

LOGAN

龙光集团



LOGAN GROUP Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3380)

Environmental, Social and Governance Report

2020

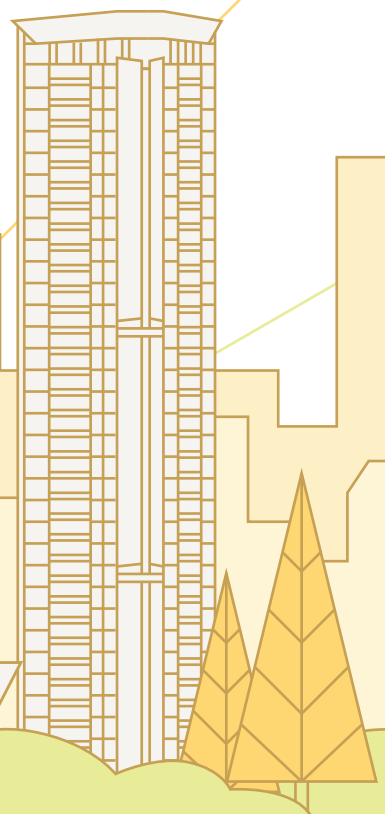
SHAPING CITIES AND HOMES WITH RESPONSIBILITY AND SINCERITY





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ABOUT THE REPORT

Logan Group Company Limited (the “Company”, together with its subsidiaries, “Logan”, the “Group” and “We”, “Us”) is a leading integrated town services provider in China who supports the national strategy in building an ecological civilization in Chinese society. The Group has spared no effort to fulfill corporate social responsibility in the past 25 years with a view to carving out the future and kindling hope. We are pleased to present the 5th Environmental, Social and Governance (“ESG”) Report (the “Report”) of Logan Group to illustrate our progress and achievements in sustainable development throughout 2020 and share our journey towards a more sustainable future with you.

REPORTING SCOPE

This Report covers the ESG performance of the Group from 1 January 2020 to 31 December 2020 (the “Reporting Period”, or the “Year”). The Board has determined to report our core real estate business in Mainland China based on the revenue significance and geographical presence of our principal businesses.

In order to better demonstrate the Group’s commitments and achievements in sustainable development, the reporting scope for the Year will continue to cover our businesses such as real estate development, construction and fitting-out, land development, property leasing and related administrative work.

This Report includes information from the headquarters of the Group and its subsidiaries in China. For the full list of our major subsidiaries, please refer to the section headed “CORPORATE AND GROUP INFORMATION” of the 2020 annual report. Unless otherwise stated as below, the ESG data of our operations in the Hong Kong Special Administrative Region and overseas regions are not included. We are currently improving our data collection mechanism and will incorporate these regions in the reporting scope in the future.

REPORTING STANDARDS





This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In response to the amendments to the reporting requirements issued by the Stock Exchange in December 2019 which will apply for financial years commencing on or after 1 July 2020, we reported the new and amended aspects and key performance indicators in advance to facilitate our full disclosure in 2021. We also disclosed measures and processes related to the goals in accordance with the United Nations Sustainability Development Goals.





REPORTING PRINCIPLES

We have prepared and compiled this Report under the following four reporting principles:

| | |
|---|---|
|  <p>MATERIALITY</p> | <p>Based on our stakeholder engagement and materiality assessment, we have identified, prioritized and reported the issues that potentially have material impacts on Logan Group, or issues which Logan Group would directly or indirectly cause material impacts on the environment, society and stakeholders across all sectors. This Report, the preparation of which is based on the results of the materiality assessment, aims to provide meaningful and valuable information so that readers can better understand our commitments to the ESG performance.</p> |
|  <p>QUANTITATIVE</p> | <p>In addition to measuring key performance indicators set out in the Environmental, Social and Governance Reporting Guide, we seek to present information about other aspects in a quantitative manner with accompanying explanations, which presents easily understood information and improves the readability of the Report. The standards adopted for data calculation, assumption or calculation tools used, and emission factors are all clearly explained in the section headed "STATISTICS SUMMARY".</p> |
|  <p>BALANCE</p> | <p>We strive to ensure an accurate and objective presentation of major ESG issues, and take into consideration the short-term and long-term impacts of related issues. As such, we outline the full impact of Logan Group in important aspects to enhance operating transparency and build trust.</p> |
|  <p>CONSISTENCY</p> | <p>We continue to ensure the reporting scope, reporting principles, data collection and calculation methods are consistent with those adopted in previous years, and disclose changes in the above standards to assist readers in making meaningful comparisons.</p> |

APPROVAL BY THE BOARD

The information contained in this Report has been verified by the senior management of the relevant departments and reviewed and approved by the Sustainability Committee of the Group in March 2021 so as to ensure the contents of the Report accurately, timely and truly reflect the ESG performance of the Group.

FEEDBACK

If readers have any questions or comments on this report, you are welcome to send us your feedback by sending email messages to i.r@logan.com.cn.

MESSAGE FROM THE BOARD

In light of extraordinary events taking place during 2020, the Logan Group continued to uphold the development philosophy of “Shaping Cities and Homes with Responsibility and Sincerity”, and ride out the tough times with everyone in the country. As challenged by the COVID-19 pandemic, we were resolved to fulfill our corporate social responsibility and place public wellbeing above our own interests with our strengths in play, while continuing to improve the sustainability strategy. By making remarkable progress in areas such as product quality, corporate management, green development, charity investments, and employee care, we successfully moved toward a new sustainability milestone and honored our commitment to the sustainable development of “To build an Evergreen Logan”.

Logan Group’s sustainability strategy is driven by our Board of Directors, who attached great importance to the implementation of sustainable development within the Group. The Board’s role with respect to sustainability are:

- Establishing sustainable development objectives, priorities, policies and management framework;
- Evaluating sustainable development risks and opportunities, and review the sustainability of the Group; and
- Overseeing the implementation of sustainable development measures as well as ensuring the soundness of internal governance system.

In the past year, the Logan Group was responsible for the communities, employees, customers and business partners, and spared no efforts to conduct pandemic prevention and control, including timely establishment of a pandemic prevention and control taskforce, coordination of pandemic prevention and control, and orderly work resumption. We also worked with Logan Charity Fund (龍光慈善基金會) to donate RMB50 million to Hubei, Guangdong and other provinces. Besides our postponement of work resumption, our employees were provided with adequate personal protective equipment and training for pandemic prevention. Furthermore, various online business management measures were taken to protect the health of our customers and business partners. The Logan Group was also included as an excellent case of enterprise fighting the COVID-19 pandemic as set out in 2020 Research Report on Chinese Enterprises Fighting Against the COVID-19 Pandemic (中國企業抗擊新冠肺炎疫情研究報告), demonstrating that the public recognized and endorsed our pandemic prevention and control work.

At the same time, we continued to improve the Group’s sustainability governance. Each of our decisions indicates our commitments to build a pleasing residential environment with the environment and demands of our various stakeholders taken into due consideration. In May 2020, the Board adopted the long-term business partnership share award plan with a validity period of 15 years, which sets a performance growth indicator higher than the industry average for the management, and up to 3% of the Company’s total issued shares constitutes as the reward to encourage our grantees to contribute to our long-term and sustainable development. During the Year, we launched a new product series named “Modernization” collection (現代系), empowering the healthy habitat with smart technologies. We further upgraded our Monolith Cloud Project Quality Management System (磐石雲工程質量管理系統) to cater for a total of 13,206 users and employees of our contractors, and implemented Logan Construction 2.0 (龍建築2.0) to fully apply technologies such as smart construction sites, and better improve standardized management of project quality. We held various events involving our employees and communities after ensuring that the pandemic was under control, such as family activities, healthcare promotions, entertainment and recreation parties, allowing more than 10,000 employees, residents and community groups to share a healthy and joyful residential environment with their mental and emotional stress relieved from the pandemic. Furthermore, energy saving, emission reduction and sustainability are integrated into our supply chain and project design. In 2020, we have a total of 78 green building-certified projects, with an increase of five times over the previous year. We also actively apply the latest green technologies and development concepts to the “sponge city”, enabling a timely response to climate change, as well as harmonizing with the environment. We also express our gratitude to communities by participating in public welfare activities, and unwaveringly pursue poverty alleviation, education promotion, volunteer service facilitation and community development. During the Year, we organized more than 30 public welfare campaigns in over 20 cities, promoting the home of warmth and reciprocity for residential communities.

The Logan Group is well-recognized among the public for our sustainability performance, and accredited by numerous awards and certifications, both of which demonstrate our outstanding performances in public welfare and charity, environmental protection, building quality, corporate development and finance. During the Year, we received the “BB” ESG rating from MSCI, a world-renowned index compilation company, the “2020 Listed Company Awards of Excellence” from Hong Kong Economic Journal and the “Hong Kong Corporate Governance Excellence Awards 2020” from the Chamber of Hong Kong Listed Companies. In 2020, we were successively included as a constituent stock in the Hang Seng Composite Large Cap Index and the Hang Seng Large-Cap (Investable) Index, demonstrating that the Company continued to be highly recognized by the international capital market in terms of development scale, comprehensive strength and capital market influence.





Our sustainability works during the Year also included publication of 18 sustainability policies, six planning meetings convened by the Sustainability Committee, and more than 20 working meetings by heads from relevant departments. In response to the United Nations Sustainable Development Goals, we implemented Logan’s sustainability goals, including 12 specific indicators. Our adoption of online stakeholder surveys saw an increase in the number of responses of 5 times than those received last year. To enhance data quality, we improved the environmental, social and governance data collection systems. All of these measures demonstrate our determination to advance the sustainability governance.

Looking forward, we expect to deliver better performance in environmental and social issues to accelerate the performance of Logan as a whole in environmental and social aspects. Furthermore, we will pay more attention to details so that sustainable development will be further reflected in our various governance and operation processes. Taking the helm, Logan Group will work with our business partners, customers, investors and other stakeholders to promote sustainable development and build a better future.

The Board of Directors

26 March 2021



ABOUT LOGAN GROUP

Attributable sales area

7.45 million square meters

Sales amount

RMB **120.69** billion

The average ROE exceeding

30% for
8 consecutive years

Cities layout

30

Credit rating

Standard & Poor BB
Moody Ba2
Fitch BB

Constituent stock

Hang Seng Composite LargeCap Index
Hang Seng Stock Connect Greater Bay
Area Composite Index
Hang Seng High Dividend Yield Index

Hang Seng Large-Cap (Investable) Index
MSCI China All Shares Index
FTSE Shariah Global Equity Index

SUSTAINABILITY PERFORMANCE

Certified green building area

9,779,614
square meters

Green building certificate

78

Stakeholder engagement satisfaction

8.6/10 Scores

Customer satisfaction

86 points

Charity donation

Over RMB **23** million

ESG rating

MSCI BB

Published Logan's sustainability goals covering

12 indicators

Disclosure of **18**
sustainability policies

The **73th** place for
Forbes Chinese Charity
Ranking for 2020

INDUSTRY AWARDS AND RECOGNITION

Set out below are some of the awards and recognitions we received in 2020, including:



2020 Brand Value of Chinese Real Estate Companies

- Top 20 Chinese Real Estate Companies in terms of Human Capital Value
- Top 50 Enterprises with Employer Brand Influence of Chinese Real Estate Enterprises

The Fifth Session of Pengcheng Charity Award and 2019 Shenzhen Charitable Donation List

- Golden Enterprise of Pengcheng Charitable Donation
- The title of Shenzhen Charity Outstanding Contribution Enterprise for Poverty Alleviation and Shenzhen Charity Pioneers in the Fight against the Pandemic

2020 Shenzhen Corporate Brand Development and Corporate Social Responsibility Summit

- Social Responsibility Contribution Award for Fighting against the Pandemic
- “Salute to the Brand, and Appreciation to Shenzhen” Brand Value Award

2020 Guangdong-Hong Kong-Macao Greater Bay Area Social Responsibility Influence and Guangzhou Charity Ceremony

- Anti-pandemic Pioneer Enterprise for the Year

Southern Guangdong Charity & Public Welfare

- Charity and Public Welfare Organization of the Year- Logan Charity Fund (龍光慈善基金會)

2020 Guangdong Poverty Alleviation Day

- Guangdong Province Poverty Alleviation Cotton Tree Golden Cup Award — Logan Charity Fund (龍光慈善基金會)
- Shenzhen Poverty Alleviation and Caring Enterprise
- Golden Award for Outstanding Contribution on the 10th Anniversary of Shantou Event
- Contribution Award for Targeted Poverty Alleviation and Rural Rejuvenation
- Love Charity Star (Five Star)

Hong Kong Corporate Governance Excellence Awards 2020 from the Chamber of Hong Kong Listed Companies

2020 Listed Company Awards of Excellence from Hong Kong Economic Journal

2020 Outstanding Corporate Citizen from the 21st Century Business Herald

2020 Public Charity Enterprise from China Philanthropy Times

2020 Model Company for Social Responsibility and Social Contribution from Social Responsibility Conference Organising Committee

2020 Guangdong Real Estate Targeted Poverty Alleviation & Outstanding Contribution Enterprise from Guangdong Real Estate Association

2020 Best Social Responsibility Award from Gelonghui

2020 Social Responsibility & Outstanding Contribution Enterprise from China Business Journal

2020 Contributing Enterprise of Corporate Social Responsibility from International Financial News

2020 Targeted Poverty Alleviation Contribution Award from China Times

“Charity Enterprise List” under 2020 China Charity List from China Philanthropy Times

Ranking 14th on the 2020 China Social Action from the Southern Weekly

“Caring Enterprise of National Charity Association in 2019” from China Charity Federation

2020 Charity Model Innovation Award from Chinese People’s Political Consultative Conference (CPPCC) Daily

ABOUT LOGAN GROUP

COMPANY OVERVIEW

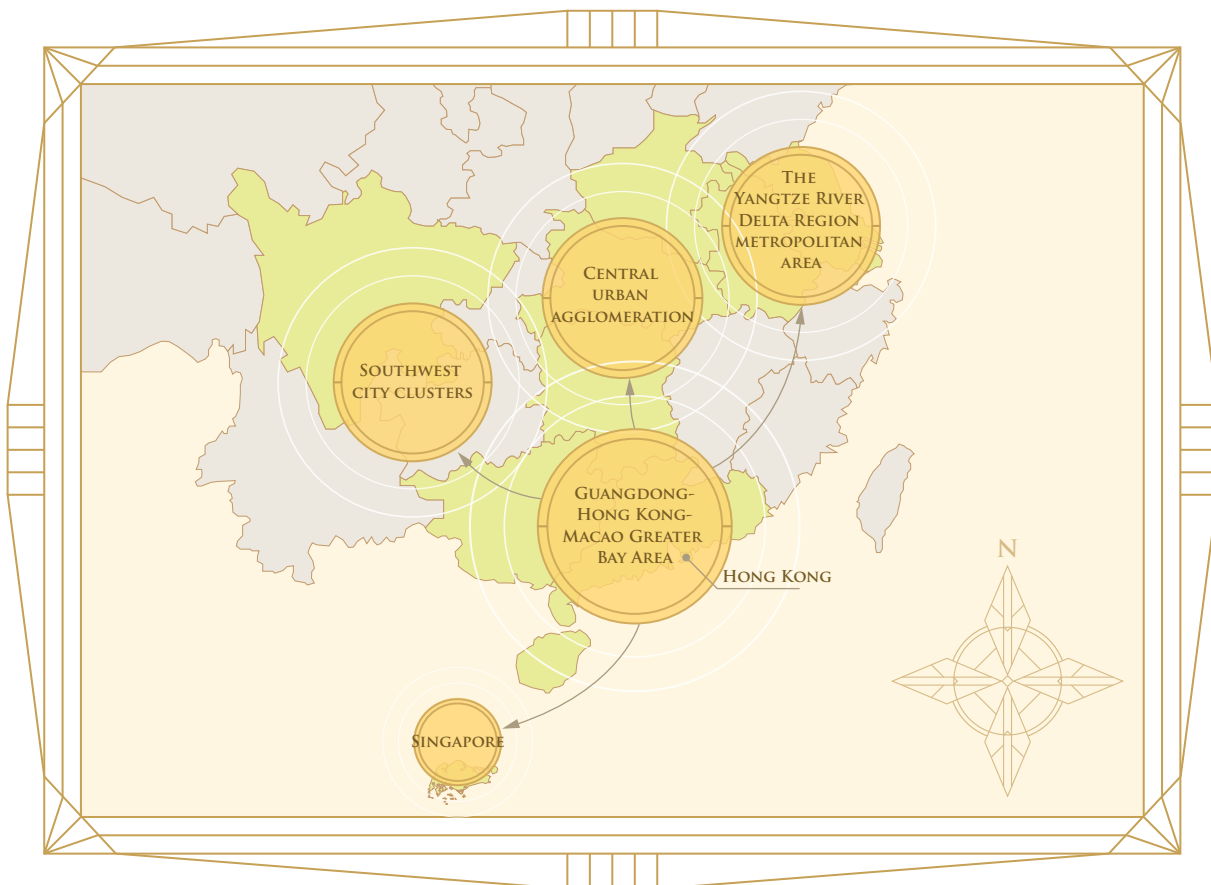
Logan Group Company Limited (Stock Code: 3380.HK) is a comprehensive urban service provider dedicated to building a better life.

In pursuit of the development strategy of “regional focus + city penetration” since its establishment in 1996, the Logan Group continues to strategically consolidate its national market presence by introducing four business engines, namely, residential development, urban renewal, commercial operation and industrial operation, while developing the urban service ecosystem to boost urban development. As an industrial leader, the Logan Group strives to build a commercial civilization driven by development concepts such as innovation, coordination, greenness, openness and sharing, and continues its commitments to a better urban life by integrating social values.

| | |
|--|---|
| Real estate development | <ul style="list-style-type: none"> • development and sales of residential properties and retail shops |
| Construction and fitting-out business | <ul style="list-style-type: none"> • construction of office premises and residential buildings and provision of fitting-out services for external customers and group companies, and provision of interior fitting-out services to property buyers |
| Land development | <ul style="list-style-type: none"> • sale of land held for development |
| Property leasing | <ul style="list-style-type: none"> • lease of office units and retail shops to generate rental income and gain from property appreciation in the long term |

BUSINESS LAYOUT

Logan synchronizes its own development with city development by focusing on the most valuable core areas in China, such as the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta Region metropolitan area, and the southwest and central city clusters. During the Year, the Logan Group entered Shanghai, Ningbo, Nanjing, Kunshan and Kunming for the first time, and continued land acquisition in cities such as Shenzhen, Guangzhou, Foshan, Dongguan, Nanning, Suzhou, Jiaxing, and Chengdu, elevating our national strategic layout to a new height.



BRAVELY FIGHT AGAINST THE PANDEMIC

TOGETHER FIGHTING THE PANDEMIC TO BUILD A PREVENTION AND CONTROL CIRCLE FOR SAFETY

Starting from 2020, the COVID-19 outbreak affects and concerns millions across the country. Besides fulfilling our corporate social responsibility despite the pandemic, the Logan Group has been actively deploying and implementing pandemic prevention and control by establishing a pandemic prevention and control taskforce, and coordinating and mobilizing resources across our business segments to fully participate in pandemic prevention and control, which has demonstrated our responsibility for communities, employees, customers and business partners.

SUPPORTING ALL PEOPLE TO FIGHT AGAINST THE PANDEMIC

Since the beginning of 2020, the Group and Logan Charity Fund (龍光慈善基金會) have donated more than RMB50 million to support pandemic prevention and control in Hubei, Guangdong and other provinces. Such donation is mainly used for the procurement of pandemic supplies, community-based pandemic prevention, pandemic research and poverty alleviation, while our subsidiaries in various regions also continue in their corporate capacity to assist all walks of life to weather through challenges. The donation denominated in RMB includes:



BRAVELY FIGHT AGAINST THE PANDEMIC

During the pandemic, our Huizhou subsidiary also donated RMB155,000 to the Daya Bay District government for the purchase of pandemic supplies, as well as 6,000 medical masks and 5,000 pairs of gloves. Our Guangxi and Zhuhai subsidiaries also donated over 10,000 pandemic items to government departments, community owners and people in need. Our Liuzhou subsidiary donated more than 10,000 masks to teachers and students at Liuzhou Qianmao Primary School and Liuzhou Nanhuan Primary School, and food supplies in the amount of tens of thousands in RMB to Liuzhou Zhongnan Street Office, police departments, fire services, and other departments.

Due to our large investments in pandemic donations, the Logan Group was selected as the excellent case of enterprises fighting against the COVID-19 pandemic in 2020 Research Report on Chinese Enterprises Fighting Against the COVID-19 Pandemic (中國企業抗擊新冠肺炎疫情研究報告). Among all pandemic donations from private enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area, the donation from the Group made great contribution to the national fight against the pandemic.



Fighting with farmers against the pandemic to deliver good growth

In April 2020, the Group learned about the disruption caused by the pandemic in distributing pineapples from the local poverty-stricken village at Xuwen County, Zhanjiang City during the livestreaming “We will help farmers distribute goods during the fight against the pandemic” organized by Nanfang Daily, Agricultural and Rural Department of Guangdong Province, Foshan Municipal Party Committee Cyberspace Administration, Foshan Poverty Alleviation Office and other departments. To resolve farmers’ challenge brought by the pandemic, we immediately purchased and distributed nearly 5,000 kilograms of pineapples in 7 project centers in Foshan, including Logan-TianYao (龍光•天耀), Logan-Aristocrat Palace (龍光•天闕) and Logan-TianYing (龍光•天瀛), for visitors to enjoy, while any remaining ones were distributed to owners and visitors as presents.



PROTECTING OUR EMPLOYEES' HEALTH

In recognition of the health of each employee, we strive to provide highly transparent information concerning the fight against the pandemic, with a view to creating safe conditions for work resumption, and safeguarding our employees and their families. Our workplace measures to fight against the pandemic include:

- Since the beginning of the 2020 Lunar New Year, in response to the pandemic, the Logan Group initiated an emergency plan and proactively postponed the work resumption until 17 February 2020.
- The Logan Group compiled and distributed the manual of pandemic prevention and control to our employees, provided the employees with multiple online pandemic training before the work resumption, and promoted pandemic information.
- All returning employees were required to file daily health declaration and report their travel records to the Human Resources Department, and our employees received free masks and disinfectants.
- The office was thoroughly disinfected and cleaned twice a day from February to June 2020, and once a day from July to December 2020.
- Each subsidiary provided employee care activities in all forms, including working with professional medical institutions to provide employees with free online consultation services and decocting traditional Chinese medicine and ginger tea for employees.



In terms of construction sites, until mid-March 2020, Logan achieved 100% normal construction in key regions including Shenzhen, Zhuhai, Zhongshan, Shanghai, Guangqing and Dongguan. The measures imposed for pandemic prevention at construction sites include:

- Due to the shortage of pandemic supplies at the beginning of the Year, the Group made external purchase centrally to ensure that the reserve of pandemic supplies can meet the one-week consumption needs of all projects.
- The pandemic prevention and control taskforce led by management personnel was established to supervise the completion of pandemic prevention work at all construction sites.
- All construction sites, staff quarters, office areas and canteens were disinfected and cleaned twice a day, and our employees took their temperature on a daily basis.
- We continued to organize the livestreaming on pandemic training and health knowledge for our employees at the construction sites.
- Working side by side with communities and hospitals, we set up health records for our workers entering construction sites, and all returning employees are required to pass nucleic acid tests on key projects.
- We set up quarantine areas to receive and observe our employees who are ineligible for hospital admission despite fever, cough and other anomalies.



Livestreaming for pandemic training

Logan Management Academy (龍光管理學院) launched three livestreaming training sessions from 14 February to 15 February 2020, inviting all employees of Logan to attend, including the employees from the listed and non-listed businesses. The average number of attendees in each session amounted to 4,410 persons at an average satisfaction rate of 98%. All employees learnt about the COVID-19 related knowledge and the Group's pandemic prevention and control information in these training sessions, and learnt operation models such as remote office and remote meeting, as well as the pandemic measures at construction sites.

LOGAN 龙光

龙光防疫培训直播 (01)

**数字化抗疫
线上办公**

2020-02-14 周五 14: 30-15: 00
龙光企业微信直播平台
欢迎全体员工参与!
培训讲师: 廖伟 (信息管理部)

(龙光管理学院提前5分钟向各单位工作群发送直播邀请, 精彩不断, 值得期待!)

