting vehicles to minimise dust generation. Besides, high-pressure spray equipment should be established on surrounding walls on site and principal roads to further control dust. In the process of ground working, measures such as water spraying and coverage are taken, to ensure the dust spraying height is no more than 1.5m and prevent the dust from being sprayed outside of the site. Coverage measures should be taken to compiling materials susceptible to dust spraying; powder and dust materials should be stored in seal.

When handling materials and construction debris that may generate dust on the site, dust reduction measures must be taken such as coverage and water sprinkling. Before pouring concrete, dust and debris should be removed using vacuum cleaners to avoid the use of dust-generating equipment like air blowers. Protection measures such as partial coverage, concealing or water spraying could be taken during the machinery chiseling process. For garbage cleaning of high-rise and multiple-level buildings, sealed temporary special channel or container lifting should be adopted.

In addition, it is prohibited to burn waste materials and toxic, hazardous or odorous substances at the construction site, or to burn construction waste. We prefer to select transportation vehicles with clean resources, requiring its gas emission to meet the standards, to ensure environmentally friendly construction operations. Through these measures, we are committed to achieving environmental protection and sustainable development in engineering construction, contributing to the creation of a green construction environment.

2.2.2 Waste Discharge Management

Headquarters of the Company — Waste Disposal Arrangements



The solid waste generated by the Company's headquarters mainly consists of hazardous waste (such as waste ink cartridges, fluorescent lamps containing mercury or energy-saving lamps, and batteries) and non-hazardous waste (such as non-hazardous decoration waste, waste paper, and kitchen waste). We have developed relevant operating standards for waste management and emissions. In addition to kitchen waste that is collected by restaurants for disposal, other waste (including fluorescent lamps and energy-saving lamps) is collected and sorted by the property administrator. The property administrator is responsible for sorting waste into recyclable, non-recyclable, and hazardous waste every day and placing them in the appropriate recycling bins, non-recycling bins, and hazardous waste bins for specialised disposal. In addition, the printers used by the Company are rented, while the suppliers provide unified change for waste ink cartridges for recycling treatment.

In terms of emission management, we have set a short-term goal to optimise the method for handling discharge. Based on garbage sorting, we optimise the treatment method for recyclable garbage, non-recyclable garbage and hazardous garbage to increase the utilisation of recyclable garbage and reduce the harm caused by non-recyclable garbage and hazardous garbage on the environment. The mid-term goal is to reduce the generation of emissions, by continuously promoting the philosophy of energy conservation, consumption reduction and environmental protection within the Company to reduce discharge at the source. The long-term goal is to advance discharge management and environmental protection progress of the entire Group and in cities where it operates.

We have adopted a series of measures such as the posting of reminders in the office area and setting of a reusable paper area next to printers to reduce waste, turn waste into resources, and promote harmless disposal. As for the handling of kitchen waste, we have set up a waste segregation area for dry and wet waste, and encourage every employee to proactively sort out kitchen waste. Through these measures, we expect to reduce garbage that needs to be handled specially and lower the amount of garbage by more than 30% on a whole.

We will continue to promote the philosophy of energy conservation, consumption reduction and environmental protection internally, optimise the disposal of emissions, and increase the utilisation rate of recyclable waste, to reduce emissions at the source.

Engineering Construction Projects — Waste Disposal Arrangements

Currently, the waste of Modern Land's engineering construction projects mainly consists of solid waste and liquid waste. Solid waste mainly comes from used formwork, crushed concrete pieces, and plastic safety net used for coverage and protection, etc. To effectively manage these resources, we have established the Operating Standards for Industrial Waste Disposal of Modern Land (《當代置業工業類廢舊物資處置作業標準》), to ensure that all engineering waste materials are utilised appropriately and to prevent resource wasting. All waste materials must be reported and approved before further disposal. We encourage to discharge these resources through sale or recycling.

In addition, Modern Land's engineering management centre is responsible for the monthly or irregular special inspection of all construction sites for waste management based on the Operating Standards for Green Experiential Site of Modern Land (《當代置業綠色體驗式工地作業標準》). During the daily inspection process, the project department shall strictly supervise the general contractor's work on waste sorting, collection and disposal, and impose penalties on the violation of the unit and require rectification. Since fully implementing the Operating Standards for Green Experiential Site of Modern Land (《當代置業綠色體驗式工地作業標準》), the generation of the solid waste has decreased significantly. For example, aluminum templates are widely used in projects, which could reduce the use of wooden templates by over 90%, while the high-precision concrete quality can reduce the concrete garbage by more than half. Besides, standard perforated metal fenders are promoted to use on large external climbing frames, which are recycled and used multiple times in complete replacement of plastic fine mesh safety net (during the period of a project, it is usually required to change the nets more than three times).

As for liquid waste generated during the daily maintenance of machinery and equipment, it is required to conduct maintenance of all cranes and construction lifts by professional units. Before the maintenance work starts, specialised containers should be prepared for the collection of waste liquid, which must not be dripped on the floor. All collected waste liquid should be handed over to professional companies for environmental protection treatment, and must not be poured directly.

Through these measures, we have not only effectively reduced waste generation at construction sites, but also contributed to environmental protection. We will continue to promote green building concepts to ensure efficient resource utilisation and sustainable development. In the future, we will continue to improve relevant standards and processes to further enhance our performance in waste management.

2.2.3 Wastewater Discharge Management

Headquarters of the Company — Management of Wastewater Discharge Reduction

Water resources are one of the most precious resources on Earth. We have been committed to promoting effective water conservation measures, aiming to reduce wastewater discharge and improve water resource utilisation efficiency. To achieve this goal, the Company has established a series of measures specifically designed to collect graywater and rainwater for reuse and treatment, thereby maximising the efficiency of water resources. Additionally, we conduct year-on-year and quarter-on-quarter analyses of water consumption changes on a monthly basis. This analytical approach enables us to gain a deeper understanding of the causes behind changes in water consumption and develop targeted control plan based on the data. Through these professional management measures, we have successfully reduced water emissions through refined management practices.

The wastewater generated by the Company primarily originates from office building cleaning, daily disinfection, food cleaning at the canteen and the operation of equipment at the machine rooms. The water used for cleaning toilets is discharged to septic tanks via sewer lines, while water used for food cleaning at the canteen is first filtered through grease traps before the treated wastewater is discharged into the municipal sewer lines. The Company is currently researching membrane bioreactor (MBR) technology, which can effectively degrade wastewater, reduce odors, and lower cleaning frequency, thereby contributing to reducing operational costs and environmental pollution. Since the wastewater from this department is discharged together with wastewater from the community and other sources, it is not possible to separately calculate the department's discharge volume. All wastewater is discharged through municipal pipelines after meeting municipal standards. We will continue to implement water-saving policies to reduce wastewater at the source.

In addition, we plan to adopt the circulating, sequencing and cascade method in accordance with the different requirements for water quality of the cooling water system. Furthermore, the thermal system will incorporate steam recycling technology to enhance resource utilisation efficiency. Treated wastewater from other systems will primarily be used for greening and cleaning within the park, while domestic wastewater will undergo further treatment and serve as supplementary water for the cooling system. Through these innovative technologies and management strategies, we can more effectively utilise water resources, minimise environmental impact, and drive the Company toward more efficient and environmentally friendly development.

