

LOGAN

PROPERTY

PRESERVE THE VITALITY AND BEAUTY AT HEART



2019

Environmental, Social and
Governance Report

LOGAN PROPERTY

Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3380)

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ABOUT THE REPORT

Logan Property Holdings Company Limited (the “Company”, together with its subsidiaries, “Logan Property”, “Logan”, the “Group” and “We”, “Us”) is a leading city operators in terms of comprehensive strength 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 24 years with a view to carving out the future and kindling hope. We are pleased to present the 4th Environmental, Social and Governance (“ESG”) Report (the “Report”) of Logan Property to illustrate our progress and achievements in sustainability development throughout 2019 and share our journey towards a more sustainable future with you.

Reporting Scope

This Report covers the ESG performance of Logan Property from 1 January 2019 to 31 December 2019 (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, we have reconsidered our business segments and management structure, in which case, it is confirmed that the reporting scope for the Year has been expanded to cover our real estate development, property leasing, land development, construction and fitting-out business 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 2019 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:

MATERIALITY



Based on our stakeholder engagement and materiality assessment, we have identified, prioritized and reported the issues that potentially have material impacts on Logan Property, or issues which Logan Property 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.



QUANTITATIVE

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”.

BALANCE

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 Property in important aspects to enhance operating transparency and build trust.

CONSISTENCY

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.

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 Board of the Group in March 2020 so as to ensure the contents of the Report accurately, timely and truly reflect the ESG performance of the Group.



BOARD STATEMENT

Looking back on 2019, Logan Property leapfrogged to the 23rd place in the ranking of “Sixteenth China Top 100 Real Estate Developers”, achieving significant growth in quality and quantity. Expanding our presence to more than 20 core cities across the country and international market, we became a highlight of the real estate sector. Over the past 24 years, we have been bravely forging ahead with the ongoing commitments to the sustainability goal of “To build an Evergreen Logan”.

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

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

Our decisions embody our commitments to build a pleasing residential environment, and take into consideration the environment and demands of our various stakeholders. During the Year, nearly a hundred themed events involving our employees and communities were held, 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. Furthermore, as a member of the global village shouldering environmental protection and global warming deceleration responsibilities, we ensure that environmental protection, energy saving, emission reduction and sustainability are integrated into our supply chain and project design. In constructing various green buildings, we 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.

We are well-recognized among the public for our sustainability performance, and awarded numerous awards and certifications, both of which demonstrate our outstanding performances in public welfare and charity, environmental protection, building quality, corporate development and finance. It is noteworthy that we were awarded the honor of “China’s Top 50 Board of Directors” for the second consecutive year by Fortune, while our Chairman of the Board, Mr. Kei Hoi Pang, was also selected by Forbes to the “2018 Forbes China Best CEOs List”, manifesting the extraordinary foresight and leadership of Logan’s management to ensure the steady sustainable development progress of Logan Property.

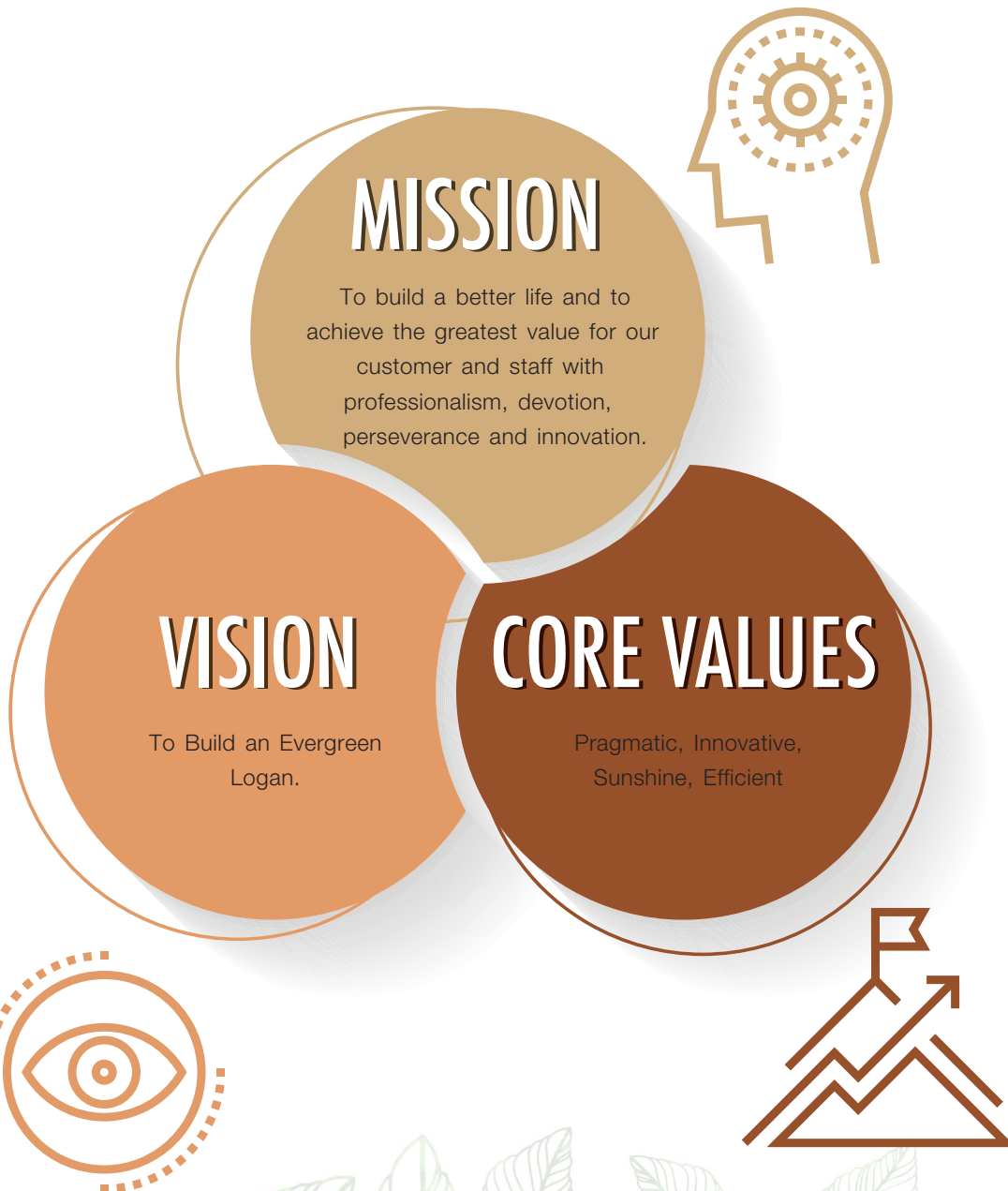
Looking forward, we expect to deliver better performance in environmental and social issues. Starting from 2020, we will set up sustainable development objectives to accelerate the performance of Logan as a whole in environmental and social aspects. Efforts to collect ESG data will be increased to enhance the transparency of information. In addition, we seek to obtain more green building certifications, and continue to



expand community investment and public welfare undertakings. 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 Property will work with our business partners, customers, investors and other stakeholders to promote sustainable development and build a better future.

