

Infinity

# 2020 Environmental, Social and Governance Report

Stock Code: 01777.HK

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年  
FANTASIA



花樣年控股集團有限公司  
FANTASIA HOLDINGS GROUP CO., LIMITED

## DEFINITIONS

“Fantasia” or “Company”	Fantasia Holdings Group Co., Limited (花樣年控股集團有限公司), (stock code: 1777) a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“subsidiary(ies)”	has the meaning prescribed to it under the Listing Rules;
“Group”, “we” or “us”	the Company and its subsidiaries;
“Colour Life”	Colour Life Services Group Co., Limited (彩生活服務集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Report”	the seventh environmental, social and governance report issued by the Group;
“Reporting Period”	1 January 2020 to 31 December 2020;
“Year”	this fiscal year;
“Board”	the board of directors of the Company;
“Director(s)”	the director(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Guide”	the “Environmental, Social and Governance Reporting Guide” contained in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“China” or “PRC”	the People’s Republic of China, for the purpose of the Report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“COVID-19”	the novel coronavirus;
“%”	per cent.

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## ABOUT FANTASIA

Fantasia Holdings Group Co., Limited (“Fantasia” or the “Company”), which was established in 1998 and listed on the Main Board of Hong Kong Stock Exchange in November 2009, has been engaged in the real estate industry for over two decades and is known as one of the leaders in the industry. Being widely recognised and praised in the industry, the Company has successively won the “Top Ten Brand Enterprises” (十大品牌企業), “Low-Carbon Model for China Real Estate Enterprises” (中國房地產低碳榜樣企業), “China Outstanding Real Estate Developer 2012” (2012年中國傑出房地產商), “2011 Best 50 of China Real Estate Developers Brand Value” (2011中國房地產上市公司綜合實力50強), “China Blue Chip Real Estate” (中國藍籌地產), “China Outstanding Real Estate Developer” (中國傑出房地產商) and many other honours, and received the title of “China Top 100 Real Estate Enterprises” for 12 consecutive years. In addition, we have received an “AA+” rating from China Chengxin International in international credit rating.

At present, the Company has comprehensively completed its business strategy layout on the foundation of future mobile internet and big data era. Through the dual-driven strategy of “real estate + community” with balanced development of light assets and heavy assets, we are committed to becoming one of the leading real estate community intelligent developers and community O2O service platforms in China. The Company focuses on expanding its business into core first- and second-tier cities and metropolitan areas including the Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing Metropolitan Area, Central China Metropolitan Area, Yangtze River Delta Metropolitan Area and Bohai Rim Metropolitan Area. During the Reporting Period, the Group had a gross floor area (“GFA”) of its new projects amounting to 3.35 million sq.m., laying a solid foundation for its future business growth.

Fantasia’s real estate business joins hands with the property management services of Colour Life Services Group Co., Limited (HKEx Stock Code: 1778) under the Group to provide guests with a one-stop living experience.



AWARDS

- Best 100 of China Real Estate Developers Brand Value (中國房地產上市公司綜合實力100強) for 12 consecutive years
- 2020 China Top 100 Real Estate Enterprises – Top 10 in Financing Capacity (2020中國房地產百強企業融資能力TOP10)
- 2020 China Top 100 Real Estate Enterprises – Top 10 in Resilience (2020中國房地產百強企業穩健性TOP10)
- TOP 30 Most Valuable Real Estate Brands in China 2020 (Ranked 23rd) (2020中國房地產公司品牌價值TOP30 (第23名))
- 2020 China Leading Real Estate Brands in Urban Renewal (Ranked 4th) (2020中國房地產城市更新領先品牌 (第4名))



## ABOUT THIS REPORT

Fantasia together with its subsidiaries (collectively referred to as the “Group”, “we” or “us”) are pleased to publish the seventh Environmental, Social and Governance Report (the “Report”) of the Group, aiming to present stakeholders with the strategy, direction and performance in relation to the sustainable development of the Group over the past year.

Fantasia cherishes the opinions of all stakeholders, and recognises that listening to everyone’s voices can help us establish a more complete sustainable development strategy. Should you have any thoughts on this Report or the sustainability performance of the Group, you are encouraged to submit to us through [ir@cnfantasia.com](mailto:ir@cnfantasia.com) or +852 3521 1446.

### Reporting Period and Scope

The reporting period (the “Reporting Period”) of the Report is from 1 January 2020 to 31 December 2020. Unless otherwise stated, the scope of the Report covers the operating offices of Fantasia Group (China) Co., Ltd., Shenzhen Fantasia Real Estate Group Company Limited and Chengdu Fantasia Real Estate Co., Ltd.\* (成都市花樣年房地產開發有限公司) under the Group. With regard to the Environment, Social and Governance report issued by our subsidiary, Colour Life Services Group Co., Limited (01778.HK), please refer to its company’s website.

## Reporting Principles

This report discloses environmental key performance indicators in accordance with the “comply or explain” provisions of the “Environmental, Social and Governance Reporting Guide” (the “Guide”) contained in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and also reports on some of the social key performance indicators “recommended disclosure” in the Guide. The Report was approved by the Board of the Group in July 2021.

The Report is prepared in accordance with the following four reporting principles:

Principle	Definitions	Responses from the Group
<b>Materiality</b>	The issues covered in the Report should reflect the significant impacts of the Group on the economy, environment and society, or the scope of assessments and decisions of stakeholders being affected.	Through engaging with stakeholders as well as considering the Group’s business nature and development, material sustainability issues are being identified.
<b>Quantitative</b>	The Report should disclose key performance indicators in a measurable manner.	The Group will disclose its key environmental and social performance indicators quantitatively where appropriate.
<b>Balance</b>	The Report should reflect fairly the overall sustainability performance of the Group.	The Group has identified the environmental, social and governance (“ESG”) issues that have significant impact on the Group’s business, including its results and challenges faced by the Group.
<b>Consistency</b>	The Group should confirm that the preparation methods of the ESG report is consistent with those used in previous year(s), or state the revised reporting methods, or illustrate other relevant factors that will affect meaningful comparison.	The reporting scope and reporting method of the Report is substantially consistent with those in last year.

## Data Collection

The information cited in this Report comes from the official documents and statistics of the Group and has been reviewed by relevant departments of the Group.

## Versions of and Access to the Report

This Report is an annual report, which is available in both traditional Chinese and English. An electronic version of the Report can be downloaded from the website of the Stock Exchange as well as the official website of the Group ([www.cnfantasia.com](http://www.cnfantasia.com)). In the event of any conflict or inconsistency between the Chinese and English versions, the Chinese version shall prevail.



## SUSTAINABLE DEVELOPMENT POLICY

Fantasia implements the brand slogan of “Fantasia creates value” and hopes to integrate the concept of sustainable development into its strategic development. While pursuing business development, we also maintain a balance among environment, society and economy and create equivalent value. We strive to create a green environment for our planet, provide a high-quality working environment for our employees, offer considerate services to customers, promote positive development for suppliers and bring meaningful contributions to the community. We plan to issue green bonds in the coming year, hoping to increase our investments in the environment, such as renewable energy and green buildings.

花样创造价值。

CREATING VALUE WITH ASPIRATIONS.

“Fantasia builds dreams in the buildings it builds, and spreads love and care in the communities it establishes.”

– Ms. Zeng Jie, Baby, Founder and Chairlady of the Strategic Planning Committee of Fantasia Holdings Group



### Creating values for the environment

Building a green city, creating a sustainable future for the next generation

### Creating values for staff

People oriented, making employees' work valuable

### Creating values for customers

Construct the best property projects and create a brilliant life for customers

### Creating values for supply chain

Strengthen collaboration with partners and promote positive development of the supply chain

### Creating values for the community

Actively participating in public welfare and giving back to society

## CORPORATE GOVERNANCE

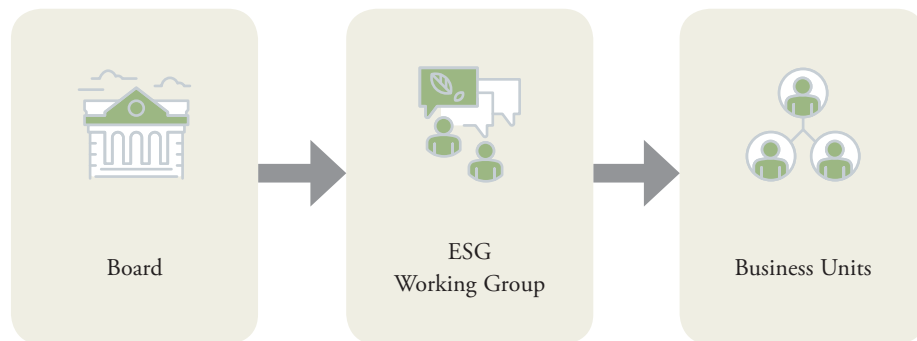
The Group has a solid governance structure and is committed to maintaining corporate governance of high standards. The Group has established three committees under the Board:



The committees regularly assess and review the effectiveness of their work based on their terms of reference. The Group will continue its assessment and review, hoping to continuously improve the level of its corporate governance. For other matters regarding the corporate governance of the Group, please refer to the Corporate Governance Report in our 2020 Annual Report.

## SUSTAINABILITY GOVERNANCE

The Board takes the ultimate responsibility for overseeing the ESG risk management of the Group and monitoring the actual risks within the Group. In addition, the Board plays the role of driver, setting clear goals and visions for the Group. Meanwhile, the Board leads the ESG Working Group to identify, assess and determine relevant ESG risks, formulate risk countermeasures, and effectively promote the Company's concerted efforts to achieve its sustainable development goals. The Board will also continue to monitor the implementation of risk countermeasures to ensure that they are effective, and continue to listen to the opinions of various stakeholders to further improve its governance work.



## ANTI-CORRUPTION

The Group resolutely prevents all acts that violate business ethics and integrity, including but not limited to corruption, bribery, extortion, fraud and money laundering. To this end, we strictly comply with the relevant laws and regulations including the Criminal Law of the PRC (《中華人民共和國刑法》), the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) and the Company Law of the PRC (《中華人民共和國公司法》).