Engineering Construction Projects — Management of Wastewater Discharge Reduction

The primary source of wastewater from Modern Land's engineering projects is the water used for rinsing vehicles entering and exiting the construction sites. To address this, we have required and enforced all general contractors to implement mechanical flushing equipment and three-stage sedimentation tanks at the gate of the construction site. These customised mechanical flushing systems not only improve the flushing performance but also significantly reduce water consumption, saving a substantial amount of water compared to traditional manual washing methods. The wastewater generated from flushing would all flow into the three-stage sedimentation tanks. After sedimentation treatment, such water would be reused for onsite watering to reduce the dust and greening water, etc., achieving effective water resource recycling. Additionally, the status and usage of the mechanical equipment have been included in the daily onsite management inspections, making sure that the wastewater are under control at all times. To achieve further wastewater control, we plan to conduct overall volume control for flushing water, continuing to advance the Company's sustainable development goals.

2.2.4 Management of Noise and Light Pollution

For noise emissions at the construction project site, we strictly adhere to the national standard Volume Limit for Noise in Construction Site (《建築施工場界噪聲限值》) and have established the Operating Standards for Green Experiential Energy Machine Room of Modern Land (《當代置業綠色體驗式能源機房作業標準》), which requires hiring a qualified environmental noise testing agency to conduct noise testing and evaluation while the system is in operation, and to issue formal test reports. To ensure implementation with these standards, we have installed monitoring equipment at the construction site boundaries for real-time monitoring and control, and promptly issue warnings for the environmental elements based on monitoring data. Additionally, we have installed continuous sealed shield surrounding the construction site and used dense mesh and sound insulation nets to enclose building scaffolding to minimise noise interference. For strong-noise machinery, we have set up enclosed sound insulation sheds, such as fixed concrete conveying pump rooms, carpentry sheds and large air compressor sheds.

In terms of material and component transportation, we avoid transporting materials during peak urban traffic hours. If necessary, we maintain reasonable speeds to minimise noise emissions from large transport vehicles. For necessary nighttime transportation, vehicles must refrain from honking and maintain low speeds, while selecting routes that avoid residential areas to prevent disturbances to residents. For the processing of finished and semi-finished products that generate strong noise (such as prefabricated components manufacturing), we will strive to complete these processes within factories or workshops to minimise noise at the construction site. For small electric tools that may produce sharp noises, such as impact drills and portable electric saws, we will strictly control the time of use, frequency, and the number of devices in operation, and reduce or cease operations during the night break.

For the management of light pollution at construction sites, all of our current engineering projects utilise LED lighting sources. This choice not only effectively controls lighting brightness but also significantly saves energy and reduces operational costs. LED lighting fixtures feature high efficiency and a long service life, reducing unnecessary light radiation and effectively minimising the impact of light pollution on the surrounding environment. Additionally, the Company actively seeks research and development opportunities to upgrade to more efficient lighting technologies, further reducing light pollution. We will continue to monitor the latest lighting technologies and materials and explore innovative solutions to achieve more precise light control and lower energy consumption.

2.3 Tackling of Climate Change

Tackling of climate change has become a consensus among the international community and is a key issue in global development today. Modern Land actively takes social responsibility of tackling climate change, adopts effective measures to tackle related challenges and seizes the historical opportunity to develop a low-carbon economy. We hope to secure a strategic advantage in future business competition to achieve sustainable development goals.

To better address climate change, we will outline our efforts and future direction in this area based on the framework of governance, strategy, risk management, and indicators and objectives. We will develop specific action plans covering carbon emissions reduction, energy efficiency improvement, promotion of renewable energy use, and advancement of eco-friendly construction and green technology applications. Additionally, we will conduct regular assessments and report on our progress to ensure transparency and accountability.

Governance

In terms of governance, we have established a comprehensive ESG governance structure to cover all work related to the environment, society, and governance (ESG), with a particular focus on governance to address climate change. We refer to the Task Force on Climate-related Financial Disclosures (TCFD) framework to gradually conduct a comprehensive review of the climate change risks and opportunities that Modern Land may face. Specifically, our work includes the following areas:

Status Review:	Conduct an in-depth analysis of the Company's current status in relation to climate change to identify potential risks and opportunities.
Strategy Formulation:	Based on the results of the status review, formulate corresponding response strategies to ensure that the Company has flexibility and adaptability in facing climate change challenges.
Risk Management:	Establish an effective risk management mechanism, regularly assess climate change-related risks, and develop corresponding mitigation measures.
Indicator and Objective Management:	Identify and set specific indicators and objectives to facilitate ongoing monitoring and assessment of the Company's performance in ESG, particularly in relation to tackling climate change.

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Strategy

Modern Land fully understands the critical role that the construction industry plays in addressing climate change and achieving carbon neutrality goals. Therefore, we are committed to promoting the development of green buildings and innovation in green construction technologies, with the aim of providing comfortable living environments while contributing to carbon neutrality. This goal has become an integral part of our strategy and reflects our commitment to a sustainable future.

The climate-related risks we have identified primarily include transition risks and physical risks:

Transition Risks	**Policy and legal risks**: as governments around the world place greater emphasis on climate change, the constant changes in relevant policies and laws and regulations may affect the operating models and cost structures of enterprises.
	Technology risks: the rapid development of new technologies may render existing technologies obsolete, requiring companies to continuously invest in order to remain competitive.
	Market risks: changes in consumer demand for environmentally friendly products and services may affect corporates' market share and profitability.
	Reputation risks: a company's performance in environmental protection will directly impact its brand image and client loyalty.
Physical Risks	**Acute risks**: extreme weather such as typhoons and floods, which can pose a direct threat to infrastructure and supply chains.
	Chronic risks: changes in climate patterns such as persistent high temperatures and so on. These long-term impacts could alter water resources, crop yields, and ecosystems.

To address the above risks, our strategy focuses not only on preventing potential threats, but also on actively seeking related opportunities, including improving resource efficiency, diversifying energy sources, innovating products and services, expanding markets, and enhancing adaptability.

Risk Management

We conducted comprehensive assessments of the identified physical risks and transition risks, to analyze their potential risks and development opportunities. Based on the results of these assessments, we formulated corresponding management measures aimed at promoting the sustainable development of Modern Land.

Specific actions taken by Modern Land are as follows:

I. Incorporate green low-carbon development into strategic planning for corporate development

Since its inception, Modern Land has consistently integrated the core concept of "Green Technology + Comfort & Energy-saving + Digital Interconnecting Whole-lifecycle Industrialized Communities" into its long-term strategic planning. By leveraging green technology as its core competitiveness, the Company actively invests in the research and development of green buildings and utilises the latest technologies to enhance energy efficiency in home energy use and improve living environment quality, thereby positioning itself as a leader in green technology-driven real estate.

II. Adopt and develop low-carbon technologies and focus on energy conservation and emission reduction

Modern Land has established a dedicated research and design department to vigorously promote green innovation. Through collaboration among various professional departments, we continuously improve our low-carbon production technology to ensure that environmental impacts are fully considered in product development and production processes. At the same time, the Company implements energy conservation and emission reduction concepts from top to bottom, actively promotes green and low-carbon lifestyles in daily office operations, and provides relevant training and resources to encourage employees to incorporate environmental awareness into their daily behaviors.

III. Promote the adjustment of corporate structure and green upgrade transformation

In terms of project construction, we continuously adjust and optimise our industrial structure with the aim of enhancing the overall level of our real estate. Specifically, we phase out inefficient production methods and encourage industries to transition to sustainable production models. In terms of administration, we regularly revise our policies to ensure that they comply with ever-changing technical standards and regulatory requirements, thereby improving our management system to support our sustainable development goals.