LOGAN 龙光

龙光防疫培训直播 (02)

**返岗上班后
怎么预防新冠肺炎**

2020-02-15 周六 14: 30-15: 30
龙光企业微信直播平台
欢迎全体员工参与!
培训讲师: 熊学 (行政服务部)

(龙光管理学院提前5分钟向各单位工作群发送直播邀请, 精彩不断, 值得期待)

LOGAN 龙光

龙光防疫培训直播 (03)

**一线项目部新冠肺炎
防控宣贯**

2020-02-15 周六 11: 00-12: 00
龙光企业微信直播平台
必修对象: 大运营线各全体员工
欢迎其他专业线各员工的观看
培训讲师: 侯彬彬 (工程管理中心)

(龙光管理学院提前5分钟向各单位工作群发送直播邀请, 精彩不断, 值得期待)

BRAVELY FIGHT AGAINST THE PANDEMIC



Anti-pandemic Treasure APP under Monolith Cloud Engineering System (磐石雲工程系統防疫寶APP)

On 20 February 2020, the Logan Group's Monolith Cloud Engineering System (磐石雲工程系統) included the Anti-pandemic Treasure APP (防疫寶APP) to digitalize our pandemic prevention work, which assisted the pandemic prevention and control taskforces in supervising the implementation of pandemic measures for various projects on the real-time basis. A full understanding of pandemic data of various places facilitated the orderly implementation of pandemic prevention and control measures of our projects. The following data is recorded in the Anti-pandemic Treasure APP (防疫寶APP):

| | |
|--|--|
| Return of personnel: | The company, work location, return information and contact method of the employee returning for work resumption. |
| Pandemic supplies distribution: | The quantity, inventory level, shortage, stock-taking officers and time record of pandemic supplies required for various projects. |
| Daily temperature taking: | Our employees must complete their reading result on the APP after taking their own temperature every day, the data of which will be inspected by the person in charge of the construction site each day. |
| Disinfection at construction sites: | The persons in charge of construction sites upload disinfection and cleaning records and photos for inspection by the Group each day. |

The persons in charge of construction sites must compile the above statements in the Anti-pandemic Treasure APP (防疫寶APP) and report them to the Group every day.



DELIVERING CUSTOMERS SAFE EXPERIENCES

To protect the safety and well-being of our customers, we have established safety lines of defense in all aspects including sales, delivery, maintenance and property management, the measures of which include:

Sales

Following introduction of the Logan Treasury (龍光寶), our online marketing system, at the beginning of February 2020, the Logan Group assists home buyers to "choose houses online without going to our sales office in person". The platform, which contains more than 100 Logan's selected projects, displays their features through VR and 3D video, pictures and livestreaming, with one-to-one 24-hour sales consulting services online.

By mid-March 2020, Logan had opened nearly 100% of offline sales offices for nearly one hundred projects. The property teams of our sales offices regularly disinfect the entrance halls, meeting rooms, bathrooms, showcase rooms and office areas every day, with our employees taking their temperature at least 4 times a day. When visitors leave, our employees immediately disinfect contact surfaces such as desktops and door handles. Customers also make an appointment using the Logan Treasury (龍光寶), and then the Group will arrange one-to-one reception to create a safe and worry-free environment for home purchasers.



Delivery

Prior to the date of delivery, property owners can make an online appointment for the delivery time slot, and the Group will send a message in advance to inform the owners of the pandemic protection measures. The venue will be strictly disinfected, and stanchions will be used to divert traffic to reduce crowd gathering. Before entering the venue, the Group will register the owners, verify the health code, take their temperature, and provide pandemic supplies such as mask and disinfectants to ensure the safety of the owners. During the acceptance process, the house inspector carries a disinfectant spray around. The house inspector will disinfect the door handle prior to entry and then accompany the owner to inspect the details of their new home. Before entering the owners' new home, the maintenance personnel, equipped with pandemic supplies, must also pass the temperature check, and disinfect and clean the maintenance sites after service is rendered.



Property management

The Logan Property has centrally deployed the pandemic prevention for residential projects across the country, including strict disinfection, body temperature measurement, and also added a “vegetable basket” group purchase function on the Loganhui APP. Logan Property has a team of more than 4,000 people and hundreds of communities. During the two months of the anti-pandemic work, our property teams of over 4,000 employees overseeing more than 100 communities logged a daily average of over 10,000 steps for community disinfection, with 1,519 temperature checks per day, and an average disinfected area of 700 square meters per person. The property management offices also provided the owners with pandemic supplies, and Shenzhen subsidiary also cooperated with professional medical institutions to provide customers with online consultation services. These measures, which provides reassuring residential conditions, are highly appreciated by the owners.



BRAVELY FIGHT AGAINST THE PANDEMIC



Logan Property's "vegetable basket" group purchase service

During the pandemic, Logan Property actively responded to the government's closed community management requirements, and launched the "vegetable basket" service for the farm-to-home delivery without contact from 12 February 2020. The owners select and purchase fresh and nutritious ingredients on the Loganhui APP every day from 8:30 to 14:30, and the property management officers will deliver the ingredients ordered the day before to the door the next morning, allowing the owners to select and purchase ingredients at home. The service has been implemented in more than 50 residential projects in nearly 10 cities where Logan Property operates, with more than 10,000 clicks on the Loganhui APP. As a result, we received extensive support from the owners. Each procurement was close to 330 kilograms.



OVERCOMING DIFFICULTIES WITH OUR BUSINESS PARTNERS

The Logan Group's business segments, including commercial shopping centers, office buildings and hotel projects, have all initiated emergency measures, upgraded resource allocation, strengthened health and safety management in various districts, and strictly controlled the flow of external personnel and vehicles. Furthermore, we clean and disinfect public areas, and engage in campaigning for pandemic prevention and control.

In order to mitigate the impact of the pandemic on the operations of the commercial tenants, with effect from 26 January 2020, we introduced commercial rent reduction and exemption assistance measures, and preferential rent reductions and exemptions were offered to commercial tenants of various commercial projects throughout the country during the pandemic period. Our actual actions helped alleviate the business pressure of the merchants, allowing the merchants to weather through the predicament, while overcoming difficulties with our business partners.



BUSINESS PRINCIPLE OF SUSTAINABLE DEVELOPMENT

LOYALTY AND INCORRUPTIBILITY PLAY A FUNDAMENTAL ROLE IN OUR DEVELOPMENT.

UPHOLDING SINCERITY, PERSEVERANCE AND COURAGE, WE ACHIEVE EXTRAORDINARY VALUE THROUGH ACTION.



ESG issues

- 1 Prevention of bribery, fraud and money laundering
- 2 Compliance and business ethics management
- 3 Personal privacy and information protection
- 4 Prevention of child and forced labor
- 5 Intellectual property

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Logan Group has always been dedicated to making social contributions as well as creating economic benefits, aiming to bring success to our community. We pursue transparent, healthy and impartial corporate values to attain sustainable and quality growth.

We take on responsibility for all stakeholders including our customers, investors, staff and others in the community by devoting ourselves to satisfying the true needs of stakeholders. While creating mutual values between the Company, shareholders and business partners, we strive for a rapid, steady and sustainable growth of the enterprise itself, so as to better assume the responsibility to all stakeholders. It is also the corporate citizen responsibility we faithfully undertake all the time.

GOVERNANCE STRUCTURE FOR SUSTAINABLE DEVELOPMENT

Our excellent corporate governance has established a solid foundation for sustainability of Logan Group. The Board diversity, including gender, age, culture, professional experience and skills, provides high-standard, innovative and balanced perspectives for governance decisions, and allows the Board to develop a better understanding of various stakeholder requirements. The Board highly appreciates the ESG issues and integrates sustainability governance into the governance structure of the Group:

Our Sustainability Committee is chaired by Mr. Kei Hoi Pang, the chairman of the Board, and the principals from the business centers participate in the coordinated management of sustainability affairs. The sustainability governance structure is as follows:



THE BOARD

The Board is committed to taking full responsibility for our ESG matters and formulating overall ESG management policies, and procuring the senior management of different departments to handle related ESG matters.



SUSTAINABILITY COMMITTEE

The Sustainability Committee is mainly responsible for:

- reviewing the sustainable development of the Group, responding to the expectations from our stakeholders, as well as formulating feasible mid-term and long-term sustainable development policies, action plans, and specific targets;
- supervising the sustainability performance and progress of the Group based on the action plan and predetermined indicators over the course of maintaining effective ESG risk management and internal control system; and
- reviewing information related to the ESG report.



SUSTAINABILITY WORKING GROUP

It is composed of dedicated personnel from the Group's operation center and external professional consultants to assist the Sustainability Committee in dealing with related matters, and connecting to various business departments.



BUSINESS DEPARTMENT

Departments shall cooperate with the Group's ESG policies to encourage employees to pursue ESG practices. Departments shall also assess risks and opportunities arising from ESG issues involved in their operations, and report the same to the Sustainability Committee.

The Sustainability Committee will report to the Board at least once a year regarding the Group’s sustainability strategy and its latest status, providing sufficient information for the Board to evaluate the Group’s ESG strategy and performance.












SUSTAINABILITY STRATEGY

As the core development principle of Logan Group, sustainability is implemented in each of our operational decisions. We attach great importance to fulfilling corporate social responsibilities and contribute to stakeholders from all walks of life with care, prudence and a positive attitude. Our sustainable development strategy is reflected in five aspects, including corporate compliance, labour relations, quality projects, green environmental protection and community investment. The formulation of the following strategies also refers to the United Nations’ Sustainable Development Goals (“SDGs”) to help improve people’s lives and achieve a better future.

| Sustainability topics | Development strategy | United Nations’ SDGs |
|--|---|---|
|  Corporate compliance | <p>We are committed to maintaining excellent and efficient corporate governance practices, and creating long-term and valuable growth for the stakeholders of Logan Group by upholding the principles of integrity, openness, transparency and accountability. We will ensure:</p> <ul style="list-style-type: none"> to set up a robust corporate governance structure, including a high-level management team and control system; to strictly comply with all applicable laws and regulations; to adhere to high-standard business ethics and maintain professional codes. |  |
|  Labour relations | <p>We respect and care for every employee, and strive to build a sustainable elite team, so that employees can work together to achieve leapfrog growth with Logan Group. We will ensure:</p> <ul style="list-style-type: none"> to implement human resources policies to effectively promote the practice of our core values of “Pragmatic, Innovative, Sunshine, Efficient”; to create a healthy, safe, inclusive and equal working environment with enthusiasm and care; to provide various training resources to develop potential for employees. |  |

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT



| Sustainability topics | Development strategy | United Nations' SDGs |
|---|--|--|
|  <p>Quality project</p> | <p>Adhering to quality, we strictly control the quality of the projects for the purpose of providing comfortable, innovative and exquisite products and services, forming a model of a pleasing residential environment, and meeting customer needs in all directions. We will ensure:</p> <ul style="list-style-type: none"> the quality, design and safety standards of the project keep pace with the times and outperform the market; customer satisfaction is paid attention, and the operation process could be continuously optimized to provide better products and services; sustainable supply chain will be established. |   |
|  <p>Green environmental protection</p> | <p>In order to empower green and environmentally friendly lifestyle, we incorporate environmental protection elements into our daily operations and project planning, and strive to reduce carbon emissions, save energy and reduce waste emissions, so as to build a civilized environment, and live in harmony with nature. We will ensure:</p> <ul style="list-style-type: none"> to adopt the latest green measures and technologies in construction, operation, management and purchase, and continuously evaluate and promote environmental performance; to actively respond to and adapt to climate change; to deliver environmental awareness to the public, communities and business partners. |     |
|  <p>Community investment</p> | <p>We are committed to the communities and the social groups. By actively giving play to our advantages, we make contribution to the society, and have always been enthusiastic in public welfare affairs and dedicated warmth to those in need. We will ensure:</p> <ul style="list-style-type: none"> to develop an effective community investment strategy so that resources could be used properly; to participate in community affairs in many ways and expand the scope of community investment; to improve employees' civic awareness to participate in public welfare affairs together. |   |

STAKEHOLDER ENGAGEMENT

We recognize the importance of stakeholder engagement to the sustainable development of Logan Group. Therefore, we maintain active communications with the internal and external stakeholders to understand the impact of Logan Group’s operations and the expectations of various stakeholders with regard to the ESG performance of Logan Group.

Over the usual course of our business, we respond to our stakeholders’ concerns by understanding their demands through communication channels as follows:



BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT



In 2020, the Group published 18 sustainable development policies on its official website, presenting stakeholders with the Group's commitment and management methods to sustainable development. We conduct an annual review on our sustainable development policy and a revision on the same every three years. Our press release also provides an English version on the official website, further broadening information coverage. In addition, we have joined the Chamber of Hong Kong Listed Companies for better communications with regulators, peers and business partners.



China Real Estate's Official WeChat Account with Annual Influence for 2020

The official WeChat account of the Logan Group has been recognized by Leju Financial on its China Real Estate's Official WeChat Account with Annual Influence for 2020. The award was granted in terms of influence, vitality and communication of its official WeChat account based on eight indicators including "readings and likes" conducted via its official WeChat account, showing that the Logan Group effectively delivered rich and valuable corporate development information to its stakeholders.



Capital Market Corporate Day

We held the Capital Market Corporate Day in Shenzhen in September 2020 for the first time, attracting more than 40 analysts and investors from well-known domestic and foreign institutions such as China Merchants Securities, Huatai Securities, Haitong Securities, Guotai Junan, China International Capital Corporation and China Industrial Securities International Financial Group Limited. These activities included field visits to Dongguan, Foshan and Shenzhen, visits to key projects, and exchanges with company management, allowing investors to fully understand the Logan Group's advantages in strategic layout, urban renewal project features and product upgrade results.

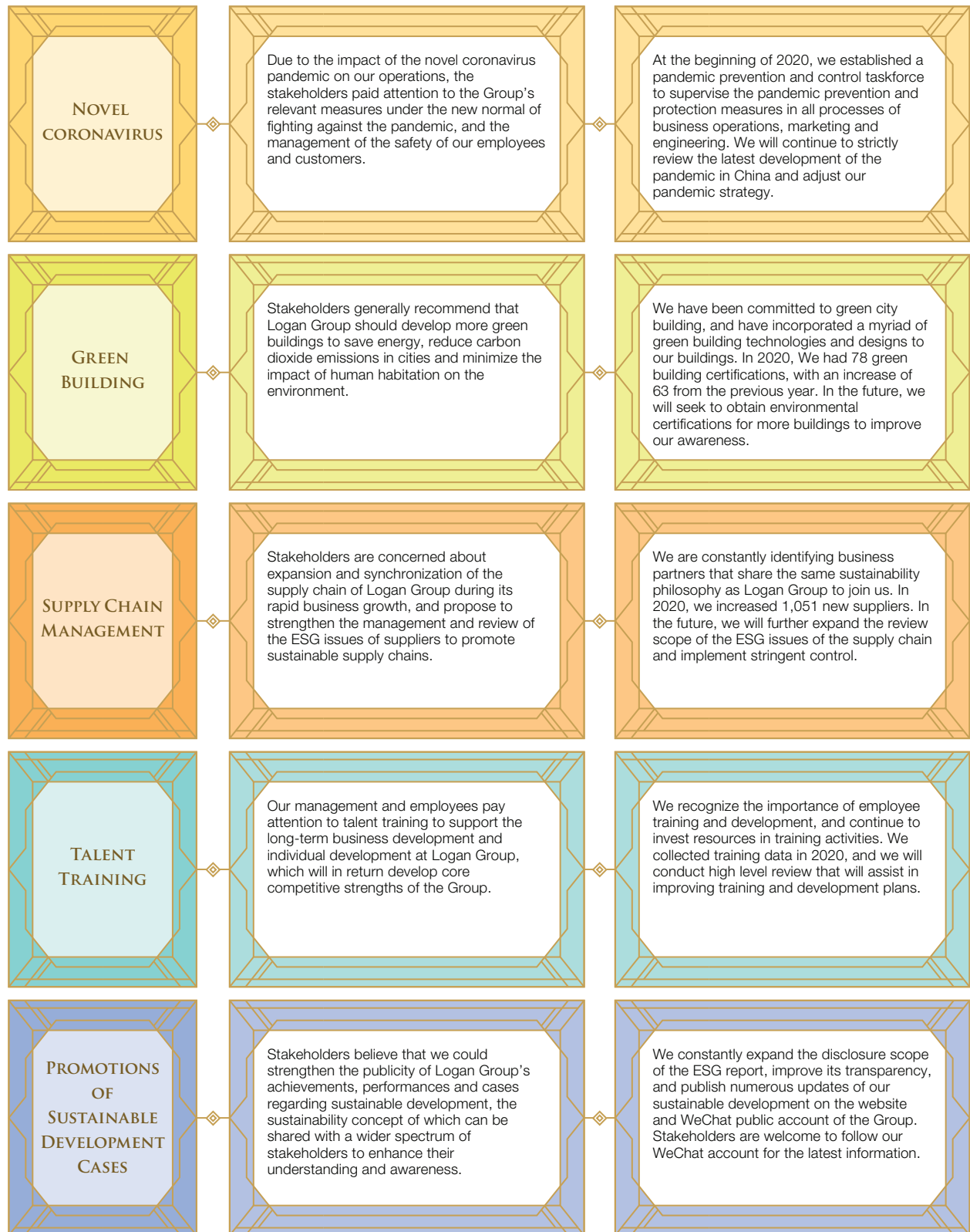


The senior management attended a seminar on the Capital Market Corporate Day

During the Year, we surveyed on the stakeholders' satisfaction over the means of communications with the Group, with the average satisfaction score reaching 8.6/10. In the future, the Group will continue to seek and establish more diverse and close models of communications and involvement for our stakeholders to facilitate cooperation and exchanges.

Stakeholders' Concerns

The concerns of our stakeholders during the Year are basically the same as last year, including:



BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

MATERIALITY ASSESSMENT

In order to identify our major ESG issues and their priorities, we have performed the following three steps to determine and prioritize the major issues of Logan Group from multiple dimensions. As compared to last year, the stakeholders heightened the level of concern on the ESG issues for the Year.

Identify Material Issues and Stakeholders

We analyze the dependence and influence of the stakeholders on the Group together with the operation and management departments, and identify our major internal and external stakeholders as employees, investors and shareholders, customers and consumers, suppliers and business partners, government and regulatory authorities, media and the public.

We collected opinions from stakeholders and conducted research on industry development trends, international reporting standards, peer performance, etc. to produce a list of ESG issues concerned by the public. During the Year, we added six new issues and revised five existing issues for ensuring the list of issues effectively reflected the latest sustainability risks and opportunities of the Group.

In 2020, our amendments to the issues are as follows:

Newly added issues

Promotion of Environmental Awareness
Community Renewal and Integration
Technology and Innovation
Industry Development
Heritage of Traditional Culture
Stakeholder Engagement

Amendment to existing issues

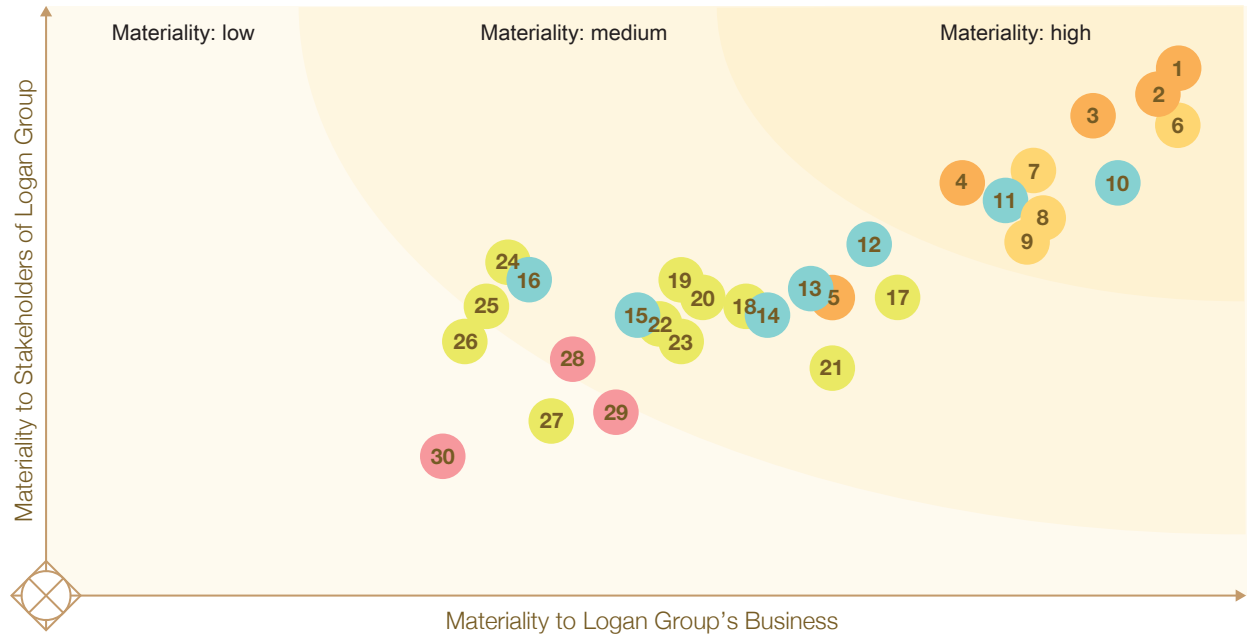
| | | |
|-----------------------------|---|---|
| Compliance | > | Compliance and Business Ethics Management |
| Green Procurement | > | Green and Local Procurement |
| Customer Privacy Protection | > | Personal Privacy and Information Protection |
| Product Safety | > | Product Quality and Safety |
| Community Investment | > | Community Charity and Investment |

Materiality Assessment

We invited stakeholders from the six categories to supplement and prioritize the list of ESG issues in our online questionnaires, the number of responses received from such stakeholders for the Year increased by 5 times compared with the previous year and the responses of such questionnaires were consolidated and reviewed by the management before the materiality matrix for the Year was prepared.

Analysis and Confirmation

Given the nature of our business and the urgency of the issues, our management classified the 30 issues into three levels of materiality, namely, “high”, “medium” and “low”. The materiality assessment results were reviewed and confirmed by the management of Logan Group.



| CORPORATE COMPLIANCE | LABOUR RELATIONS | QUALITY PROJECT | GREEN ENVIRONMENTAL PROTECTION | COMMUNITY INVESTMENT |
|---|---|---|--|-------------------------------------|
| 1 Prevention of bribery, fraud and money laundering | 6 Occupational health and safety | 10 Product quality and safety | 17 Environmental impact of construction | 28 Stakeholder engagement |
| 2 Compliance and business ethics management | 7 Employee policy | 11 Service quality | 18 Climate change | 29 Community charity and investment |
| 3 Personal privacy and information protection | 8 Equal opportunity and anti-discrimination | 12 Technology and innovation | 19 Pollutants and greenhouse gas emissions | 30 Heritage of traditional culture |
| 4 Prevention of child labour and forced labour | 9 Development and training | 13 Supply chain management | 20 Waste disposal and management | |
| 5 Intellectual property rights | | 14 Environmental and labour performance of suppliers and subcontractors | 21 Green and local procurement | |
| | | 15 Industry development | 22 Green building | |
| | | 16 Community renewal and integration | 23 Noise pollution | |
| | | | 24 Energy use | |
| | | | 25 Promotion of environmental awareness | |
| | | | 26 Use of water resources | |
| | | | 27 Biodiversity | |

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

COMPLIANCE AND BUSINESS ETHICS MANAGEMENT

So far as the Logan Group is concerned, understanding and compliance with laws represents the basic principles we persist in during our operation. We always keep in mind the core values of the Logan Group, promote the “Sunshine” policy, and pursue an honest, trustworthy, standardized and transparent business environment.

Sustainability Risk and Compliance Management

The Audit Committee of the Board will annually assess the existing and potential risks of the Group as a whole, including ESG risks and compliance and business ethics risks, and develop an understanding of the Group’s risk tolerance and acceptance. We have also established a sound internal audit, risk management and legal compliance system. Upon completing regular internal audits and risk assessments, results are reported to the Board in order to improve our operation efficiency and ensure the effectiveness of our risk assessment and internal control system.