The Group has formulated the Accountability Management Guide (《問責管理工作指引》), the Blacklist Management Guide (《黑名單管理工作指引》) and the Staff No-participation System (《全員回避制度》) to implement its supervision efforts. Anti-corruption work is mainly in the charge of the Supervision Division under the Audit and Supervision Department. All staff are required to abide by the following eight Fantasia Regulations:

### Fantasia Regulations

1. No corruption or bribery
2. No falsification
3. No embezzlement of corporate funds
4. No unauthorised guarantees or investments
5. No disclosure of commercial secrets
6. No misconduct due to omission
7. No conflicts of interest
8. No spread of negative message internally or externally

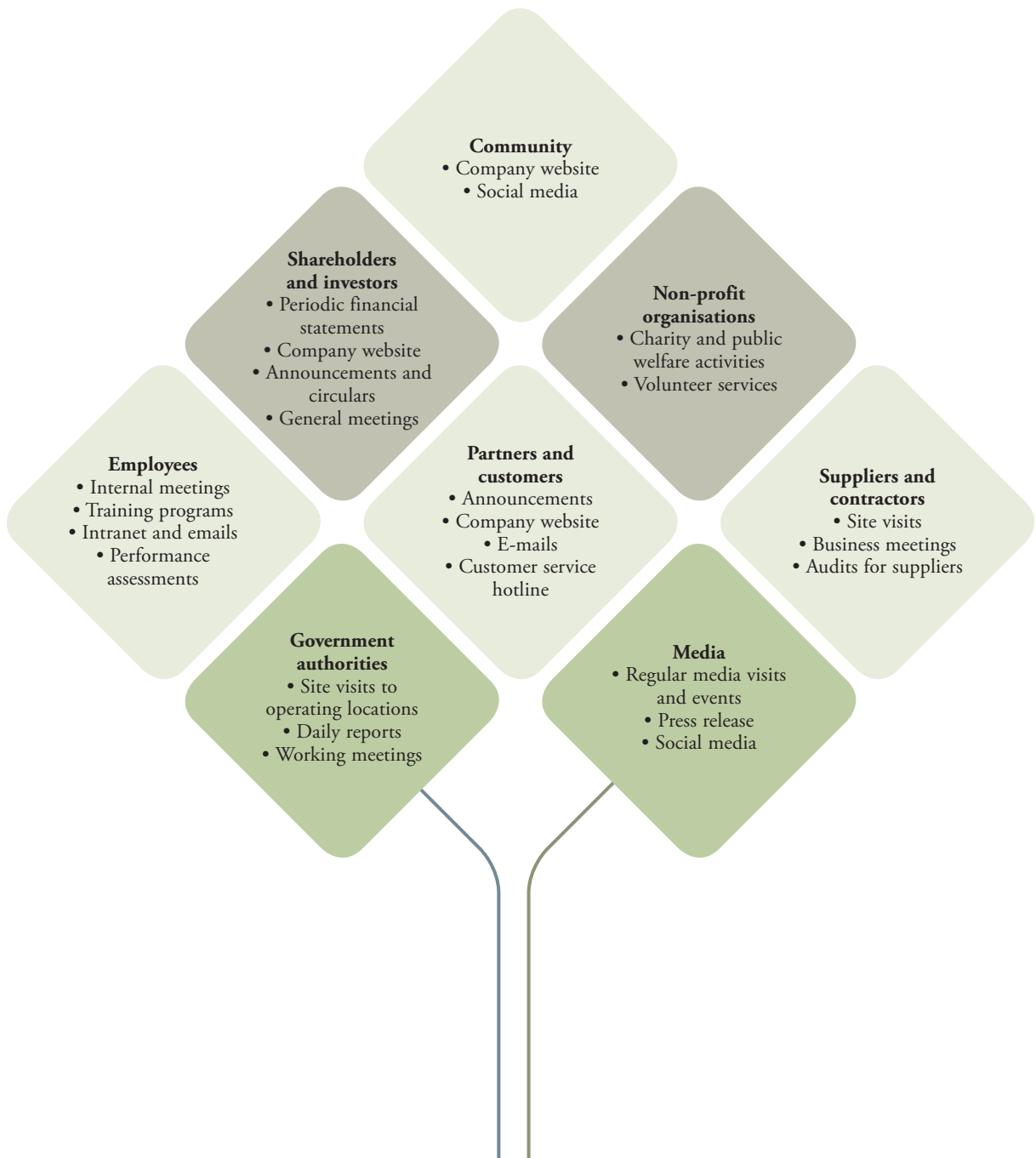


The Staff Non-participation System (《全員回避制度》) sets out various types of circumstances that require no participation, including or non-participation of personnel, business and relatives. We encourage the recommendation of talents regardless of whether they are relatives or not, but employees are required to declare their relationship with the recommended in advance, and shall abstain from providing any interview or hiring opinions on the recommended. When working with business partners, if any employee is a relative to any supplier or customer, he/she shall take the initiative and report to the superior, and shall not participate in any process involving his/her relative. We state in the Employee Handbook that all staff shall be prohibited from embezzlement and bribery. Employees shall not take advantages of their positions to illegally occupy any property of the Company, and are prohibited to solicit or accept any money (or money equivalents and services) from customers, partners or other business management parties in any name or form. Externally, we add integrity clauses to the contracts with partner suppliers, and encourage them to report suspected cases to the Group's Audit and Supervision Department and cooperate in the investigation.

The Group actively organises anti-corruption training programs and classifies them as part of its induction training. New employees are required to complete anti-corruption training and understand Fantasia's integrity corporate culture. A total of 7 anti-corruption trainings were held during the Reporting Period. In addition, we have set up multiple whistle-blowing channels to receive valid reporting and complaints filed by employees and third parties either with real names or anonymously. Such channels include whistle-blowing reporting hotline, company website, emails and WeChat official account – Integrity Fantasia (花樣清風). We also offer cash rewards to whistle-blowers. During the Reporting Period, the Group was not aware of any violations of the relevant laws and regulations on corruption, bribery, fraud, extortion and money laundering of its subsidiaries and employees.

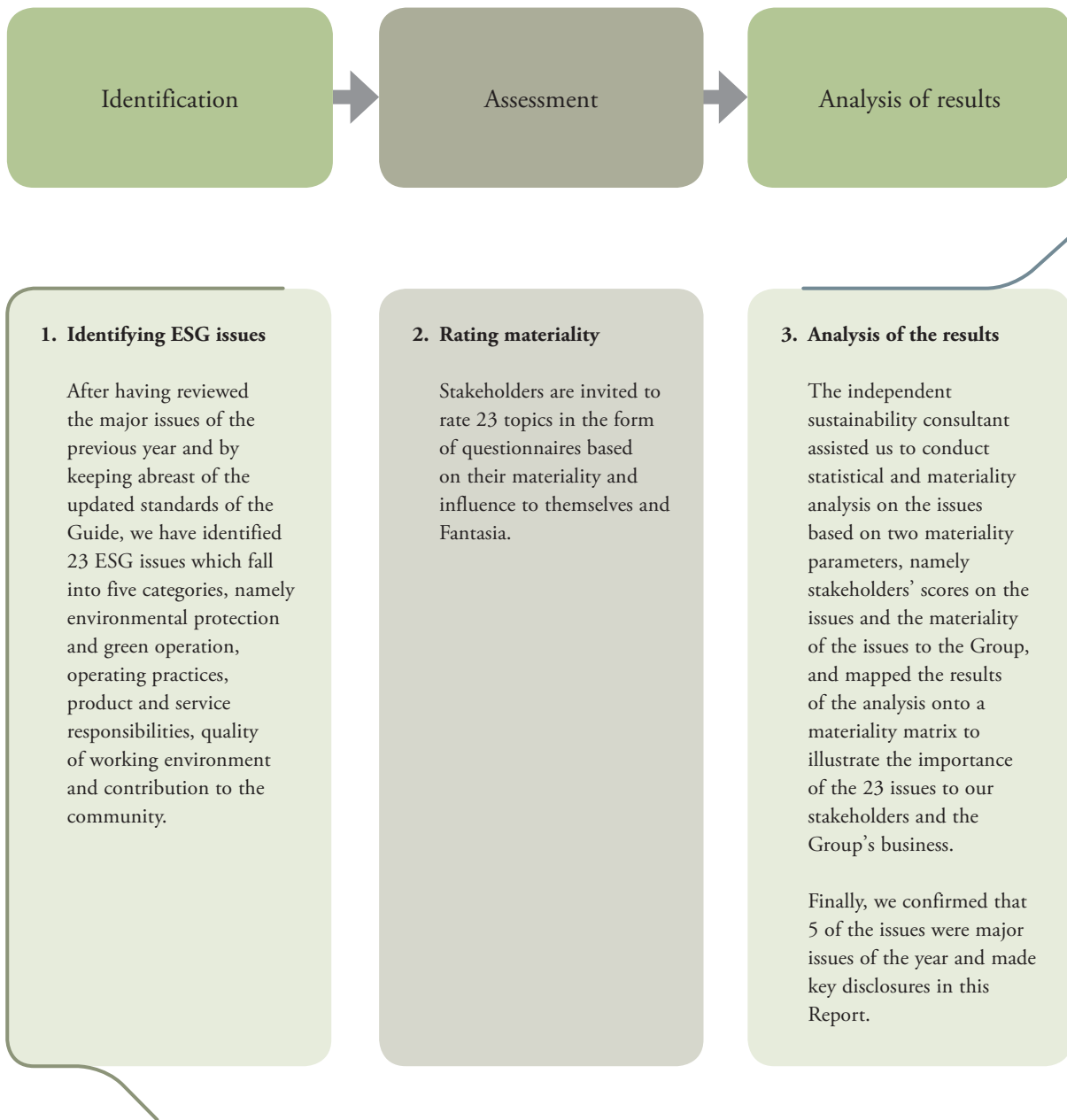
COMMUNICATION WITH STAKEHOLDERS

We attach great importance to the opinions of stakeholders and maintain communication with all parties. Therefore, we have established the following communication channels for various stakeholder groups, hoping to develop a better understanding of their expectations for Fantasia’s ESG performance and to allow them to exchange opinions and feedback. Our key stakeholders include employees, shareholders and investors, business partners and customers, government agencies, media, suppliers and contractors, non-profit organisations and the community.