The Board of Directors

27 March 2020



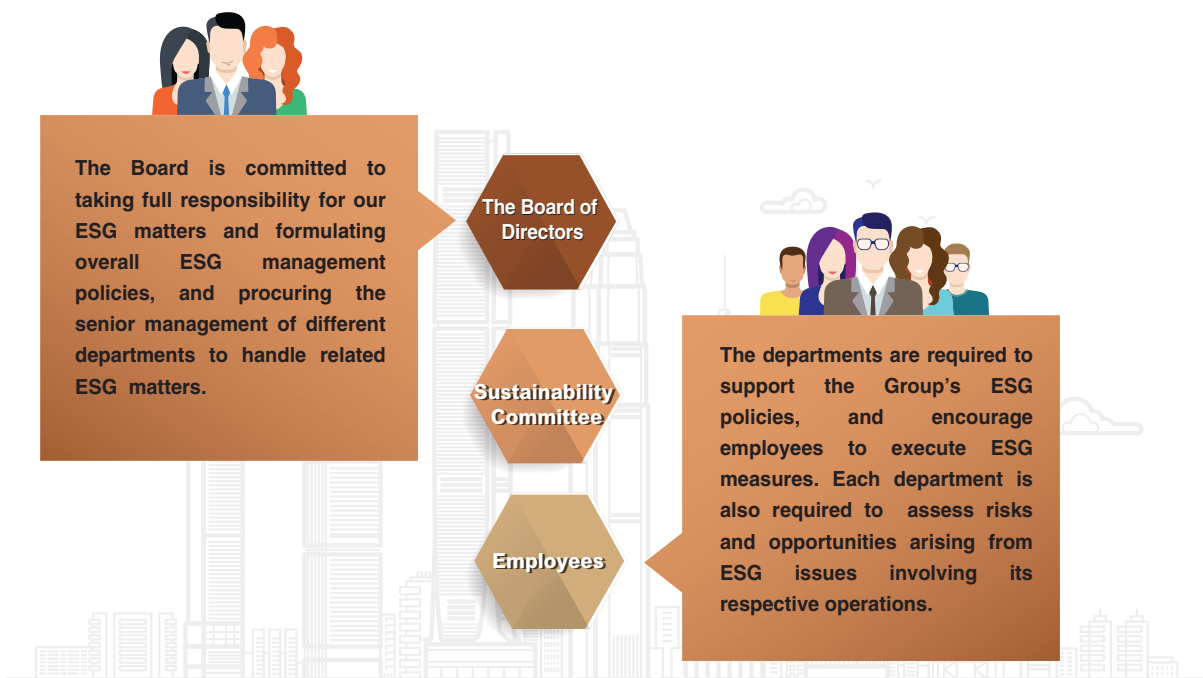
SUSTAINABLE DEVELOPMENT GOVERNANCE

Logan Property 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 sustainable development of Logan Property. 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:



Sustainability Committee

In March 2020, we established a Sustainability Committee, which is chaired by Mr. Kei Hoi Pang, our Chairman of the Board and is comprised of the responsible persons of related business units, in order to coordinate management of sustainability matters. The Sustainability Committee is mainly responsible for:

- reviewing information related to the Company's sustainability development and its ESG report;
- making responses to the expectations from our stakeholders, as well as formulating feasible mid-term and long-term sustainability development policies, action plans, and specific targets; and
- 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.



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

Sustainable Development Risk Management

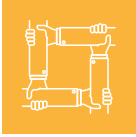



The Audit Committee of the Board will annually assess the existing and potential risks of the Group as a whole, including ESG risks, and develop an understanding of the Group’s risk tolerance and acceptance. We have also established a sound internal audit and legal system. Upon completing regular internal 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.

Sustainable Development Strategy

As the core development principle of Logan Property, sustainable development 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, labor 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
 <p>Corporate compliance “Compliance with laws”</p>	<p>We are committed to maintaining excellent and efficient corporate governance practices, and creating long-term and valuable growth for the stakeholders of Logan Property 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. 	



Sustainability topics	Development strategy	United Nations' SDGs
 <p>Labour relations "United as one"</p>	<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 Property. 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. 	
 <p>Quality project "Harmonize human habitation with nature"</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 and green procurement will be established. 	





Sustainability topics	Development strategy	United Nations' SDGs
 <p>Green environmental protection "Nature-friendly"</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 and management, 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 "Building a beautiful community"</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 Property. Therefore, we maintain active communications with the internal and external stakeholders to understand the impact of Logan Property’s operations and the expectations of various stakeholders with regard to the ESG performance of Logan Property.

We analyze the dependence and influence of the stakeholders on the Group together with the operation and management department, and identify our employees, investors and shareholders, customers and consumers, suppliers and business partners, government and regulatory authorities, as well as media and the public, as our major internal and external stakeholders. Over the usual course of our business, we make responses to our stakeholders’ concerns by understanding their demands through communication channels as follows:





Stakeholders' Concerns

Green Building

Stakeholders generally recommend that Logan Property should develop more green buildings to save energy, reduce carbon dioxide emissions in cities and minimize the impact of human habitation on the environment.

We have been committed to green city building, and have incorporated a myriad of green building technologies and designs to our buildings. In the future, we will seek to obtain environmental certifications for more buildings to improve our brand awareness.

Supply Chain Management

Stakeholders are concerned about expansion and synchronization of the supply chain of Logan Property during its rapid business growth, and propose to strengthen the management and review of the ESG issues of suppliers to promote sustainable supply chains.

We are constantly identifying business partners that share the same suitability philosophy as Logan Property to join us. In the future, we will further expand the review scope of the ESG issues of the supply chain and implement stringent control.