We will engage external professional consultants to conduct a comprehensive risk assessment for the Group every year, and update risk exposures in the risk database based on policies and regulations, industry development, market dynamics and operating conditions. At present, the Group has a total of 90 risks, of which 56 are ESG-related risks and cover occupational health and safety, construction quality, climate change, corruption prevention, etc. The Group will subsequently monitor and manage these risks through our internal audit and risk control mechanism.

In 2020, the Group will further sort out and optimize the current legal, risk, compliance and internal audit management structure, divide the audit legal center into the risk control office and audit inspection office, impose stricter requirements on the three lines of defense and responsibilities, and improve management standards, to strengthen the Group’s risk and compliance management performance in full manner from early warning of risks, process inspection and post-event supervision.

THREE LINES OF DEFENSE OF LOGAN GROUP

FIRST LINE OF DEFENSE

It is regulated by the internal control process of each business department, and reviewed and evaluated by the management.

SECOND LINE OF DEFENSE

The daily monitoring, inspection and correction of key processes are conducted by dedicated personnel, including persons in charge of risk control, compliance, law, safety management and environmental compliance.

THIRD LINE OF DEFENSE

Internal audits are carried out by the audit inspection office and it is reported to the chairman and president of the Board.

EXTERNAL AUDIT

Special review shall be conducted by an independent third party every 3 to 6 months for business processes, site quality and safety, and site compliance performance.

REGULATORY AUTHORITY

Government regulatory agencies regularly send personnel to inspect the Group for compliance matters, and issue licenses and accreditation certificates to ensure lawful operation.

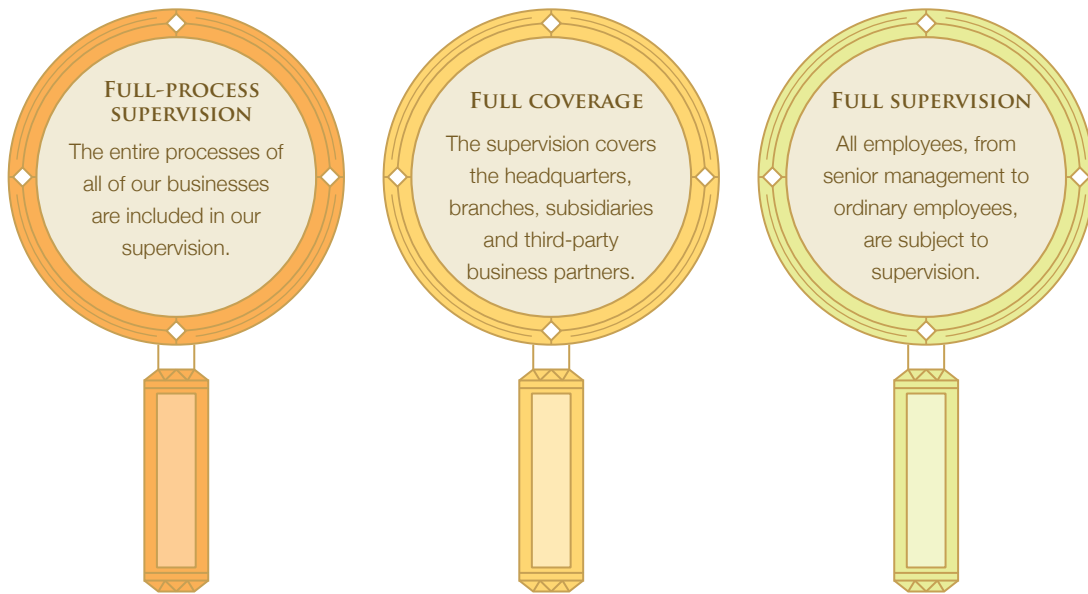
Risk control office

The risk control office is in charge of the Group’s risk management, legal and compliance affairs. The Group will conduct annual risk assessments with third party professional consultants and report the same to the office of the President. Each subsidiary must prepare a risk report every month, whereby listing risk events and levels, and then submit the same to the management of headquarter for approval. The Group has also established the Logan Group’s Plan for Major Risk Events and Publicity Guideline (龍光集團重大風險事件預案與對外口徑工作指引), listing emergency management measures and reporting mechanisms upon occurrence of major risk events. In addition, the risk control office will also conduct investigations into high-risk businesses for confidentiality so as to research the causes of risks, management effectiveness and improvement methods. In 2020, the Group has completed three high-risk business investigations.

Legal personnel are responsible for providing legal advice to the Group, including due diligence and risk assessment of investments in mergers and acquisitions, formulation and supervision of contracts, assistance in handling litigation cases and regular legal risk assessments. Besides its responsibility for studying and analyzing the impact of laws and regulations on the Group, compliance personnel establishes a knowledge base including compilation of real estate laws and regulations and its cases, advocates the relevant legal knowledge, and assists the business centers to conduct training on laws and regulations.

Audit inspection office

The Group’s audit inspection office reports directly to the Board, and adopts three major principles:



The audit inspection office, which is responsible for internal audit and integrity-related inspections and publicity work as well as business ethics management related matters, will determine the key monitoring and audit scope based on the Group’s risk assessment results to conduct various audits and inspections. We review all of our businesses on an annual basis based on the above principles. The work completed in 2020 includes:



BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

During the Year, we discovered a total of 29 irregularities during our internal audit activities, all of which were 100% rectified during the Year. In addition, the audit inspection office, which will analyze key cases, establishes and manages whistleblowing channels, regularly conducts audit quality inspections, and provides integrity and anti-corruption training sessions to all employees. Based on our principle where awards are granted if the reported suspicion proves to be the case, the effectiveness of internal audit activities will serve as an important performance indicator for the audit inspection office. We conduct an annual review of our internal audit process and an overall revision of our internal audit system every three years.

Robust internal control system

In order to assist the Group in achieving its operation and governance targets, all businesses of the Group has internal control procedures and rules and regulations in place, and built information-based business system in the fields of marketing, engineering, investment and construction, to clarify employee responsibilities and approval authority, thereby enhancing the decision-making standard and reducing the risk of human errors or business manipulation. All new business processes must clarify rights and responsibilities and complete system settings within one week after approval. The Group will review the current internal control process and business system every six months to ensure the effectiveness of its design and implementation.

Building a culture of compliance

The Group's internal rules and regulations, including the Ten Prohibitions on Integrity Construction of Logan Group (龍光集團廉政建設十不准), Code of Conduct for Position (職務行為準則) and Regulations on Employees' Incorruptibility in Work (員工廉潔從業規定), are listed on our intranet for inspection by employees, while the Group also clarifies the code of conduct and the integrity requirements for our employees and partners and our supervisory measures in our Anti-corruption Policy (反腐政策) and other relevant policies on our official website. All employees must abide by the professional ethics and standards in their daily work, such as compliance with laws and regulations, incorruptibility, and protection of company interests. In addition to publishing requirements of "Ten Nos" principles at the office premises, we have set out other requirements in the Employee Handbook (員工手冊), including no abusing power to seek personal gains, no committing corruption or bribery, and no divulging trade secrets, etc., so that the employees will abide by the incorruptibility requirements of the Group.

The senior management of the Group shall also sign the Management Responsibility Letter (管理責任書) to hold them accountable for the corruption practices and breach of incorruptibility committed by the management themselves and their subordinates. Upon employment, new employees shall sign Incorruptibility Statement (廉潔告知書) to ensure that they understand the Group's principles of incorruptibility and its implementation.

In addition to advocating incorruptibility on the Group's official social media account, we maintain close communications with our employees by circulating the Company's latest policies through internal emails, report violation cases as references for our employees, and maintain high level of transparency, so as to facilitate the cultivation of incorruptibility as part of our corporate compliance.

PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING

Big data monitoring

We are determined to combat all offences involving bribery, extortion, fraud and money laundering, and implement the "zero tolerance" strategy for any corruption and illegal behavior in accordance with the Criminal Law of the People's Republic of China. Logan Group has joined the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance, and shares anti-corruption information and blacklists with companies such as Vanke, Alibaba and SF Express. All employees must pass background checks by these institutions before joining us. We have also established an internal employee blacklist to place non-compliant employees on record. The principals of each subsidiary and construction site must inspect new employees and employees of on-site contractors, and those on the blacklist will not be hired.

Our audit inspection office actively monitors and carries out anti-corruption campaigns, including the application of big data, artificial intelligence, and "Sky Eye" CCTV monitoring technologies, so as to send an early warning of abnormal conditions during the monitoring of business process. The audit inspection office will also investigate into potential corruption, bribery, fraud, and money laundering incidents as referred to in detected and reported cases during our internal audit activities, and when necessary, report the same to law enforcement agencies, which will further conduct more effective investigations to crack down on fraudulent practices.

Anti-corruption Policy (反腐政策):

The official website link for the Anti-corruption Policy is: <http://www.loganestate.com/html/policy.php>



Starting from the end of 2020, our audit inspection office planned to build a comprehensive business data platform to aggregate all-round business data of all subsidiaries for a full picture of the data, which will facilitate more precise data mining, indicator calculation and analysis, and further enhance the monitoring effectiveness of Logan's Big Data.

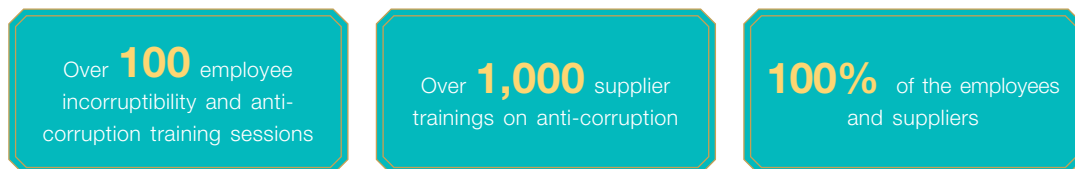
Whistleblowing mechanism

We have established a whistleblowing mechanism which is managed by the audit inspection office to receive information from internal and external whistleblowing. The whistleblower can complain about and report any dishonest, improper and non-compliant action to the audit inspection office using emails, phone calls, letters, corporate WeChat accounts, etc. in real name or anonymously.

All reporting channels and information have been uploaded on the official website and intranet of the Group and posted at conspicuous locations of administrative offices and construction sites, and are displayed outside all construction sites to raise public awareness. Relevant information will also be mentioned in the new employee induction training and regular integrity training sessions, and included to the Incurruptibility Statement (廉潔告知書) of business partners. To encourage whistleblowing, the Group will award the whistleblowers, and promise to keep the whistleblowing completely confidential and protect the interests of the whistleblower from being damaged. Furthermore, any reprisal will be strictly prohibited, and wherever necessary, the Group will provide legal counsel and support to the whistleblowers. In 2020, the Group accepted a total of 7 whistleblowing cases.

Incurruptibility training

The Logan Group attaches great importance to building a corporate culture of incurruptibility and anti-corruption. Logan Management Academy (龍光管理學院) holds incurruptibility training sessions for all employees (including part-time employees) every quarter, and the manager of the audit inspection office is invited to explain and strengthen integrity awareness to all management and employees, including the president and executive director of the Group, using the livestreaming, so as to clarify the red line for corporate violations. All business centers and subsidiaries must also hold incurruptibility and anti-corruption training sessions for employees every year, while the Hong Kong subsidiary invites ICAC representatives to provide incurruptibility training every year. The induction training for new employees held every two months also includes incurruptibility and self-discipline courses, and employees are required to pass the exams to ensure that they understand the Group's requirements on incurruptibility and self-discipline.



In 2020, the Group held more than 100 incurruptibility and anti-corruption training sessions.

Third-parties incurruptibility management

We promote Logan's value and spirit of incurruptibility and cooperation to our suppliers and contractors on a regular basis, and learn from our suppliers about the incurruptibility and self-discipline of our employees. In 2020, we organized over 1,000 trainings for incurruptibility culture among our suppliers. All cooperating partners are required to sign our Incurruptibility and Cooperation Agreement (廉潔合作協議), Honest Performance Undertaking (誠信履約承諾函), Incurruptibility Statement (廉潔告知書) and other agreements to understand the Group's requirements on business ethics, integrity, anti-corruption, fair competition, conflicts of interest, prohibition of gifting and hospitality, etc., while publishing whistleblowing channels for reporting of fraudulent activities. Partners shall be blacklisted and its engagement shall be terminated in case of any issues on incurruptibility which have been audited and confirmed.

We have been in strict compliance with the major commercial laws and regulations in Mainland China, including 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), the Interim Provisions on Banning Commercial Bribery (關於禁止商業賄賂行為的暫行規定), and the Criminal Law of the People's Republic of China (中華人民共和國刑法) etc., so as to ensure compliance with legal requirements, curb any form of illegal and criminal acts, and safeguard business ethics.

BUSINESS PRINCIPLES OF SUSTAINABLE DEVELOPMENT

PERSONAL PRIVACY AND INFORMATION PROTECTION

Personal data of our employees, customers and other related parties are all protected under the General Principles of the Civil Law of the People's Republic of China (中華人民共和國民法通則) as well as other relevant laws and regulations that are aimed at protecting the use of personal data and personal privacy. As we collect and use personal data of customers or consumers during business operation, the Group attaches great importance of managing and protecting personal data.

We enter into confidentiality agreements with our customers, and all personal data shall be only collected and used for our business operation. We would not transfer or disclose any personal information without the consent of our customers so as to protect the privacy and interests of our customers. Logan Charity Fund (龍光慈善基金會) pays great attention to the privacy and portrait rights of service targets and will not publish the privacy information of them when carrying out public welfare activities. Prior consent must be obtained when using their image data.

Our customer data is stored in the internal system and has multiple passwords and electronic security clearances. Only qualified officers in specific departments can access, request for or modify these data. Employees are also required to follow internal guidelines when handling customer personal data to prevent data leakage due to improper manual handling. We also regularly review the protection measures for personal data to ensure that the storage and use of data meets the requirements to prevent occurrence of any potential divulgence.

PREVENTION OF CHILD AND FORCED LABOR

The Group's Human Rights Policy (人權政策) clarifies that the Group respects human rights and is committed to promoting the development of human rights involving our employees and business partners. We strictly abide by the requirements of the Labour Law of the People's Republic of China (中華人民共和國勞動法), which prohibits the use of child labour under the age of sixteen and forced labour, including the rigorous verification and background check of identification documents in the process of recruitment. We also set out prohibitions on the use of child labour and illegal forced labour in sub-contracting agreements. All employees are required to reach the legal working age and enter into labour contracts before being duly hired. Before entering construction sites, the workers will learn to understand the handling and reporting methods in case of labour disputes by signing the Workers' Undertaking Prior to Entering Construction Sites (工人進場承諾書).

For employees at construction sites, the Group has established the Management and Control Measures for the Distribution of Labour Wages (勞務工資發放管控辦法), which stipulates our labour and wage management specialists will manage the attendance and payroll of our employees at construction sites. Before distributing monthly wages, the Group will check the list of contractors' employees to ensure that the employees are legally hired, and strictly follow up the contractor's wage calculation and payment performance. All wage payment records and supporting documents must be uploaded to the Monolith Cloud Engineering System for inspection by the Group. The Group also regularly conducts spot checks on construction sites of its subsidiaries to ensure that there is no illegal labour, forced labour or other violations of relevant laws and regulations. In case of any negligence, the Group will penalize the project department of our subsidiaries and contractor in accordance with the Measures for Warning Classification and Accountability of Project Red Line Behaviors (工程紅線行為分級警示與問責辦法).

INTELLECTUAL PROPERTY RIGHTS

We respect and protect intellectual property rights, including compliance with the Patent Law of the People's Republic of China (中華人民共和國專利法), the Copyright Law of the People's Republic of China (中華人民共和國著作權法) and the Trademark Law of the People's Republic of China (中華人民共和國商標法), and we attach equal importance to both its own and others' intellectual property rights. We have applied for more than 100 trademarks for our brands and properties to ensure the exclusivity and quality of Logan Brand. Furthermore, Our employees are required to exercise caution when using company resources to avoid sharing with external parties. No replication, imitation, reproduction, extraction, dissemination, or other form for personal use is permitted.

In addition, our employees are required to avoid using unauthorized tangible and intangible assets, and our internal review system will prevent infringing upon others' patent or trademark rights. Any employee who is in violation of the rules are subject to legal responsibilities and the Group reserves the right to claim for any damage.

Based on the above measures, during the Reporting Period, the Group was not aware of any material violation of the aforementioned laws or other laws and regulations relating to anti-corruption and bribery, fraud, money laundering, protection of human, privacy and intellectual property rights.





EMPLOYEE CARE AND GROWTH

COHESION PRODUCES STRENGTH, AND HAPPINESS COMES FROM THE TEAM. LOGAN'S MEMBERS JOIN FORCES TO WORK HARD AND STRIVE FOR GOALS.



ESG issues

- 6 Occupational health and safety
- 7 Employee policy
- 8 Equal opportunities and anti-discrimination
- 9 Development and training

EMPLOYEE CARE AND GROWTH

Since its inception in 1996, the Logan's members have been growing, as talented professionals are being attracted from all over the world. The Logan's members demonstrate the spirit and strength of Logan Group by virtue of their fighting morale, and form the pragmatic, innovative, sunshine and efficient values of Logan members, which are carried on into the future.

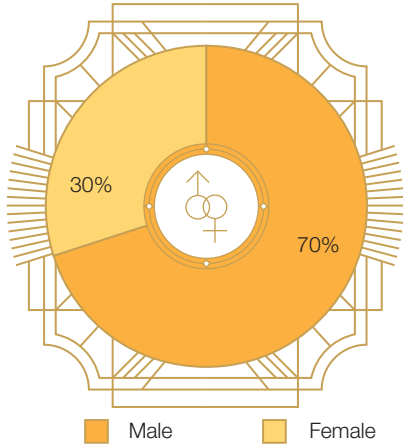
The following important elements are contained in our core values:



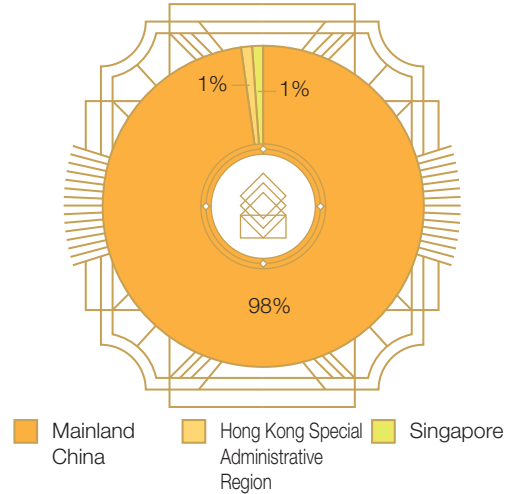
We establish the human resources department with comprehensive human resources policies and procedures in place. We strictly comply with the Labour Law of the People’s Republic of China (中華人民共和國勞動法), the Labour Contract Law of the People’s Republic of China (中華人民共和國勞動合同法), the Production Safety Law of the People’s Republic of China (中華人民共和國安全生產法), the Administrative Regulations on the Work Safety of Construction Projects (建設工程安全生產管理條例), the Law on Prevention and Control of Occupational Diseases of the People’s Republic of China (中華人民共和國職業病防治法) and other labour-related laws and regulations in Mainland China to ensure that we maintain high standards of labour treatment and provide a safe and healthy workplace for our staff in accordance with legal requirements. During the Reporting Period, we were not aware of any serious violation of the above or other labour-related laws and regulations.

As of 31 December 2020, we have a total of 2,999 staffs in Mainland China, Hong Kong Special Administrative Region and Singapore, all of which are full-time staff under long-term contracts. Set out below are our employee data:

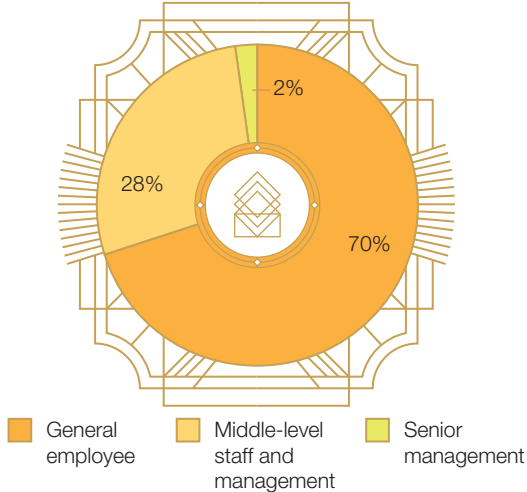
EMPLOYEES BY GENDER



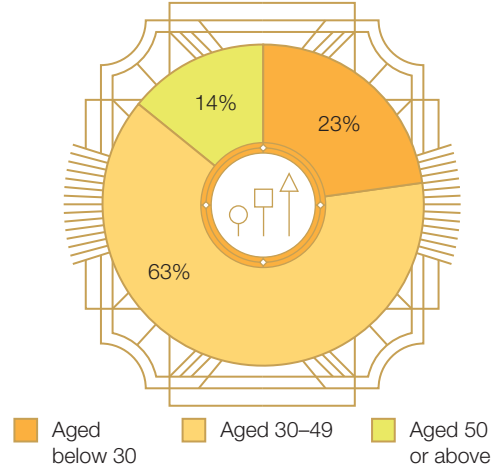
EMPLOYEES BY GEOGRAPHY



EMPLOYEES BY POSITION



EMPLOYEES BY AGE



EMPLOYEE CARE AND GROWTH

OCCUPATIONAL HEALTH AND SAFETY

By acknowledging the importance of occupational health and safety for each employee, the Group strives to create safe workplace conditions for our employees so that they can focus on work with peace of mind. Our safety management mechanism clarifies management objectives, strategies and staffing, and promotes the implementation of safety measures at construction sites and offices.

Health and safety management system

The Group's engineering management center, administration center and human resources center jointly manage the occupational safety of its employees, and the chief of these centers will submit a report to the chairman of the Board and president. We have formulated safety rules and regulations, including the Management Rules for the Safety of Construction Sites (工地安全管理制度) and Uniform Standards for Safe and Civilized Construction Measures (安全文明施工措施统一标准), to regulate the safety-related matters of our employees and contractors, and set out management requirements for site safety in the sub-contracting agreement. We have established an internal evaluation mechanism for safety indicators where internal personnel and third parties regularly monitor and evaluate the safety performance of different operations, and keep track of the completion status of safety targets. The performance of relevant management personnel will be linked to the occupational health and safety performance, and bonus will be given to those with outstanding management performance.



Online Construction Site Safety Conference held every two weeks

As far as our construction workers exposed to greater occupational hazards are concerned, the project management center of the Group organizes online safety meetings with the employees of engineering management centers from all subsidiaries, site leaders and partners every two weeks, to discuss the latest safety issues and conduct case reviews to ensure that all employees understand the Group's construction site safety standards and prevent any potential safety hazards and risks.



Health and safety goals

We expect to minimize the probability of accidents and continue the safety performance of zero fatalities. In 2020, we have set the following targets for the occupational health and safety of our employees:

| Targets | Status | Progress in 2020 |
|--|--------|--|
| Zero death for construction workers of fatal accidents due to work | ✓ | Zero death for construction workers (including those of the Group and contractors) of fatal accidents due to work in 2020. |
| 100% of site employees received safety training | ✓ | 100% of site staff (including the employees of the Group and contractors) have received safety training. |

✓ Completed

●●●● As scheduled

●●○○ Behind schedule

●○○○ Delayed



In addition, the Group is currently seeking to obtain safety management system certification, which includes determining the scope of safety management system certification for offices and construction sites, and approach third-party certification service agencies to improve the Group's health and safety performance. The Group also continues to monitor the existing safety management structure and conducts feasibility studies for the establishment of an Occupational Health and Safety Committee headed by the Board, with a view to further demonstrating to the public our appreciation of the occupational health and safety.

Five safety management rules

The Logan Group takes full responsibility for the on-site safety of all projects, and protects the physical and mental health of our employees and contractors of Logan. Our "five safety management rules" are applied to construction sites to improve workplace safety in a multi-pronged manner.