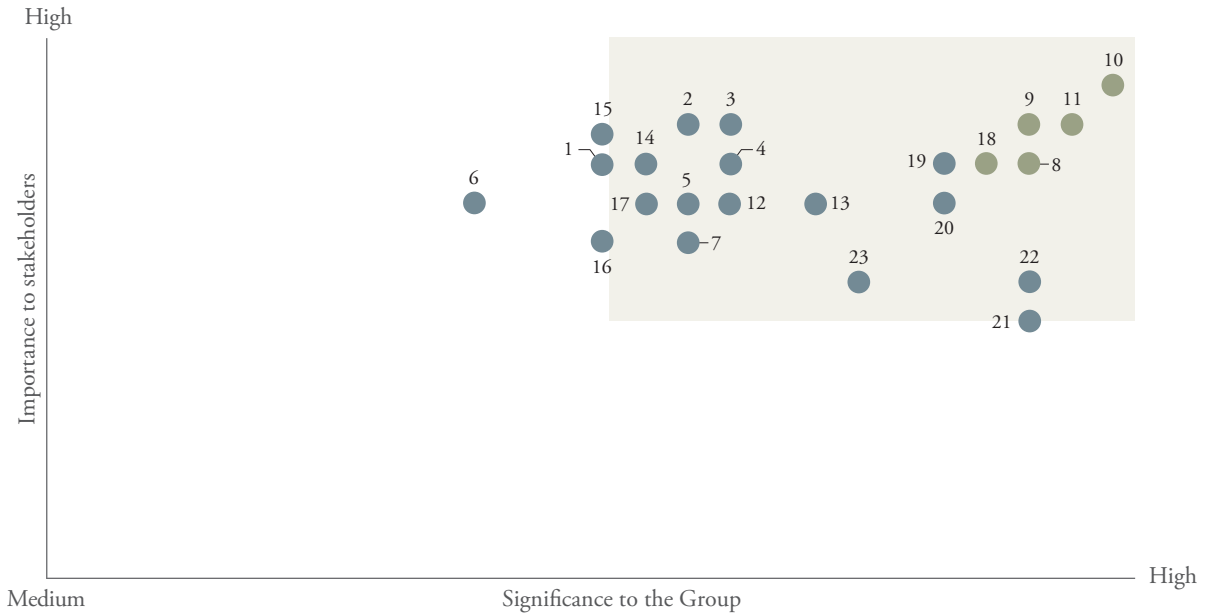


MATERIALITY ASSESSMENT

The Group commissioned an independent sustainability consultant to assist us in assessing the materiality of a number of potential ESG issues that may affect Fantasia or its stakeholders. We invited various stakeholders to fill out the questionnaire so as to effectively collect their opinions. The procedures for this materiality assessment include:



### Materiality Matrix



List of important issues	
8. Supply chain environment and social risk monitoring and management	11. Service quality (health and safety, quality inspection)
9. Supplier selection and review	18. Training and development
10. Anti-corruption system	

Other issues considered	
1. Management of air pollutants and greenhouse gas emissions	14. Customer data privacy and information security
2. Wastewater discharge and waste management	15. Employment arrangements (including: recruitment, promotion and dismissal procedures)
3. Water resources management	16. Employee benefits (including: salary, working hours, leaves and benefits)
4. Energy management	17. Occupational safety and health
5. Other resources management (including papers)	19. Prevention of child labour and forced labour
6. Environmental impact of other business activities	20. Diversity and equal opportunities, as well as prevention of discrimination and harassment
7. Risks associated with climate change (such as typhoon, floods, etc.)	21. Participation in volunteer activities
12. Intellectual property protection	22. Charitable donations
13. Complaints and advertising management	23. Community inclusive activities

## CREATING VALUES FOR CUSTOMERS

We consistently implement the concept of constructing heartwarming, high-quality and warranted real estate projects, hoping to offer customers the best service experience and gain their trust. We strive to abide by the laws and regulations in relation to the health and safety, advertising and privacy of products and services, in a bid to be responsible to the customers. Among which, major laws and regulations applicable to the Group include but not limited to:

Regulation on the Quality Management of Construction Projects 《建設工程質量管理條例》	Measures for the Administration of Construction Permits for Construction Projects 《建築工程施工許可管理辦法》
Urban and Rural Planning Law of the PRC 《中華人民共和國城鄉規劃法》	Regulations on the Administration of Development and Operation of Urban Real Estate 《城市房地產開發經營管理條例》
Product Quality Law of the PRC 《中華人民共和國產品質量法》	Work Safety Law of the PRC 《中華人民共和國安全生產法》
Fire Protection Law of the PRC 《中華人民共和國消防法》	Measures for Administration of Advance Sale of Urban Commodity Houses 《城市商品房預售管理辦法》
Advertising Law of the PRC 《中華人民共和國廣告法》	Provisions on the Release of Real Estate Advertisements 《房地產廣告發佈規定》
Regulatory Measures on the Sale of Commercial Houses 《商品房銷售管理辦法》	Trademark Law of the PRC 《中華人民共和國商標法》

During the Reporting Period, we were not aware of any major violation of relevant laws and regulations in respect of health and safety, advertising and privacy of products and services, and there were no products and services related complaints received. By virtue of the business nature, the Group was not involved in any product labelling issues.

## Construction

We have formulated the Management Rules for Project Engineering (《項目工程管理細則》) to ensure efficient, safe and orderly normal operation of relevant projects. We evaluate the design from construction organisations before project construction, which covers construction schedule, quality control, technology standards (including underground construction, rebar construction, concrete construction, redecoration construct, etc.), safe production and civilised construction. We strictly monitor the quality of the whole construction process to standardise the construction process, and we have also formulated the Atlas of Safe and Civilised Standardisation (《安全文明標準化圖集》) to allow the construction party to clearly understand the safety and civilised construction matters that require attention during the construction process, such as the correct wearing method and specifications of safety helmets.

### Inspection and Acceptance

We have formulated the Guide for the Inspection, Acceptance and Handover of New Properties (《新建物業驗收、移交工作指引》) to standardise the takeover, inspection and acceptance of new properties and to ensure the safe use of various facilities and equipment before delivery. The items to be inspected include the building body, public facilities and equipment, landscape greening cleaning facilities, community, public construction supporting facilities, etc. For the inspection and acceptance of public areas, we have formulated the Checklist for Handover, Inspection and Acceptance of Public Areas of Newly-built Properties (《新建物業公區移交驗收清單》) to allow responsible personnel to check the detailed items of each area.

### Moving-in

In terms of engineering, we have formulated the Operational Guide for Delivery and Assessment (《交付評估操作指引》) to conduct comprehensive assessment on indoor quality (appearance and actual measurement), public utilities, facades and garden landscapes, so as to develop an understanding of the delivery quality level, supervise the proper arrangement for work process, strictly monitor the quality of relevant projects, and clarify quality requirements of refined decoration for relevant projects by assessing the refined decoration process on a quarterly basis. Within one month before delivery, projects are required to improve the quality of the overall decoration through delivery of assessment and appraisal, so as to optimise customers' moving-in experience and improve customer satisfaction.

On the customer side, we ensure that the necessary documents for moving-in as required by the national and local laws and regulations as well as the relevant documents related to the Commodity House Purchase and Sale Contract (《商品房買賣合同》) are obtained, and that the Move-in Notification (《入伙通知書》), the Residence Quality Warranty (《住宅質量保證書》) and the Residence User Guide (《住宅使用說明書》) are issued to relevant owners. The whole delivery process are carried out in accordance with the Administrative Measures for Delivery Work (《交付工作管理辦法》) to ensure that the delivery work is carried out smoothly.

In addition, we hold an open day event for the construction site approximately two months prior to delivery. In the later stage of project construction and when the construction site meets the conditions to open, we will invite customers to experience the process of product construction, aiming to relieve customers' anxiety when waiting for delivery, reduce the possibility of product defects during moving-in and release product delivery pressure in advance.

Finally, we conduct delivery and post-service satisfaction surveys at centralised delivery sites and upon three months after delivery, which are intended to measure product quality, design and service satisfaction, so that we can improve our overall service quality.

### Warranty

We undertake to assume warranty responsibility for our completed units by formulating various systems including the Operation Guide for Engineering Warranty (《工程保修操作指引》) and the Management Rules for Warranty Maintenance (《保修期內維修管理制度》). We have also established the standard of time for completion of indoor repairs which sets out different repair period based on the types of problems, such as cracks, shedding, leakage, damage of electrical appliance, damage of sanitary ware, etc.

During the Reporting Period, we provided warranty services covering more than 30 communities, with a completion rate of repair cases exceeding 96%. We have established multiple channels for owners to inform us about their needs for warranty services, including community warranty service centres, on-line submission of repair requests via our WeChat public account as well as our 400 telephone hotlines. We provide warranty services by adhering to our principle of responding to repair requests within one hour, completion of repair tasks through one site visit and 100% repair service satisfaction during our follow-up survey. Afterwards, we also take the initiative to get in touch with the owners and carefully answer the questions raised during the repair process, allowing owners to enjoy our one-to-one warranty service.



“Beautiful Community” Program

During the Reporting Period, Fantasia Customer Service launched the “Beautiful Community” program, a new community renewal program, which covers more than 40 communities. Under this plan, the quality improvement and rectification work for nearly 500 communities have been completed, and more than 90,000 owners have been benefited. This plan involves many rectification projects including parking lot upgrade, public facilities repair and maintenance, additions of safety equipment to the communities, landscaping repair and cultivation, special leakage rectifications, etc. We hope to transform the communities into a better and new look, and to continuously build more “beautiful landscapes” in our communities.



Amusement Facilities in Huizhou Fantasia Special Twon Before transformation



After transformation

In addition to the renovation of community construction, we will never miss indoor maintenance. During the Reporting Period, we provided free indoor maintenance services to more than 7,000 households, making every household understand the significance of the “Beautiful Community” program. The maintenance items include wall repairs, oil fume cleaning, air conditioner cleaning and maintenance. We spare no efforts to meet all kinds of maintenance requirements, and share daily maintenance tips with owners.

### Customer Service

We have established a series of systems to regulate service quality, including the Customer Service Management System (《客戶服務管理制度》), the Administrative Measures for Customer Satisfaction (《客戶滿意度管理辦法》). Regarding the handling of complaints, we have formulated the Guide for the Management of Customer Complaints (《客戶投訴管理工作指引》), which sets out some frequent customer problems and response methods, so that employees can handle complaints more conveniently in their practical work. After receiving a complaint, the responsible person is required to record the same in the system within 2 hours, and hand the case over to the appropriately designated person(s) to handle according to the type of the complaint. If we receive a complaint that requires to be dealt with in a timely manner outside of our office hours, we will immediately notify the responsible department on duty to arrange for handling, and record the customer’s complaint in the system within the same day.