Indicators and Objectives

We identify and monitor indicators of risks related to environmental, social and climate, and conduct annual statistics and disclosure of relevant data, specifically including the following aspects:

Energy consumption (including consumption of gasoline, natural gas and electricity)

Water consumption (water usage in the operation of various projects)

Greenhouse gas emissions (including Scope 1 and Scope 2 emissions data)

The sources of greenhouse gas emissions of Modern Land mainly consist of direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions (Scope 2). In particular, direct greenhouse gas emissions come from natural gas combustion and combustion of gasoline and diesel in vehicles; and indirect greenhouse gas emissions come from the use of electricity. As a responsible real estate company, we not only pay attention to the direct and indirect greenhouse gas emissions generated by our own operations (Scope 1 and Scope 2).

Greenhouse Gas Emissions of the Headquarters of the Company

	2023	2022
Indirect greenhouse gas emissions (tonnes of carbon dioxide equivalent)	**12**	205
Greenhouse gas emission intensity (kilograms of carbon dioxide equivalent/sq.m.)	**2.56**	28.32

In addition to actively conserving electricity, the significant reduction is also due to a decrease in office space and the number of employees.

Through systematic analysis of these indicators, we are able to compare annual performance and assess our progress in sustainability. Through continuous improvement and data-driven decision-making, we hope to effectively address current and future challenges and drive the Company toward greater sustainability.

3. People-Oriented Development and Promotion

3.1 Simple Corporate Culture

Modern Land adheres to its corporate culture of "simplicity, concentration and transparency, result-oriented and never give up". Simplicity and concentration are the core and premise of our culture, and the foundation for efficiency improvement and performance achievement. Simplicity is reflected in the simplicity of communication, the simplicity of interpersonal relationships, the clarity of processes and operations, as well as the clarity of the authorisation system; concentration is reflected in the consistency of goals, the consistency of pace, and grasp of details. A culture of transparency is reflected in its openness, eagerness for win-win situation, efficiency, inclusiveness and environmental health. To ensure the effective implementation of the corporate culture, we have adopted a series of specific measures. These include requiring all the staff above the manager level to keep their office doors open to allow supervision by the staff; keeping the bills of top executives transparent; openly disclose the tasks of each staff member as well as the completion and evaluation of these tasks; and keeping all the meetings open so that anyone is welcome to attend or observe the meetings.

In addition, Modern Land has stipulated 100 Zhiye Guidelines covering various dimensions, such as operation management, conflicts of interests, asset preservation, code of conduct and professionalism, guaranteeing clear rules, transparent executions, a firm attitude and concise and efficient work. Through these measures, we aim to foster an atmosphere of trust and collaboration within the Company, enabling every employee to recognise their own value and collectively drive the Company toward higher goals.

Meanwhile, our internal audit department ensures a high level of transparency in our corporate culture through legal safeguards, guaranteeing that all opinions and suggestions are duly acknowledged. We have publicly disclosed our anti-fraud hotline (010–8440 8717) and email (sunnymoma@modernland.hk), welcoming reports from anyone, whether anonymously or under their real name. We firmly believe that only in an open and transparent environment can our Company achieve continuous progress and achieve its goal of sustainable development.

3.2 Staff Employment and Development

Employees are the most valuable asset of the enterprise and the primary driving force behind its leapfrog development. Modern Land consistently upholds the talent philosophy embodied in its "Five-aspect Talent Strategy".



The "Five-aspect Talent Strategy" encompasses talent acquisition, talent development, talent optimisation, talent retention, and talent mobility, with the commitment to building a high-caliber and high-efficiency professional team. Through this strategy, Modern Land not only attracts and retains outstanding talents but also unlocks their full potential, thereby reinforcing the Company's core competitiveness and driving its sustainable growth.

These talent philosophies not only demonstrate our commitment to employees, but also reflect our clear vision for the Company's future development. By establishing a robust corporate culture and support system, we enable every employee to thrive within the Modern Land family as we collectively progress toward a brighter future.

3.2.1 Staff Employment

Modern Land consistently and strictly abides by the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), the Law on the Protection of Women's Rights and Interests of the People's Republic of China (《中華人民共和國婦女權益保障法》), the Regulations on Labour Protection for Female Staff and Employees (《女職工勞動保護規定》), the Regulation on Public Holidays for National Annual Festivals and Memorial Days (《全國年節及紀念日放假辦法》) and the Regulation on Labour Security Supervision (《勞動保障監察條例》) and other relevant laws and regulations, to ensure the full protection of employees' legal rights and interests.

In addition, we have established the Recruitment Management Standards of Modern Land (《當代置業招聘管理作業標準》) to standardise various aspects of our recruitment process, including recruitment demand management, recruitment channel management, talent assessment criteria, interview procedures, as well as key responsibilities and competency requirements for each position. During recruitment, we impose no restrictions based on gender, ethnicity, household registration, or similar factors, and we fully respect each candidate's religious beliefs and personal perspectives. Adopting a value-driven approach, we assess candidates based on their capabilities and job fit, strictly prohibiting any form of discrimination, whether ethnic, disability-related, or gender-based. These measures not only demonstrate our compliance with laws and regulations but also underscore our commitment to diversity and inclusion, fostering a fair and just workplace.

As of 31 December, 2023, the Company had a total of 661 employees. We enter into labor contracts with every employee and do not employ any dispatched workers or part-time staff. The total number of employees by gender, age group and geographical region are as follows:

Employees' Basic Information

Employee category	**2023**	2022
Total number of employees	**661**	1,450
By gender		
Male	**486**	973
Female	**175**	477
By age group		
30 and below	**266**	562
31-40	**297**	785
41-50	**87**	87
50 and above	**11**	16
By geographical region		
China	**661**	1,450

In 2023, there were 42 new employees. The number of resigned employees by gender, age group and geographical region is shown below:

Employee turnover

Employee category	2023	2022
By gender		
Male	**70.19%**	49.10%
Female	**97.85%**	57.20%
By age group		
30 and below	**71.50%**	59.60%
31-40	**97.97%**	46.90%
41-50	**0.00%**	47.10%
50 and above	**37.04%**	43.80%
By geographical region		
China	**100.00%**	100.00%

We strictly comply with the provisions of the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) in handling employee offboarding procedures for resigned employees. All resigned employees are required to complete proper work handovers and settle any outstanding accounts. Regarding severance payments and liquidated damages, all disbursements are processed in accordance with applicable laws and regulations in China. In cases where termination results from employee misconduct, the individual concerned shall bear the corresponding liability for breach of contract. Pursuant to the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and other relevant legislation, the Company reserves the right to seek financial compensation from such employees to safeguard its legitimate rights and interests.

Labour Standards

We strictly adhere to the Labour Law of the People's Republic of China (《中華人民共和國勞動法》) and the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》), maintaining a zero-tolerance policy regarding the employment of minors under 16 years of age. During our recruitment process, we meticulously verify candidates' age information through official identification documents, permitting only those meeting the legal working age requirements to proceed to the interview stage. Throughout the interview process, we engage in comprehensive discussions regarding job responsibilities, work intensity and specific role requirements to ensure candidates possess full understanding of position expectations. Furthermore, according to our standardised working hour system, employees' daily working hours shall not exceed 8 hours within a 5-day work week, safeguarding both employee wellbeing and operational efficiency.