Talent Training

Our management and employees pay attention to talent training to support the long-term business development and individual development at Logan Property, which will in return develop core competitive strengths of the Group.

We recognize the importance of employee training and development, and continue to invest resources in training activities. We will collect more training data in the coming year for high level review that will assist in improving training and development plans.

Promotions Of Sustainable Development Cases

Stakeholders believe that we could strengthen the publicity of Logan Property's achievements, performances and cases regarding sustainable development, the sustainability concept of which can be shared with a wider spectrum of stakeholders to enhance their understanding and awareness.

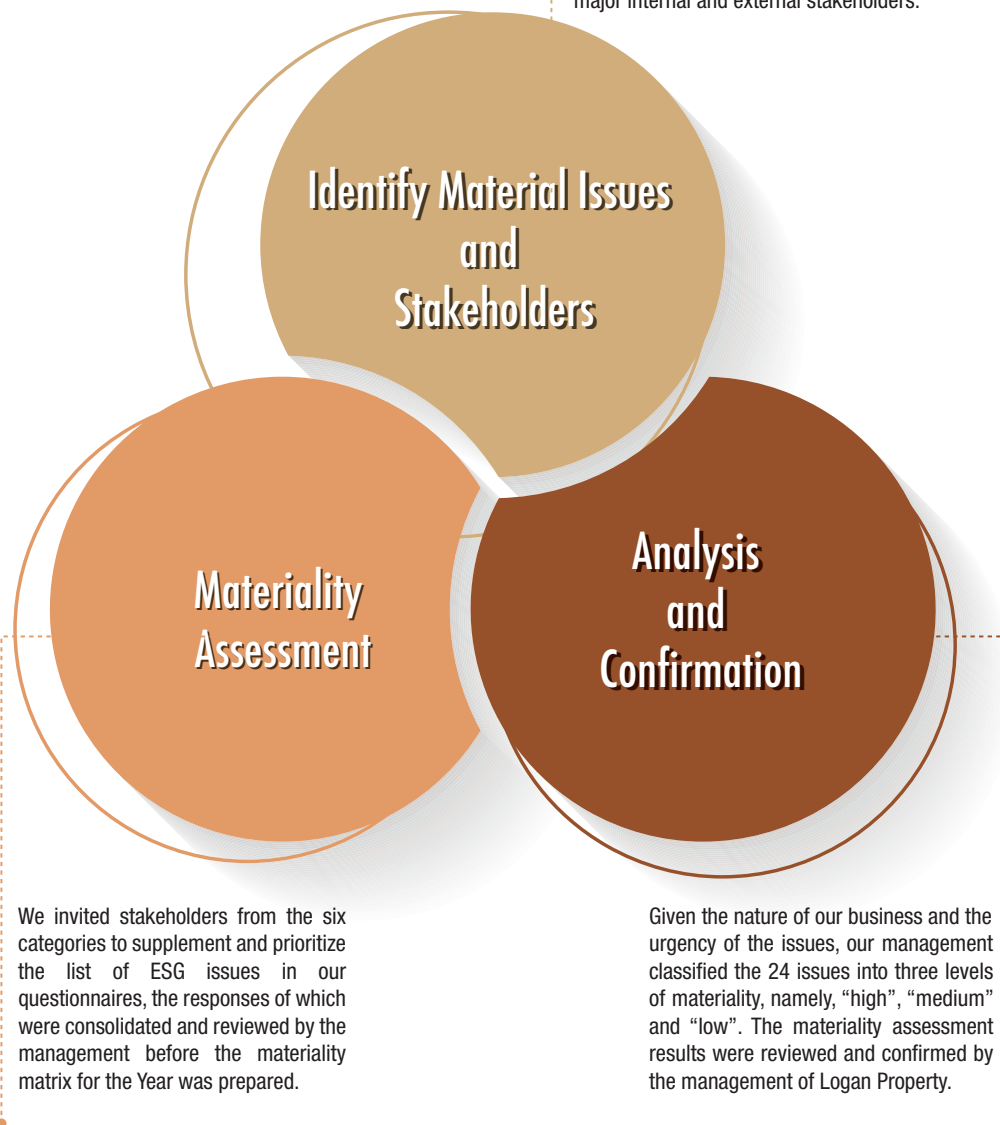
We constantly expand the disclosure scope of the ESG report, improve its transparency, and publish numerous updates of our sustainable development on the website and WeChat public account of the Group. Stakeholders are welcome to follow our WeChat account for the latest information.



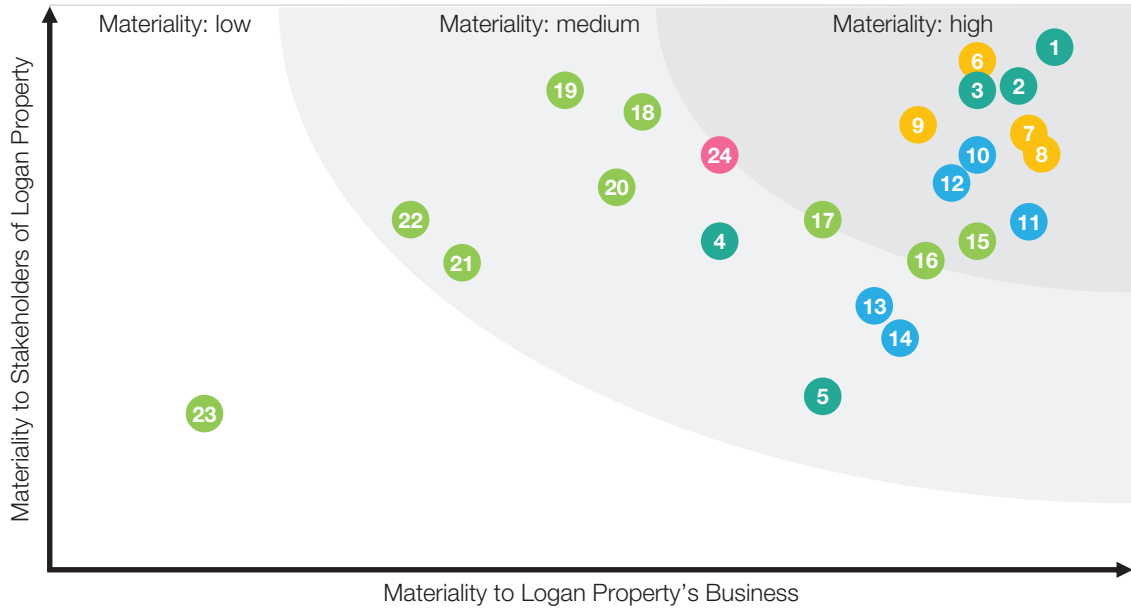
Materiality Assessment

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 Property from multiple dimensions. As compared to last year, the stakeholders heightened the level of concern on the ESG issues for the Year.