In order to develop a deeper understanding of customers’ opinions and needs, we commissioned an independent third-party organisation during the Year to listen to customers’ voices through random telephone interviews. The opinions of customers are of great importance to us. We can continue to refine the quality of our service by addressing their feedbacks to accurately target customer needs.

### Privacy Protection

The daily operations of the Group involve certain privacy information, including customer personal data, financial information, and group confidential information. Therefore, we handle such information in a prudent manner and strictly implement our confidentiality system. All employees are required to sign the Trade Secret Protection Agreement (《商業秘密保護協議》) with the Company upon recruitment. Any transmission and storage involving electronic files shall be encrypted in the form of computer automatic encryption in the Company’s data leakage prevention system to reduce the risk of information disclosure.

### Advertising and Promotion

As for advertising and promotion, the Group has formulated the Manuscript Review System (《審稿制度》). The person in charge of our Sales Management Department is required to conduct self-check in accordance with the VI Design Code Manual (《VI設計規範手冊》) and the Advertising Law, and assess various risks before publication, including those associated with laws, complaints, picture brands and the VI code. In addition, the Group formulated the Administrative Measures for Information Output (《信息輸出管理辦法》) to regulate the output of various types of promotional information, and ensure its compliance with laws and regulations such as the Advertising Law as well as the culture and brand image of the Company. Furthermore, the Group also provides marketing and brand training programs for responsible personnels and advertising partners, such as training on WeChat operation skills, so that they can continuously develop their marketing skills.

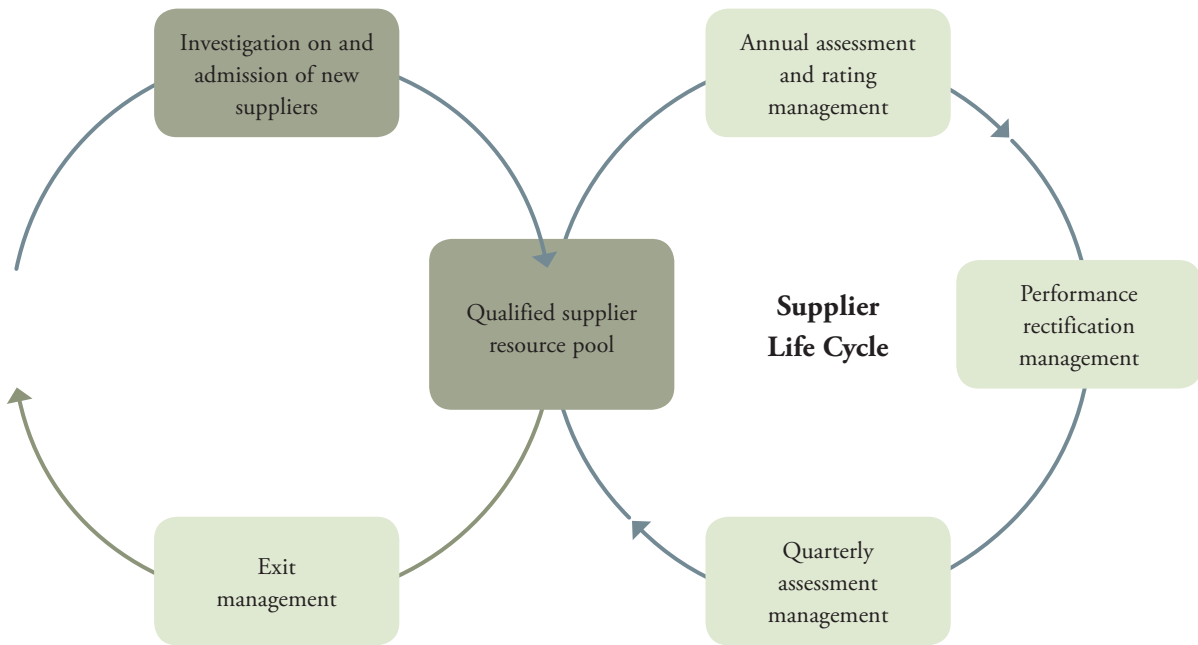
### Intellectual Property Rights

We have provided the comprehensive protection and management of the Group’s intellectual property rights including copyright, trademark rights and patent rights. We have registered trademarks of the Group within the scope of the registration permit and obtained the registration certificate. In order to regulate the Company’s trademark management, we have formulated the Trademark Management System (《商標管理制度》), which sets out the procedures for trademark registration, transfer and use. In addition, we have commissioned a third-party trademark agency company to review the materials to be registered. We apply for trademark registration in accordance with laws, and we assess the needs for renewal before the expiration of the trademark validity period so as to ensure that intellectual property rights are protected in a timely manner. When cooperating with suppliers, we require suppliers to provide proof of using construction patents in the bidding process to ensure that their patents are valid during the cooperation period.

CREATING VALUES FOR SUPPLY CHAIN

The Group joins hands with its supply chain partners to create a mutually beneficial and win-win partnership. During the Reporting Period, the Group had 4,581 suppliers, all of which were from the PRC.

The Group strictly regulates and assesses suppliers through a series of policies and systems, and implements unified procedures to monitor the operation of the supply chain, such as the Administrative Rules for Engineering Suppliers (《工程供應商管理細則》) and the Administrative Rules for Project Engineering (《項目工程管理細則》).





**Investigation on and admission of new suppliers:** Suppliers are required to pass the review of supply credit documents, and allow us to conduct on-site inspections to strictly control the source and qualifications of suppliers. In the process, we focus on whether the supplier has the qualification certificate and the safety production license within the validity period required by the state, and whether the inspection site uses materials and equipment that are clearly prohibited by the state or locality, such as non-airtight mixing insulation mortar and thermal barrier strips. Suppliers that have passed the audit will be included in the qualified supplier resource pool of the Group.

**Quarterly evaluation:** Suppliers' performance during the process of cooperation is assessed in stages. At the end of each quarter, the suppliers of the projects under construction in the current quarter will be assessed. After that, the Procurement Department will feed back the assessment results to the suppliers.

**Performance rectification management:** Based on the quarterly assessment results, we will submit an improvement plan to the respective suppliers to supervise and urge their improvement.

**Annual rating management:** At the end of each year, the cooperation with suppliers is assessed, summarised and rated for management. Suppliers are managed according to their rating results based on their respective qualifications, scale, capabilities, quality, performance, etc. The highest rating is Grade A, followed by Grade B, C and D. We hope to retain high-quality suppliers by allowing suppliers of the same grade to compete vigorously with each other, thus reducing project cooperation risks.

**Exit management:** We review suppliers in accordance with the Assessment Criteria for abnormal Conditions (《異常狀態評審標準》) so as to determine whether the suppliers shall be listed as locked, unqualified or blacklisted suppliers.

In order to maintain good two-way communication with suppliers, we organise a supplier satisfaction survey each year, hoping to understand suppliers' satisfaction towards all aspects of their cooperation with the Group through the survey. We summarise and are receptive to suppliers' feedback and suggestions, in an effort to continuously improve the management level of relevant departments, thereby achieving more effective cooperation with suppliers in the future.

During our selection of engineering contractors, we will also consider environmental and social risks. The Atlas of Standardisation of Safe and Civilised Operation (《安全文明標準化圖集》) formulated by the Group sets out the precautions for environmental protection during construction. Contractors are required to sign and abide by the environmental protection code, restrict the discharge of exhaust, dust, sewage and waste during construction, for example, setting up pipes for water spray and dust reduction and arranging sprinklers to reduce dust in the areas where dust is likely to be produced. They are also required to implement energy-saving and water-saving measures to reduce pollution during construction. In addition, we will arrange third-party organisations to inspect the contractors regularly with regular meetings and monitor the contractors' performance to ensure that the construction process meets environmental protection requirements. In terms of social risks, we comply with the Construction Law of the PRC (《中華人民共和國建築法》), require contractors to purchase work-related injury insurance for employees engaged in dangerous operations, and take reasonable measures to eliminate child labour and forced labour.

CREATING VALUES FOR STAFF

Fantasia’s achievements today are attributable to the concerted efforts of all employees and their contribution to our sustainable development. We cherish each and every employee and regard them as the most important assets of the Company. Therefore, we have continuously refined the Group’s employment system, and updated the Employee Handbook during the Reporting Period, hoping to provide employees with the best working environment. We look forward to growing with our employees and sharing with them the operating results reaped through hard work.

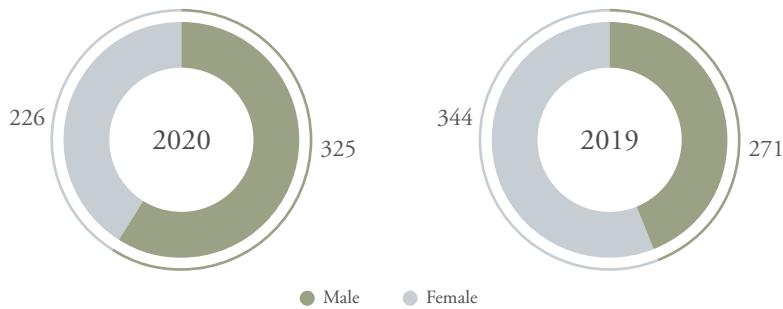
The Group strictly complies with all employment-related laws and regulations, including but not limited to:

Labour Law of the PRC 《中華人民共和國勞動法》	Labour Contract Law of the PRC 《中華人民共和國勞動合同法》
Social Insurance Law of the PRC 《中華人民共和國社會保險法》	Regulations on the Administration of Housing Accumulation Funds 《住房公積金管理條例》
Law of the PRC on the Prevention and Control of Occupational Diseases 《中華人民共和國職業病防治法》	Provisions on Prohibition of Using Child Labour 《禁止童工規定》

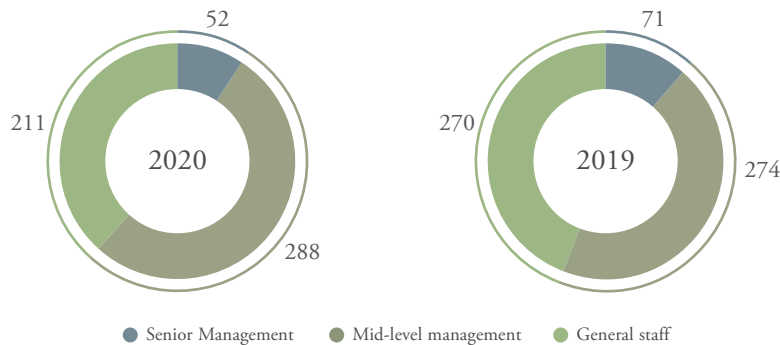
During the Reporting Period, we were not aware of any significant violations of laws and regulations by the Group in respect of employment.