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

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Staff Benefits and Care

In terms of staff compensation, we established a comprehensive employee compensation and benefits system based on the Company's strategic business objectives and according to the Operational Standards of Incentive and Accountability Mechanism of Modern Land (《當代置業激勵問責機制模型作業標準》). The compensation structure, which is designed to facilitate value creation, valuation and benefit sharing, mainly comprises the broad banding system and the incentive and accountability mechanism:

Broad Banding System	Incentive and Accountability Mechanism
It comprises base salaries, performance bonuses and allowances, with remuneration determined according to each employee's value contribution to the organisation.	It is built on the project procedures and operations, which focuses on assessment of the implementation of 100 tasks for project milestones, progress and quality, receivables collection, net profit generation and balance of cost budget, thereby ensuring the attainment of strategic business objectives while effectively motivating employees to reach their performance goals.

We contribute to social insurance plans for its employees in accordance with the national and local laws and regulations, ensuring the percentage and basis of payment adhere to the local statutory requirements. We strictly comply with the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Regulation on Public Holidays for National Annual Festivals and Memorial Days (《全國年節及紀念日放假辦法》) and other laws and regulations, providing comprehensive leave entitlements including paid annual leave, maternity leave, paternity leave, marriage leave and personal leave. Moreover, we offer additional paid annual leave as the award to those employees who have worked continuously for more than 5 years, acknowledging their loyalty and contributions. The Company carries out different staff care activities on staff's birthday, employment anniversary and other festivals, along with dedicated support for staff facing personal difficulties.

This comprehensive suite of measures not only demonstrates our profound commitment to employee care, but also reflects our fundamental belief that fostering a positive work environment and implementing people-oriented management practices are essential for building a solid foundation for the Company's long-term success.

Employee Training

Modern Land places paramount importance on employees' skill development and training, recognising that staff growth constitutes a fundamental driver of the Company's competitiveness. By enhancing our core organisational capabilities, we strive to create mutually beneficial outcomes for both the Company and our employees. To this end, we are committed to delivering systematic training programs designed to elevate employees' overall competencies, technical proficiencies and sense of identity with our corporate culture.

Guided by the Operational Standard of Training Management of Modern Land (《當代置業培訓管理作業標準》), we develop customised training plans based on actual business requirements, establishing standardised procedures and continuous professional development mechanisms to equip our workforce for the industry's dynamic challenges. In 2023, our training initiatives particularly focused on critical project milestones including the opening, delivery and completion of the project. We implemented diverse learning methodologies such as team competitions, project experience sharing sessions, and case study workshops. These programs were further enriched by integrating core elements of our project management philosophy and Zhiye Culture, thereby fostering comprehensive professional growth among our employees.

Proportion of trained employees and average length of training

	Male	Female	Middle and senior management	Management	Leadership
Proportion of trained employees in 2023 (%)	44.86%	58.29%	25.28%	75.78%	73.47%
Average length of training for staff in 2023 (hours)	7.18	6.99	13.24	4.73	63.35
Proportion of trained employees in 2022 (%)	45.30%	42.80%	40.20%	45.40%	50.00%
Average length of training for staff in 2022 (hours)	15.78	12.80	10.00	13.60	12.78

Dual-Channel Career Development

We publish the Arrangements of Organisational Structure, Position Structure, Staffing and Team Formation (《組織結構、崗位結構、人員編制及團隊建制的決定》) on a quarterly basis. The Company also issues the Arrangements of Personnel Appointment and Human Resources Development and Exchange (《人事任命及人力資源開發與交流的決定》) irregularly. These initiatives are designed to ensure organisational transparency and operational flexibility while providing employees with clear career development guidance.

Employees of each subsidiary of Modern Land can realise cross-development of job function lines, where the cross-development path of job functions shows a "H" shape. Specifically, after joining the Company, functional line employees below the management level will progress along specialised functional tracks, while position line employees at equivalent levels will develop through position-based pathways. The interchangeability between management and leadership career paths facilitates valuable cross-departmental knowledge and skill exchange.

From the employee's perspective, we have implemented a "Y-shaped" career development model for departmental staff. All employees below deputy director level advance along functional lines based on their professional expertise, contributing to a flatter, more specialised and competitive organisational structure. Categorised by professional disciplines, employees are classified into different functional roles. In addition to being promoted to leadership positions, employees can choose to be promoted to professional directors, thereby achieving dual career development.

3.3 Safety and Health of Employee

Modern Land strictly complies with relevant laws and regulations including the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) and the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》), and has established the Operating Standards Governing Administrative Office of Modern Land (《當代置業行政辦公管理作業標準》) accordingly. We maintain a zero-tolerance policy towards any potential safety hazards in working environment and public areas, ensuring immediate attention and resolution to improve the work efficiency of employees and ensure their physical and mental health. To ensure the safety of the working environment, we have taken a series of measures as follows:

- We collaborate with property companies in supervising and checking the safety standard of the Company on a regular basis.
- Relevant professionals are scheduled for national statutory and festive holidays duty to make sure there are no safety issues.
- We conduct regular fire safety inspection in the Group's office area, which mainly includes inspection of automatic fire alarm systems, fire sprinklers, fire hydrants and emergency evacuation lights. All projects are found to be in compliance with national standards for fire safety.

- For the control of staff entry and exit, staff cards must be shown to access the office area or access with QR code. Visitors must be invited in advance and access with QR code.
- There are 24-hour patrol and inspection by guards and security.
- The interior of the office is fully covered by cameras for real-time monitoring.
- We conduct pest control every month.
- Smoking is strictly prohibited in the office area.

Furthermore, to enhance construction site safety supervision, we have established the Operating Standards Governing Project Safety of Modern Land (《當代置業工程安全管理作業標準》) with the objective of zero safety incident. A three-level inspection system has been implemented across the Company, regional companies and project companies to ensure the attention and implementation of safety measures across all management levels, forming a comprehensive safety monitoring framework. During the management of construction projects, a safety production responsibility system assigns clear safety obligations to each employee, with performance-linked accountability mechanisms to encourage their proactive participation into safety management. Meanwhile, we also carry out regular safety training programs and inspection protocols such as site safety training, pre-operation safety briefings, weekly safety inspections, rainy season safety inspections, as well as pre-holiday safety inspections and resumption of work safety inspections.

In 2023, there were no work-related deaths and no working days lost due to work-related injuries.

In terms of the management of employees' physical and mental health, we always prioritise the well-being of our staff and implement comprehensive measures through the following aspects:

Comfortable Office Environment
• We provide employees with an office environment featuring constant temperature, humidity, oxygen levels and quiet conditions to ensure they can work efficiently under comfortable circumstances, thereby enhancing work efficiency and satisfaction. • During inclement weather conditions, we proactively issue warm reminders in advance and provide necessary supplies such as umbrellas to safeguard employees' safety and health.

4. Product Responsibility and Customer Management

In the real estate industry, quality remains the fundamental element of our products. Excellent product quality combined with premium services and comprehensive supporting facilities can significantly enhance customers' living experience while strengthening brand reputation and market competitiveness. Therefore, improving the quality of supporting services and facility construction has become a crucial component of our corporate strategy.

With regard to monitoring product quality, Modern Land strictly adheres to relevant laws and regulations including the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), the Law of the People's Republic of China on Protection of Consumers' Interests (《中華人民共和國消費者權益保護法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and the Provisions on the Release of Real Estate Advertisements (《房地產廣告發佈規定》) to ensure the highest standards in product and service delivery. We firmly believe that only by guaranteeing product quality can we effectively enhance customer satisfaction and elevate brand value, thereby maintaining our leading position in this highly competitive market.