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. We then identified the above six categories as our major internal and external stakeholders.



Materiality Matrix



Corporate compliance — “Compliance with laws”

- 1 Compliance
- 2 Prevention of bribery, fraud and money laundering
- 3 Customer privacy protection
- 4 Intellectual property rights
- 5 Prevention of child and forced labor

Labor relations — “United as one”

- 6 Occupational health and safety
- 7 Equal opportunity and anti-discrimination
- 8 Employment
- 9 Development and training

Quality project — “Harmonize human habitation with nature”

- 10 Product safety
- 11 Supply chain management
- 12 Service quality
- 13 Green procurement
- 14 Environmental and labor performance of suppliers and subcontractors

Green environmental protection — “Nature-friendly”

- 15 Environmental impact of construction
- 16 Green building
- 17 Noise pollution
- 18 Pollutants and greenhouse gas emissions
- 19 Waste disposal and management
- 20 Water use
- 21 Climate change
- 22 Energy use
- 23 Biodiversity

Community investment — “Building a beautiful community”

- 24 Community investment






CONSCIENCE

Loyalty and incorruptibility play a fundamental role in our development.

Upholding sincerity, perseverance and courage, we achieve extraordinary value through action.





ESG issues	Update in 2019
<p>Compliance</p> 	<p>We maintained a sound audit and legal mechanism to promote corporate compliance. All employees must abide by the Employees Code of Conduct and be law-abiding. We will not tolerate, and take a serious attitude to any violation.</p>
<p>Prevention of bribery, fraud and money laundering</p> 	<p>In 2019, we maintained close contact with employees, management, suppliers, etc. and regularly promote awareness of integrity and anti-corruption. We also increased efforts in big data monitoring to assist in the detection of misconduct.</p>
<p>Customer privacy protection</p>	<p>We continued to review the safeguards for our customers' personal data, determine the effectiveness of current personal data access methods, and evaluate the security of information technology systems.</p>
<p>Intellectual property rights</p>	<p>The Group registered trademarks for its products, and employees must also properly manage the assets of the Group according to internal guidelines and respect the third-party intellectual property rights.</p>
<p>Prevention of child and forced labor</p>  	<p>We strictly prevent the use of child labor or forced labor within the Group and contractors. We will review the age of employees and conduct random checks. In 2019, we did not identify any child labor or forced labor.</p>



COMPLIANCE WITH LAWS

So far as Logan Property 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 Logan Property, promote the “Sunshine” policy, and pursue an honest, trustworthy, standardized and transparent business environment.

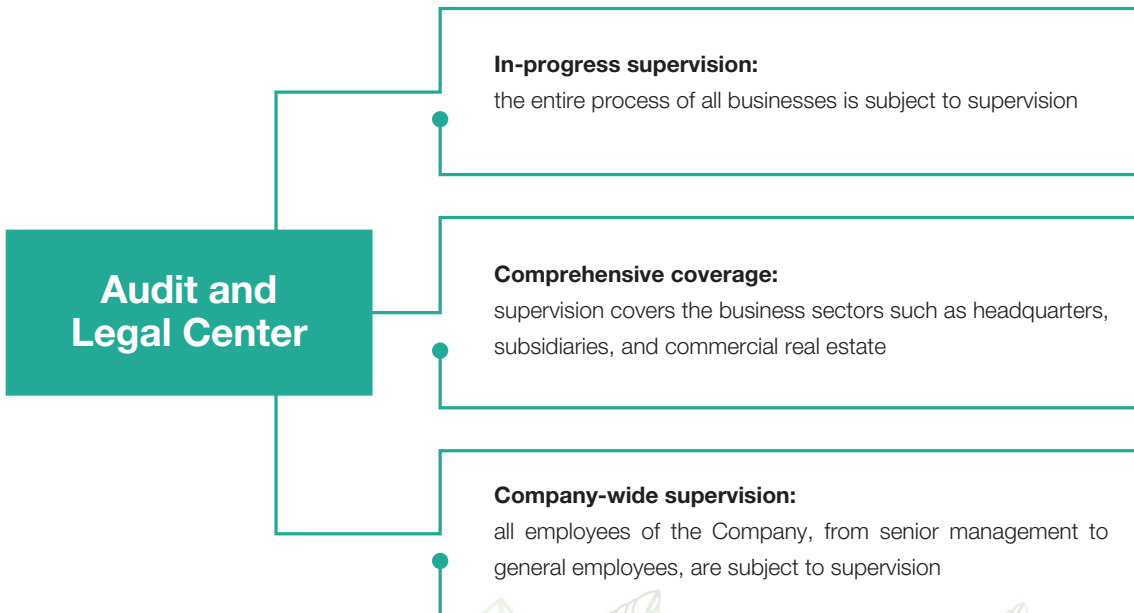
Building a Compliant Environment

Our employees are required to fully understand and comply with the following seven major requirements in daily work which are set out in the Employees Code of Conduct:





<p>Commitment, integrity and trustworthiness</p>	<p>Employees should be diligent and responsible, and take an active stance to deal with and resolve challenges arising from their work, in which, truthful communications with their superiors are encouraged. No falsification, exaggeration, concealment or misrepresentation of pertinent facts, or deliberate concealment of errors at work is permitted.</p>
<p>Protection of corporate interests</p>	<p>Employees should not abuse power to seek personal gains, or prejudice the interests of the Company. No embezzlement or theft of corporate assets is allowed by taking advantage of their positions. Employees shall work hard to achieve the business targets and valuable growth for the Company.</p>
<p>Separation of public and private interests, transparency, and incorruptibility</p>	<p>It is prohibited to accept bribery, kickback, or any monetary amount and any form of gifts, gratuities, or entertainment from business partners and individuals by taking advantage of their positions.</p>
<p>Compliance with laws and regulations</p>	<p>Employees shall strictly implement various rules and management procedures issued by the Company, participate in training sessions, and develop a sense of supervision to strengthen supervision in the management process so that violation of any aspect can be eliminated.</p>
<p>A role model of dedication</p>	<p>Employees shall become role models of dedication and accountability, and shall respect, care and cherish their subordinates to build a good workplace. Additionally, they shall be committed to improve the performance and expertise of individuals and teams, and remain aggressive.</p>
<p>Good business etiquette</p>	<p>Trivial matters reflect etiquette, and details embody civility. Employees are required to maintain an appropriate professional manner during working hours, and show a good professional image of decency and courtesy.</p>
<p>Avoiding conflicts of interest</p>	<p>Employees are not permitted to engage in any activity that may directly or indirectly have conflicts of interest with the Company.</p>