We had a total of 551 employees for the year, of which 550 are from the PRC and one from Hong Kong. The distribution of employees of the Group by gender, employee category and age during the Reporting Period and 2019 are as follows:

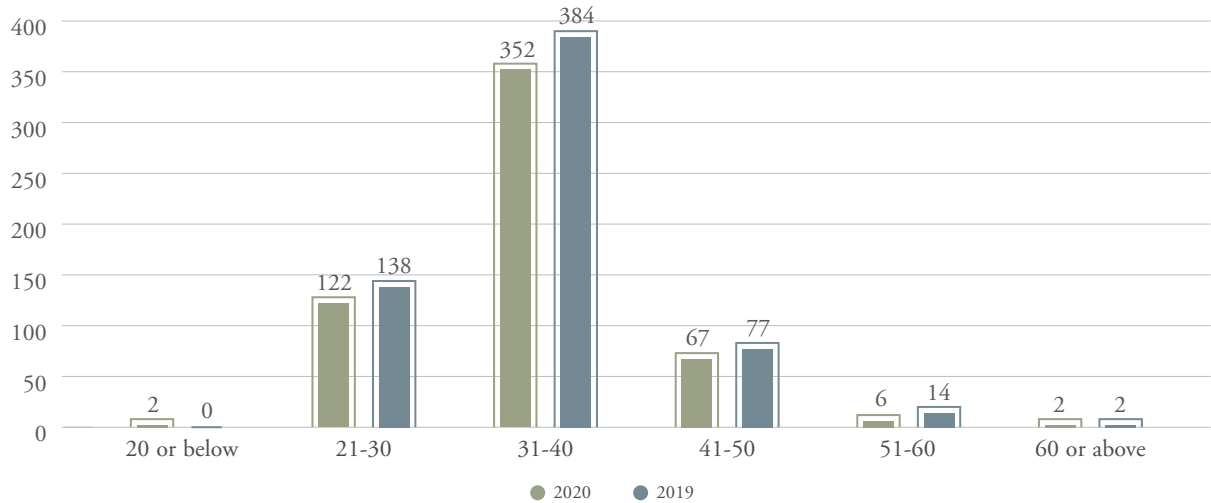
Total employees by gender



Total employees by employment category



Total employees by age group in 2019 and 2020



The following sets forth the employee turnover rate by gender, age group and geographical region during the Reporting Period:

Employee turnover rate	2020
<b>By age</b>	
20 or below	0%
21-30	40%
31-40	31%
41-50	15%
51-60	50%
60 or above	0%
<b>By gender</b>	
Male	37%
Female	23%
<b>By geographical region</b>	
Hong Kong	0%
PRC	31%

## Rights and Interests of Employees

The Group is committed to safeguarding the rights and interests of employees, and detailed arrangements concerning remuneration, dismissal, working hours, holidays and benefits in its Employee Handbook, which clearly sets out the procedures for establishing and terminating employment relations. The remuneration of employee consists of fixed salary, performance bonus and benefits. We conduct performance assessment each year and make personnel adjustments based on the assessment results. In terms of working hours, we adopt a five-day work week with an average of no more than 40 working hours per week. In addition to statutory holidays and public holidays, all employees may apply for marriage leave, maternity leave, bereavement leave, etc. In accordance with the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Regulations on the Administration of Housing Accumulation Funds (《住房公積金管理條例》), we will provide “Five Social Insurances and One Housing Fund”, namely pension insurance, maternity insurance, medical insurance, work injury insurance, unemployment insurance and housing provident fund, for employees in mainland China. In addition, we also provide employees with ample and diversified benefits and activities:



### Cash Benefits

- Festival fee
- Transportation subsidy
- Red packet for Chinese New Year
- Off-site subsidy
- Trainee housing allowance



### Employee Care

- Annual physical examination
- Departmental gatherings
- Group-level annual dinner
- Annual commendation conference
- Birthday greetings
- Free parking
- Afternoon tea break
- Staff canteen
- Gym room
- Travel
- Evening parties
- Club

## Creating a Colourful Work Culture

The Group is committed to creating a diversified and equal working environment with an organisational atmosphere of “simplicity, result-orientation, honesty, and equal opportunities”. We firmly adhere to the principles of openness, fairness and justice in recruitment, promotion and other employment-related processes, and strive to eliminate discrimination due to differences in geography, gender, education, etc. Therefore, we have formulated the Recruitment Management System (《招聘管理制度》) to standardise the Group’s recruitment and employment work. We welcome talents from all walks of life to join the Group to add fresh elements to our working environment. To this end, we choose to recruit employees via multiple channels such as head-hunting companies, networks, employee recommendations and job fairs, hoping to secure talents of different types.

In terms of labour standards, we adopted the principle of “zero tolerance” for the employment of child labour and forced labour. We will confirm the identities of newly recruited employees to ensure that their age, education and background meet the requirements of the Group and avoid child labour and forced labour. If a child labour or forced labour is found, we will immediately take the person involved away from the workplace, and notify the Human Resources Department to verify their identities and arrange health checks for them, and will also promptly check for loopholes in the human resources process and make rectification to avoid re-occurrence of the same issue in the future.

## Two-Way Communication

Fantasia attaches great importance to employee feedback. We believe that communication is an important guarantee for maintaining normal work efficiency and serves as a catalyst to help employees build friendship at work. We expect to provide employees with a simple, open and transparent working environment and promote harmonious and sincere interpersonal relationships. In addition, we encourage employees to think constantly and work together for the benefit and development of the Company.

The superior will communicate with employees about their work performance, results and career development. In addition, employees may lodge work complaints through different channels such as directly submitting to their superiors or the Human Resources Department and reporting to the Audit Department. Employees can also conduct office procedures via the automated office system, including making announcements, issuing systems, handling entry and resignation matters, approving compensation packages and applying for leaves. If an employee tenders a resignation application, the Human Resources Department will arrange a resignation interview and learn the reason(s) for resignation and the thoughts of the employee, so as to consider his/her advisable opinions and continuously improve the Group's employment system.

**Growth at Fantasia**

The Group firmly believes that continuous learning is very important, as only learning can continue to increase the knowledge and skills for both current and future positions, and we shall give priority to the development of comprehensive abilities that are beneficial to our career paths. Fantasia believes that training is not only a benefit for the Company and employees, but also an investment. We attach great importance to the return on investment, i.e., the achievement of training effects and the improvement of competence and work performance. We are willing to invest our resources in the career development of our employees, and we consistently implement the philosophy of "Training is motivation, mastermind, and the future", hoping to witness the improvement of our employees' competence in the end, not just their promotion of ranks.

During the Reporting Period, the total number of training hours of the Group was close to 6,000.

The following sets forth the percentage of employees trained by gender and employee category during the Reporting Period:

Percentage of trained employees	2020
<b>By gender</b>	
Male	72%
Female	66%
<b>By employment category</b>	
Senior Management	33%
Mid-level management	86%
General staff	56%

The following sets forth the average number of training hours by gender and employee category during the Reporting Period and 2019:

Average number of training hours by gender and employee category during 2019 and 2020