During the reporting period, the Group has no record of violations of product liability, advertising, labelling and privacy.

4.1 Management of Product Quality

In terms of construction engineering quality control, Modern Land consistently adheres to the product quality management objective of "Create Modern Land Quality, Build Ingenuity Project" and strictly complies with a series of detailed standards, specifically including the followings:

- Operating Standards for Project Assessment of Modern Land (《當代置業工程考核評估作業標準》);
- Operating Standards for Material Inspection of Modern Land (《當代置業工程材料檢驗作業標準》);
- Operating Standards Governing Materials and Components of Modern Land (《當代置業材料部品管理作業標準》);
- Operating Standards for Measurement Management of Modern Land (《當代置業實測實量管理作業標準》);
- Operating Standards for Management of Three Model Rooms of Modern Land (《當代置業三個樣板間管理作業標準》);
- Operating Standards for Project Delivery Assessment of Modern Land (《當代置業工程交付評估作業標準》);
- Operational Standards of Bottom Line Management for Engineering Management Profession of Modern Land (《當代置業工程管理專業底線管理作業標準》); and
- Operational Standards for Inspections at Construction Suspension Points of Modern Land (《當代置業工程停止點檢查作業標準》).

Furthermore, we continuously improve and revise technical standards by formulating the Standardised Atlas for Common Practice of Leakage Prevention of Modern Land (《當代置業防滲漏標準化通用做法圖集》) and the Standardised Processing Practice of Modern Land (《當代置業標準化工藝做法》), which specify each construction process and step in detail, aiming to ensure that engineering quality remains effectively controlled. Through these measures, we not only enhance the quality of our products and services but also create greater value for our customers, further driving the sustainable development of our Company.

Overview of engineering quality control measures:

1. **Three-level Quality Control System**: A three-level quality management system has been established at the group, regional and project levels, implementing hierarchical management to enhance the effectiveness and efficiency of quality control.
2. **Material Management System**: A comprehensive material sample delivery, recognition and sealing management system has been formulated. All bidding samples submitted by construction contractors undergo verification and sealing prior to tender award, ensuring on-site materials exactly match those presented during bidding.
3. **Third-party Inspections**: Unannounced third-party material inspections are conducted irregularly to strictly monitor materials used on construction sites, eliminating the use of unqualified materials.
4. **Pile Foundation Verification**: Low strain method is required to test every pile in all pile foundation projects for ensuring the integrity of the pile body.
5. **Sample First System**: With our comprehensive sample first system, the project construction process showroom/district and the standard flats show room must be approved through the Company's inspection, guaranteeing compliance with quality standards.
6. **Annual Assessments and Evaluation**: The third-party assessment and evaluation are conducted four times a year to fully control the construction quality of the project construction process.
7. **Pre-delivery Quality Verification**: Systematic third-party quality inspections are performed before any delivery to the owners for ensuring full compliance with all relevant standards.
8. **Comprehensive Safety and Quality Assessments**: The Company conducts annual integrated safety and quality assessments across all projects to identify potential risks and implement improvement measures.

During the reporting period, the Group had no violation of the product and service responsibility with significant impact. No product of the Company sold was subject to recalls for safety and health-related reasons.

4.2 Management of Customer Services

In terms of customer service management, we set the goal of "Providing Green Comfort Services for the Whole Cycle Product Value Chain". To accomplish this goal, we have formulated the Customer Complaint Risk Prevention and Control Handbook (《客戶投訴風險預控工作手冊》), which clearly defines four key stages in the real estate development process:



At each stage, we clarify the focus points, standards and key tasks with respect to the customer complaint risk prevention and control. These preventive measures are applied throughout the entire life cycle of real estate development to ensure effective identification and management of potential customer complaint risks at every stage. In addition, we conduct regular customer satisfaction surveys and develop targeted rectification plans and improvement measures based on the survey findings. This approach strengthens customer trust and satisfaction, ultimately contributing to sustainable business growth and maintaining a positive corporate image.

Management of Complaints

We place great importance to customer feedback and requests, and have therefore established a comprehensive customer complaint mechanism to attentively address and resolve customer concerns while providing timely responses. The Company facilitates this process through multiple channels including service hotlines, email correspondence, written letters, and in-person visits. Dedicated staff members are assigned to receive customer complaint calls, with immediate documentation and case assignment upon receipt. Upon notification of complaints, project teams designate specific personnel to handle each case. Furthermore, each regional company maintains a customer service department specifically dedicated to receiving customer visits and managing complaint cases.

Our standardised complaint handling procedure includes acknowledgment and initial response within 1 hour of complaint receipt, with effective communication with customers, we will develop a resolution plan within 48 hours, and final confirmation of resolution with customers within 30 minutes of case closure. Furthermore, call centres will conduct customer satisfaction follow-up within 1 hour. The feedback process for different levels of complaints is as follows:

- First-level complaints will at the end be reported to the customer service centres of the Group, the President and the office of the President
- Second-level complaints will be reported to the customer service centres of the Group and regional responsible personnel
- Third-level complaints will be reported to regional responsible personnel of customer services

In 2023, the Company received and dealt with a total of 199 complaints cases, and the complaint handling rate was 100%.

Customer Satisfaction Surveys

We conduct customer satisfaction surveys through three distinct approaches, namely special project surveys, regular surveys and key surveys:

- Special Project Surveys: For customers who have requested repair services during the warranty period, we obtain direct feedback through telephone surveys.
- Regular Surveys: Satisfaction surveys are conducted annually via telephone interviews and door-to-door visits with the potential property owners and the owners in the run-in period and the stable period.
- Key Surveys: The interviews are conducted via such three ways, namely telephone, questionnaire and door-to-door visits, which focus on various areas including the overall satisfaction, recommendation intention, repurchase intention, marketing service, planning and design, engineering quality and customer service.

Upon the completion of the customer satisfaction research reports, we convene cross-functional workshops involving all relevant centers, sectors, regional companies and project leaders to conduct in-depth analysis and develop targeted improvement plans. According to the findings from these satisfaction surveys, we will revise the Customer Complaint Risk Prevention and Control Handbook (《客戶投訴風險預控工作手冊》), while simultaneously refining our standards before project launch, such as complaint risk prevention and control standards and service standards.

During the reporting period, we organized site opening activities to enhance transparency, enabling customers to monitor progress and quality of their purchased properties, thereby strengthening trust and satisfaction. In addition, we provide pre-inspection services for prospective owners to help them understand the actual condition of their homes and to protect their safety and health while safeguarding their legal rights.

4.3 Customer Privacy and Advertising Compliance Management

Modern Land places paramount importance on the privacy and protection of customer information. All employees are required to strictly adhere to the Company's "Zhiye Guidelines" and "Eight Career Disciplines for Marketing Professionals (行銷專業職業八條戒律)" to ensure the security of customer information. Throughout the entire process spanning pre-sales, for-sales and after-sales stages, we utilise the Group's information system for customer information entry and sales status updates, minimising manual operations to safeguard information privacy.

At the pre-sales stage, we adopt the Mingyuan cloud customer information system for customer information entry. Authorised personnel can only access customer information within their corresponding authorised scope and have no right to download and export such information, and their authorisation will be immediately revoked and their access channels will be blocked once they resigned. Furthermore, there are terms on confidentiality contained in all of the agreements entered into with its cooperation agencies, strictly prohibiting customer information disclosure.

At the for-sales stage, customer information is stored in the MBS customer management system of Modern Land and maintained by the dedicated information operation centre. To ensure that customer information is kept safe, even the senior management of the Company has only limited authorisation for accessing customer information.