In order to strengthen the governance mechanism of compliance affairs, we have established the Audit and Legal Center to systematically coordinate legal and regulatory compliance work, including risk management, litigation management and compliance and internal audit management. The Audit and Legal Center will also guide and monitor the establishment of the subsidiaries' legal system, and manage daily legal matters. In addition, the Audit and Legal Center will conduct audit and supervision on different functions of the Company to assist the functions in improving their management standards, closing loopholes and preventing corruption. Our Audit and Legal Center reports directly to the chairman and CEO of the Group, and adopts the three principles set out below:



The Audit and Legal Center has set comprehensive rules and regulations, as well as definite governance and reporting channels. A clear division of responsibilities enables a more efficient pursuit of compliance and legal practices. The duties of the Audit and Legal Center include audit and legal planning and implementation of the Group, formulation of a standardized audit and legal system, preparation of relevant systems, processes, business manuals and guidelines, and performance of audit and legal practices including:

Audit Work	Legal Work
<ul style="list-style-type: none"> Assess corporate risks and determine key monitoring and audit scopes Perform various audits, including: <ul style="list-style-type: none">  Corporate risk assessment  Audits targeted at various departments  Annual comprehensive audit  Construction acceptance Audit of employee turnover in key positions Follow up, rectify and analyze key cases Organize internal audit quality inspections Establish and manage whistleblowing channels 	<ul style="list-style-type: none"> Conduct risk management of investments, mergers and acquisitions, and operations, including auditing due diligence and risk assessment of investments, mergers and acquisitions projects Promote legal knowledge related to mergers and acquisitions investments and operation management business Formulate, check and supervise contracts Provide legal advice on the Company’s major operating decisions Collect real estate related laws and regulations, and build a repository to compile real estate regulations and cases Assist in litigation and arbitration cases Conduct regular legal risk assessments

Prevention of bribery, fraud and money laundering

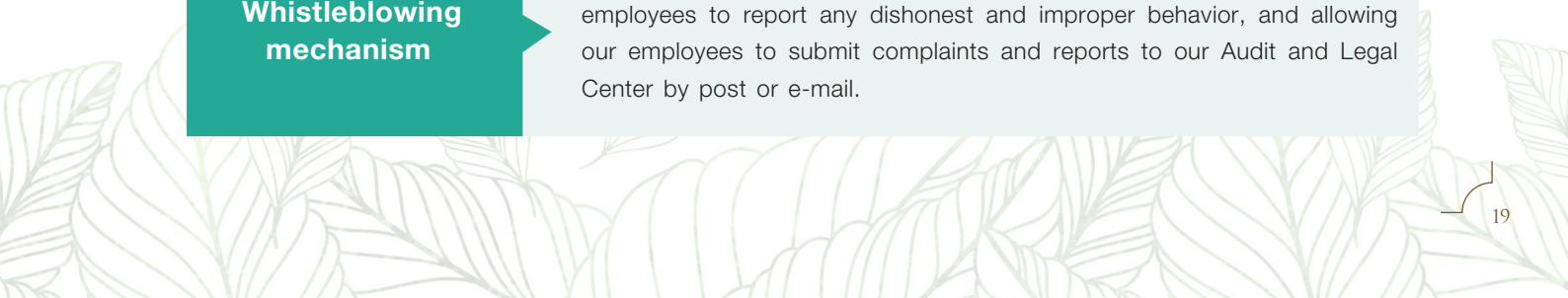
We are determined to combat all offences involving bribery, extortion, fraud and money laundering. We have developed “Ten Nos” principles in the Employee Handbook (員工手冊) including no abusing power to seek personal gains, no committing corruption or bribery, and no divulging trade secrets, etc.. All of the employees should abide by the incorruptibility requirements of the Group. New employee induction training contains incorruptibility and self-discipline courses, and employees are required to pass the exams to ensure that they understand the Group’s requirements on incorruptibility and self-discipline. Our audit department regularly conducts incorruptibility training for our employees.

Big data monitoring

Our Audit and Legal 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 effectively prevent and combat malpractices.

Whistleblowing mechanism

We have set up an appropriate whistleblowing mechanism, encouraging employees to report any dishonest and improper behavior, and allowing our employees to submit complaints and reports to our Audit and Legal Center by post or e-mail.



Incorruptibility training

The general manager of our Audit and Legal Center organizes the incorruptibility training for new employees of our Group every two months to remind our employees to maintain the principle of incorruptibility. The employees shall strictly comply with the Regulations on Employees' Incorruptibility in Work (員工廉潔從業規定) to ensure the Group's lawful operation. 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.

Supplier incorruptibility management

We maintain close liaison with our suppliers to regularly promote Logan's value and spirit of incorruptibility and cooperation, and learn from our suppliers about the incorruptibility and self-discipline of our employees. All cooperating suppliers are required to sign our Incorruptibility and Cooperation Agreement (廉潔合作協議), Honest Performance Undertaking (誠信履約承諾函), Incorruptibility Statement (廉潔告知書) and other agreements, while publishing whistleblowing channels for reporting of fraudulent activities. Suppliers shall be blacklisted and its engagement shall be terminated in case of any issues on incorruptibility 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.

During the Reporting Period, we investigated into an incident regarding misconduct of one of our staff. The employee involved in violation of regulations assigned customer resources to the subordinate of such employee, and obtained profits from the subordinate. The Audit and Legal Center intervened and reported the case to the police and expelled the employee involved. The employee was arrested by the procuratorial authority according to the law for the suspected crime of accepting bribery as a non-state functionary. Logan Property will not tolerate any violation and will take the severest measures. We subsequently issued a notice requiring all employees to learn from this case and all units to strengthen internal audit. Due to the rapid discovery and resolution of the incident, we believe that the current audit and internal control mechanism remain effective. In the future, we will continue to organize compliance training for our employees to build a culture with integrity by nipping any violation in the bud.