First: Prevention and planning

- During the tender and bidding process, the Group will conduct safety qualification screening on all partners to ensure that we cooperate with qualified contractors without adverse safety records.
- The Group specifies the civilized construction in sub-contracting agreements, including the requirements that the contractor must purchase safety insurance for employees, set up a safety management mechanism and provide adequate training and safety equipment. All construction sites must be approved by the government for construction. The Group will be responsible for the expenditure on safety equipment and protective measures at construction sites.
- The contractor must follow the Group's safety standards and formulate a sound management system in accordance with law to clarify safety affairs at construction sites, accident and emergency plans, extreme weather plans, as well as the safety responsibilities and reporting channels of contractors, supervisors and the Group. Each construction site shall have at least 1-2 safety management specialists.
- In the planning process, the contractor must assess the hazards of construction sites, make plans for the site layout and engineering steps, prepare for alert signs, early warning and protection, and obtain approval from the supervisor and personnel from the Group.
- All of our employees in high-risk positions are required for physical examinations to ensure that they satisfy physical quality requirements of the position, and the photo IDs and identity details of qualified operators are attached to the machines for verification.



Second: Use of safety equipment

- The contractor must provide workers with sufficient safety equipment, including eye shields, ear muffs, safety helmets, safety belts and other necessary protective equipment. Health and safety equipment such as AED packages will be available at construction sites in proportion.
- The QR code is affixed to workers' specialized helmets, which contains basic information such as employee name, ID number, and blood type, for quick and accurate access to employee information when an accident occurs.
- The safety helmet positioning system is set up at the construction site to help locate workers and count the number of on-site personnel and regulate their entry and exit in special areas.



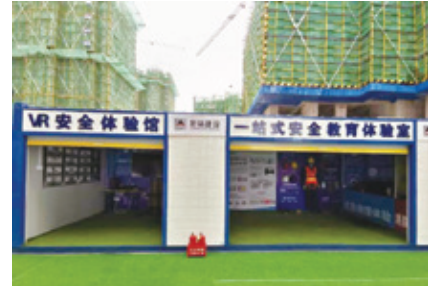
EMPLOYEE CARE AND GROWTH



3

Third: Training and drills

- Safety training sessions for new and existing employees will be provided at construction sites, so that employees can understand the hazards of the site, the way to wear safety equipment, emergency treatment methods, safe construction procedures, etc. Workers must pass the examination before taking up the position.
- We develop safety themes every month, and arrange engineering staff from our subsidiaries to provide training sessions at construction sites. The engineering staff from the headquarters hold online safety training sessions for engineering staff, site leaders and workers from all subsidiaries each quarter. A record of attendance to these training sessions shall be kept.
- The construction site will hold daily safety morning meetings and morning exercises to explain recent safety risks, such as treatment methods for heatstroke and food poisoning in summer.
- Quarterly safety drills are also held at construction sites, which involve dangerous accidents such as falling from height, fire and electric shock.
- The number of attendees (including our employees, contractors' employees, supervisors, and other site employees) to safety training sessions exceeded 20,000 in 2020.



4

Fourth: Emergency management

- Upon any occurrence of emergencies, we would deploy emergency taskforces in accordance with emergency rescue plans, comprising an on-site incident commander, an injury rescue team, a fire-fighting team, and others, to carry out emergency actions so that personal injuries and property loss can be minimized. We would handle the compensation and follow-up works, work-related injury leave and employee insurance claims.
- The persons in charge of construction sites will strictly follow the reporting mechanism of major risk events and report the same to the Group's risk control command center on the same day.
- We will also investigate into the cause of the accident after the event. In case of any violation or negligence, the personnel involved will be punished in accordance with the sub-contracting agreement and the Group's rules.

5

Fifth: Safety inspection and audit

- Daily safety inspections before and after work will be carried out at construction sites, and led by electricians, mechanical technicians, plumbers, engineers, etc., to ensure the safety of machinery, equipment, scaffolding, tools and materials. During construction, supervisors and managers will supervise and check whether they comply with safety instructions and procedures.
- Different safety managers, supervisors, and our engineering center workers conduct safety inspections to check the safety performance of construction sites, and identify and rectify dangerous situations, on a weekly, monthly and quarterly basis.
- All construction sites must be installed with "Sky Eye" cameras to transmit real-time videos to the Engineering Center at the Group's headquarters, which will be supervised by dedicated personnel. We also fly drones for a thorough inspection over construction conditions at construction sites.
- The Group will conduct random inspections on project sites every month. Since 2018, we hired external agencies to conduct a comprehensive review of construction civilization every quarter, and rated the safety performance of all construction sites and contractors as one of the important performance indicators of the construction department and project department of our subsidiaries.





Office

We also pay particular attention to the health and safety of our employees in office premises. In 2020, the Group's offices received a total of 166 safety risk assessments. Property management officers conducted safety assessments and inspections over offices, elevators, buildings, parking lots, etc., and formulate management and contingency plans for potential fire, electric shock and other safety risks. We also conducted fire drills for all employees every six months.

We are committed to ensuring the indoor air quality in the office, including regular monitoring of indoor air indicators (such as formaldehyde emissions), etc. The office must also have certain proportion of greening to ensure a safe and comfortable workplace for employees.

In addition, we also consider the needs of female employees (especially pregnant or women during the lactation period) and employees with disabilities, providing health and safety-related auxiliary facilities. We have set out occupational safety guidelines in the "Employee Handbook" to provide prevention and solutions to the health and safety concerns that employees may suffer during work, so as to reduce the chance of accidents.

During the Year, we purchased safety insurance policies and provided free medical examinations for all site and office employees.

Recreational activities

In addition, we are committed to promoting physical and mental health of our employees by organizing various recreational activities including employee games, while encouraging the headquarters and subsidiaries to actively hold other sports activities to promote a healthy lifestyle. In 2020, we cooperated with external fitness rooms to offer the employees free-of-charge fitness and swimming activities every week. Employees from our headquarters also performed at least two badminton games a week to alleviate their work pressure and enjoy sports.



EMPLOYEE CARE AND GROWTH

EMPLOYEE POLICY

Human resources system

The Logan Group believes that a high caliber talent plays the role of cornerstone for our business development. We have employment policies in place to manage our human resources, including the Recruitment Management Measures (招聘管理辦法), Employee Promotion Management Measures (員工晉升管理辦法) and Salary Management Measures (薪酬管理辦法).



Recruitment

The Group formulates its human resources management plan every year, and coordinates recruitment according to the demands for talents of each business segment and its subsidiaries. We recruit staff through public recruitment, internal recommendation, campus recruitment and other channels to form a diverse, professional and efficient team.



Promotion

We have well-defined positions and promotion channels in place, and prioritize promoting internal employees. Employees have to pass interviews and fulfill performance requirements. Employees will participate in training upon promotion to prepare for challenges arising from the new position.



Resignation

The Group appreciates the rights and interests of employees and never dismisses employees without reasonable cause. Dismissal procedures must strictly follow rules and regulations. Dismissed employees will receive due compensation and remuneration in accordance with employment contracts. We will also conduct interviews with employees for their resignation to understand their reasons for leaving, so as to develop better plans for human resources management.

Compensation and benefits

Logan Group provides attractive remuneration packages for our staff to attract and retain top performers. The remuneration of the staff is determined with reference to the market and industry practices. Employee compensation comprises of basic salary, short-term bonus, long-term reward (such as Share Option Scheme) and other employee benefits. The Remuneration Committee of the Group would also conduct an annual review or as necessary to ensure our staff enjoy a high-standard remuneration package and stay in line with the human resources development goals of the Group.



Long-term business partnership plan

In 2020, we launched a long-term business partnership plan with a validity of 15 years, and set a performance growth indicator higher than the industry average for the management. The total number of all awarded shares under the share award plan can account for up to 3% of the total number of the Company's issued shares, which will effectively motivate the team to create more and greater value and promote its long-term sustainable development.

As for employee benefits, the number of working hours, holidays and welfare of the staff are strictly in compliance with the Labour Law of the People's Republic of China (中華人民共和國勞動法) and other relevant laws and regulations, ensuring that each employee has reasonable working hours and holidays. We also provide our staff with insurance and allowances to alleviate their working and living pressure.



BENEFITS FOR LOGAN'S MEMBERS INCLUDE:

| | | |
|---|--|---|
| <ul style="list-style-type: none"> ✔ Statutory Holidays ✔ Marriage Leave ✔ Maternity Leave & Paternity Leave ✔ Breastfeeding Leave ✔ Annual Leave ✔ Paid Sick Leave, etc. | <ul style="list-style-type: none"> ✔ Medical Insurance ✔ Pension Scheme ✔ Unemployment Insurance ✔ Work Injury Insurance | <ul style="list-style-type: none"> ✔ Transportation Allowances ✔ Meal Allowances ✔ Housing Allowance ✔ Health Check-up Allowances ✔ Allowances For High-temperature Conditions ✔ Other Special Benefits |
|---|--|---|



In addition, based on business development and job rotation training arrangements, we must obtain prior consent from our employees before dispatching them to different places, and provide allowance to them for job relocation, including subsidizing employees' rental expenses. Meanwhile, the administrative departments of the two places will provide our employees and their families with care and support actions.

We also grant awards to our outstanding, loyal, and accountable employees. Our awards include ten-year service award, twenty-year service award, outstanding Logan award, etc. In 2020, a total of 156 outstanding employees have received these awards, which are aimed to motivate them to pursue better performance.

Employee communication and inclusiveness

During the year, we conducted a satisfaction survey of all employees. Among them, 89.7% of our employees were satisfied with the Group. Our employees were satisfied with the Group's salary and benefits, training and labour relations, while they achieved personal goals at work, and advanced personal development alongside our growth. The satisfaction survey also assisted us to intuitively understand the needs of our employees so that we could implement targeted measures and retain talents.

EMPLOYEE CARE AND GROWTH



We hold a variety of employee activities every year, including annual gathering and employee birthday parties and festival activities, to enhance interaction between staff. Besides providing a comfortable workplace, we strive to provide a happy and healthy on-the-job experience to our staff. During the Year, we organized 2,964 cultural and recreational activities for our staff.



Logan Forum

The Group establishes the Logan Forum on its intranet to provide an online platform for all employees to enjoy the freedom of speech, while our employees can directly converse with senior the management, share work experience and discuss corporate policies, which will facilitate positive changes as the employees will enhance their sense of participation and the Group can acknowledge the employees' feedback.



Logan Birthday Party

During the Year, the headquarters of Logan held 4 Logan Birthday Parties, where the employees received flowers, cakes, gifts and custom-made birthday cards despite the fact that no party activities took place during the pandemic. Practical gifts include compact irons, thermal cups, foldable electric kettles that fit in any suitcase, battery banks and travel kits, conveying a message that the Company cares about the wellbeing of our employees at work.



EQUAL OPPORTUNITIES AND ANTI-DISCRIMINATION

As an employer who promotes equal opportunities, we strongly oppose discriminatory behaviors and is committed to building a fair, equitable, and diverse working environment for all staff. We adopt the principle of equality in the management of human resources, including recruitment, promotion, and welfare packages, which also contain standardized selection criteria and management procedures. The employment terms for our staff are also set out in labour contracts in accordance with laws and regulations. Only the experience, expertise and performance will be taken as the scoring criteria for all selection processes to ensure objectiveness and fairness.

Among our core values are respecting equality and opposing all acts of harassment and discrimination, which are highlighted in our corporate culture presentations. To build a diverse and inclusive team, we held more than 150 training sessions on equal opportunity, anti-discrimination and anti-harassment for our employees, covering 100% of our workforce during the year.



Logan Goddess Special Report

On 8 March 2020, eight female professionals from different business positions were interviewed and shared their on-the-job experiences, enlightenment and achievements, which were shared on our official WeChat account to showcase gentle women's strength of determination.

DEVELOPMENT AND TRAINING

Talent Philosophy of Logan Group: "Professionalism, Career orientation, Passion, Fortitude, Accountability."

As our employees are the key to business success of the Logan Group, we have been systematically training our employees so that they could achieve self-development in their posts and further climb their career ladder. Our Logan Management Academy (龍光管理學院) coordinates training activities of our Group and our subsidiaries, and strictly manages the planning and implementation of training activities in accordance with the internal rules and regulations, such as the Training Management System of Logan Group (龍光集團培訓管理制度) and the Logan Group Five-step Talent Development Scheme (龍光集團人才培養五部曲).

Logan Management Academy (龍光管理學院), business centers and subsidiaries organized training sessions to provide a diverse range of career development programs tailored to our employees based on different business features and individual ambitions, abilities and development requirements. The Group sets training standards, including at least two training sessions required for each business center and subsidiary each month, and business centers are further required to conduct work standard training on a quarterly basis, with an annual minimum of 30 hours for each employee.

Upon completion of the training, the Group assigns assessment tasks to the employees, and assesses training effectiveness based on the achievement rate of the training activities, the satisfaction survey of each training session and the completion rate of the employee assessment tasks, which also constitute part of the performance indicators of each business center and subsidiary. Our average training satisfaction score for the year was 98.6.

Our employees are provided with ample training resources, including more than 700 in-house lecturers, 30% of who are leaders at or above the department head level and facilitate the transfer of knowledge. Our Logan E-learning platform contains a large number of online self-learning textbooks, and our employees are sponsored for third-party professional training programs to acquire the latest real estate market knowledge. Our training models also include face-to-face seminar, online live streaming, adventure events, and job rotations, which help broaden our employees' horizon and strengthen their market competitiveness.



EMPLOYEE CARE AND GROWTH



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| Leadership development | “Logan Series” Integrated Management Talent Training Program 130 employees who has leadership potential received training in management skills, operational awareness, strategic planning, etc. so that they may be promoted to the next management rank. |
| Professional development | “Talent Series” Professional Echelon Training Program To become specified professionals at their respective departments, 835 employees who demonstrate their outstanding business ability were provided with knowledge and expertise, team building and other training materials. |
| New employee training | Induction Training For New Employees and Executives This program aims to strengthening Logan’s corporate core values, “Logan Eight Operation Concepts”, career objectives, job requirements, etc. |
| Open class | Logan Grand Class (龍光大講堂) This program covers all kinds of hot topics and enhances the professional quality, professional capability and comprehensive strengths of our employees in all aspects. |



Schools of Logan Management Academy (龍光管理學院)

Logan Management Academy (龍光管理學院) sets up schools taking into consideration the features of various positions, including Investment School, Win school, Artisan School, Research School, and Marketing School, where the competent principal in charge of each center serves as the chief lecturer with a part-time “study commissioner” as an assistant to form a complete internal training system. Besides enhancing the comprehensive strengths of our employees, the lecturers shoulder the mission of our cultural heritage so as to instill the corporate values and management philosophy of Logan into our employees so that they can better integrate into Logan.

For instance, Artisan College (匠學院) of the Engineering Management Center established a total of 11 theme months in 2020 with 66 training sessions, including:

| | | | |
|--|---------------------------------------|---|---|
| FEBRUARY Pandemic Prevention and Work Resumption Month | MARCH Security Month | APRIL Fire Fighting and Security System Month | MAY Property Delivery Month |
| JUNE New Construction System Month | JULY Incorruptibility Month | AUGUST Underground Works Month | SEPTEMBER Institutional System Month ⁽¹⁾ |
| OCTOBER Institutional System Month ⁽¹⁾ | NOVEMBER Case Sharing Month | DECEMBER Property Delivery Month | |



Training Live Streaming

During the pandemic, the Logan Group continued to explore new opportunities in response to the changing market conditions, while seeking to empower the team. Logan Management Academy (龍光管理學院) consolidates training resources to promote online training and sharing in efforts to enhance the system construction and business capability of each professional department.

Our weekly special training courses, which offer not only special training sessions about “product competitiveness”, “cost competitiveness” and “sales power”, but also “Artisan School” and “Research School” to upgrade their expertise, are provided to all of our employees online, allowing them to seek personal improvement at any time.



“Logan Elites” – Comprehensive Management Talent Program

Our “Logan Elites” – Comprehensive Management Talent Program continuously cultivates outstanding fresh graduates as the Group’s talent pool, so as to carry on the Group’s culture and enhance its long-term competitiveness. The outstanding fresh graduates participating in the program will receive training on the expertise of the real estate industry and business knowledge of Logan, and will participate in outward training and rotation internships for learning experience and development, gradually transforming into professionals for Logan. Logan has cultivated 112 outstanding talents through Logan Elites for now.





URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

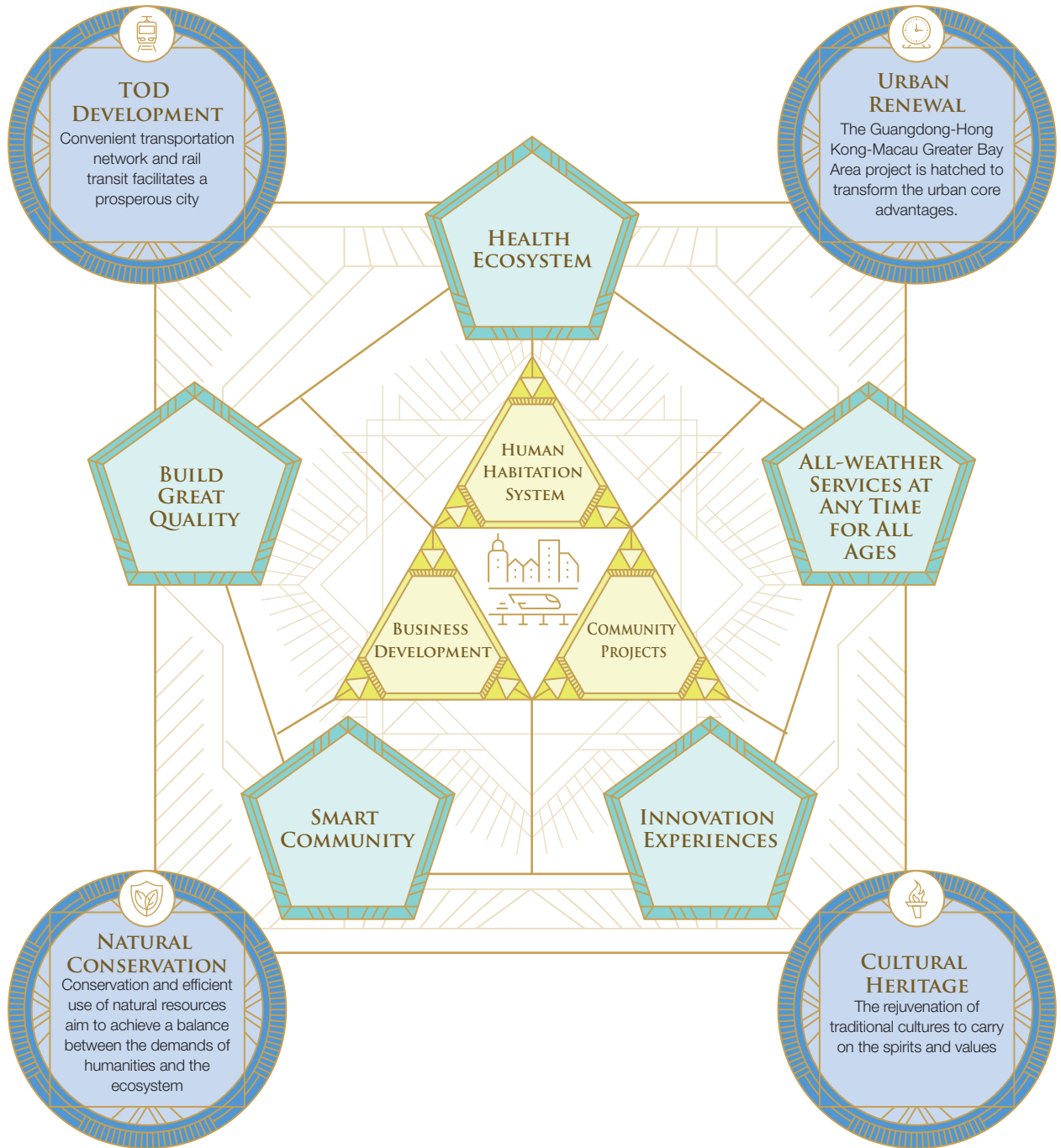
WE PRESENT EXQUISITENESS BY PURSUING BUILDING CRAFTSMANSHIP. IN THIS EXQUISITENESS ARE DETAILS, SUCH AS GRASS, WOOD, BRICKS, AND TILES.



ESG issues

- 10 Product quality and safety
- 11 Service quality
- 12 Technology and innovation
- 13 Supply chain management
- 14 Environmental and labour performance of our suppliers and subcontractors
- 15 Industry development
- 16 Community renewal and integration

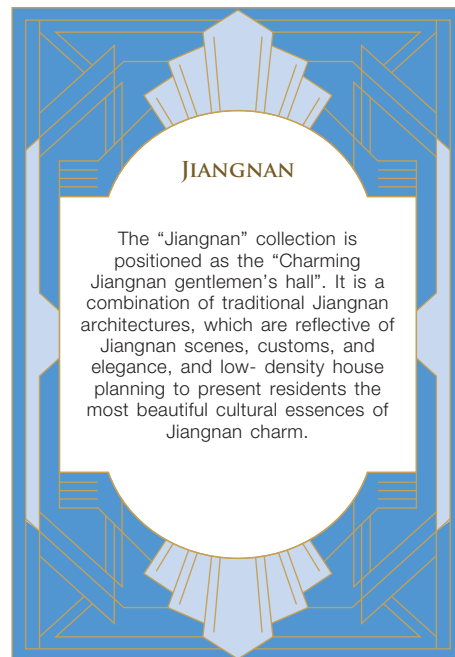
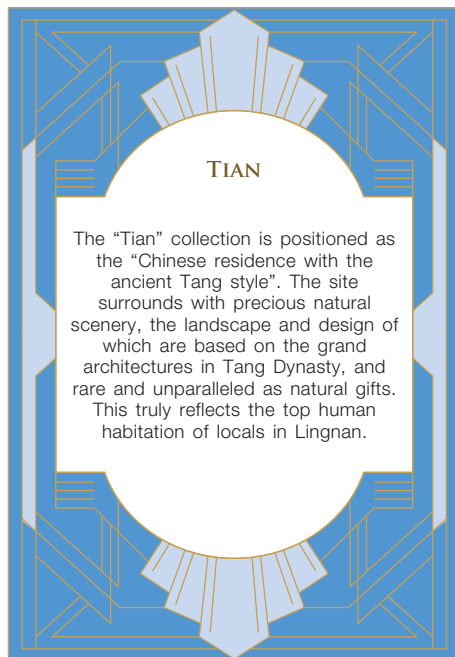
DRIVING FORCE OF LOGAN'S PRODUCTS



URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

PRODUCT SERIES

Despite grand transformation from “Sunshine”, “Joy” and other urban lifestyle collections to three major product lines of “Jiu”, “Tian” and “Jiangnan” collections, Logan Group has always persisted in the brand philosophy “To Build a Better Life” and committed to creating a high-quality smart and beautiful city lifestyle. In 2020, the Group created and launched a new “Modernization” collection that introduces a new residential lifestyle driven by health technology.

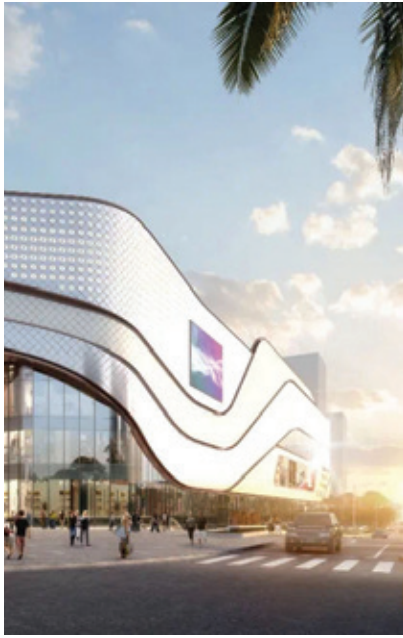


The Logan Group received various industrial awards in recognition of our products, which fully reflects the level and advantages of Logan in innovative design, construction quality, living experience and residential value.



LOGAN COMMERCIAL

Keeping a highly keen eye for urban lifestyle, Logan Commercial combines the needs of urban lifestyle with the experience of commercial space to carve out city complexes by developing commercial real estate above the TOD hub, which build experience-based shopping malls as the center surrounded by high-end office buildings, boutique hotels, and other business formats.



CITY DEVELOPMENT

Urban Renewal Projects

Urban renewal is the continuing theme of urban development. By improving hardware and software facilities, revitalizing inefficient construction land and promoting industrial upgrading and transformation, our projects will assist to revamp and vitalize cities that enjoy a long development history. The Group has been carrying out a forward-looking investment strategy, under which, we have so far developed more than 109 urban renewal projects across 11 cities, and these cities anticipate more than 33 million square meters of residential and commercial land for leisure, entertainment, and healthcare services, with a capacity of 260,000 residential units to serve a capacity of over 1 million people, promoting the sustainable and healthy city development.