At the after-sales stage, upon the completion of sales, customer information is automatically transferred from the MBS system to the property APH system database, where it is solely utilised for authorised customer service inquiries.

In terms of the advertising compliance management, we have developed a detailed system for internal operating standards governing process review and content control, which comprises the Operating Standards of Modern Land Governing CIS Management (《當代置業CIS管理作業標準》), Modern Land's Guidelines for Project VIS Standardisation (《當代置業項目VIS標準化指引》), the Operating Standards of Modern Land Governing the Visual Effect of Commercial Advertising (《當代置業商業廣告視覺作業標準》), the Operating Standards of Modern Land Governing Brand Advertising Guidelines (《當代置業品牌廣告指引作業標準》), the Operating Standards of Modern Land Governing Corporate Brand Building for New Cities (《當代置業新進城市企業品牌塑造作業標準》) and the Sales and Service Commitment Red Line Management Standards (《銷售及服務承諾紅線管理標準》). All materials, promotion pictures and advertisements of projects must be reviewed and approved by the Company's Quality Policy Department before releasing and may only be published after obtaining approval. In addition, the weekly and monthly white list and black list mechanism is in place to ensure the quality and compliance of advertising. In terms of marketing management, we performs inspection in the form of project self-inspection, regional review, and Group spot checks, and relevant operating standards for supplier management have also been formulated and revised.

4.4 Sustainable Supply Chain

Management of Suppliers

Through effective management of suppliers, companies can ensure that their supply chains meet sustainability standards, thereby mitigating environmental risks and enhancing social responsibility. We formulated the Operating Standards of Modern Land Governing Inspection and Qualification Review of Suppliers (《當代置業供應商考察入庫作業標準》), the Operating Standards of Modern Land Governing Evaluation and Rating of Suppliers (《當代置業供應商評估分級作業標準》), the Operating Standards of Modern Land Governing Specialised Procurement (《當代置業專業專項採購作業標準》) and the Operating Standards of Modern Land Governing Strategic Procurement (《當代置業專業戰略採購作業標準》), normalising supplier management standards and processes.

We regularly conduct in-depth value chain analysis, process tracking, and performance evaluations across our real estate development value chain to maximise the value of supply chain management. This enables us to identify potential growth and optimisation opportunities, ensuring efficient operations and optimal resource allocation throughout the supply chain.

Selection of suppliers

Our procurement types are mainly divided into strategic procurement and specialised procurement, and specialised procurement includes tender invitation, competitive negotiation, and direct commissioning. The suppliers of the Company include engineering and construction suppliers and material and equipment suppliers. Pursuant to Modern Land's Description of the Operating Standards for Energy-saving Strategic Procurement (《當代置業節能戰略採購作業標準説明》), all procurement by invitation of tenders, except those as designated by the government, is carried out in public on the online tender platform. All suppliers can participate in tendering upon registration on the online tender platform and obtaining approval. The Company's main procedures for selection of suppliers are as follows:

1. The Group and all regional companies compile a supplier resource plan for the next year each December.
2. The supplier resource plan for last year is subdivided into quarterly survey targets and plans.
3. The Company arranges for suppliers to fill in information and performs preliminary review.
4. All regional companies make and implement quarterly inspection plans on suppliers who have passed preliminary review.
5. The suppliers must abide by operating standards to allocate professionals and ensure the effectiveness of the environmental management system certification, occupational health and safety certification, quality management system certification, and other corresponding certificates and production safety permits.
6. The Company completes qualification review on suppliers who have passed inspection upon approval before selection of tenderer. Qualification review shall be in strict accordance with the power of attorney.

In the process of supplier review and selection, the Company will conduct a detailed background investigation of suppliers through the national enterprise credit inquiry system, supplier information forms, stamped versions of information documents provided by suppliers, peer industry supplier surveys, black and white lists issued by industry associations and other channels. Taking into account the critical role suppliers play in our Company's value chain, their performance in environmental and social responsibility is important to us. Therefore, while reviewing their financial information, we also require suppliers to provide relevant environmental management system certifications, occupational health and safety certifications, quality management system certifications, and other necessary quality certificates and safety production permits. In addition, suppliers must submit financial statements from the past three years, along with at least three completed or ongoing construction projects, to enable our comprehensive assessment of their capabilities and reliability.

To further enhance the efficiency of supplier management, we have established the MBS Supplier Management System. The information of all suppliers under inspection will be input in the system and marked with qualified or unqualified. We only choose to work with suppliers that are marked as "qualified". According to the MBS approval process, when inputting the information of suppliers, the manager, counterpart and responsible person are required to comprehensively examine the supplier's environmental management system certification, occupational health and safety certification, quality management system certification and other relevant quality certificates and safety production permits, financial statements for the past three years, and at least three completed or under-construction projects. In addition, the inspection report must upload pictures of the relevant certificates taken on site to ensure the authenticity and validity of all information.

Periodic evaluation and rating of suppliers

In order to manage our suppliers on a regular basis, we have formulated the Operating Standards of Modern Land for Five 3s Professional Supplier Assessment and Grading (《當代置業五個三專業供應商評估分級作業標準》), which regulates the supplier assessment process in detail. We generally conduct supplier assessment on all suppliers in May or November each year and conduct semi-annual or annual assessments mainly on suppliers who have already signed contracts for fulfillment. There are different evaluation criteria and weighting set for different kinds of suppliers covering aspects such as quality, progression, construction in a safe and civilised manner and services. We will communicate with the suppliers to rectify any unqualified matters after the assessment, and if no improvement can be made after rectification, the annual assessment of the suppliers will be classified as unqualified.

In addition, during the post-delivery evaluation and settlement phase, we will conduct relevant post-assessments on our suppliers. Post-assessments will be conducted on suppliers who have performed the contract, either within a month after delivery, after project acceptance or within four months after collective delivery, and the assessments are conducted by Five 3s working departments of regional companies with involvement of engineering management departments, plan designing departments and property companies. The Company conducts a star-rating on suppliers, namely three-star, four-star, five-star, qualified and unqualified. Calculation rules are set by the procurement division of the Five 3s working center of the Company based on our strategic development plan and will be revised in each October. The assessments will be primarily based on process assessment and engineering assessment to derive the final score for the supplier. Star-rating results will be released upon approval. Partnership plan, reward and punishment policy, and adjustment to grades of suppliers will be made for suppliers of different grades.

Furthermore, for general contractors, we also review their green experiential sites to ensure compliance with green experiential site criteria, further promoting sustainable development and environmental protection. The expression is more fluid and professional, enhancing the clarity in communication.

As at the end of the reporting period, the Company had 4,414 engineering-related suppliers and 758 material-related suppliers in China.

Green Procurement

Modern Land has actively cooperated with the upstream and downstream companies to put our concept of green procurement into practice. Modern Land cooperated with Vanke's AUPUP platform and CURA's platform for more than ten categories. The Company performed green procurement all online and prioritised to select green suppliers who have a high market share and are industry leaders to accelerate the process, increase efficiency and achieve green energy saving.

We chose more eco-friendly materials during the purchase of materials. It strategically purchased landscaping stone look tiles. By purchasing imitation granite tiles instead of natural granite tiles under the same conditions, the consumption of natural resources is reduced and the impact on the environment is reduced. In addition, we are promoting the research and development of fabricated 7-day model rooms for factory-based, prefabricated, and standardised production, so as to further reduce the environmental, noise and construction waste pollution caused by decoration projects. Meanwhile, we have also started the research and development of polyurethane profiles and net zero energy-using products, aiming to enhance overall environmental benefits.