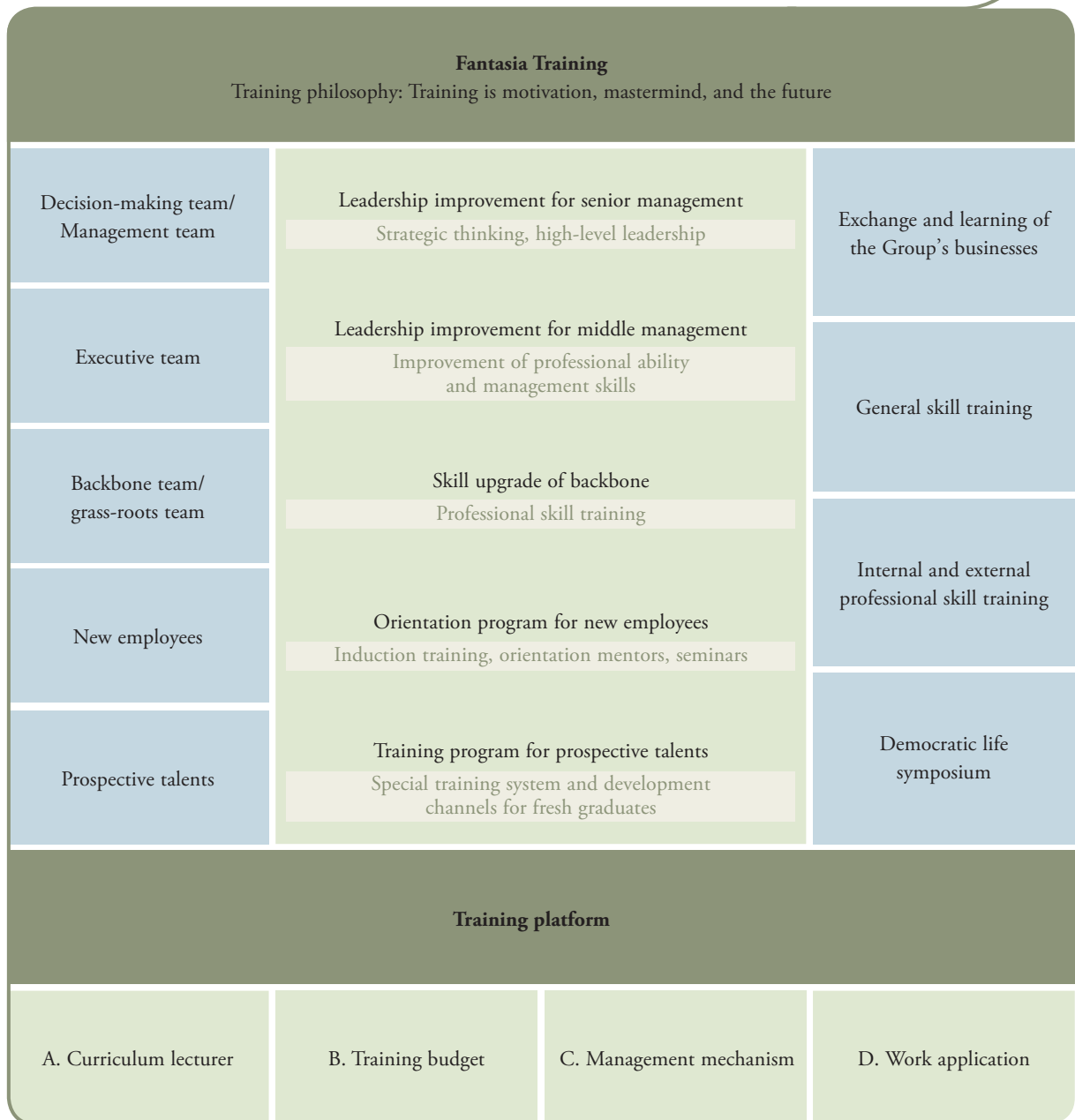




Fantasia has established a comprehensive training system – “Fantasia Training”, which cares for the Company’s employees of all levels, including decision-making team, executive team, backbone team, new employees and prospective talents (i.e., fresh graduates). We will arrange different types of training for employees of different ranks. In addition to internal training, we also arrange external training to provide opportunities for employees to learn professional knowledge and skills so as to further meet the needs of business development. For example, during the Reporting Period, we arranged employees to participate in the training program on legal employment risks organised by Jingtian & Gongcheng Law Firm.

New employees will participate in induction training, and we enable employees to quickly understand and adapt themselves to their posts through our “apprenticeship” program. During the Reporting Period, we held two sessions of two-day induction trainings covering five categories, namely ice-breaking, strategy and business, brand and manpower standards, Fantasia Regulations and study of business issues. For the executive level, we focus on the training of management skills, team leading knowledge, etc. by combining both internal and external trainings. We also officially launched the Prospective Talent Training Program in 2020 and recruited graduates to join Fantasia in both spring and autumn seasons. The purpose of the plan is to train fresh graduates to become outstanding talents at Fantasia. According to the plan, they are required to be in charge of marketing positions and responsible for supporting education at Fantasia Hope Primary School. Upon completion of all training programs, we will ask employees to fill out a questionnaire to give feedback on whether the training programs are effective in improving their work performance. We will continuously improve the training content based on their feedback.





## Health and Safety

Nine-tenths of happiness is based on health, which means health is everything. We strive to implement various measures to protect the health and safety of our employees. We strictly comply with relevant regulations of the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and the Work Safety Law of the PRC (《中華人民共和國安全生產法》). During the Reporting Period, we were not aware of any major violations of laws and regulations by the Group in providing a safe working environment and protecting employees from occupational hazards, and no major work-related injuries or fatal accidents were involved.



### Pandemic Prevention and Control

In the face of COVID-19, the year of 2020 was undoubtedly a challenging year. In terms of pandemic prevention and control, we strictly abide by the state's pandemic prevention guides such as the "Guidance Notes on the Public Protection of Pneumonia Associated with the Latest Novel Coronavirus" (《新型冠狀病毒感染的肺炎公眾防護指南》), and vigorously cooperated with the state's pandemic prevention efforts. The Group use infra-red body temperature detection to measure the body temperature of each employee, and provide anti-pandemic supplies such as face masks. Disinfection is carried out regularly across the Company in the morning, afternoon and evening to maintain environmental sanitation. At the same time, we require employees to be seated separately from each other during dining to reduce the risk of disease transmission.



### Occupational Health and Safety Measures

We arrange occupational health and safety training for employees. All employees are required to participate in training on natural disaster prevention and treatment measures so as to master relevant knowledge, improve emergency response skills and enhance accident prevention and emergency response capabilities. We also welcome employees to make reasonable suggestions on the Company's emergency response and handling work.

In addition, we arrange annual physical examinations for employees; purchase business group accident insurance and medical insurance for critical illness; and provide personal protective equipment, such as helmets and gloves, to employees in need.

## CREATING VALUES FOR THE COMMUNITY



Over the years, Fantasia has fully capitalised on the Group's strengths and resources in all aspects, and earnestly made contributions to the society. In order to promote charitable activities in a more organised manner, we have initiated the Shenzhen Fantasia Charity Foundation, a non-public charity foundation since 2013.

With "Enjoy the Public Welfare" as its core concept, the charity foundation encourages people to happily help others and proactively improve ourselves for the purpose of "promoting the development of public welfare undertakings, building an amusing, interesting and abundant happiness in life!" Its focused areas include three major public welfare projects, namely elderly care welfare, education welfare and art welfare, and the charity foundation promises that all funds raised will only be used for public welfare undertakings.

In order to show the public our determination to practice charity, we publish the monthly report of the charity foundation on the website of the Company each month, covering monthly work summary, donation profile, income and expenditure particulars and the expenditure budget for the coming month. All data are presented to the public in an open, fair and transparent manner, and clearly disclose how the foundation makes good use of donations and its financial position, thereby improving donors' confidence in the operation of our foundation.



FIGHT THE PANDEMIC TOGETHER



The COVID-19 outbreak caught many people by surprise. At these critical moments, Fantasia Charity Foundation gave play to the spirit of fraternity and delivered anti-pandemic supplies to Fantasia Ji'an Hope Primary School, including 6,300 disposable surgical masks, 800 bottles of hands-washing-free alcohol disinfectant, disinfection tablets, forehead thermometers and spray barrels, all of which were packaged and sent to the Hope Primary School to alleviate their urgent needs and allow students to resume their normal class as soon as practical.

## Education Welfare

Since 2006, Fantasia has made donations to build and operate Ji'an Fantasia Hope Primary School and Chengdu Fantasia Qixiang School (成都花樣年其相學校). Over the years, we have continued to organise different charity activities for local children and students. With “art + sports” as its care strategy, we have comprehensively improved the hardware conditions and “soft power” of both schools through the implementation of our employee volunteer education program, the establishment of teacher training and reward funds, and the launch of one-to-one paired interactive care activities. We hope this will help create a “new hope model” for left-behind children in rural areas, which is known as “a model for new rural construction”.

Thanks to the continuous care of Fantasia, the owners and our partners, Ji'an Fantasia Hope Primary School has gradually expanded from one teaching building to a garden-style boarding school with five buildings including teaching building, student apartment, second teaching building, preschool education building, etc. With continuous improvement of its teaching hardware facilities and teaching level, the school has become known as the most beautiful village primary school.

As a result of our years of hard work, the development of hardware of the school has gradually matured. Looking forward, in terms of the “soft power”, we plan to devote more resources to improve the quality of teachers, hoping to improve the overall teaching quality and continuously build positive values for children in rural areas, thereby creating a beautiful environment for them to grow.





Education Welfare

In May: Fantasia Charity Foundation **donated a set of invigilation system** to the Phoenix Mountain School (鳳凰山學校) in Huiyang District, Huizhou City.

In June: The foundation paid a visit to Fantasia Hope Primary School in Ji'an, Jiangxi to learn about the construction progress of the new teaching building of the hope primary school and the living conditions of the teachers and students of the school, and **donated a batch of mosquito-killing lamps, mosquito-killing liquid, vacuum flasks, summer sleeping mats, 5 water dispensers** and other daily necessities for the students and teachers.

In August: **30 outstanding students** and 5 teachers from the summer camp were selected to participate in a four-day city tour to Shenzhen, whereby the teachers and students experienced the urban development landscape and the hardships of city builders in Shenzhen, visited the landmark buildings and natural scenery of Shenzhen, and developed an understanding of the natural features and local customs of Shenzhen.

From September to November: Events of caring white sneakers and shoe box gifts were held. All students in the hope primary school requested the school to purchase sneakers locally based on students' shoe size for distribution. In addition, Fantasia worked with the owners to collect **365 shoe box gifts** for the local students.

In July: Fantasia Charity Foundation recruited 20 volunteers from within Fantasia Group and its partners, and **helped 21 underprivileged students from Fantasia Hope Primary School** by granting annual student subsidies of RMB2,000 to each of them.

At the end of July: The foundation organised the third school summer camp activity in collaboration with Fantasia Hope Primary School, which focused on military training, extracurricular training, psychological counselling and aesthetic education courses, aiming to enhance students' living capability and sense of discipline, improve their academic performance and enable them to receive quality education.

In October: The foundation received donations from the caring volunteers of China Eastern Airlines, and subsequently transferred such donations to the designated students at the "Tenth Caring Education Program Sponsored by China Eastern Airlines" (第十屆東航愛心助學行) in November, as a one-to-one aid to help students in the hope primary school.



### Elderly Care Welfare

Fantasia attaches great importance to the elderly and poverty alleviation projects. Since 2018, it has joined hands with the the Government of Gaoping Town, Suichuan County, Ji'an City, Jiangxi Province to launch projects in Gaoping Town. The projects include exploration of featured rural elderly care models for remote villages such as institutional elderly care and distributed mutual elderly care, and economic benefits generated from provision of jobs in lieu of direct grants and from industrial poverty alleviation, aiming to create a model that not only solves rural poverty issue, but also provides elderly care with dignity for the elderly in rural areas. We plan to expand our territory in the future and promote this concept to other places. We hope to focus more on the promotion of agricultural products, so that the local elderly can sell more diversified agricultural products to cities.







### Elderly Care Welfare

In March: We held a charity trip to Ji'an

In August: Fantasia Charity Foundation entered into the donation agreement with the charity foundation of Suichuan County, Jiangxi Province, pursuant to which Fantasia Charity Foundation shall donate RMB313,500, and the government of Tanghu Town, Suichuan County shall **construct and purchase one set of agricultural product processing equipment for the Poverty Alleviation Workshop** of Qingcha Village, Tanghu Town, Suichuan County. In addition, Fantasia Charity Foundation also entered into the donation agreement with the government of Gaoping Town, Suichuan County to donate **RMB200,000** for the maintenance project of Gaoping Nursing Home and the disaster prevention project of the Poverty Alleviation Caring Houses in Shuikou Village.