Foshan Acesite Park (佛山玖龍台)

Foshan Acesite Park (佛山玖龍台) is located in Lvhu Island District, Foshan, covering an area of 82,000 square meters, with a total gross floor area of 700,000 square meters. The location where the project lies was formerly a worn electrical appliance factory with problems such as noise pollution and traffic congestion. The community land planning failed to meet the required demand of the public. The Group's urban renewal transformed old communities, improved the spatial structure of human settlements, restored natural ecology and strengthened urban infrastructure to comprehensively improve the city quality. After the transformation, Foshan Acesite Park (佛山玖龍台) project has improved the community space for more than 14,000 community residents, provided more than 7,000 sets of residences, approximately 40,000 square meters of shopping centers and emerging industry bases, equipped with 5,500 parking spaces and gardens, thereby comprehensively satisfying the demand of residential life.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Supporting facilities

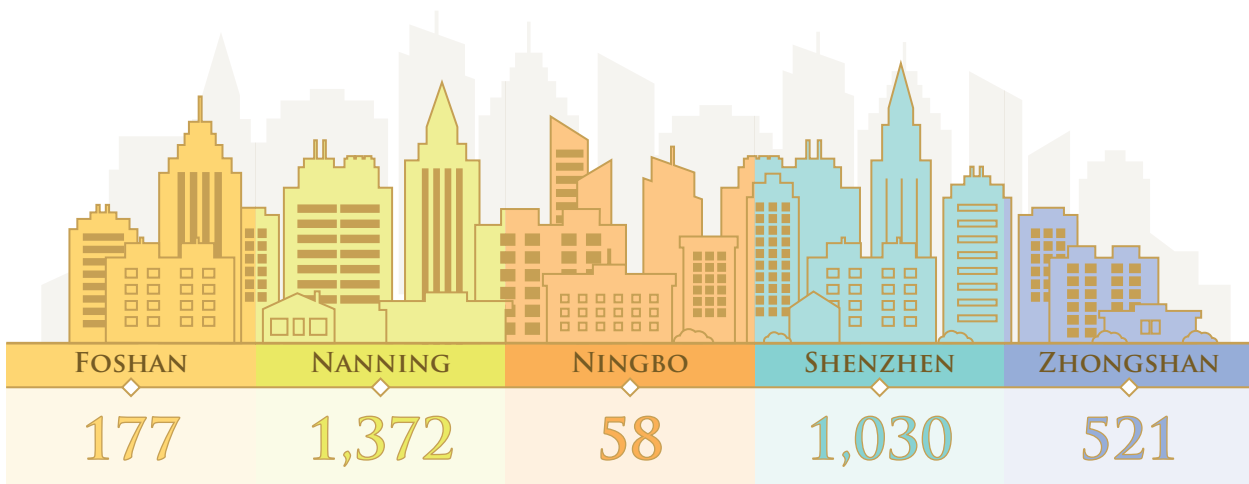
The Group is committed to becoming an integrated service provider for better city life, which is a diversified group of businesses to cover residence, commercial and office operations, boutique apartments, and hotel operation, and provides a variety of ancillary facilities covering the entire life cycle of its customers. At present, the self-owned commercial properties of Logan Commercial (龍光商業) cover an area of approximately 2 million sq.m., including the Logan Century (龍光世紀) in Nanning, Logan International Building (龍光國際大廈), Logan Commercial Plaza (龍光商業廣場), Shenzhen Logan Century Building (深圳龍光世紀大廈) and Huizhou Logan Commercial Plaza(惠州龍光商業廣場).

On 22 October 2020, Logan Commercial was awarded the “China Shopping Alliance 2020 Outstanding Management Company Award for Shopping Center Industry” by virtue of its outstanding achievements in business management. Shenzhen Guangming Logan Commercial Plaza (深圳光明龍光商業廣場), which is expected to be opened in 2021, was awarded the “China Shopping Alliance 2020 Urban Development Promotion Award for Shopping Center Industry” for its excellent market positioning and forward-looking planning, which affirmed the huge promotion effect of the project on the business district of Guangming.

Government-subsidized housing

We cooperate with local governments to develop low-income housing to solve the housing difficulties of low- and middle-income families. By 2020 we have developed 12 subsidized housing projects in 5 cities, including Foshan, Nanning, Ningbo, Shenzhen and Zhongshan, providing 3,158 subsidized housing units, so that people from different levels of our community have a happier life. The Logan Group has undertaken to continue to address the housing needs of the society in the future, support the national housing policy and promote the high quality of the city.

Geographical Distribution of Subsidized Housing Units



Nurturing start-up talents

Being keen on nurturing social talents, we are committed to providing development platforms for talents, while addressing the shortage of funding for startup talents and difficulties in identifying venues. To support the introduction of talents by governments, we join in Shantou Overseas Chinese Pilot Zone (汕頭市華僑試驗區) to create a provincial pilot zone for talent development and reform, including provision of 38 buildings of the East Coast Yuhai Tianxi Project (東海岸禦海天禧項目) with a total area of approximately 5,800 square meters at nil consideration, as well as decoration and office facilities as a venue for talent building for a period of 3 years.



PRODUCT QUALITY AND SAFETY

All of our building products are known for their “quality” and craftsmanship, allowing us to provide customers with premier residences. We strictly comply with the quality management requirements of the Regulation on the Quality Management of Construction Projects (建設工程質量管理條例) issued by the State Council (國務院) regarding project planning, construction works, supervision, inspection and acceptance and maintenance. Additionally, we implement the standard construction management procedures, including:

| | |
|----------------------------|---|
| Project Planning | Prior to the commencement of the construction project, the project team, strategic development team, marketing team, design team, costs control team, and procurement team jointly prepare a project plan to confirm the design drawing, construction arrangement, personnel and resources allocation, major obstacles and solutions. The Group will also pay the costs related to the quality management of the project, which is clearly stated in the sub-contracting agreement. |
| Construction Works | The construction team is required to strictly follow the construction plan. In case any emergency occur which would cause delay to the construction work or damage the project quality, they should report to the management immediately, and work out solutions as soon as possible. |
| Project Supervision | The Group would hold regular meetings with contractors, supervisors and suppliers to follow up project progress and its quality and safety performances. The Group has more than 200 site quality officers who inspect the site on a daily basis and provide guidance and training to site personnel. Any event involving material non-compliance risk will be reported when it occurred. In addition, the Group would appoint site supervisors to regularly inspect the construction sites and establish an appraisal system to control the quality and safety risks of the project. |
| Independent testing | The Group engages a third-party independent organization to conduct quarterly inspections on construction sites and hold quarterly meetings on the quality of construction sites where the heads of all business partners must attend. The Group will rank the quality performance of the construction sites and reward outstanding units at the meeting. Those who are not qualified must be rectified. |

Logan establishes a standardized construction procedure manual for every project to ensure that every detail is closely seamed. The Group will accumulate project experience and user opinions to prepare standardized documents. By optimizing product functions and reducing defects from the design level, we ensure various standards include “use of stainless-steel sculpture materials for easy cleaning and maintenance, and adoption of circular designs for corners around the swimming pool to prevent customers from scratching” and other opinions to improve product quality and safety.

We carefully inspect raw construction materials and equipment to ensure that the quality is up to standards specified in the contract and drawings. At present, there are 108 types of materials that need to be inspected and accepted. We have established the Material Inspection and Acceptance Management Policy (材料進場驗收管理制度) to define responsibilities of the relevant departments, inspection and acceptance procedures, quality checklist, and stock and inventory requirements, etc., which provides our staff with clear guidelines for raw material management. All incoming raw materials must be sampled at the on-site supervision of the 4 site management officers for quality inspection to ensure that the quality meets the contractual requirements and the defective products are returned.

We arrange relevant government institutions and third-party experts for checking in accordance with the Completion Examining Requirement of Housing Construction Projects and Municipal Infrastructure Projects (房屋建築工程和市政基礎設施工程竣工驗收規定) issued by China Ministry of Housing & Urban-Rural Development (中國住房城鄉建設部) after completion and conducting quality inspections for construction work of all completed projects, including but not limited to foundation, main structure, decoration and outfitting works, drainage, heating, electricity and energy conservation and obtain quality certificates. The Group will also inspect the Index of hazardous substances and formaldehyde, etc., which will ensure every detail of the projects of the Group is in strict compliance with the national requirements on real estate projects and bolsters confidence of our customers in our product quality.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Quality Delivered

Being well aware of the owner's good expectation for their future homes, we organized open days for the construction site, allowing owners to enter the site, and provided an opportunity for them to understand the details. The procedures and methods were open and transparent to the public.



Livestreaming on the Open Day for Construction Sites

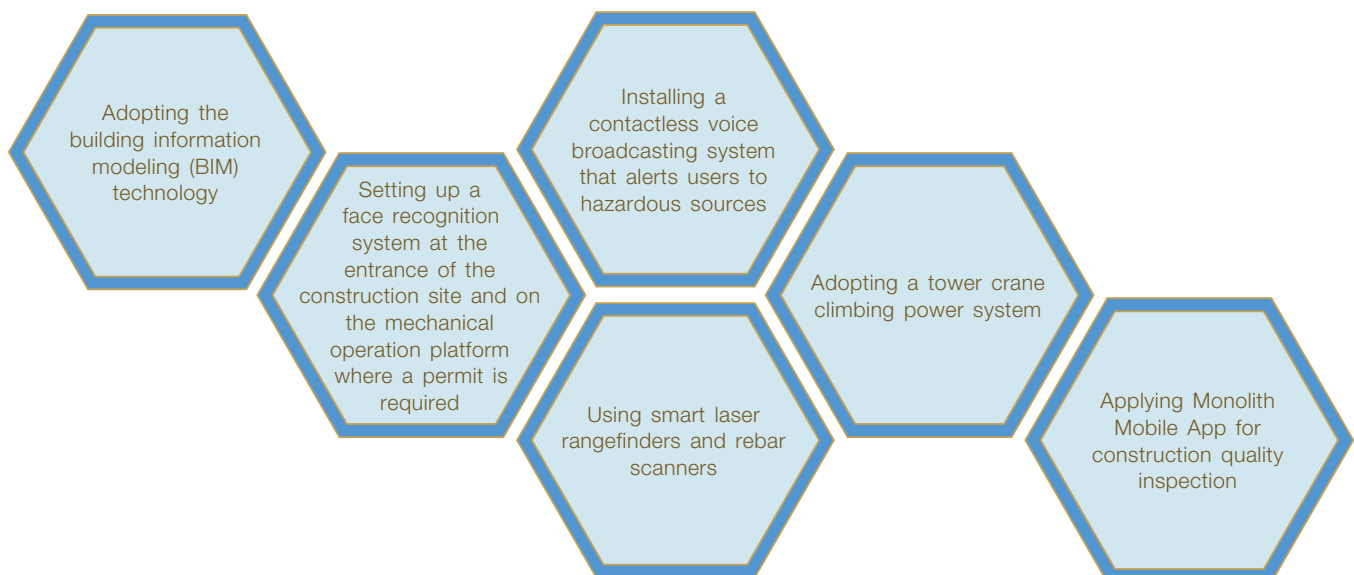
Due to the pandemic outbreak, we organized 55 open days for construction sites during the Year, including 13 livestreaming events for more than one hour. Such innovative livestreaming activities helped our property owners preview their new home from the entrance of the community, the garden, and the construction method exhibition room to indoor households, showing various construction details, including leak-proof and anti-cracking process, water and electricity engineering craftsmanship and construction control measures, and provided detailed answers to the owner's questions.

Prior to delivery, we will hold special meetings to deploy a full occupation process and carry out delivery training and exercises for all employees, so as to improve the delivery experience in all aspects. At the delivery site, each property owner will receive high-touch service from the dedicated professional inspector, who will give a complete introduction about the property and complete the inspection and acceptance for the new home based on the customers' acceptance requirements. Our employees will record issues raised by the property owner to ensure follow-up actions.

All projects will be assigned with professional maintenance personnel to provide customers with free and timely maintenance services, and the Group offers a defect liability period of two years. We have also set up a defect feedback mechanism to collect and form a database of defect cases, which can be references for the design and construction processes to achieve a fundamental improvement.

Logan Construction 2.0

In order to promote the lean management at construction sites, the Group implements smart construction solutions by comprehensively applying the internet, big data and intelligent technology and others, effectively supervising the safety, construction quality, and environmental performance at construction sites, while improving work efficiency. Our smart construction solutions include:





“Monolith” Cloud Engineering System

The “Monolith” cloud engineering system has been fully applied to all projects of the Group since its launch. The Group supports and assists engineering management and site workers to use and continuously optimize the system in various aspects from the preparation of operating manuals for the cloud system to filming of operational videos, setting up of systems, arrangement of technical officers to answer questions in real time, establishment of Monolith Academy, and organization of weekly user seminars.

The cloud system and application program provide a one-stop project management platform for the Group, project constructors, supervisors and designers, with six major functions such as online on-site inspection, actual measurement, working procedure acceptance, material acceptance, spot and special checks and management behavior to enhance the onsite efficiency, accumulate big data of construction and assist the Logan Group in standardized management. Currently, the “Monolith” Cloud Engineering System has a total of 13,206 active users.



Based on the above measures, we were not aware of any serious violations of the above or other laws and regulations related to construction quality and safety during the Reporting Period.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

PRODUCT DESIGN

CHILDREN'S AMENITIES

NURSING SERVICES

LEISURE

SOCIAL NETWORKING

COMPANIONSHIP

SPORTS



TECHNOLOGY AND INNOVATION

We incorporate smart residence into our construction projects by actively applying high and new technologies:

HEALTH PASS



Facial recognition and infrared temperature monitoring at the entrance

Intelligent sensors installed at the lane gate to recognize the license plate

Authentication functions such as facial recognition, Bluetooth, QR code, fingerprint, access card, password and APP-based smart locks

Facial recognition installed in the smart passenger elevators to recognize property owner's floor

An app to call the smart elevator

GLOBAL SECURITY



24-hour community monitoring system

Medical alert system in the master bedroom

Gas leak alarm system in the kitchen

Sockets with the built-in child safety lock

Real-time monitoring system for high-rise littering

Micro-cloud access system to record unidentified visitors

Bi-directional Door intelligent express delivery cabinet

INTELLIGENT SYSTEMS



EBA building control system

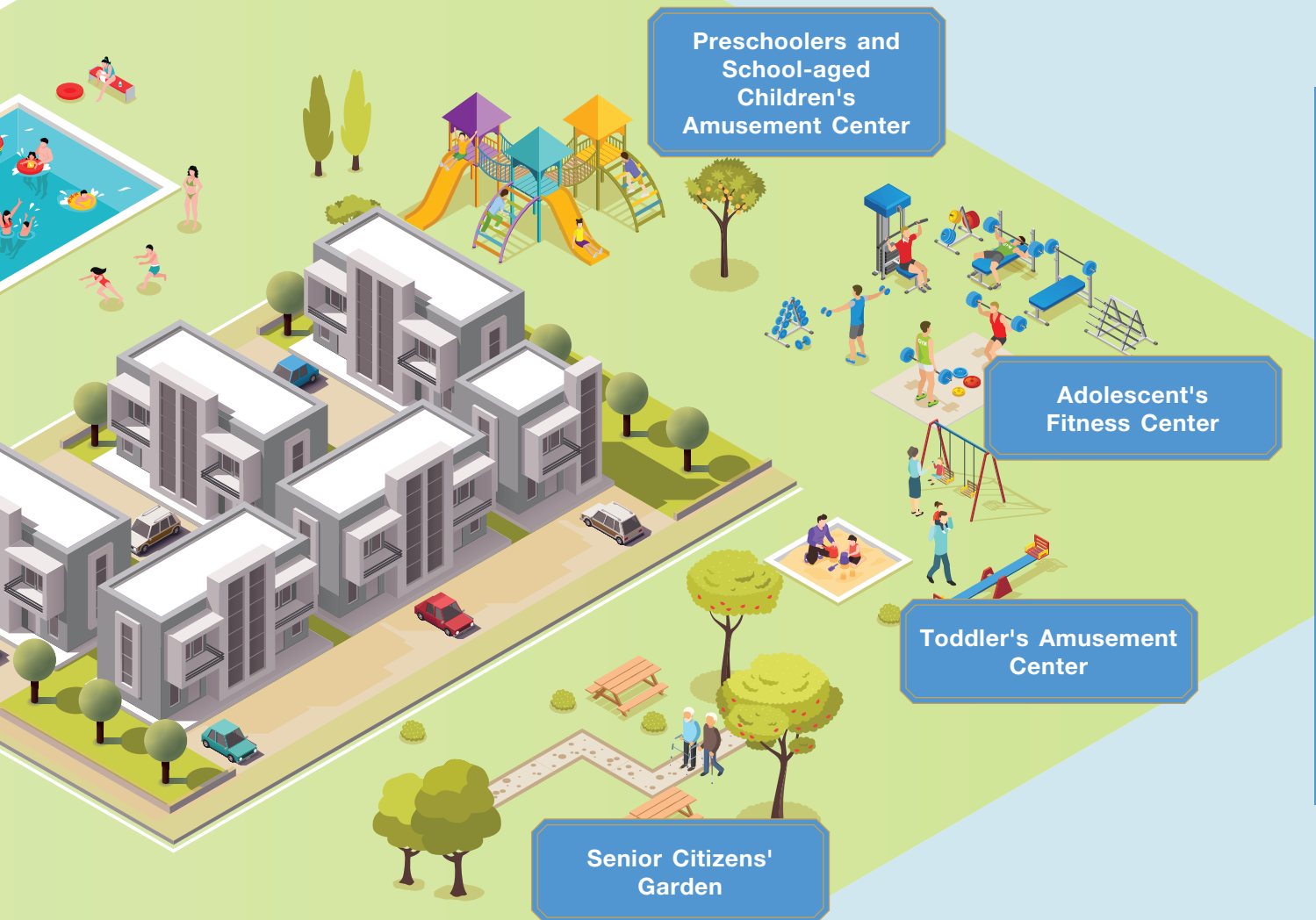
Floor heating system

Smart light control panel

Air-source heat pump

Smart gateway and smart infrared transponder





The Logan Group was awarded the “Smart Living Demonstration Enterprise” by virtue of its leading advantages in product innovation and smart community ecosystem, and Foshan Logan Fairyland (佛山龍光•天境) was also awarded the “Top Ten Smart Community of the Year”.

Loganhui, the exclusive APP for property owners of Logan Property, has continued to be optimized together with upgrades to version 4.0 covering 37 service functions. The app has a mobile positioning service, which is the first of its kind among the property services, through which the property owners could call the nearest Logan property housekeeper to receive expeditious services. The monthly active users of the Loganhui App amounted to more than 100,000. Our owners can enjoy one-touch services without leaving the house.

These investments represent Logan members' persistence in quality and commitment to providing a better life for property owners of Logan Property.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

SERVICE QUALITY

Sales and Customer Relationship Management

Over the course of business operations, we always place the customer's interests at the highest priority from product design to sales management. The Group has established the Sales Process Risk Management Policy (銷售過程客戶風險管理規定) related to responsible sales and has published the policies such as Responsible Marketing Policy (負責任宣傳) on our official website and we have clearly regulated the marketing management center to govern the sales process including model display, press release, contracting, events management and customer experiences with an aim to safeguarding information accuracy and persisting in our business integrity.



We have also established the Customer Relationship Management Policy (客戶關係管理流程), Product Delivery Management Rules (產品交付管理辦法), Joint Acceptance Guide upon Delivery (交付聯合驗收工作指引), Maintenance Service Management Rules (保修服務管理辦法), and other regulations and systems, to specify the roles and responsibilities of the relevant responsible departments among different project stages including project design, marketing, simulated inspection and acceptance as well as pre-delivery, post-delivery and occupancy management. The policy also sets out roles and responsibilities of relevant departments, including customer relationship department, design department, sales department and maintenance department. With standard working procedures and service standards in place which enhance operating efficiency, departments are facilitated to offer superior customer services and hence, increase the customer satisfaction.

Prior to new project launch, the Group will train the sales representatives of the relevant projects by strengthening their awareness of being a responsible sales agent, while requesting for consistency in sales terminology and expressions. All sales materials require approval from the management. In addition, we will carry out unannounced visits as a mystery customer on a monthly basis, covering all subsidiaries with the projects for sale and the properties under management, to strictly control false publicity and assess the quality of services. Furthermore, the marketing management center and the audit and inspection department of the Group will sample the agents of new projects run by the subsidiaries and inspect the marketing materials so as to comply with the three sales guarantees of the Logan Group.

Responsible Marketing Policy (負責任宣傳):

The official website link for the Responsible Marketing Policy is: <http://www.loganestate.com/html/policy.php>



Based on the above measures, we were not aware of any serious violations of the Regulatory Measures on the Sale of Commodity Houses (商品房銷售管理辦法), the Price Tagging Rules of Commodity Housing Sales (商品房銷售明碼標價規定) or other relevant rules and regulations regarding sales and advertising during the Reporting Period.

Complaints and Feedback

The customer relationship department would collect and handle the complaints as well as reach out to other relevant departments to investigate the complaint and seek better solution in accordance with the principles of people-oriented, honesty, timeliness, and balance. We have developed the Guidelines on the Risk Classification and Handling of Customer Complaints to deal with complaints from our customers. The customer relationship department has built a specialized risk management team to oversee and facilitate the complaints handling by the customer relationship department of branches, and established the 404 call center to process all the complaints from the Group.

Customers could express their views by telephone, email and in person. We would make an initial response within 24 hours and complete the handling of complaint within one week. The customer relationship department has established an accountability system to ensure timely and efficient handling of complaints. We attach great importance to customers' opinions on our services and product quality, and the customer relationship department of each subsidiary will collect the defected projects on a quarterly basis, which are reported to the customer relationship department at the group level and then relayed to the design department to continuously improve product and service quality as much as possible.

We engage an independent third party to conduct customer satisfaction surveys every year. At the end of 2020, we received 30,270 customer responses from our telephone surveys, representing an increase of approximately 41%. In general, customers continued to be satisfied with our products and sales services, with the sales satisfaction rate of 89 points. We look forward to continuing to provide quality human habitation experiences to our customers and becoming the first choice of our customers.



Online customer service system of "Longke Service"

In 2020, Logan built a new online service platform named "Longke Service" to provide property owners with the most timely and high-quality lifestyle services in all round. The functions of "Longke Service" include:

- Check the progress of the project
- Make an appointment for open days for construction sites and days of delivery
- Submit warranty issues and complaints
- Sign up for Logan community activities

Users can check the status of warranty issues and complaints on our app and give online reviews to help the Group further improve the quality and efficiency of its customer service.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Property services

We care about the health and safety of every resident and visitor in Logan community. Property management staff of the Logan Group provides high-quality, high-standard and professional property management services, and regularly organize various community activities to provide a peaceful and harmonious residential environment.

Our sizeable property management team demonstrates its professional performance by obtaining the ISO9001 quality management system, ISO14001 environmental management system and OHSAS18001 occupational health and safety management system. The managing areas of Logan community includes:



Security services

the services include automatic vehicle identification system, electronic pulse alarm device, infrared and closed circuit surveillance system, 24-hour patrol system



Safety

full-scale fire drills are held twice a year to raise awareness of fire safety among community members



Sanitation

high-caliber professional companies are appointed for environmental sanitation management. A strict assessment and evaluation mechanism is formulated according to the quality standard requirements



Maintenance

the maintenance team "Smurfs" is comprised of members with extensive experience and qualifications, and the equipment management responsibility system is implemented to ensure that the equipment operates without failure



Housekeeper

housekeeping duties are fulfilled and necessary services are provided for daily living



Community activities

a variety of cultural and recreational activities are held in the community to enrich property owners' leisure activities and create a friendly living atmosphere



SUSTAINABLE SUPPLY CHAIN

In order to ensure the quality of the Group's supply chain, we have a dedicated procurement and cost management department with more than 300 employees to manage and supervise the supply chain operation of the Group and our subsidiaries. We provide monthly in-house training sessions for our procurement officers to continuously improve their professionalism.