These measures not only demonstrate our commitment to sustainable development, but also lay a solid foundation for future green construction. Through collaboration with quality suppliers, we aim to play a greater role in advancing the green transition of our industry.

5. Compliant Operation with Honesty and Integrity

By strictly adhering to the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), the Anti-unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) and other relevant laws and regulations, Modern Land maintains its commitment to lawful and compliant operations, proactively prevents illegal activities such as corruption, bribery, extortion, fraud, and money laundering. To this end, the Company has continuously improved its internal audit and supervision mechanism, enhanced its internal anti-corruption efforts, and formulated the Operating Standards of Modern Land for Reward and Punishment Management (《當代置業獎懲管理作業標準》), which strictly imposes penalties against corruption or bribery among employees.

We should carefully handle internal and external banquets and social activities when cooperating with business-related units, and refuse to participate in social activities beyond normal business contacts. Moreover, we have set up a staff care fund. The cash gifts and gifts given by suppliers and partners are included into the staff care fund, which is managed and distributed by the Company on a unified basis to prevent employees from soliciting or accepting bribes. As part of our commitment to ethical conduct, we sign anti-bribery agreements as well as integrity and self-discipline agreements with employees, to ensure employees' adherence to the highest standards of integrity, honesty, and fairness in all business dealings.

Whistleblowing Policy

To foster a culture of integrity within the enterprise, Modern Land has established this Whistleblowing Policy (《舉報政策》), which aims to provide effective reporting channels and procedures for potential misconduct, malpractice, or fraudulent activities concerning Company-related matters. This policy encourages internal reporting of any suspicious conduct related to the Group and ensures all employees and relevant stakeholders can safely voice their concerns. Furthermore, it guarantees that whistleblowers receive adequate protection against dismissal, retaliation, or punitive measures resulting from their disclosures. The policy applies to all of employees the Group (whether permanent or temporary) and third parties engaged in business with the Group. Through this Whistleblowing Policy (《舉報政策》), we seek to promptly identify and address potential issues, thereby further elevating the Company's ethical standards and compliance framework.

If any individual identifies potential misconduct, malpractice, or fraudulent activities within the Company, whistleblowers can provide anti-corruption leads through the anti-fraud reporting hotline 010-84408717, the email address sunnymoma@modernland.hk, etc. The internal audit department will handle the relevant reports and complaints efficiently and reply to the whistleblower within 24 hours. We will keep the whistleblower's information strictly confidential to ensure that the whistleblower's information will not be leaked.

Compliance Training

In order to maintain the corruption-free management ecology of the Company and improve the anti-fraud and anti-corruption awareness of all the staff, we organise compliance trainings and ethics training regularly. Modern Land has joined the "Corporate Anti-corruption League", which adheres to the concept of "Integrity, Strong Internal Control, and Anticorruption". We collaborate with 943 corporates to share the integrity promotions, trainings, systems, and regulation. Furthermore, we strictly treat non-compliance staff according to the principle that "Any Non-compliance Will Be Treated Seriously as Long as Being Discovered" and such noncompliance of the relevant staff member in Modern Land will be announced on the platform of the Chinese Enterprise Anti-Fraud Alliance for sharing the information about dishonest personnel.

To prevent bribery during procurement, our procurement strictly follows the principles set out below:

Honest and integrity

All employees involved in procurement shall strictly abide by the Zhiye Guidelines of Modern Land and are obliged to advocate the same to suppliers. Nobody shall alter or endeavour to affect the results of procurement decisions by any means.

Fairness and impartiality

All suppliers shall be treated equally for the management of suppliers and the management of procurement, to erect and maintain a sound corporate image and creditworthiness.

Collective decision making

The procurement shall be conducted under the procedures with adequate transparency, and there shall be active coordination, comprehensive communication and information sharing among all departments and all the procurement decisions made shall be collective decisions so that no black-box operation can be involved.

Adequate competition and merit-based selection

A sufficient number of suppliers with same or similar qualifications shall be selected for tendering to ensure the competitiveness of procurement.

Whole process management

Procurement management shall cover market research, selection of suppliers, inspection on suppliers, qualification review and rating, procurement process management, cooperation process management and cooperation assessment.

Consistency

The standards of procurement decisions shall be determined when preparing the procurement plans before making any procurement and keep consistent throughout the entire procurement and decision-making process.

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

6. Caring for the Community and Paying Back Society

Modern Land actively participates in and organises community activities, aiming to strengthen the communication and connection with the community. Based on our in-depth understanding of the needs of the community, we demonstrate our corporate responsibility and are committed to fulfilling our social responsibilities. Our activities cover a wide range of areas such as environmental protection, educational support, health promotion, etc., aiming to enhance the quality of life and well-being of community residents. Through these efforts, we have not only strengthened our relationship with the community, but also promoted sustainable development, contributing to the building of a harmonious society. Modern Land will continue to uphold this philosophy and strive to be an active promoter of community development and a responsible corporate citizen.

6.1 Having a Harmonious Relationship with the Community

Modern Land focuses on the development of a sustainable social environment of MOMΛ Homeland 4+1, aiming to create an integrated community model that incorporates the concepts of green, technology, health and all-age community + the community for living abroad to provide residents with a high quality living experience.

Green Residential Area

The MOMΛ community is committed to building an environmentally friendly, energy-efficient living environment. By adopting a variety of advanced green building technologies, and according to the needs of different regions and clients, we not only provide a comfortable living environment, but also effectively minimise the impact on the environment, reduce energy consumption, and improve the air quality and water quality through the strategies of the ecology of community, energy resources, green transportation and sustainable constructions. Meanwhile, Modern Land has further applied the concept of green to the planning of residential area as well as the refinement and humanised design of community environment, with an aim to develop a very comfortable and sustainable community where human and nature coexist harmoniously.

As a leader in the industry, Modern Land guided and participated in the formulation of industry standards, and jointly launched the "Project of Creating a Green Residential Area Together in China (中國人居環境綠色住區共建項目)" with the China Real Estate Association (中國房地產協會). Our green residential projects are wide spreading throughout the first- to third-tier cities, covering the customer groups with different demands. In additional to being a standardised entity with "Green Residential Area", Modern Land goes green in developing diversified products, thereby building an excellent green image for the city. In addition, we have developed the "Standard of Green Residential Product", and our residential areas not only meet the domestic and international green building standards, but also won a number of national and international top awards, such as the first China's Three-star Health Certification — Operation of Residential Projects and the US LEED-ND Certification.

Community with Science and Technology

Modern Land has set up a special working group to introduce smart home systems and Internet of Things technology in sectors such as technology energy, technology buildings and technology home, in order to enable residents to conveniently manage their home devices and enhance their living convenience and safety. Our underground machine room operates properly throughout the year without suspension and can control the temperature, humidity and fresh air volume to a comfortable level in advance according to weather changes. After long-term research and development, we have launched a number of products such as MOMΛ AI Community and completed the installation of such products on projects such as Wan Guo Cheng (Tongzhou District, Beijing), which was well recognised by our customers.

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Healthy Community

Health is a core concept of the MOMΛ community. We follow the healthy construction standards and WELL construction standards, thereby creating a green and healthy homeland with fitness facilities, green space and leisure areas for residents. We focus on several important indicators that are the most closely related to health and comfort for individual building design, including lighting, ventilation, temperature and humidity, etc., and implement real-time monitoring and self-control via mobile phone user platforms. In addition, our humanised design encourages residents to develop daily habits in areas including fitness and environmental protection, so as to create a healthy and harmonious community environment for both residents and community. Through the integration of excellent medical resources, we provide convenient medical services, including family doctors and remote medical care services.