CUSTOMER PRIVACY 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 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.

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.





INTELLECTUAL PROPERTY RIGHTS

We respect and protect intellectual property rights, including compliance with 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 their exclusiveness and quality. We also require employees 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 infringing upon others' patent or trademark rights through our internal review system. Employees with misbehaviour are subject to legal liability, and the Group reserves the right to claim for any damage.

PREVENTION OF CHILD AND FORCED LABOR

The Group strictly abides by the requirements of the Labor Law of the People's Republic of China (中華人民共和國勞動法), which prohibits the recruitment of child labor under the age of sixteen and forced labor. We have adopted a series of measures to ensure that all applicants meet the stipulations and requirements of labor laws and regulations, including the rigorous inspection and selection process implemented in the process of recruitment.

All staff are required to reach the legal working age and enter into labor contract before being duly hired. The human resources department also examines the identification documents of the applicants to make sure the staff are legal labor, aiming to avoid any illegal labor or forced labor. Moreover, the Group also makes random inspection on each of its subsidiaries on a regular basis to ensure there are no breach of relevant laws and regulations.

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 protection of human, privacy and intellectual property rights.







UNITY

Cohesion produces strength, and happiness comes from the team.

Logan's members join forces to work hard and strive for goals.

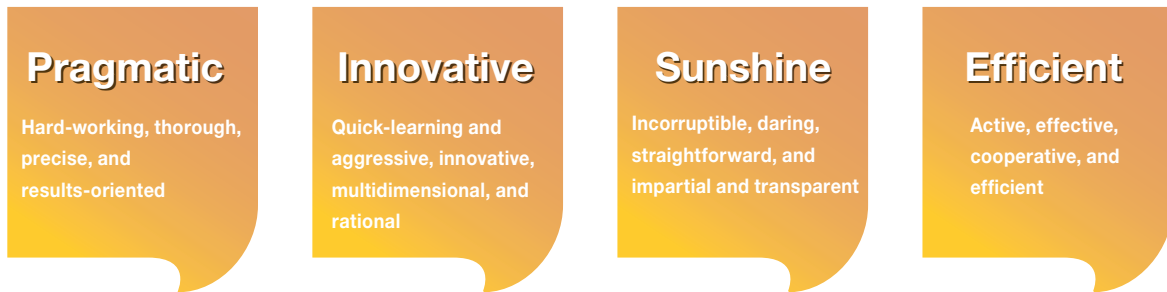


ESG issues	Update in 2019
<p>Occupational health and safety</p> 	<p>We continue to improve Logan Property's standardized construction model and unify safety management operations to reduce construction risks. We also purchase personal insurance for our employees and organize a number of leisure activities for our employees to relieve work pressure.</p>
<p>Equal opportunities and anti-discrimination</p> 	<p>We treat all employees equally, and maintain diversity of the team in terms of gender, age, and background, with job performance as the major assessment criterion. Our reporting mechanism also helps to play a deterrent role and prevent discrimination.</p>
<p>Employment</p> 	<p>We constantly review the fairness and effectiveness of the current human resources strategies. Our remuneration committee ensures the Group provides employees with excellent remuneration and benefits package.</p>
<p>Development and training</p> 	<p>We provide employees with various training courses, including incorruptibility and anti-corruption, occupational safety, personal and competency development, covering employees of different grades and positions. In 2019, employees who participated in training courses had received on average 40 hours of training.</p>

UNITED AS ONE

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 Property with virtue of their fighting morale, and form the pragmatic, innovative, sunshine and efficient values of Logan members, which is carried on into the future.

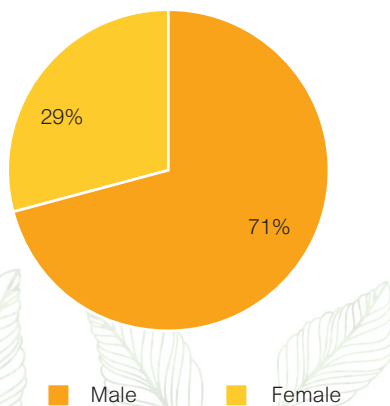
The following important elements are contained in our core values:



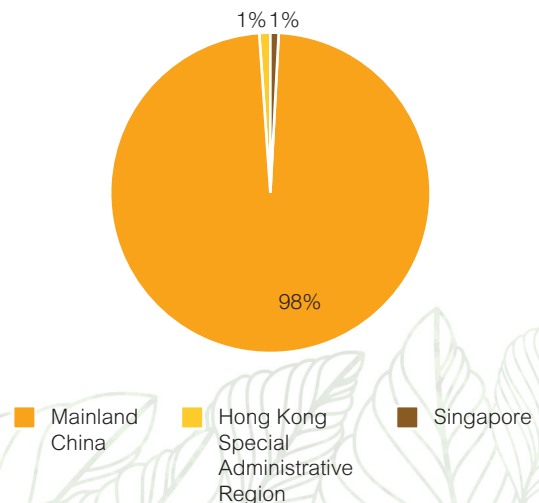
We establish the human resources department with comprehensive human resources policies and procedures in place to manage staff affairs. We strictly comply with the Labor Law of the People’s Republic of China (中華人民共和國勞動法), the Labor Contract Law of the People’s Republic of China (中華人民共和國勞動合同法), the Production 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 labor-related laws and regulations in Mainland China to ensure that we maintain high standards of labor 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 labor-related laws and regulations.

As of 31 December 2019, we have a total of 3,315 staff 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:

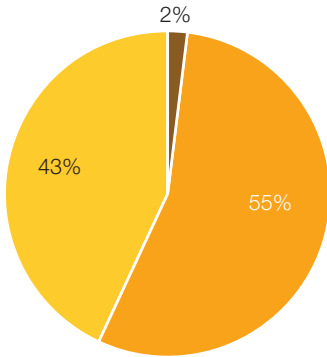
Employees by gender



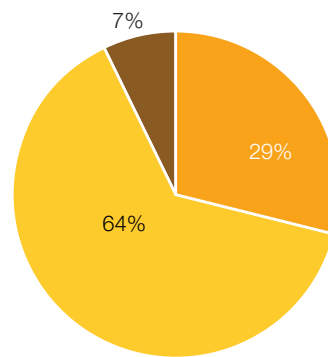
Employees by region



Employees by position



Employees by age



- General employee
 - Middle-level staff and management
 - Senior management
-
- Aged below 30
 - Aged 30-49
 - Aged 50 or above

Employees’ Health and Safety

Staff are vital to our operations and development. Therefore, the Group takes all appropriate measures to create a healthy and safe workplace, and protect staff from occupational injuries. Our safety management mechanism is conducive to clarifying management goals, strategies and personnel arrangement, as well as promoting the implementation of safety measures at construction sites and offices.