Supply chain risk assessment

We carry out plant inspections or organize business meetings, facilitating communications with the frontline employees and senior officers of new and existing suppliers and contractors to understand the supply status and product quality. We have conducted more than 1,000 supply chain site visits in 2020. We also engage a third-party independent agency to conduct external reviews on the Group's suppliers and contractors, including financial conditions, the proportion of the top three customers' businesses, compliance and integrity records. Based on the above measures, we will establish corporate credit files for suppliers and contractors for management. The principals of our subsidiaries will report the on-site performance and fulfilment capabilities of suppliers and contractors to Group's headquarters every half month, and then the headquarters will assess and report the risks of the overall supply chain to the Sustainability Committee on a quarterly basis.

In addition, we conduct annual internal control audits on the Procurement and Cost Management Departments of the Group and Subsidiaries. The internal audit for 2020 covered five business processes, including inspection and selection of suppliers and contractors, procurement planning management, tender evaluation management, contracting process and performance assessment, rectification and improvement of which were completed during the Year.

The performance rate of our engineering and construction contracts was 99.3% in 2020. The Group makes an annual investment of RMB1.5 million in supporting supply chain risk management activities to ensure a sustainable supply chain.

Selection of suppliers

We have adopted systems such as the Procurement Practices Management Policy (採購業務實現管理辦法), Practice Manual for Bidding and Evaluation (招評標實施指引), Selection Criteria for Professional Suppliers of Engineering Procurement(工程採購類專業入庫標準) to govern the procurement and bidding process in an impartial and fair manner, with an average of six supervisors for bidding activities, including managers and the management of the Group. During the Year, we conducted a total of 7,567 tendering and procurement activities.

In addition to certain technical and qualification requirements for our suppliers and contractors, construction contractors must be among the top 30 national business entities or the top 10 local professional entities with no less than three years of similar construction experience. We also give priority to enterprises certified as a green business, including those who own an environmental management system certification or products and projects satisfying certain environmental protection requirements. We also encourage suppliers and subcontractors to implement low-carbon productions and environmental-friendly operations.

URBAN RENEWAL AND HARMONIZATION BETWEEN HUMAN HABITATION AND NATURE

Supplier Management

We conduct quarterly risk assessments of all suppliers and contractors of the Group in terms of their compliance, quality, safety, environmental protection and labour performance in accordance with the Operation Guidelines for the Management of Whole Process Assessment of Suppliers (供應商全過程評估管理作業指引). Based on the assessment results, we classify our suppliers and contractors into Class A, Class B and Class C to determine subsequent cooperation plans. The Group's headquarters and subsidiaries share the information about performance and business of the suppliers on a weekly basis. For suppliers with near-saturated production capacity or poor performance, the Group will suspend cooperation within a specified period of time, or even terminate the cooperation with those suppliers in serious violations, who will also be included to our blacklist. In 2020, 13 suppliers conducted the rectification for their violations as requested by the Group.

For each project, the Group regularly follows up the performance of suppliers and contractors, including dispatching our employees to conduct on-site supervisions on the production status in the supplier's facilities or construction site. For the same products and services, we will purchase from more than one supplier or contractor and identify primary and at least three back-up suppliers in the same region, so that we can instantly replace the suppliers in the event of an emergency to ensure no disruption in our business.

Our quarterly supplier questionnaires help us understand their opinions and needs to deepen our partnership.

In recent years, our rapid development also depends on high-level cooperation of the supply chain. We welcome qualified and seasoned suppliers to become our partners, and continue to recruit suppliers by sending email, WeChat public accounts, and other means, to work with us. As a result of our ongoing expansion, as of 31 December 2019, we had 2,149 suppliers nationwide, representing an increase of 96% as compared to last year.

INDUSTRY DEVELOPMENT



Project on-site exchange meeting

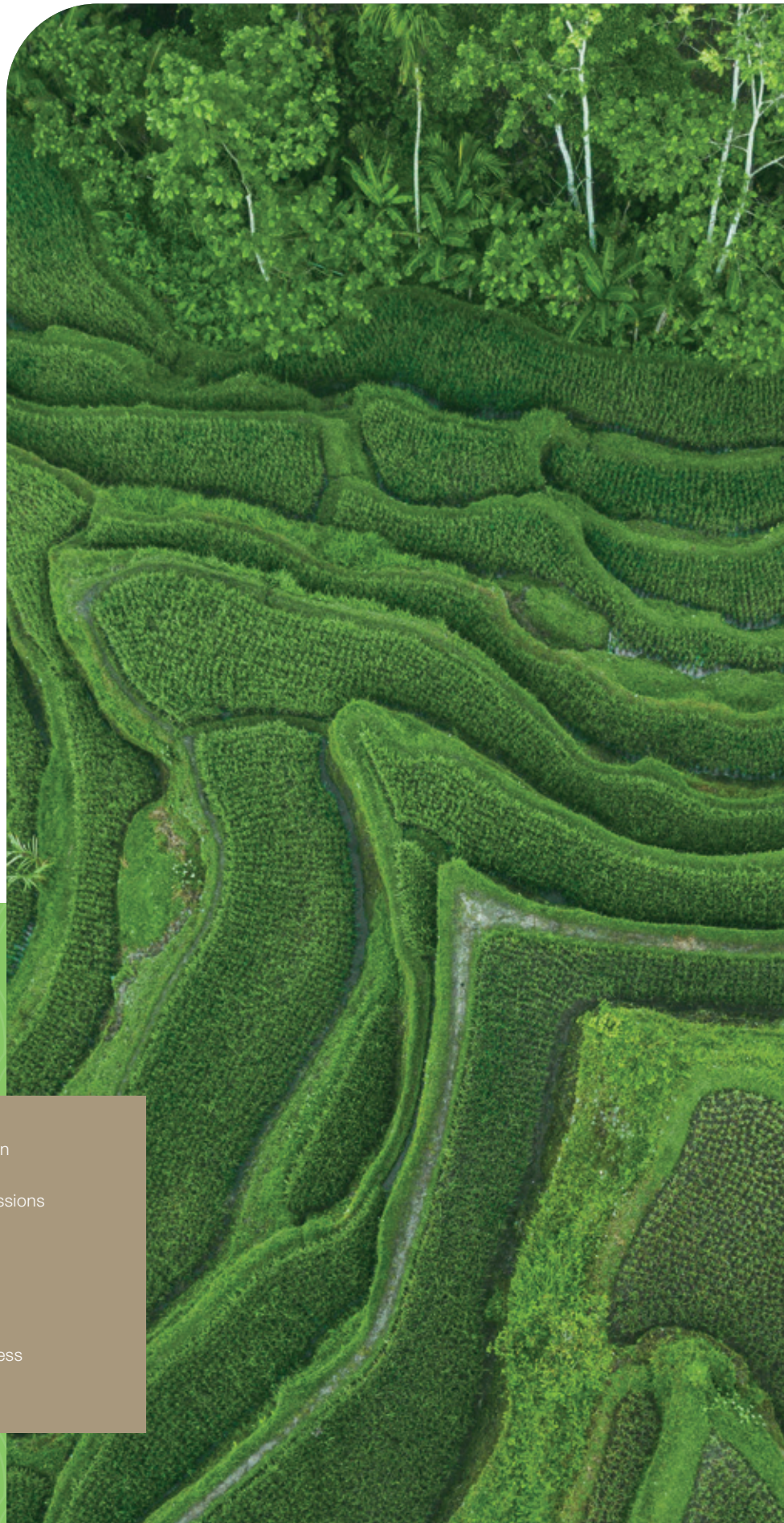
In 2020, we held 12 project on-site exchange meetings in Foshan Logan • Celestial Gem Plaza (佛山龍光天瑾廣場) and Jingcheng of Nanning Logan • Glory City (南寧龍光•玖譽城錦城). On the day of the exchange meeting, the relevant leaders of the Bureau of Housing and Urban-Rural Development and representatives from some departments including building, construction, and supervision of projects in process, amounting to a total of more than 200 person, participated in the meeting. The meeting showed participants engineering cases of projects in smart site systems, quality control, safety management, etc., providing the industry with space for learning and communications.





ENVIRONMENT PROTECTION AND HARMONY

SURROUNDED BY LUCID WATERS AND LUSH MOUNTAINS. EXPLORING ANOTHER POSSIBILITY OF A COMFORTABLE LIFESTYLE.



ESG issues

- 17 Environmental impact of construction
- 18 Climate change
- 19 Pollutants and greenhouse gas emissions
- 20 Waste disposal and management
- 21 Green and local procurement
- 22 Green building
- 23 Noise pollution
- 24 Energy use
- 25 Promotion of environmental awareness
- 26 Water use
- 27 Biodiversity

ENVIRONMENT PROTECTION AND HARMONY

Logan Group is committed to becoming a leading green property developer in China. In addition to providing its customers with a highly premier and comfortable living environment, the Group strives to protect the environment. In strict compliance with the relevant laws and regulations on environmental protection formulated by national, provincial and municipal governments of the People's Republic of China, including the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), Law of the People's Republic of China on the Prevention and Control of Water Pollution (中華人民共和國水污染防治法), Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法), Law of People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法) and Measures for Public Participation in Environmental Impact Assessment (環境影響評價公眾參與辦法), the Group ensures that it strikes a balance between its development and environment in order to create a healthy and comfortable living environment for the next generation.

ENVIRONMENTAL PROTECTION TARGETS

To further promote the environmental performance of Logan, we set environmental protection targets. The Group's achievements of environmental protection in 2020 are as follows:

| Targets | Status | Progress in 2020 |
|---|--------|--|
| At least 50 green buildings will be built every year, and the percentage of certifications will increase by 95% year on year. | ✓ | In 2020, there were 78 green-building certificate projects and the percentage of certification increased by 300% from the previous year to 59% |
| 100% or more of new projects are required to meet the green building design requirements for land grant. | ✓ | In 2020, 100% of new projects meet the green building design requirements for land grant. |
| Zero material environmental pollution throughout the Year | ✓ | In 2020, no material environmental pollution and related complaints were identified. |

✓ Completed ●●●● As scheduled ●●○○ Behind schedule ●○○○ Delayed

GOVERNANCE ON GREEN BUILDINGS

The Group's Sustainability Committee guides the construction departments of the headquarters and subsidiaries in the management of green buildings, building emissions, environmental protection objectives, etc. The Group has a total of nearly 800 management specialists on green environmental protection who are jointly responsible for overseeing project planning and emissions of works. Through continuous learning, improvement and enhancement, the Group never stops promoting the development of green buildings.

| | |
|---|--|
| Benchmark against regulatory requirement | We benchmark ourselves against more than 30 national and provincial standards and regulations for construction design. In accordance with national environmental protection standards, the Group sets targets for the lighting, ventilation, energy and water conservation of buildings. |
| Benchmark against market standard | We review the green building certifications in the market, including the national Green Building Evaluation Standard, Leadership in Energy and Environmental Design (LEED), WELL Building Standard and BEAM Plus, etc., with an aim to understanding the standards and concerns on certification. |
| Benchmark against outstanding case | Our design team organizes research and study activities of outstanding green building cases in the industry on an annual basis, in order to inject new green building elements into new projects of the Group by conducting investigations on the latest green building technologies and development trends. |

The Group is committed to meeting the latest national and regional green building standards for all new projects in the future.



We refer to the latest national and regional green and high-quality building standards, including and not limited to:

- Technical Guidance for Green Building (綠色建築技術導則)
- Evaluation Standard of Green Building (綠色建築評價標準)
- Design Standard for Energy Efficiency of Residential Buildings in Hot Summer and Warm Winter Zone (夏熱冬暖地區居住建築節能設計標準)
- Technical Specifications for the Application of Solar Energy Systems to Civil Building (民用建築太陽能系統應用技術規範)
- National Water Saving Action Plan (國家節水行動方案)
- National Integrated Wastewater Discharge Standard (國家污水綜合排放標準)
- Design Specifications for Water Supply and Drainage Engineering Structures (給水排水工程構築物結構設計規範)
- Standard of Environmental Noise (環境噪聲標準)
- Emission Standard of Air Pollutants (大氣污染物排放標準)
- Prefabricated Construction Evaluation Standards (裝配式建築評價標準)



GREEN CITIES

Logan Group is a vital contributor to the construction of green cities over the Years and is committed to achieving perfect integration of green technology with society, environment, and humanities.



Sponge City

Sponge city is a new concept of rain flood management for modern cities, meaning that cities are as elastic as sponges and can absorb, store, and purify rainwater. When necessary, the stored water sources will be discharged and used. We actively promote the design concept of "sponge city" and implement it in the Acesite Park Project (玖龍台項目) in Shenzhen so as to provide a better sustainable living experience for customers.

The roofs, roads, squares and afforestation areas of Acesite Park Project in Shenzhen adopted various sponge construction technologies, which can absorb water storage equivalent to 6-7 swimming pools, to collect rainwater as much as possible on water-absorbing soils so as to minimize the stagnant water on road surface and help reduce the peak of rainwater floods and prevent flood and waterlogging.

The "sponge" materials of Acesite Park Project in Shenzhen shows excellent features, including water absorbing, compression resistance, wear resistance, environmental protection, easy maintenance, sound absorption and noise reduction. It has become a "breathable" urban landscape pavement by controlling moisture evaporation to realize heat and moisture preservation, which effectively alleviated the urban heat island effect and helped reduce carbon dioxide emissions.



Total catchment area
152,441.8 m²

Control rate of total
annual runoff: **72%**

Water storage
capacity of
sponge facility:
2,547.84 m³

Pollutant reduction
rate: **43%**

ENVIRONMENT PROTECTION AND HARMONY



Community park

As the green area in the metropolitan city, the community park plays an important role in improving natural environment and landscape and protecting the ecological balance of the city. Moreover, it also provides residents with a green avenue for recreation, environmental protection and science education. Danzao Mountain Park under the planning of the Foshan Logan • Acesite Lake Project (佛山龍光•玖龍湖項目), is a typical afforestation case of barren hills of the Group.

In designing the park, the Group determined the adaptive plant species based on the topography, climate, soil quality and location of the water source to ensure the sustainability of planting. Subsequently, the Group relocated a large number of trees from the temporary planting area of the north area in Huizhou Logan City (惠州龍光城) by means of seedlings transplanting and on-site planting, and adopted measures such as tree root preservation, transportation, excavation and transplanting to reach the survival rate of nearly 100% of the seedlings in the Danzao Mountain Park, which avoided the waste of green resources to a large extend.

Progress in 2020

78 certified green building projects
with an area of
9,779,614sq.m.,
including:

53 one-star green buildings
24 two-star green buildings
1 three-star green building

58 green building projects in
land banking

Green building

We are committed to delivering environmental buildings, and incorporating various environmental and energy- saving elements to building planning and designs to create healthy and comfortable human habitation. During the Year, the Group accumulated 78 certified green building projects, with an increase of five times over the previous year.

The green building design used in the project satisfies the national and provincial green building evaluation standards, including but not limit to:

| | |
|---------------------------------|--|
| Ventilation | The structure pattern is designed based on wind direction, exchanging indoor air twice per hour. |
| | The ventilation system of the underground parking lot is automatically activated based on the density of carbon dioxide. |
| Light | A y-shaped design is conducive for 360-degree natural lighting. |
| | The visible light reflection ratio of glass curtain walls is not more than 0.2, reducing light pollution. |
| Sound | The weighted transmission loss of airborne sound is stabilized at 30dB by virtue of topography, boundary walls, green plants and insulating glass which effectively shields the noise. |
| | Reinforced concrete, soundproof mortar and floor tiles are adopted for improving the soundproof efficiency. |
| Space | The plot ratio ranges from 1 to 6 for living comfort |
| Temperature | The window area is not less than 10% of room area, for the purpose of natural convection and temperature adjustment. |
| | Heat-absorbing glass, and insulation exterior wall and roof are installed. |
| Afforestation | The landscaped areas with a vegetative cover and over 30 types of plants are positioned, the area of which account for 30-50% of the project area. |
| | Negative oxygen ion content in the landscaped area is 400-600/cm ³ |
| Environmental protection | Solar panels and low-emissivity glass are equipped. |
| | Non-hazardous and recyclable construction materials are used. |
| | High-efficiency energy-saving and water-saving devices are installed to count water and electricity consumption. |
| Intelligence | Our intelligent building management system is installed to automatically control air-conditioners and curtains according to weather data. |
| | Corridors, stairwells, entrance halls and other places are installed with contactless lighting systems that are a timer, infrared, or radar-driven design. |



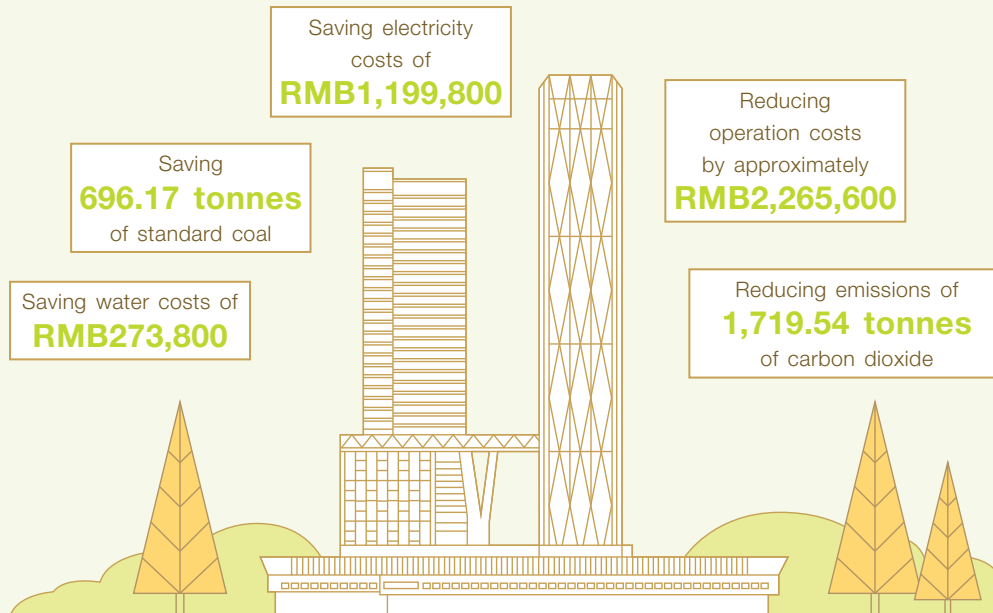
Nanning Cloud Valley (南寧雲創谷)

Nanning Cloud Valley, which is located in Guangxi and covers an area of over 26,000 square meters, is part of the Group's three-star green building projects. Nanning Cloud Valley is installed with a photovoltaic system as a renewable energy source for public lighting in commercial and office areas, the basement and ancillary areas of the project. This project has a total of 991 monocrystalline/PV panels and 571 PV films, with an annual PV capacity of approximately 598,000 kWh.



Shenzhen Logan Carat Complex (深圳龍光玖鑽)

After adopting a series of land-saving, energy-saving and water-saving technologies, Shenzhen Logan Carat Complex, throughout the Year, has the capability of:



ENVIRONMENT PROTECTION AND HARMONY

Our energy conservation and water saving facilities include a photovoltaic power generation system, solar water heating system, air source heat pump system, rainwater recovery system, unpowered micro-domestic wastewater treatment plant, etc. Set out below are some of our projects:

- Nanning Glory City (南寧玖譽城)
- Nanning Masterpiece (南寧玖雲著)
- Nanning Acesite One (南寧玖譽灣)
- Huizhou Logan City (惠州龍光城)
- Huizhou Acesite Mount Garden (惠州玖龍山花園)
- Suzhou Acesite One (蘇州玖譽灣)
- Jiashan Acesite Bay (嘉善玖龍灣)
- Xitang Jiangnan Royal City (西塘江南大境)
- Kunshan Waves Garden (昆山花溪瀾園)



Rainwater recovery system



Solar water heating system

Our series of green building designs were incorporated to 132 projects during the year, effectively saving 5.087 million kWh of electricity and 250,000 cubic meters of water, respectively.

Green building design fulfills consumers' higher expectations for living quality and environment protection. Logan Group is committed to applying more new technologies in the construction field so as to bring more high-quality green construction products to customers, leading to transformation and upgrade of living styles.

GREEN CONSTRUCTION

We stress great importance to the impacts of the real estate business on the surrounding environment and natural resources. Under the development principle of green production, we consider environmental protection in every process of its production chain and seeks to achieve the ultimate purposes, including energy conservation, water saving, material efficiency, emissions reduction, and harmonious coexistence with the environment.

Each project will specify the obligations of the Group and the contractors on energy conservation and emission reduction. The contractor shall ensure the compliance measures on emission reduction and environmental protection before the commencement of construction, and the project leader shall report to the project management center on emission and resource utilization on a monthly basis to ensure the Group's environmental objectives are reached.

We also developed our internal policies such as the Pollutant Management Policy (污染物管理制度), Waste Management Policy (廢棄物管理制度) and Energy and Water Resources Management Policy (能源及水資源管理制度), which must be strictly observed by the employees of the Group and its subsidiaries. We require contractors to comply with the contractual requirements, Code of Conduct for Supplier (供應商守則) and the above policies, as well as the Group's guidelines on energy conservation, emission reduction and environmental compliance. The Group will monitor the environmental performance at the site and incorporate the indicators into the performance evaluation of the relevant parties.



Environmental impacts of construction projects

As our construction projects will generate certain emissions and pollution, prior to commencement of any construction projects, we will appoint the third-party experts to perform an assessment of environmental impact on the surrounding area. Such assessment shall cover, among others, the natural habitats of animals, water contamination, soil pollution, and disturbance against residents in the neighborhood.

Based on the findings derived from the environmental impact assessment, we would take appropriate responsive measures and formulate an environmental protection scheme at the construction planning stage to mitigate negative impacts brought by construction projects on the neighboring environment.

- Environmental impact assessments were performed on all projects
- 136 reports on environmental impact assessment were published from 2017 to 2020

The Group attaches great importance to the impact of development activities on the ecological environment, especially in greenfield and places of high ecological value. The Group specifies in contracts the environmental protection requirements of construction sites, pursuant to which, all construction entities are required to protect and improve the environmental quality, rationalize the development and utilization of natural resources, and reduce or eliminate the entry of harmful substances into the environment, so that human bodies are kept from genetic mutation and degradation under the influence of environmental pollution. Furthermore, to preserve biodiversity, we take necessary measures to restore and rebuild the affected ecological resources.



Prefabricated Building Case

The prefabricated building technology refers to the unified planning and design for structural components. First, building structural components are molded within the factory for production and assembly, and transported to construction sites for installation upon completion.

Over the course of construction, as compared to traditional cast-in-place building, prefabricated building applies dry construction, which significantly reduces nearly 30% amounts of sand, mud, and lime on site. The reduction of construction processes also prevents noise, dust, and water pollution. In addition, these unified structural components designed for prefabricated building ensure that such components are more efficient and precise than traditional building in terms of installation and structure, which also effectively reduces the potential water seepage and cracks. As a result, building quality is improved and the consumer interests are protected.

Acesite Park Project in Shenzhen applied the Building Information Modeling (BIM) and prefabricated building technology, which greatly improves production efficiency and building quality, and reduce waste. Upon review by relevant experts, Acesite Park Project in Shenzhen received the Technical Confirmation for Prefabricated Building Designs in Shenzhen (深圳市装配式建築項目設計階段技術認定意見書) issued by Shenzhen Housing and Construction Bureau, confirming that our project is in compliance with the relevant requirements pertaining to prefabricated building in Shenzhen. In addition, this project also received positive responses in the market. In 2020, we have 31 projects applying the prefabricated building technology, with a total floor area of 4,110,600 square meters.

ENVIRONMENT PROTECTION AND HARMONY



Emissions and pollutants management

To mitigate the damages from the spread and leakage of emissions and pollutants, we implement a series of emissions reduction measures that aim to reduce emissions and prevent them from spreading to and affecting the surroundings in an all-round manner, while covering the source of emissions, the construction process and the post-construction stage. Our measures to control the site emissions and pollutants include:

- set targets for the type and quantity of the pollutants to be emitted
- Set up a real-time tool for monitoring pollution sources, by which a timely report shall be submitted where any discharge exceeds the standard amount
- conduct analysis through comparing the emission at the sites with targets, follow up on projects that need improvement and make reports in respect of entities that do not carry out adequate control
- regularly assign personnel to the construction sites for inspection to ensure no non-compliance matter is occurred



Air emissions and dust

- Ready-mixed concrete and ready-mixed mortar is used to reduce sand and gravel on site;
- For all our development projects, the construction entity hardens the ground of construction sites and covers the dust sources;
- All construction sites are equipped with mist sprayers and dust suppression systems as well as vehicle washing facilities for regular sprinkling and washing;
- Hygiene management staff is deployed at each construction site to clean up the floating soil and ash accumulated on the roads, storage yards and gateways.