Community for all ages

Modern Land provides two whole life cycle services, namely the whole life cycle of house and living. In the design and operation of MOMΛ, it will refine the needs of each age group to meet the needs of the composition of each resident's family. By integrating the diversified education area, growth spaces, the convenient creative area and the comfortable living area with the living area for the elderly, we are dedicated to create a dynamic community that are suitable for lifelong growth and development.

The Community for Living Abroad

In addition, Modern Land also plans to expand into overseas markets to create living communities that meet international standards and enable residents to enjoy a global lifestyle. These overseas living communities will incorporate local cultural characteristics, as well as strengths of Modern Land in green technology and sustainable development.

June 1 Fairytale Journey

In June 2023, to celebrate June 1 Children's Day, Modern Land organised the "June 1 Fairytale Journey" event to create a joyful and dream-filled celebration moments for children. The event included a number of exciting programs, including a parent-child garden party, a birthday party, an extreme HIGH war game and a children's themed community movie screening. It is hoped that this event will allow children enjoy their childhood, promote the interaction among family members and deepen the emotional bonds within the community.






6.2 Social Welfare Activities

Modern Land has always recognised that our role in the community is not only limited to the pursuit of economic benefits, but taking an active role in social responsibility is one of our core elements. We understand the importance of public welfare activities in improving the social environment and enhancing the well-being of the community. As such, we are committed to investing in a wide range of public welfare programs, aiming to support areas such as environmental protection, education, and social welfare.

Modern Land always adheres to organising the"Modern Land's Action of Loving My Homeland" to engage in public welfare activities and give back to the society. Modern Land not only initiated and organised various internal Zhiye cultural activities, but also organised cultural exchange activities with customers or partners, aiming to gather the strength of more MOMΛ members and people from all walks of life through donation, economic aids for poor students, visits, free classes, birthday parties and other public welfare activities. We hope these activities will not only show care to and help vulnerable groups in society, but also call on more people to develop the concept of contributing to the society and engage in public welfare undertakings. The Company has formulated the "Modern Land's Action of Loving My Homeland — Operating Standards of Public Welfare Activities" (《當代置業愛我家園行動–公益活動作業標準》), which regulates public welfare activities from activity principles, scope of activities, responsibilities of various departments, standard guidelines, standard atlas, standard support files and standard supervision.

HiH "Healthy Home, Build a Safe Home" Joint Initiative (100 Enterprises) Public Welfare Action

In May 2023, "The 6th China Healthy Technology Real Estate Development Brand Summit and the 2023 Residential Alliance Members' Meeting" jointly organised by the National Strategic Alliance for Technology Innovation in Housing Technology Industry and the National Housing and Living Environment Engineering Technology Research Center was held in Hotel MoMc Beijing. The 2nd HiH "Healthy Home, Build a Safe Home" Joint Initiative (100 enterprises) Public Welfare Action was launched at the summit, aiming to jointly build a "new ecological circle of healthy real estate" with the concept of "Healthy Living, Healthy Life, Healthy Service" through the exchanges and integration among industries. Modern Land was invited to be the initiator of the 2nd HiH Healthy Home, Build a Safe Home Joint Initiative (100 enterprises) Public Welfare Action to assist in the high-quality development of the real estate industry.





Appendix: Index of the Content to The ESG Reporting Guide as set out in Appendix C2 of the Stock Exchange

Provisions, Subject Areas, Aspects, General Disclosures and KPIs under The ESG Reporting Guide of the Stock Exchange		Location of Disclosure
Mandatory Disclosure Requirements		
Governance Structure	A statement from the Board containing the following elements: i. a disclosure of the Board's oversight of ESG issues; ii. the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and iii. how the Board reviews progress made against ESG related goals and targets with an explanation of how they relate to the issuer's businesses.	ESG Governance Framework
Reporting Principles	A description of, or an explanation on, the application of the Reporting Principles in the preparation of the ESG report: Materiality: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Balance: The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About this Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report
"Comply or explain" Provisions **Subject Area A. Environmental**		
Aspect A1: Emissions		
General Disclosure	Information on: a) the policies: and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.2 Reduction of Pollution Emission

Provisions, Subject Areas, Aspects, General Disclosures and KPIs under The ESG Reporting Guide of the Stock Exchange		Location of Disclosure
KPI A1.1	The types of emissions and respective emissions data.	2.2 Reduction of Pollution Emission
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.3 Tackling of Climate Change
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.2 Reduction of Pollution Emission Waste management is not an important issue for the Company, and the amount of waste generated by the Company's headquarters is relatively small and is managed by the property management, while the waste generated by projects under construction is handled by subcontractors, so the relevant data has not been collected
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	2.2 Reduction of Pollution Emission
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.2 Reduction of Pollution Emission
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	2.1 Efficient Use of Resources
KPI A2.1	Direct and/or indirect consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2.1 Efficient Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2.1 Efficient Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.1 Efficient Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.1 Efficient Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Company is a real estate company and is not involved in the use of packaging materials.

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Provisions, Subject Areas, Aspects, General Disclosures and KPIs under The ESG Reporting Guide of the Stock Exchange		Location of Disclosure
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	1 Green Technology and Innovative Development 2 Green Operation Saves Resources and Reduces Emissions
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	1 Green Technology and Innovative Development 2 Green Operation Saves Resources and Reduces Emissions
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	2.3 Tackling of Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	2.3 Tackling of Climate Change
Subject Area B. Social		
Employment and Labour Practices **Aspect B1: Employment**		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.2 Staff Employment and Development
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.2 Staff Employment and Development
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	3.2 Staff Employment and Development
Aspect B2: Health and Safety		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.3 Safety and Health of Employee
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.3 Safety and Health of Employee
KPI B2.2	Lost days due to work injury.	3.3 Safety and Health of Employee
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.3 Safety and Health of Employee

Provisions, Subject Areas, Aspects, General Disclosures and KPIs under The ESG Reporting Guide of the Stock Exchange		Location of Disclosure
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	3.2 Staff Employment and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.2 Staff Employment and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	3.2 Staff Employment and Development
Aspect B4: Labour Standards		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.2 Staff Employment and Development
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.2 Staff Employment and Development
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	3.2 Staff Employment and Development
Operating Practices **Aspect B5: Supply Chain Management**		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.4 Sustainable Supply Chain
KPI B5.1	Number of suppliers by geographical region.	4.4 Sustainable Supply Chain
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.4 Sustainable Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.4 Sustainable Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.4 Sustainable Supply Chain

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Provisions, Subject Areas, Aspects, General Disclosures and KPIs under The ESG Reporting Guide of the Stock Exchange		Location of Disclosure
Aspect B6: Product Responsibility		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4 Product Responsibility and Customer Management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	4.1 Management of Product Quality
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	4.2 Management of Customer Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	1.4 Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	4.1 Management of Product Quality
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.3 Customer Privacy and Advertising Compliance Management
Aspect B7: Anti-corruption		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5 Compliant Operation with Honesty and Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	5 Compliant Operation with Honesty and Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	5 Compliant Operation with Honesty and Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	5 Compliant Operation with Honesty and Integrity
Community **Aspect B8: Community Investment**		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6 Caring for the Community and Paying Back Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6 Caring for the Community and Paying Back Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6.2 Social Welfare Activities