As far as our construction workers exposed to greater occupational hazards are concerned, we have implemented the “Five Steps to Safe Building Management” to improve the safety at construction sites.

Step 1: Preparation and Planning

Before commencement of the project, we will conduct risk assessments for each construction site to prevent and monitor the sources of danger at the construction site, and develop contingency plans for possible emergencies.

Step 2: Use of Safety Equipment

Construction workers are required to wear safety equipment. Before construction, staff also need to inspect machinery and equipment and pay attention to the surrounding conditions to ensure that they work under safe conditions.

Step 3: Training and Drills

We conduct regular training on safety awareness for our staff and consult their opinions on site safety. Through various drills, including high-rise falling objects, collapses, electric shocks, fire accidents, etc., the capability of our staff to make emergency responses was strengthened and their safety awareness were raised.

Step 4: Emergency Management

Upon any occurrence of emergencies, we would deploy emergency taskforces, 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 also investigate the causes of accidents and handle the compensation and follow-up works.

Step 5: Safety Audit

We conduct annual safety audits on construction sites to assess the implementation of each of the occupational health and safety measures to ensure its effectiveness.



For staff at offices, we set out safety guidelines in the “Employees Handbook” (員工手冊) to provide precautions and solutions to address the health and safety concerns that the staff would encounter during their work for the purpose of minimizing occurrence of accidents. We also conduct regular trainings on office safety awareness and safety drills to improve the capability of our staff to make emergency responses. Our offices are also included in the scope of the annual safety audit to ensure that safety measures are properly in place.

In addition, we are committed to promoting physical and mental health of our staff by organizing a variety of recreational activities, such as employee games and other sports activities, to promote a healthy lifestyle. As a result, our staff can alleviate their work pressure and enjoy sports.



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 labor 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.



EMPLOYMENT

Logan Property 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:

Recruitment	The Group formulates human resources management plan every year, and coordinates recruitment according to the demands of each business segment and its subsidiaries with company-wide cooperation. 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 in times of vacancies. Employees have to pass interviews and fulfill performance requirements. Employees will enjoy corresponding adjustments in salaries and benefits upon promotion and will participate in training 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 internal rules and regulations. Dismissed employees will receive due compensation and remuneration in accordance with employment contracts. We will also conduct interviews with departing employees to understand the reasons for leaving, so as to develop better plans for human resources management.

Logan Property 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.

As for employee benefits, the number of working hours, holidays and welfare of the staff are strictly in compliance with the Labor 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:
- | | | |
|-------------------------------------|--------------------------|--|
| ✓ statutory holidays | ✓ medical insurance | ✓ transportation allowances |
| ✓ marriage leave | ✓ pension scheme | ✓ meal allowances |
| ✓ maternity leave & paternity leave | ✓ unemployment insurance | ✓ housing allowance |
| ✓ breastfeeding leave | ✓ work injury insurance | ✓ health check-up allowances |
| ✓ annual leave | | ✓ allowances for high-temperature conditions |
| ✓ paid sick leave | | ✓ other special benefits |

We hold a variety of employee activities every year, including annual gathering and employee birthday parties, 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.



DEVELOPMENT AND TRAINING

Talent Philosophy of Logan Property:
**“Professionalism,
 Career orientation,
 Passion,
 Fortitude,
 Accountability.”**

Staff are the key to business success of Logan Property, and therefore we follow the talent philosophy of professionalism, career orientation, passion, fortitude, and accountability, which is also included to our training policy so that such philosophy can be persevered and reinforced. The Group has been systematically providing its staff with trainings and resources so that the staff could achieve self-development in their posts.

Considering the positions, professional levels and duration of employment of our staff, we provide various training programs, including induction training, on-the-job training, e-learning and third party professional training to improve staff’s occupational quality and enhance their professional ability and comprehensive capability. Meanwhile, our staff can apply for third-party professional training to ensure they are able to obtain the latest market knowledge while the training fees are covered by the Group. The Group also establishes a system recording training points, which would encourage active participation in training.



At the same time, we offer different career development plans according to different business characteristics and staff aspirations, competency and development needs. In addition to having access to different business modules and expanding their horizons, the staff could develop diversified skills by rotating posts or participating in different projects.

During the Year, our training contents were highly diverse in various professional aspects, including managerial skills, team building, individual development, knowledge sharing and promotion-based training.



“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.




CRAFTSMANSHIP

We present exquisiteness by pursuing building craftsmanship.

In this exquisiteness are details, such as grass, wood, bricks, and tiles.



ESG issues	Update in 2019
<p>Product safety</p> 	<p>Logan Property strictly controls product quality, and conducts standardized management of planning, construction, acceptance and other steps. In 2019, we upgraded the “Panshi” mobile app for construction quality inspection, and assisted in analysis, measurement and inspection through data, which helped us improve project quality.</p>
<p>Supply chain management</p>	<p>We maintain a complete supplier management system, including selection of suppliers, procurement bidding, and supplier performance review. We also assess supply chain risks, ensure adequate supply, and effectively manage the environmental, health, and safety issues of third parties.</p>
<p>Service quality</p> 	<p>The customer survey in 2019 received 21,399 responses, indicating that satisfaction remained the same as last year. We also collect customer feedback in our daily operations to improve the quality of products and services. Complaints can be answered within 24 hours on average.</p>
<p>Green procurement</p> 	<p>When purchasing, we consider the impact of products on the environment and human health as the main considerations instead of price. We give priority to selecting and using recycled or reusable materials, high-efficiency and water-saving appliances and equipment to promote green procurement.</p>
<p>Environmental and labor performance of suppliers and subcontractors</p> 	<p>We pay attention to the environmental, health and safety performance of our suppliers and contractors and incorporate the same into our assessment criteria. We have entered into agreements with suppliers and contractors, and will conduct on-site visits and on-site monitoring to prevent violations.</p>