Sewage

- We plan pipeline routes to prevent secondary pollution;
- We collect sewage that has been used and flow it into sedimentation tanks for filtration before discharge.



Construction waste

- We review the engineering drawings to reduce the construction wastes caused by construction demolition at later stages as a result of the defects in drawings;
- Construction wastes are sorted out and stacked separately, and delivery records are kept for easy track of the wastes;
- We deliver hazardous wastes to qualified waste disposal companies to ensure the wastes are destroyed and disposed of in a compliant manner;
- Construction wastes (including waste bricks, concrete block, fly ashes) are reprocessed as building blocks for the construction of the building wall to reduce the wastes and save the raw materials.



Noise

- The procedures which generate considerable noise are regulated. Construction of all projects is only carried out during the daytime to avoid disturbing residents in the surrounding areas;
- We use low-noise construction machinery in compliance with the required standards;
- Construction sites are equipped with sound insulation equipment to effectively reduce the noise in the nearby community.

The Group establishes whistleblowing channels at construction sites, while related posters are placed outside the site office and the peripherals of construction sites, allowing our employees, contractors and the public to report any non-compliance incidents. The whistleblowing contents which are kept confidential will be submitted to the audit office.



Use of Engineering Resources

We adopt environmental-friendly and high-performance construction equipment with green building design and procedures to minimize engineering resource consumption and pollution. Since electricity is our most frequently consumed energy source, we pay close attention to saving electricity. Measures of which are as follows:

- Replacing old high-power consumption equipment with the latest low-power consumption equipment;
- Installing LED lights or energy-saving tubes for indoor areas, and using non-iodine tungsten floodlights in outdoor areas;
- Setting up lighting fixtures with sound and light control and timing function at the construction site or public venues;
- Using renewable energy extensively, including solar street lights and solar water heaters.

The project site uses municipal water supply, so there are no difficulties related to water extraction. We actively implement various water conservation plans, for example:

- Collecting and filtering construction wastewater, rainwater and domestic sewage through sewage sedimentation tank at project site, and recycling it for vehicle cleaning and spraying to reduce dust;
- Using water-saving guns when flushing;
- Regularly conducting leak inspections on the water pipes for timely maintenance.



Finely decorated residences

In recent years, we have significantly increased the proportion of finely decorated residences, and provided different decoration solutions for owners to choose based on market research, which is conducive to consolidating resources, and reducing the waste of materials caused by the owners' own decoration. This further maximizes efficient use of resources. To improve the quality of decoration, we also take into account the environmental, safety and quality in our decoration design, including the installation of energy-saving luminaires and durable appliances, the use of flame retardant materials and the design in compliance with fire protection requirements.

GREEN OPERATION

We are motivated to promote green offices. Besides using resources efficiently, it also brings economic benefits to the Group.

Office Waste

We implement various waste reduction measures in the office to reduce waste, including waste reduction at source and recycling. Waste paper recycling bins are placed in our offices for collection of waste paper which will then be sent to qualified recyclers. A single-sided paper recycling bin is also set next to the printer to collect single-sided used paper for secondary printing of non-classified documents. We advocate double-sided printing and prioritize the use of large-capacity printers that can add toners repeatedly to reduce waste toner cartridges. Each department must report the number of stationery in advance for each month, and set a reasonable usage of stationery to further reduce waste.

Use of office resources

We regularly review the use of resources and formulate improvement plans and measures. We prefer the use of energy-efficient office and operating equipment, which can both improve our environmental performance and save costs. We have established the "Management Policy on Office Environment" (辦公環境管理制度) to encourage our staff to make the best use of office resources. The administrative department of the Group oversees the use and maintenance of the Company's water, electricity, air conditioning and machinery. All staff are obliged to consciously cherish resources of the Company. We have also installed electricity and water meters to facilitate monitoring of electricity and water consumption for further improvement.

ENVIRONMENT PROTECTION AND HARMONY

Our staff need to pay attention to electricity consumption of office equipment such as computers, lighting systems, air conditioners, photocopiers, etc., and turn off the equipment when idle. Air-conditioning cooling is set between 23°C and 25°C, and can only be turned on above 28°C in summer, while warm air heating can only be used below 10°C in winter. The Group will regularly conduct office equipment maintenance to improve the efficient use of resources. Furthermore, water-saving faucets and toilets are installed with a timed flushing system, which shut down after 10 o'clock every night. Meanwhile our staff are encouraged to collect and reuse domestic sewage to reduce wasted water.



Green building improvement plan for existing properties

We gradually implemented green building renovations for the projects completed previously to continuously improve the energy conservation and water saving performance of our existing properties.

In 2020, we carried out energy management upgrades for a total of 27 existing residential projects in 10 cities including Logan Acesite Mansion (龍光玖龍壘), Logan Grasse VieilleVille (龍光海悅) and Logan City (龍光城), such as the replacement by energy-saving and sound-control luminaires, the temperature adjustment and automatic time control of the air-conditioning system and the modification of the non-negative pressure water supply equipment, etc. During the Year, a total of 22,645 luminaires were replaced. The above measures are expected to reduce the electricity costs of over RMB2 million per year. In the future, we will seek to further optimize the water-saving performance of our buildings and reduce waste so as to lower carbon emissions.

Commercially, the Group has incorporated green building design into the project at the beginning of the planning. Currently, Nanning Logan Century (南寧龍光世紀) has obtained a two-star green building certification with outstanding performance in terms of land conservation, energy saving, water saving, material saving, indoor and outdoor environmental quality and operational management. Nanning Logan Century (南寧龍光世紀) adopts a ventilation and sunshade design to minimize the direct sunlight to reduce the solar radiation effect, and is equipped with solar collectors and products with less electricity and water consumption. The Group is in the process of promoting the green operation of investment properties, including the introduction of the Green Lease Agreement and other commercial measures to encourage and enhance tenants' environmental awareness. The Group will also organize more activities on environmental protection, ecological protection and climate changes to promote tenants and customers to practice green living.

Based on the above measures, we were not aware of any serious violations of the above or other laws and regulations related to the environmental protection of construction sites and operations during the Reporting Period.

GREEN AND LOCAL PROCUREMENT

We conduct environmental testing on materials prior to purchase by comparing sources of different materials, environmental protection ingredients, environmental protection effects, etc. Our green procurement standard is to purchase the construction materials and equipment that can be recycled, manufactured from recycled materials and meet the higher energy and water efficiency requirements, with less emission of irritating or toxic substances. Depending on the needs of each project, we will specify the required technical specifications for environmental protection, such as designated procurement of primary energy-saving and water-saving appliances. In 2020, our green procurement in a total amount of approximately RMB760 million, recorded a 30% year-on-year increase, effectively driving green consumption trends.

Moreover, we consider prioritizing local procurements without affecting the quality of our products, fairness of procurement and qualifications, and proactively provide support to the relevant industries through our procurement activities, so as to drive economic activities and create local employment opportunities. We have a good performance in implementing local procurement policies, and provide our strong support for the suppliers in the PRC. 100% of our suppliers are located in the PRC.

In addition, our procurement department also participates in the product design process by our project department, and actively promotes and applies green and energy-saving products to our development projects.



COMBATING CLIMATE CHANGE

With intensified climate change causing irreversible impacts on the earth's ecology, we will further make changes to accommodate home buyers' residential needs in the future when facing rising temperatures, frequent extreme weather, and changing population distribution and living conditions. We have continuously reviewed the direct and indirect impacts of climate change on us, and assessed the risks to prepare in advance for climate change.

We have considered the impacts of climate change in our daily operations and our property management teams always stand by to protect the safety of residents and the public as soon as possible under extreme weather conditions, including making warnings and reminders, managing the community and arranging protective equipment, such as sandbags, canvas, etc., to reduce the danger and damage caused by severe storms or flood. Through community activities, we promote the awareness of environmental protection and adaptation to climate change.



Flood-proofing safety drills

All communities in Logan Group received various forms of flood-proofing safety drills, including filling sandbags, testing sewage pumps, clearing rainwater wells, checking lightning protection devices, detecting the risks of falling objects, testing the park route, reinforcing trees and street lights, learning techniques in response to flooded underground parking lot, falling objects and flooded elevators.

In accordance with the contingency plan, the emergency response team will arrive at the site promptly before the rainstorm or typhoon to check the working conditions of wells and water pumps and detect the risks of falling objects. Moreover, the team will also move sandbags nearby to the elevators, lobbies and parking lot and stack them like a "spread-eagle". Furthermore, they will assemble flood barriers to avoid the influx of rainwater, and the medical team will stand by for any necessary rescue.

In 2020, Logan Property carried out 86 typhoon and flood-proof drills and organized 292 publicity campaigns to keep the owners informed of any necessary preventive measures.



Greenhouse Gas

Based on the above measures, we make good use of resources to reduce unnecessary waste, so that we can still effectively manage our greenhouse gas emissions in the context of our rapid business expansion. Growth in direct and indirect greenhouse gas emissions in the Year remained under control, with the intensity of indirect greenhouse gas emissions down by 13%. We will implement more measures for energy saving and emission reduction in the future, which will further reduce greenhouse gas emissions and promote sustainable development.

ENVIRONMENT PROTECTION AND HARMONY

PROMOTION OF ENVIRONMENTAL PROTECTION AWARENESS

Aiming to promote the public awareness of environment protection and encourage the communities to make contribution to a better environment, the Group makes great efforts to promote environmental education and campaigns by daily operation, community building and voluntary services.

| | |
|--------------------------------|---|
| Daily operation | The Group organizes promotion activities related to environmental protection and energy conservation on a regular basis and arranges construction entities to participate in environmental protection publicity campaigns held by government departments, for the purpose of strengthening the environmental protection concept of the site employees and thus raising their awareness of energy saving and emission reduction in daily work. |
| Facilities construction | Logan has adequate waste sorting and recycling facilities in each project for sorting of household waste, transportation of construction wastes and recycling of used furniture, old clothes and old batteries, etc. The sanitation management staff of each community will supervise the sorting and placement of waste, and establish a reward and punishment mechanism in the cooperation with residents and merchants. |
| Community activities | The Logan Group, its subsidiaries, and the property and project management office release environmental protection information and issues online to promote environmental protection awareness. To carry on environmental protection, we also organized nearly 250 environmental protection activities for residents and merchants in communities in 2020, in which over 6,800 people participated, including children and teenagers. |
| Voluntary service | <p>Our volunteers launch public welfare activities for environment protection on an annual basis. Over the Years, the Logan Charity Fund (龍光慈善基金會) has jointly sponsored a public welfare campaign named “Environmental Protectors on Green Monster Hunt” (打綠怪•助環保) with the Mangrove Wetlands Conservation Foundation (MCF), where volunteers and their families went to the Mangrove Nature Reserve in Futian District to clean up the invasive plant, Mimosa. Our volunteers have also cooperated with Soap Cycling team in recycling, sanitizing and further processing the soaps collected from hotels to make 150 kilograms of recycled soaps, which were delivered to the less-developed regions around the world.</p> <p>In 2020, the Logan Charity Fund (龍光慈善基金會) and Shenzhen Ming Foundation (銘基金) jointly carried out the environmental protection work of Tanglangshan to clean up the invasive plant, Mikania micrantha (薇甘菊) in Tanglangshan, Shenzhen. Our volunteers made a contribution to environmental protection through their practical actions by cleaning up Tanglangshan after learning about the invasive plant at the Tanglangshan Country Park Nature Education Center.</p> |





COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

CHERISHING A SINCERE ORIGINAL ASPIRATIONS AT HEART AND KEEPING OUR OWN MISSION IN MIND, LOGAN WILL CREATE A BRIGHTER FUTURE ON THE ROAD OF PUBLIC WELFARE.



ESG issues

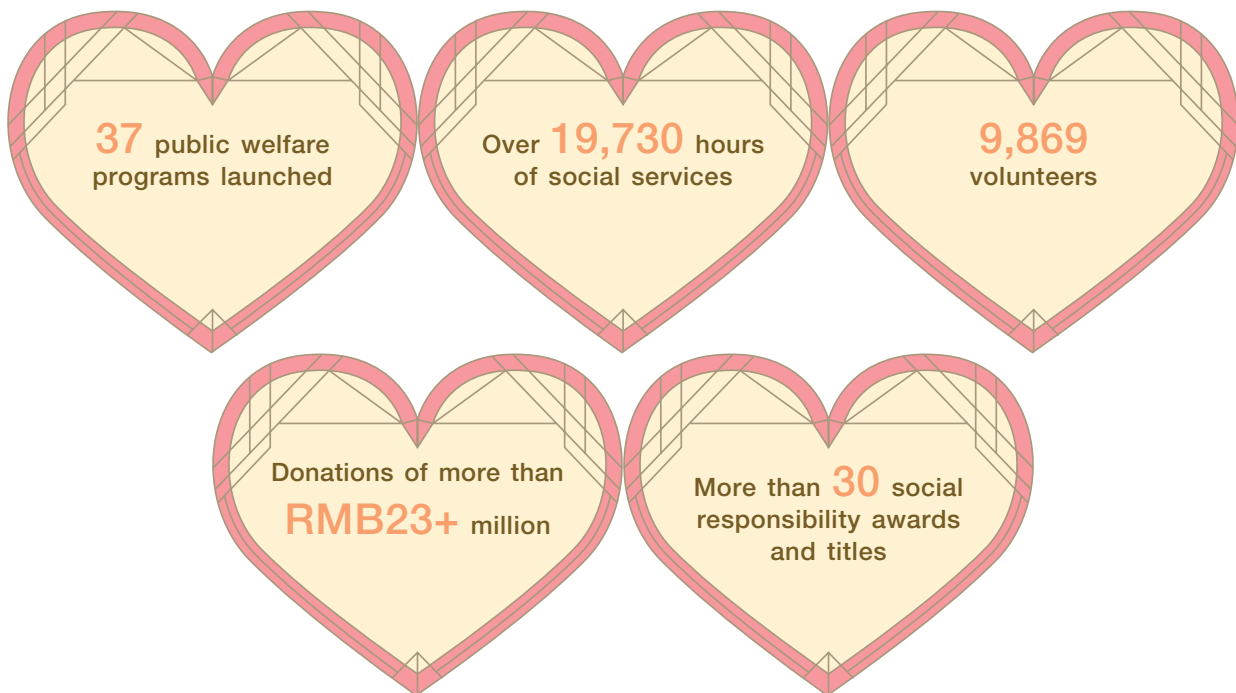
- 28 Stakeholder involvement
- 29 Community public welfare and investment
- 30 Inheritance of traditional culture

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

LOGAN'S PUBLIC WELFARE

Established for more than 20 years, the Logan Group always upholds the corporate values of “pragmatic, innovative, sunshine and efficient”, and unremittingly strives to achieve the corporate vision of “To build a century-old Logan for an evergreen undertaking”. In recent years, the Logan Group achieved the transformation of the “strategic charity” model, which changed from charitable donations in the past to investments in four categories of “poverty alleviation, community, education, and voluntary services”. In addition, the core advantages and management experiences of the Company are applied to public welfare and charity campaigns, enabling Logan to proceed further on the road of public welfare and charity undertakings, and continue to promote the “Power of Light” to the society. Following years of commitments, Logan’s public welfare undertakings cover more than 20 cities in the People’s Republic of China, with more than 300 public welfare programs, with a total donation of RMB850 million.

2020/Our footprint in public welfare



PUBLIC WELFARE SYSTEM

Since its establishment in 2016, the Logan Charity Fund(龍光慈善基金會) has provided supports to Logan in the performance of corporate social responsibility, by virtue of the charity influence of the Group and other unlisted segments. The directors and supervisors of the Logan Charity Fund (龍光慈善基金會) consist of the chairman of the Group’s Sustainability Committee, the party secretary of the Group, the senior management of the Group, etc. In accordance with the Group’s strategic charity planning and social needs, the Fund formulates the charity plan and budget on an annual basis, and the management hold meetings to review the progress on a quarterly basis. The Fund was awarded Grade 4A by the Shenzhen Municipal Social Organization in 2020.

The Group continuously participates in the public welfare initiatives such as poverty alleviation, education, disaster relief and helping the disabled promoted by government authorities in Guangdong, Guangxi, Sichuan and Hainan. For instance, the Group participates in the annual poverty alleviation day in Guangdong Province, in which it will deeply engages in poverty alleviation programs in the province under the leadership of the government authorities of Shenzhen, Shantou, Huizhou and Foshan, etc. The Group has developed long-term relationship with various renowned institutions such as Shenzhen Charity Federation, Shantou Charity Federation, Zhaoqing Women’s Association(肇慶市婦女聯合會) and Shenzhen Media Foundation for public welfare cooperation. The Group has cooperated with approximately 200 government organizations/non-profit commonweal organizations for the Years. During the Year, the Group and the Logan Charity Fund (龍光慈善基金會) donated over RMB200 million.

Public welfare targets

The Group's 2018–2022 Five-Year Plan for Public Welfare defines the direction and targets of public welfare. In 2020, the Group's achievements in public welfare are as follows:

| Targets | Status | Progress in 2020 |
|--|--------|--|
| Poverty alleviation projects covering at least 30 regions | ✓ | The Group's poverty alleviation projects have covered 30 regions including Guangdong, Guangxi, Sichuan, Hainan, Yunnan and Gansu to date |
| Participation in the poverty alleviation day activity of Guangdong Province and the support of provincial-municipal targeted poverty alleviation work every year | ✓ | On 30 June 2020, the Group participated in the poverty alleviation day activity of Guangdong Province and supports the targeted poverty-stricken villages of Zhaoqing City |
| Development of at least 5 featured projects | ●●●● | 4 featured projects were developed. |
| Launch of 5–10 educational poverty alleviation projects | ●●●● | 8 educational poverty alleviation projects were launched. |
| Building of at least 5 beautiful villages | ●●●● | The infrastructure construction for poverty-stricken villages in three counties and cities was completed |
| Establishment of 15–20 “Logan Book Courts” (龍光書苑) | ●●●● | 10 “Logan Book Courts” (龍光書苑) were established. |
| Incubation of 2 volunteer teams | ✓ | Total 2 volunteer teams were incubated in Headquarters and Guangxi Subsidiary respectively |

✓Completed
 ●●●●As scheduled
 ●●●○Behind schedule
 ●○○○Delayed

TARGETED POVERTY ALLEVIATION

As for poverty alleviation strategies, we have targeted the environment, poverty conditions, and causes of poverty in different poverty-stricken areas to implement targeted assistance, which ensure that poverty alleviation plans are effective and resources are used efficiently. When identifying poverty alleviation areas, we mainly consider the urgency of society and the specialties of the Company's business to carry out measures tailored to local conditions and policies. At present, “Infrastructure + Industrial Poverty Alleviation” are our two focuses of poverty alleviation to build a more sustainable corporate social responsibility system.



COMMUNITY DEVELOPMENT AND PUBLIC WELFARE



1

Case 1: Poverty Alleviation in Zhaoqing Rural Mushroom Industry

Lu Village, Xinsheng Village, and Tangxia Village, located in Fengcun Town, Deqing County, Zhaoqing City, are the poverty-stricken villages qualified for targeted assistance by Zhaoqing Women's Federation and Logan Group. Based on the natural conditions of Fengcun Town and the development needs of local agriculture, Zhaoqing Women's Federation joined hands with Logan Charity Fund (龍光慈善基金會) to invest RMB950,000 in the development of mushroom cultivation and mushroom-stick processing projects between 2018 and 2019, which not only expand the income source for villagers, but also realize employment and improve personal skills.

Since its commencement of production in 2019, the project has gradually developed its scale and produced more varieties of mushroom. In May 2020, apart from *Volvariella volvacea*, *Pleurotus geesteranus* and *Hericium erinaceus*, the base successfully cultivated the *Coleophorus aureus* that is of high nutritional value, large market demand and fast growth, which generated greater income for the local villagers. Due to the certain requirements of soil and planting temperature for mushroom cultivation, the project will, in the future, create a smart plantation demonstration park for standardized production to improve efficiency, quality and safety by further integrating the technologies such as big data, cloud computing and regional chain, aiming to form a high quality brand of Fengcun Town, which will lift more underprivileged villagers out of poverty.

2

Case 2: Sichuan Rural Medical Poverty Alleviation

In 2016, the Logan Charity Fund (龍光慈善基金會) launched public welfare projects such as supporting infrastructure and facility construction, education for poverty alleviation, and medical poverty alleviation for poverty-stricken villages in Sichuan. In terms of medical poverty alleviation, poverty-stricken villages in Sichuan are hardly accessible to transportation and only equipped with obsolete medical facilities. In order to improve conditions in impoverished areas, such as illness-induced poverty, inaccessibility of medical treatment caused by distance, difficulty, and expense, the Logan Charity Fund (龍光慈善基金會) utilized a donation of RMB1.05 million to construct the "Angel's Love" (天使之愛) Logan Village Clinics in seven villages in Neijiang City, Nanchong City, Mianyang City, and Dazhou City, and donated RMB150,000 worth of medical apparatus in each village. These seven village-level clinics enjoy better medical apparatus than other non-poverty villages, benefiting more than 10,000 medical office visits.

3

Case 3: Rural Infrastructure Construction in Guangxi

Since entering the Guangxi region in 2006, Logan Group has always been actively performing its social corporate responsibility, and rendering support for various infrastructure projects in Dashi, Sanjiang County (Liuzhou City), and Tiandong County (Baise) in Guangxi Province. We have cumulatively donated more than RMB100 million of poverty alleviation funds to Baise for educational assistance and poverty alleviation in poverty-stricken villages. So far, public facilities have been constructed, solar-powered lamps installed on streets, wells capped, and education fund given to underprivileged children. We also renovated the mountain road for the Santuan Village in Sanjiang County, Liuzhou City, which greatly improved the living conditions of the rural people.

In 2018, we donated RMB10 million to construct large water tanks in rural mountain regions in Dashi, thereby resolving the water consumption in the poverty-stricken areas. In addition, we also assisted severe poverty-stricken villages with the mulberry plantation in Wanling Village, Pingshan Township, Long'an County, Guangxi Province, and the pigeon breeding industry in Pinglue Village, Tiandong County, Baise City, Guangxi Province to achieve targeted poverty alleviation.

Through its donations and cooperation with charitable organizations, the Group's public welfare poverty alleviation project has been widely spread across the PRC. For instance, the Group installed 115 sets of solar streetlights in 14 natural villages in Wanling Village, Longan County, Guangxi Province, conducted road construction and beach river treatment in Shantou City, Guangdong Province and built public infrastructures for four poverty-stricken villages in Jinkouhe District, Leshan City, etc.

During the Year, the Group participated in the paired support activity named Hundred Enterprises Help Hundred Villages (百企幫百村). The Group purchased hundreds of domestic supplies for the villagers in Nuduo Village, Nujiang Autonomous Prefecture, Yunnan Province after the poverty alleviation demolition and relocation. In order to effectively improve the living conditions of the villagers, the Group also went deep into the village to know more about the village conditions and the living conditions of the villagers in their new houses, and actively participated in the discussion on the planning of the follow-up poverty alleviation projects.

In June 2020, the Logan Charity Fund (龍光慈善基金會) made a total donation of RMB60 million in the campaign named Poverty Alleviation Day of Guangdong Province (廣東扶貧濟困日) held in Shenzhen and Shantou to support the targeted poverty alleviation work of Guangdong Province. Meanwhile, the Logan Charity Fund (龍光慈善基金會) was awarded the "Guangdong Province Poverty Alleviation Cotton Tree Golden Cup Award (廣東省扶貧濟困紅棉杯金杯)" again and was awarded the Five-Star Honorary Certificate of "Charity Star (愛心慈善之星)" issued by the Shantou government for the fifth consecutive year.

COMMUNITY DEVELOPMENT

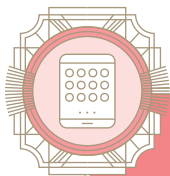
Logan Group always places the interests of communities at heart, pays attention to the community safety, and closely guards residences with the members in them. We carefully consider the community needs and try our best to fill the community with love and hope.