In January: We received the “2019 Charity Innovation Award at the Ninth China Charity Festival” for its innovative elderly care model and its unique mutual aid and poverty alleviation methods for both urban and rural communities.

In June: We paid a visit to the elderly at the elderly care home in Gaoping Town, Suichuan, learned about the renovation projects needed in the nursing home, etc. We also gave out gifts to the elderly in the nursing home, and, at the request of the government of Gaoping Town, conducted an assessment and inspection on the schools and caring houses (mini nursing homes) that were subject to geological hazards in Gaoping Town.

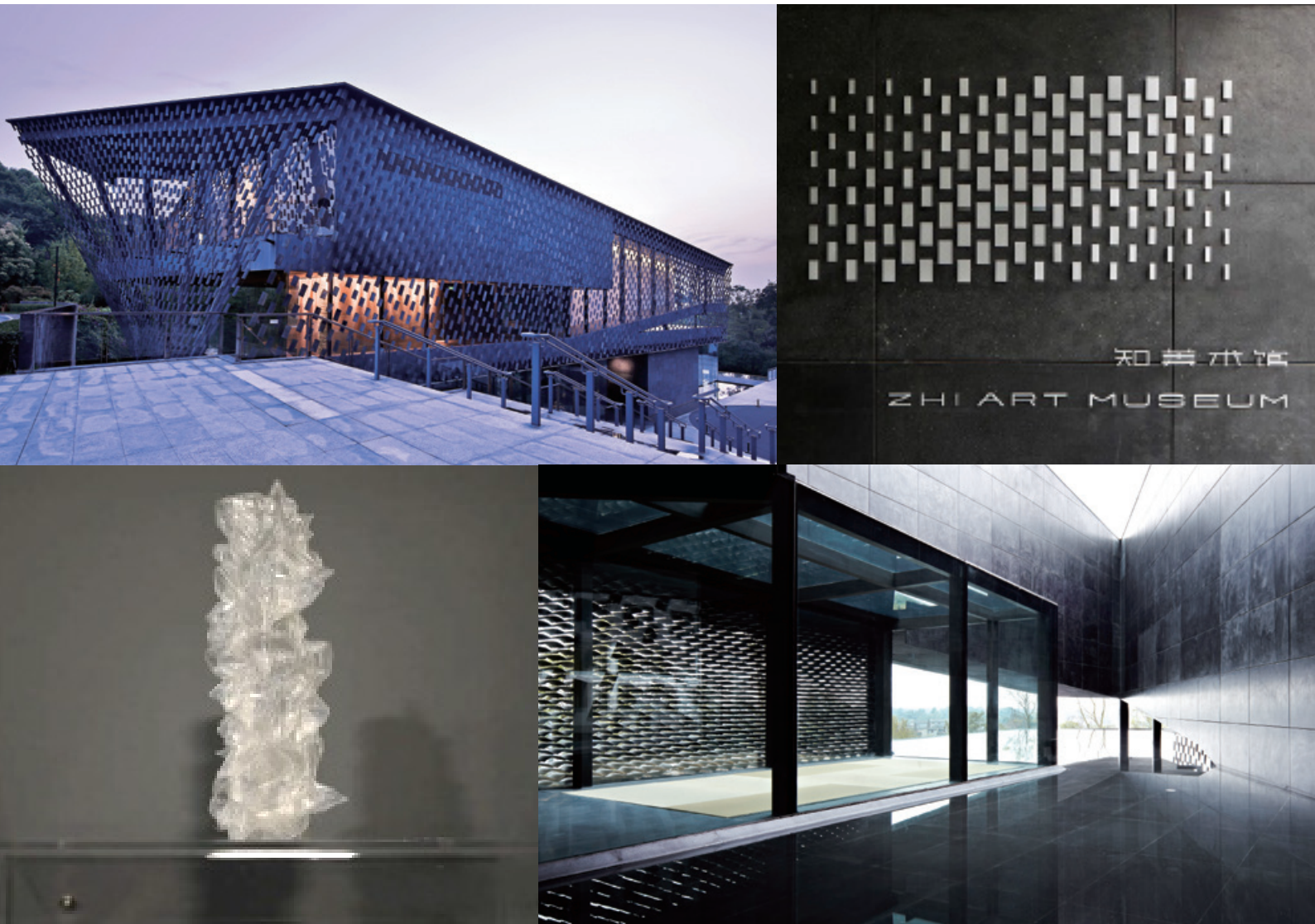
In October: We held a series of heart-warming and caring activities including distribution of caring packages as well as New Year's Eve dinners.



Art Welfare

Since 2006, Fantasia has launched “Fantasia • Voyage to Happiness” (花樣年•發現幸福之旅). Later, Fantasia built an art museum at the foot of Laojun Mountain in Chengdu, known as Zhi Art Museum. Over the years, the museum has continuously promoted different art exhibition projects. Through cooperation with one famous artist each year, the museum completes the subject of happiness through artistic creation and communication, thereby making our contribution to social and cultural public welfare undertakings.

The key project of the Year was launched in September. We cooperated with Yin Xiuzhen, an important contemporary female artist in China, to launch the exhibition “Unknown”, and we welcomed the public to participate and explore the “Unknown” journey together.



## CREATING VALUES FOR THE ENVIRONMENT



Fantasia is engaged in real estate business, aiming to provide customers with a high-quality living environment. Recognising that the Earth is also the home shared by all mankind, we shall assume the responsibility of taking care of our planet while building ideal homes for our customers. We hope that our business development will benefit the Company without having a serious impact on the environment. We implement green and low-carbon life into our business operations, in an effort to move towards sustainable development.

We have identified applicable laws and regulations which have significant impacts on the business of the Group, including but not limited to:

Environmental Protection Law of the PRC 《中華人民共和國環境保護法》	Law of the PRC on Environmental Impact Assessment 《中華人民共和國環境影響評價法》
Regulations on Environmental Protection Management for Construction Projects of the PRC 《中華人民共和國建設項目環境保護管理條例》	Water Pollution Prevention and Control Law of the PRC 《中華人民共和國水污染防治法》
Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste 《中華人民共和國固體廢物污染環境防治法》	Atmospheric Pollution Prevention and Control Law of the PRC 《中華人民共和國大氣污染防治法》
Law of the PRC on Prevention and Control of Pollution from Environmental Noise 《中華人民共和國環境噪聲污染防治法》	Regulations of Jiangsu Province on Urban and Rural Planning 《江蘇省城鄉規劃條例》

During the Reporting Period, we were not aware of any violation of laws and regulations by the Group in terms of the environment which had a significant impact on the Group.

## Emissions

The air emissions and direct greenhouse gas emissions of the Group were mainly caused by fuel consumption of vehicles (Scope 1)<sup>1</sup>. In addition, each office of the Group consumes purchased electricity in the course of daily operations, which causes indirect greenhouse gas emissions (Scope 2)<sup>1</sup>. The air, greenhouse gas emissions and energy consumption data of the Group during the Reporting Period and 2019 are detailed as follows:

Indicator	Unit	2020	2019
Total greenhouse gas emissions (Scopes 1 and 2)	tonnes of CO <sub>2</sub> equivalent	731.33	768.62
• Direct emissions (Scope 1)	tonnes of CO <sub>2</sub> equivalent	52.88	53.55
• Indirect emissions (Scope 2)	tonnes of CO <sub>2</sub> equivalent	678.45	715.07
Intensity of total greenhouse gas emissions	tonnes of CO <sub>2</sub> equivalent/sq.m.	0.08	0.08
Nitrogen oxides (NO <sub>x</sub> )	kg	11.21	10.05
Sulphur oxides (SO <sub>x</sub> )	kg	0.29	0.30
Particulate matter (PM)	kg	0.83	0.74

## Power Resources

Indicator	Unit	2020	2019
Total energy consumption	MWh	1,468.50	1,540.57
• Indirect energy consumption – Purchased electricity	MWh	1,287.47	1,357.23
• Direct energy consumption – Unleaded petrol	MWh	181.03	183.34
Intensity of total energy consumption	MWh/sq.m.	0.16	0.16

We have actively implemented energy-saving measures and formulated the Energy Conservation and Consumption Reduction Management System (《節能減耗管理制度》), and we set a monthly budget for electricity and water consumption to limit the consumption of power and water to some extent. According to the System, we require all offices and departments to strictly manage daily electricity consumption.



- Use lighting equipment reasonably, do not turn on lighting equipment or reduce using it when employees leave the offices with enough lighting;
- Inspections are conducted every half an hour by the Property Management Department in the lobby, public areas of various office floors and independent offices, stairs, corridors, washrooms and other areas to reduce using lighting and other electrical equipment and timely turn off;
- Require employees to turn off their computers after work, and arrange regular inspections to ensure that employees' computers are turned off;
- Set the air conditioners at the offices to no less than 24 degrees Celsius, turn off the air conditioners when vacated, cultivate a habit of closing the doors to reduce power consumption of the air conditioners; and
- Every Friday and the day before statutory holidays, companies are required to turn off the lifts on the lower floors according to the actual working conditions so as to encourage stair climbing among employees.

<sup>1</sup> According to the Greenhouse Gas Inventory Protocol - Corporate Accounting and Reporting Standards (Revised Edition) issued by the World Enterprise Sustainable Development Association and the World Resources Institute, Scope 1 direct emissions cover greenhouse gas emissions directly generated by businesses owned or controlled by the Group, whereas Scope 2 indirect emissions cover the indirect energy greenhouse gas emissions caused by the Group's internal consumption (purchased or acquired) of electricity, heat, refrigeration and steam.

## Waste Management

The non-hazardous wastes involved in the Group are mainly general refuse generated from daily office work. Due to the nature of our business, we do not produce significant hazardous waste. The non-hazardous waste data of the Group during the Reporting Period and 2019 were as follows:

Indicator	Unit	2020	2019
Total non-hazardous waste produced	tonnes	28.32	29.67 <sup>1</sup>
• Paper	tonnes	0.00 <sup>2</sup>	0.15
• Other domestic waste	tonnes	28.32	29.52 <sup>1</sup>
Intensity of total non-hazardous waste produced	kg/sq.m.	3.03	3.00 <sup>1</sup>

The Group implements measures to reduce waste at the source and promotes the concept of paperless office. Employees are encouraged to use double-sided printing to collect reusable paper for recycling, use electronic channels for daily office communication where possible, bring their own cups and try not to use disposable paper cups. In addition, we properly manage and control waste collection, disposal and recycling.

## Water Resource

As the water consumption of the Group's business is insignificant, water consumption is not a major issue of the Group's operations. Nevertheless, the Group continues to endeavour to improve water efficiency. The water consumption of the Group is mainly provided by local municipal water supply agencies and property management companies. We have not encountered any issues in sourcing water that is fit for purpose. The water consumption data of the Group during the Reporting Period and 2019 are as follows:

Indicator	Unit	2020	2019
Total water consumption	m <sup>3</sup>	18,064.00	15,414.00
Intensity of total water consumption	m <sup>3</sup> /sq.m.	1.93	1.56

The issue of water shortage cannot be ignored. The Group hopes that all employees can do their best to save water in daily business activities. Employees are required to shut off the faucets right after use to prevent running water and dripping. In addition, water-consuming appliances will be maintained. When water leakage or damage is found, we will immediately notify the Property Department for repairing.

<sup>1</sup> The data for 2019 has been restated to reflect the actual situation of the Group.

<sup>2</sup> The actual number is 0.002.

## Environment and Natural Resources

Natural resources are precious. We shall pay attention to the ecological environment when developing our business to benefit mankind, and try not to cause serious negative impacts. Therefore, Fantasia adopts stringent management and control over the impact of development and construction of real estate projects on the environment and natural resources:



### Development

- When selecting the sites for projects, water source protection areas or areas with fragile ecological environment will be avoided to refrain from damaging the surrounding environment; and
- For application for development projects, get the approval of environmental impact reports and water and soil conservation plans by local environmental authorities, and obtain pollutant discharge permits to ensure that development will not cause significant adverse impact on surrounding environment.

### Construction

- Strictly manage the environmental protection measures on construction sites, require construction personnel to properly pile up construction waste, clean up construction waste and sewage in a timely manner, and at the same time properly implement dust suppression measures by covering or greening idle construction sites to reduce pollution;
- Contractors are required to sign and abide by environmental protection code and resource conservation statement, implement measures related to emission reduction, waste reduction, energy saving and water saving, and closely monitor the environmental performance and compliance during construction; and
- Use recyclable materials and assembled products as much as possible to improve the environmental protection standards on construction sites to ensure that the development do not pose a significant negative impact on the surrounding environment.



## Climate Change

The issue of climate change is aggravating and cannot be ignored. Therefore, we have begun to deeply understand and study the potential risks of climate change to the Group's operations. We need to consider more climatic factors during our building design. As such, we have formulated the Design Standards for Building Energy Efficiency (《建築節能設計標準》), which divides the building thermal design across China into five zones, namely severe cold, cold, hot summer and cold winter, hot summer and warm winter and mild zones. For the climate of each region, we will have different architectural design considerations. For example, the requirements of air conditioning and heating and the thermal performance of the building envelope shall be considered for the zone with hot summer and warm winter.

In addition, extreme weather days are becoming increasingly frequent, such as floods caused by heavy rains, which have a greater impact on our business and customers. Therefore, we will make more preparations and preventative measures for our flood prevention efforts. For example, at the entrances and exits of buildings in particularly rainy areas, canopies are added to block rain and wind to facilitate owners to enter and exit the buildings when it rains, and instruct the Property Department to add sandbags at the entrances and exits of the underground parking garages to prevent excess rainwater on the ground from flooding into the garages.

## ESG REPORTING GUIDE INDEX

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A. Environmental			
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 and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Creating Values for the Environment	34-37
A1.1	The types of emissions and respective emissions data.		35
A1.2	Greenhouse gas emissions in total and intensity.		35
A1.3	Total hazardous waste produced and intensity.	The Group's business does not involve hazardous waste.	N/A
A1.4	Total non-hazardous waste produced and intensity.	Creating Values for the Environment	36
A1.5	Description of measures to mitigate emissions and results achieved.		35
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.		36
A2 Use of Resources			
General Disclosure	Policies on the efficient use the resources, including energy, water and other raw materials.	Creating Values for the Environment	34-37
A2.1	Direct and/or indirect energy consumption by type in total and intensity.		35
A2.2	Water consumption in total and intensity.		36
A2.3	Description of energy use efficiency initiatives and results achieved.		35
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.		36
A2.5	Total packaging material used for finished products and with reference to per unit produced.	The business of the Group does not involve the production of major packaging materials, but a small number of cartons were generated as souvenirs were distributed during the reporting period.	N/A

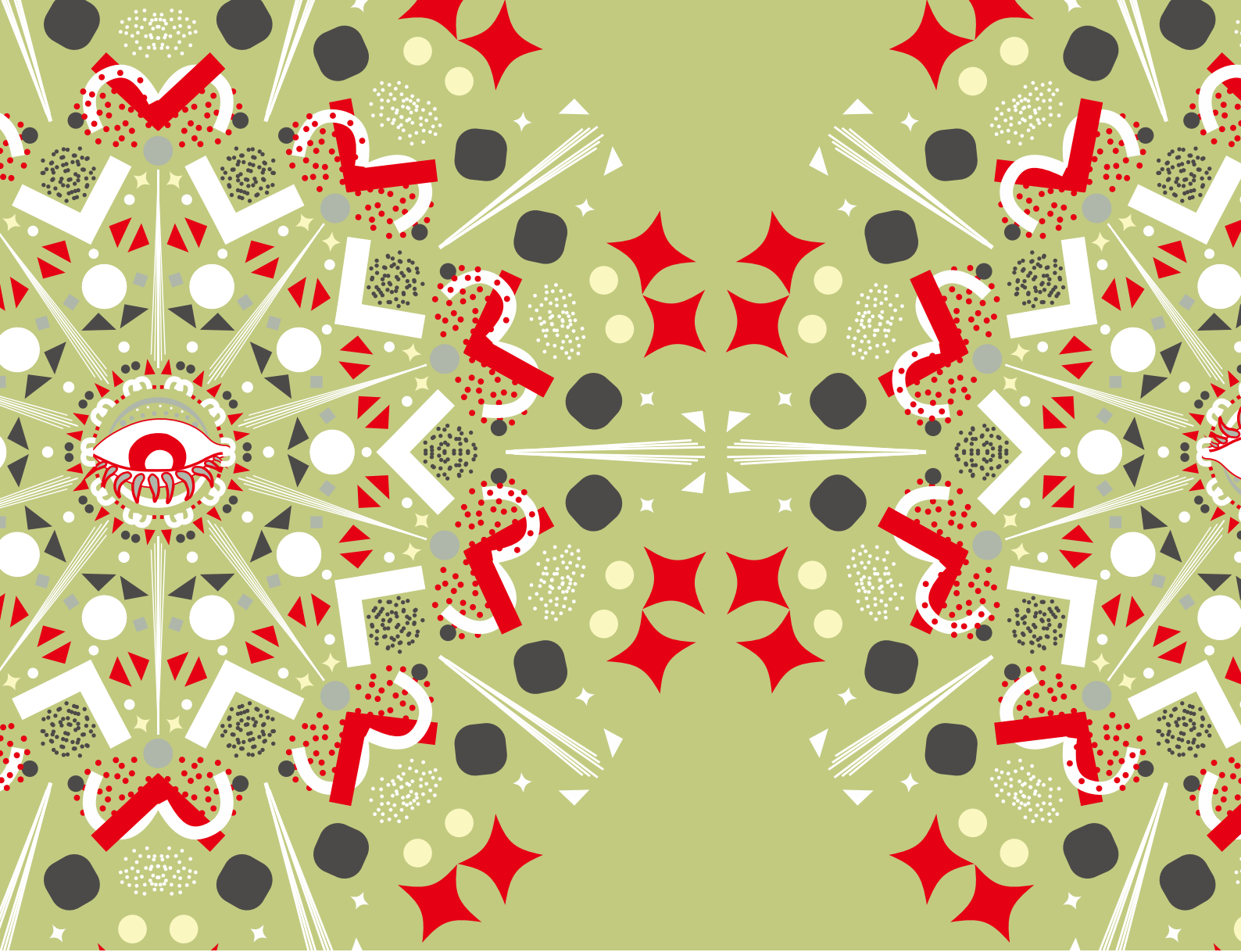
Subject Areas	Content	Section/Statement	Pages
A3 Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Creating Values for the Environment	37
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		37
A4 Climate Change			
General Disclosure	Policies on the significant climate-related issues which have an impact on the issuer.	Creating Values for the Environment	37
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.	Relevant information was not disclosed for the Year.	N/A



Subject Areas	Content	Section/Statement	Pages
B. Social			
Employment and Labour Practices			
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.	Creating Values for Staff	20-23
B1.1	Total workforce by gender, employment type, age group and geographical region.		20-21
B1.2	Employee turnover rate by gender, age group and geographical region.		21
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.	Creating Values for Staff	26
B2.1	Number and rate of work-related fatalities.		26
B2.2	Lost days due to work injury.		26
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.		26
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Creating Values for Staff	23-25
B3.1	The percentage of employees trained by gender and employee category.		23
B3.2	The average training hours completed per employee by gender and employee category.		23

Subject Areas	Content	Section/Statement	Pages
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.	Creating Values for Staff	22
B4.1	Description of measures to review employment practices to avoid child and forced labour.		22
B4.2	Description of steps taken to eliminate such practices when discovered.		22
Operating Practices			
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Creating Values for Supply Chain	18-19
B5.1	Number of suppliers by geographical region.		18
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.		18-19
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.	Creating Values for Customers	14-17
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group is not involved in product manufacturing.	N/A
B6.2	Number of products and service related complaints received and how they are dealt with.	Creating Values for Customers	14, 17
B6.3	Description of practices relating to observing and protecting intellectual property rights.		17
B6.4	Description of quality assurance process and recall procedures.	The Group is not involved in product manufacturing.	N/A
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Creating Values for Customers	17

Subject Areas	Content	Section/Statement	Pages
<b>B7 Anti-corruption</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption	10
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.		10
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.		10
<b>B8 Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration the communities' interests.	Creating Values for the Community	27-33
B8.1	Focus areas of contribution.		27-33
B8.2	Resources contributed to the focus area.		27-33



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