Promotion of inclusive development

In order to help the disabled cope with the pandemic and challenges, Foshan City Chancheng District Disabled Persons Federation (佛山市禪城區殘疾人聯合會) sponsored the establishment of, and the Logan Charity Fund (龍光慈善基金會) took the lead in making capital injection to, the "Chancheng District Charity Fund for Caring the Disabled (禪城區關愛殘疾人慈善金)", which was officially launched on 17 May 2020, the National Day for Helping the Disabled (全國助殘日). To be an important force to promote the development of the disabled, this charity fund will be used to improve the living conditions of the disabled in the administrative region through charitable relief activities in the future, for the purpose of providing timely and effective relief and assistance to the disabled.

Building beautiful communities

In 2020, we strived for effective pandemic prevention measures in the communities to protect the property owners' health and safety. Meanwhile, by cherishing the sincere original aspirations at heart, we are also committed to enriching the cultural life of the property owners by organizing various activities to bring them a colourful living experience. During the Year, total 2,826 activities were held in the Logan community, with a cumulative number of participants of 2.26 million.



In response to the pandemic, we organized various community activities on the Loganhui(龍光薈) APP, providing an opportunity for the property owners to exchange and communicate with each other through the Cloud, including:

- "Online riddles in the Lantern Festivals", calling for the property owners to enjoy the reunion time online rather than going out under the challenging pandemic conditions
- "Supporting you with love", a large-scale confession campaign on Valentine's Day, in which the property owners express love and appreciation to their family members and the people in the front line of the battle against the pandemic
- "Cooking Contest: Who is the best chef", allowing the property owners to exchange their food lists and tutorials

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

In line with the improving pandemic conditions, we hosted the 5th community games in August 2020, setting off an all-people movement for more than 100 Logan communities. In November 2020, we hosted the third Happy Run MINI Marathon(悦跑MINI馬拉松) in Guangzhou, Foshan, Shantou, Huizhou and Zhaoqing, attracting the full participation of nearly 10,000 owners. In addition, Logan Service also organizes basketball games, table tennis matches, community dance competitions and water soccer competitions, etc. from time to time.



In addition, in accordance with Logan's guidelines for nearly 50 types of activities on the six major themes, we held over 1,000 different types of community activities for people of all ages in connection with parent-child relationship, healthcare, entertainment, recreation, such as "festival celebration (佳節慶)", "I love my family (我愛我家)" and "Caring for growth (關愛成長)" activities, to create a wonderful community life in all aspects for the owners.

TALENT EDUCATION

Education-related donations have always played a very important role in the public welfare and charity campaign of Logan Group as we believe strong youth make a great nation. Therefore, the education aid of Logan Group is like the seed of love taking root, sprouting, flowering and bearing fruit in the four seasons, and encouraging more people to participate in education and poverty alleviation.

State-level Demonstrative High School (Jinshan High School) Project in Shantou Overseas Chinese Economic and Cultural Cooperation Experimental Zone

The State-level Demonstrative High School and International School Project in Shantou Overseas Chinese Economic and Cultural Cooperation Experimental Zone (汕頭市華僑試驗區國家示範性高中和國際學校項目) is located in Xinjin Area of East Coast New Town with a total gross floor area of 150,000 square meters. The project shall be constructed in two phases, of which the phase I shall be State-level Demonstrative High School (Jinshan High School) Project in Overseas Chinese Economic and Cultural Cooperation Experimental Zone with a total investment of RMB653 million, which plans to build 3 administrative teaching complexes, 3 student dormitories, 1 faculty dormitory, gymnasium, sports ground and campus ancillary infrastructure.

In January 2020, the Logan Charity Fund (龍光慈善基金會) donated RMB200 million to support the construction of Jinshan High School, which commenced construction in April last year and is expected to be completed in 2021. The project will build a Lingnan school with Chaoshan cultural characteristics that become a model high school in Shantou and Guangdong province.

Guangdong-Guangxi Education Poverty Alleviation Project

In 2016, Logan Group invested RMB20 million in Jingxi to set up an education poverty alleviation fund, which supports financially challenged college students, students with disabilities and from poverty-stricken families, orphans at school, and students who are de facto orphans. From the fall semester of 2017 to the spring semester of 2020, the donation has sponsored a total of 4,720 students, including orphans, de facto orphans, and poor students from families with disabilities, in the amount of nearly RMB8.7 million. The donation funds will be continuously used to subsidize the living expenses of students in the future and promote their healthy growth. The support for beneficiaries will continue on until they graduate from college, during which, student scholarships will be given to them as a form of encouragement.

Student Education Support

In Sichuan, the Group sponsored poor college students, benefiting 200 students in 78 colleges and universities. In Guilin, the Group funded the construction of “Guilin Chongshan Primary School Logan Branch” to build a prestigious school and improve teaching quality. We also donated RMB5 million and RMB2 million to the education foundation of Hong Kong Baptist University and Tsinghua University, respectively, for scientific research and development. This will promote innovation and progress in the education undertaking of China.

The Group has initiated the “Light Source Program” for vocational education poverty alleviation since 2019, the first campaign of which was launched at Guangdong Polytechnic of Science and Trade, provided education aid and scholarships for poor students and offered internships and employment opportunities. With an aim to achieve “Elimination of poverty for the whole family through one person being employed”, a total of 15 poor students were supported and 12 outstanding students were awarded scholarship from 2019 to 2020. The program will be implemented nationwide in the future. Other programs include grant of scholarships to local educational institutions in Lingshui County of Hainan Province, Zhaojue County of Sichuan Province and Shantou City of Guangdong Province, and financial aid in the construction of educational infrastructure.

“Children’s Book Donation” and Public Library Project

In May 2019, the Logan Charity Fund (龍光慈善基金會) funded the mobile bookcase project of the Mantianxing Youth Public Welfare Development Center. The bookcase circulates within Liantan Town, allowing 5,020 students in 16 schools to enjoy book resources.

As of the end of 2019, the Group has also funded the public library projects in Lezhu Town Central Primary School and Rencun Town Central Primary in Xinxing County, Yunfu City, Guangdong Province, and Mindong Primary School in Jianhe County, Guizhou Province, and supported the library upgrading projects in 11 schools by donating interesting children’s books to local schools, which has greatly improved students’ reading enthusiasm.

COMMUNITY DEVELOPMENT AND PUBLIC WELFARE

“Logan Book Court” (龍光書苑) Community Project

In order to create a sharing culture within the community, the Logan Charity Fund (龍光慈善基金會) initiated the “Logan Book Court” (龍光書苑) community project in 2017. With books as the medium, the book court focuses on the structure of a public venue by introducing diverse resources to create a convenient and recreational space with such themes as reading, handcraft production and nature education, thus advocating the charity values of “equality, mutual assistance, fraternity, sharing”. In this way, we build the community cohesion, and a happy homeland featuring mutual assistance in pleasant residences.



Promoting traditional culture

In 2019, in addition to donation of RMB300,000 to the China Next Generation Education Foundation, the Group purchased and donated 926 sets of “Classic Readings of Chinese Ancient Poetry (中華古詩文經典讀本)” to various institutions, including the rural primary schools in Jishishan County, Linxia Hui Autonomous Prefecture, Gansu Province, Zhaoqing Children Welfare Association of Guangdong Province, and the rural primary schools in Lezhu Town, Xinxing County, Guangdong Province, in the “Chinese Excellent Traditional Culture Public Welfare Activity in respect of Education (中華優秀傳統文化公益助教行動)” to pass on the excellent traditional Chinese culture to poverty-stricken areas, so that the children left behind can learn about the knowledge of Chinese ancient poetry and inherit Chinese traditional virtue.

VOLUNTEER SERVICES

The volunteer team of the Group was initiated and established by Logan Charity Fund in 2017, and consists of volunteers from various business segments and departments of the Group, focusing on issues such as community, environmental protection and education. We have introduced a system for the volunteer team and incorporated it into the management platform of Shenzhen Volunteer Association. The team has started a series of environmental protection and community service projects, and pursue the model of “Volunteer commitments, Fund’s Contribution, and Institutional Support” to build a better life.

The volunteer awards have been set up by the Foundation to regularly recognize the outstanding performance of volunteers in accordance with the hours and quality of voluntary services, and encourage other volunteers and attract new members, with a view to achieving a better voluntary performance. In 2019, the headquarters selected and awarded 7 outstanding volunteers from the Group's business segments and centers the title of "Excellent Volunteers of Logan Group" in accordance with the hours and quality of voluntary services.

In 2020, the volunteer team of the Group continued to carry out voluntary activities unremittingly and actively, such as the epidemic prevention and control, poverty alleviation and environmental protection. The experience of volunteer activities is heart-warming, enabling Logan volunteers to recognize the value of being a volunteer from practical activities.

- During the Year, under the guidance of Civil Affairs Bureau of Guangming District, Shenzhen, the volunteer team jointly carried out the activity of "Warming children's hearts and lighting up Guangming District" to visit children in need, listen to their experiences and difficulties and offer each child RMB1,000 of relief payments and gifts.
- For the second year in a row, the volunteer team cooperated with Shenzhen Media Foundation to jointly organize a series of charity activities in Shenzhen with the theme of "The Most Beautiful Fighter, the Warmest Spring Festival in Shenzhen (最美奮鬥者最暖深圳年)", to offer Chinese New Year Eve banquets and Fukubukuros for sanitation workers, couriers, bus drivers and other workers who remained dedicated to their position in Shenzhen during the Spring Festival to thank them for their selfless dedication to the city.
- The volunteer team, together with social workers from the Baishilong Community Workstation and Party and Mass Service Center, visited the needy people in the community and donated 100 warmth bags.
- During the outbreak, dedicated property volunteers voluntarily provided residents with disinfection and protective supplies, purchased and delivered domestic supplies, showing a good corporate culture and the spirit of volunteerism for the public welfare.
- The Logan Group also made donations for the environmental protection public welfare projects, including remediation and greening for perimeter ditch, landscaping, Beishanwan beach treatment, children's park construction in Huangcuo, Shantou and "Beautiful and Cleaning Nanning".



Looking ahead to 2021, the Group will remain dedicated to promoting its corporate culture of caring the underprivileged and environmental protection, and gathering the charity powers to further broaden the scope of charity work and make it more heart-touching. We deeply believe that, under continuous investment, not only various sectors of society can benefit from the public welfare and charity undertakings, but also we can fulfill our social responsibilities at the same time, carrying out the Group's idea of "developing and giving back to society simultaneously" and promoting harmonious development.

STATISTICS SUMMARY

| Types of air emissions, sewage and GHG emission ¹ | Unit | 2020 | 2019 | 2018 |
|--|-------|---------|---------|---------|
| Air Emission and Sewage² | | | | |
| Nitrogen oxide (NOx) | kg | 2,317 | 1,905 | 1,550 |
| Sulfur dioxide (SO ₂) | kg | 1,379 | 1,180 | 960 |
| Particulate matters (PM) | kg | 11,189 | 9,436 | 7,918 |
| Hydrocarbon (HC) | kg | 4,195 | 3,954 | 3,217 |
| Volatile organic compounds (VOC) | kg | 1,046 | 1,016 | 810 |
| Carbon monoxide (CO) | kg | 3,634 | 3,071 | 2,498 |
| Sewage | tonne | 832,198 | 674,826 | 548,903 |
| GHG Emission³ | | | | |
| Direct GHG emissions (Scope 1) | tonne | 1,717 | 1,301 | 1,041 |
| Intensity (per square meter of gross floor area of construction and offices) | | 0.00006 | 0.00006 | 0.00006 |
| Indirect GHG emissions (Scope 2) | tonne | 32,998 | 29,758 | 26,670 |
| Intensity (per square meter of gross floor area of construction and offices) | | 0.00120 | 0.00139 | 0.00161 |
| Types of hazardous wastes¹ | | | | |
| Unit | | | | |
| 2020 | | | | |
| 2019 | | | | |
| 2018 | | | | |
| Construction wastes⁴ | | | | |
| Asbestos | tonne | 2.23 | 2.03 | 1.62 |
| Fluorescent light tubes | tonne | 1.78 | 1.55 | 1.37 |
| Office wastes⁴ | | | | |
| Ink cartridges | tonne | 2.15 | 2.17 | 2.20 |
| Toner cartridges | tonne | 4.14 | 3.48 | 3.44 |

¹ Logan Group has maintained a high growth rate for this year. The increase in projects has increased the use of construction and administrative emissions resources. However, the increase rate of emissions remained low due to our environmental protection measures.

² Calculation of data regarding gas emissions is based on the technical specifications and operating data of construction machinery and transportation vehicles.

³ Data only comprises energy utilized by the Group over the course of its business operation, excluding energy consumption beyond direct control by the Group. Calculation of carbon dioxide emission is based on the Greenhouse Gas Protocol jointly published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), the 2019 Regional Grid Baseline Emission Factors in China published by the Ecological and Environmental Ministry of the People's Republic of China and the Guide for Greenhouse Gas Emission Accounting Methods and Reporting for Public Building Operators (Trial) published by the National Development and Reform Commission of the People's Republic of China, and the Reporting Guidance on Environmental KPIs by the Stock Exchange of Hong Kong Limited.

⁴ The identification of hazardous wastes is based on "Directory of National Hazardous Wastes" (國家危險廢物名錄) issued by the Ministry of Environmental Protection of the People's Republic of China.

| Types of non-hazardous wastes ¹ | Unit | 2020 | 2019 | 2018 |
|--|-------------|------------|------------|------------|
| Construction wastes | | | | |
| Building debris | tonne | 49,819 | 42,477 | 37,622 |
| Rubble | tonne | 6.72 | 5.97 | 5.29 |
| Earth | tonne | 1,676,351 | 1,401,380 | 1,241,204 |
| Concrete | tonne | 350,479 | 286,200 | 240,147 |
| Asphalt | tonne | 530 | 460 | 386 |
| Metal scrap | tonne | 1,749 | 1,517 | 1,273 |
| Wood | tonne | 4,552 | 3,847 | 3,228 |
| Office wastes⁵ | | | | |
| Paper | tonne | 51 | 53 | 45 |
| Paper cups | tonne | 4.57 | 5.86 | 6.21 |
| Plastic bottles | tonne | 1.70 | 6.08 | 5.70 |
| Energy consumption¹ | | | | |
| Energy consumption of building | | | | |
| Total electricity | kWh | 58,685,882 | 48,476,767 | 39,410,815 |
| Intensity (per square meter of gross floor area of construction) | | 2.1434 | 2.2621 | 2.3856 |
| Gasoline | liter | 114,094 | 94,093 | 78,952 |
| Intensity (per square meter of gross floor area of construction) | | 0.0042 | 0.0044 | 0.0048 |
| Diesel | liter | 165,088 | 136,260 | 114,334 |
| Intensity (per square meter of gross floor area of construction) | | 0.0060 | 0.0064 | 0.0069 |
| Natural gas | cubic meter | 20,969 | 17,425 | 14,621 |
| Intensity (per square meter of gross floor area of construction) | | 0.0008 | 0.0008 | 0.0009 |
| Energy consumption of office | | | | |
| Total electricity | kWh | 5,663,611 | 6,048,016 | 5,863,579 |
| Intensity (per square meter of gross floor area of offices) | | 91.3484 | 110.8922 | 112.6429 |
| Gasoline | liter | 374,586 | 289,755 | 230,400 |
| Intensity (per square meter of gross floor area of offices) | | 6.0417 | 5.3127 | 4.4261 |
| Natural gas | cubic meter | 64,840 | 19,714 | 5,802 |
| Intensity (per square meter of gross floor area of offices) | | 1.0458 | 0.3615 | 0.1115 |

⁵ Calculation of data regarding office wastes is based on the annual purchase amount.

STATISTICS SUMMARY

| Water consumption ¹ | Unit | 2020 | 2019 | 2018 |
|--|-------------|-----------|-----------|---------------|
| Water consumption of building | | | | |
| Water consumption | cubic meter | 5,142,533 | 4,146,810 | 3,479,528 |
| Intensity (per square meter of gross floor area of construction) | | 0.1878 | 0.1935 | 0.2106 |
| Water consumption of office | | | | |
| Water consumption | cubic meter | 108,744 | 121,020 | 137,319 |
| Intensity (per square meter of gross floor area of offices) | | 1.7539 | 2.2189 | 2.6380 |
| Total workforce⁶ | | | | |
| Gender | | | | |
| Male | person | | 2,095 | 2,350 |
| Female | person | | 904 | 965 |
| Types of employment category | | | | |
| General employee | person | | 2,087 | 1,810 |
| Middle level staff and management | person | | 844 | 1,433 |
| Senior management | person | | 68 | 72 |
| Age group | | | | |
| Below 30 | person | | 678 | 953 |
| 30-49 | person | | 1,881 | 2,139 |
| 50 or above | person | | 440 | 223 |
| Geographical region | | | | |
| Mainland China | person | | 2,936 | 3,255 |
| Hong Kong Special Administrative Region | person | | 46 | 41 |
| Singapore | person | | 17 | 19 |
| Employee turnover rate⁶ | | | | |
| Resignation for the year | person | | 881 | 1,079 |
| Employment for the year | person | | 1,331 | 1,175 |
| Employee turnover rate | percentage | | 27.91% | Not available |

⁶ Data regarding employment include our employees in Mainland China, Hong Kong Special Administrative Region and Singapore.

| Number of work-related fatalities per year | | Unit | 2020 | 2019 |
|---|--|------------|------------|---------------|
| Number of work-related fatalities | | person | 0 | 0 |
| Lost days due to work injury. | | work days | 560 | Not available |
| Percentage of employees trained ⁷ | | Unit | 2020 | 2019 |
| Gender | | | | |
| Male | | percentage | 98% | 41% |
| Female | | percentage | 97% | 37% |
| Types of employment category | | | | |
| General employee | | percentage | 99% | 29% |
| Middle level staff and management | | percentage | 97% | 66% |
| Senior management | | percentage | 74% | 56% |
| Average training hours of employees | | Unit | 2020 | 2019 |
| Gender | | | | |
| Male | | hour | 35.67 | 43.9 |
| Female | | hour | 36.50 | 53.9 |
| Types of employment category | | | | |
| General employee | | hour | 28.50 | 42.2 |
| Middle level staff and management | | hour | 53.99 | 55.3 |
| Senior management | | hour | 45.00 | 26.8 |
| Number of suppliers | | Unit | 2020 | 2019 |
| Total number of suppliers in Mainland China | | person | 2,149 | 1,098 |
| Service complaints | | Unit | 2020 | 2019 |
| Service complaints received | | case | 634 | 323 |
| Legal cases regarding corrupt practices | | Unit | 2020 | 2019 |
| Concluded legal cases regarding corrupt practices | | case | 0 | 1 |
| Range of construction | | Unit | 2020 | 2019 |
| Total amount of community investment | | RMB | 23,160,300 | 21,000,000 |
| Total hours of community investment | | hour | 19,738 | 5,000 |

⁷ We revised our training statistics for the year to deliver a more accurate presentation of the training results.

INDEX OF REPORTING INDICATORS

The content index of the revised version of the Environmental, Social and Governance Reporting Guide issued by the Hong Kong Stock Exchange in December 2019 is set out below.

| Aspect | No. | Reporting guide | Section of Reporting | Remark |
|--------------------------------|--------------------|--|--|--|
| 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 | Environment protection and harmony | |
| | A1.1 | The types of emissions and respective emissions data | Statistics summary | |
| | A1.2 | Direct (scope 1) and indirect (scope 2) greenhouse gas emissions and intensity | Statistics summary | |
| | A1.3 | Total hazardous waste produced and intensity | Statistics summary | |
| | A1.4 | Total non-hazardous waste produced and intensity | Statistics summary | |
| | A1.5 | Description of emission target(s) set and steps taken to achieve them | Environment protection and harmony | |
| | 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 | Environment protection and harmony | |
| A2: Use of Resources | General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials | Environment protection and harmony – GREEN CONSTRUCTION/ GREEN OPERATION | |
| | A2.1 | Direct and/or indirect energy consumption by type in total and intensity | Statistics summary | |
| | A2.2 | Water consumption in total and intensity | Statistics summary | |
| | A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them | Environment protection and harmony | |
| | 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 | Environment protection and harmony | |
| | A2.5 | Total packaging material used for finished products and per unit produced | N/A | The relevant disclosure is not applicable to our business which does not involve a large amount of packaging materials |

| Aspect | No. | Reporting guide | Section of Reporting | Remark |
|---|------------------------------------|---|---|--|
| A3: Environment and Natural Resources | General Disclosure | Policies on minimizing the issuer's significant impact on the environment and natural resources | Environment protection and harmony – GREEN CONSTRUCTION/ GREEN OPERATION | |
| | A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | Environment protection and harmony – GREEN CONSTRUCTION/ GREEN OPERATION | |
| 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 | Environment protection and harmony – COMBATING CLIMATE CHANGE | |
| | 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 | Environment protection and harmony – COMBATING CLIMATE CHANGE | |
| 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 | Employee care and growth | |
| | B1.1 | Total workforce by gender, employment type, age group and geographical region | Statistics summary | |
| | B1.2 | Employee turnover rate by gender, age group and geographical region | Statistics summary | |
| | 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 | Employee care and growth – OCCUPATIONAL HEALTH AND SAFETY |
| | B2.1 | Number and rate of work-related fatalities in the past three years | Statistics summary | |
| | B2.2 | Lost days due to work injury | Statistics summary | |
| | B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored | Employee care and growth – OCCUPATIONAL HEALTH AND SAFETY | |

INDEX OF REPORTING INDICATORS

| Aspect | No. | Reporting guide | Section of Reporting | Remark |
|--|--------------------|--|---|--------|
| B3: Development and Training | General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities | Employee care and growth – DEVELOPMENT AND TRAINING | |
| | B3.1 | The percentage of employees trained by gender and employee category | Statistics summary | |
| | B3.2 | The average training hours completed per employee by gender and employee category | Statistics summary | |
| B4: Labor 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 labor | Business principle of sustainable development – Prevention of child and forced labor | |
| | B4.1 | Description of measures to review employment practices to avoid child and forced labor | Business principle of sustainable development – PREVENTION OF CHILD AND FORCED LABOR | |
| | B4.2 | Description of steps taken to eliminate such practices when discovered | Business principle of sustainable development – PREVENTION OF CHILD AND FORCED LABOR | |
| | | | | |
| B5: Supply Chain Management | General Disclosure | Policies on managing environmental and social risks of the supply chain | Urban renewal and harmonization between human habitation and nature – SUSTAINABLE SUPPLY CHAIN | |
| | B5.1 | Number of suppliers by geographical region | Statistics summary | |
| | B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored | Urban renewal and harmonization between human habitation and nature – SUSTAINABLE SUPPLY CHAIN | |
| | B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored | Urban renewal and harmonization between human habitation and nature – SUSTAINABLE SUPPLY CHAIN | |
| | B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored | Urban renewal and harmonization between human habitation and nature – GREEN AND LOCAL PROCUREMENT | |

| Aspect | No. | Reporting guide | Section of Reporting | Remark |
|---|-----------------------|---|---|---|
| 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 | Urban renewal and harmonization between human habitation and nature | |
| | B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | N/A | The relevant disclosure is not applicable to our business which does not involve product recall |
| | B6.2 | Number of products and service related complaints received and how they are dealt with | Urban renewal and harmonization between human habitation and nature – SERVICE QUALITY | |
| | B6.3 | Description of practices relating to observing and protecting intellectual property rights | Business principle of sustainable development – INTELLECTUAL PROPERTY RIGHTS | |
| | B6.4 | Description of quality assurance process and recall procedures | Urban renewal and harmonization between human habitation and nature – PRODUCT QUALITY AND SAFETY | |
| | B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored | Business principle of sustainable development - PERSONAL PRIVACY AND INFORMATION PROTECTION | |
| 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 | Business principle of sustainable development - PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING | |
| | 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 | Statistics summary | |
| | B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored | Business principle of sustainable development – PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING | |
| | B7.3 | Description of the anti-corruption training provided to directors and employees | Business principle of sustainable development – PREVENTION OF BRIBERY, FRAUD AND MONEY LAUNDERING | |

INDEX OF REPORTING INDICATORS

| Aspect | No. | Reporting guide | Section of Reporting | Remark |
|---------------------------------------|-----------------------|---|-----------------------------------|--------|
| 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 | Community development and charity | |
| | B8.1 | Focus areas of contribution | Community development and charity | |
| | B8.2 | Resources contributed to the focus area | Statistics summary | |



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