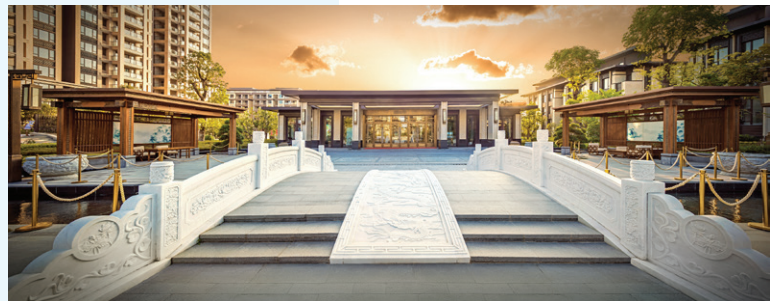
HARMONIZE HUMAN HABITATION WITH NATURE

Despite grand transformation from “Sunshine”, “Joy” and other urban lifestyle collections to three major product lines of “Jiu”, “Tian” and “Jiangnan” collections, Logan Property has always persisted in the brand philosophy “To Build a Better Life” and committed to creating a high-quality smart and beautiful city lifestyle.



The “**Jiu**” collection is positioned as the “exquisite mansion surrounded by grand landscape”. With theme of “scenic tour in modern landscape”, we create “nine landscapes” in the nine public spaces within the residential area. Our practices of rigorous site selection, high-end quality, extraordinary facilities and superior transportation enable this “Jiu” collection to be the first option for the premium urban lifestyle in the eyes of the elite echelon.

The “**Tian**” collection is positioned as the “Chinese residence with the ancient Tang style”. The site surrounds with precious natural scenery, the landscape and design of which are based on the grand architectures in Tang Dynasty, and rare and unparalleled as natural gifts. This truly reflects the top human habitation of locals in Lingnan.



The “**Jiangnan**” collection is positioned as the “Charming Jiangnan gentlemen’s hall”. It is a combination of traditional Jiangnan architectures, which are reflective of Jiangnan scenes, customs, and elegance, and low-density house planning to present residents the most beautiful cultural essences of Jiangnan charm.

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	Construction Works	Project Supervision
<p>Prior to the commencement of the construction project, 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.</p>	<p>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.</p>	<p>The Group would hold regular meetings with contractors, supervisors and suppliers to follow up project progress and its quality and safety performances. 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.</p>



We carefully inspect raw construction materials and equipment to ensure that the quality is up to standards specified in the contract and drawings. We have established 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.

We arrange relevant government institutions and 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 to obtain quality certificates as well as conducting quality inspections for construction work of supplementary facilities, including but not limited to foundation, main structure, decoration and outfitting works, drainage, heating and electricity. This ensures 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.

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.



We organized open days for the construction site of Zhongshan Logan • Acesite Bay in July 2019 and Jiashan Logan • Acesite One in November 2019, respectively, allowing owner representatives to understand the progress, quality control and construction process of the projects.



Construction site open days brought home owners closer to Logan Property and provided an opportunity for them to understand the details. The procedures and methods were open and transparent to the public. This indicates not only Logan Property's confidence in product quality, but also our accountability for home owners and society. Meanwhile, home owners and the public can experience Logan Property's relentless pursuit of craftsmanship.



During the activity, on-site engineering officers explained the project's construction materials, systems and technologies to home owners in detail. Through visiting the display areas of craft samples, physical models and the construction site, home owners intuitively understand the construction process of their residences at all stages and witness the exquisite quality and craftsmanship of Logan Property.





“Panshi” mobile app for construction quality inspection

In December 2019, “Panshi” mobile platform 2.0 for construction quality inspection was officially launched by Logan Property across the country, providing 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 efficiency on site, accumulate big data of construction and assist Logan Property in standardized management.

Residential Health and Safety

We care about the health and safety of every resident and visitor in Logan community. Property management staff of Logan Property 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 system 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 home owners' leisure activities and create a friendly living atmosphere.



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) to govern the sales process including model display, press release, contracting, events management and customer experience with an aim to safeguard information accuracy and consistently commit itself to integrity.

Three Aftersales Guarantees by Logan Property

- I) Ensure commodity housing of all projects are qualified for advance sale and spot sale, appointed certificated intermediary sales agency, and ensure the contents of advertisement and contracts are accurate and legitimate.
- II) Ensure the price of commodity housing, relevant fee and other factors affecting the price of commodity housing are announced publicly.
- III) Housing purchasers are not misled by any false or irregular price, and that no price deception is committed by using false or misleading pricing.

We have also established the Customer Relationship Management Policy (客戶關係管理流程) 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.

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. 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, which are reported to the relevant departments on a monthly basis 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 2019, we received 21,399 customer responses from our telephone surveys, representing an increase of 30%. In general, customers continued to be satisfied with our products and sales services, with the sales satisfaction rate of 83.8 points and overall satisfaction rate of 78.1 points. We look forward to continuing to provide quality human habitation experiences to our customers and becoming the first choice of our customers.

Smart Services

The Logan community has been actively introducing the smart community program, from intelligent identification for parking lot gates and establishment of “Sky Eye” CCTV system to the enhancement of intelligent access control system.

Loganhui, the exclusive APP for home owners of Logan Property, will continue to be optimized together with upgrades in software and hardware facilities. These investments are reflection of our members’ adherence to quality and commitment to providing home owners of Logan Property with a better life.



Sustainable Supply Chain

We have adopted the Procurement Practices Management Policy (採購業務實現管理辦法) and Practice Manual for Bidding and Evaluation (招評標實施指引) to govern the procurement and bidding process in an impartial and fair manner, so as to achieve the purpose of controlling quality from the sources and make sure all types of raw materials and construction work fulfill our quality and environmental requirements. The procurement department participates in the research and development conducted by the project department, and actively promote the application of green and energy-saving products to our development projects.

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 of 31 December 2019, we had 1,098 suppliers nationwide.

Selection of Suppliers

We set stringent supplier selection criteria. In addition to certain technical requirements, construction service suppliers must be among the top 30 national business entities or the top 10 local professional entities. When selecting suppliers and subcontractors, 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.

Procurement Bidding

Before purchasing, we conduct an environmental assessment on materials, and compare these materials by source, environmental ingredients, and environmental effects. We purchase building materials that cause fewer impacts on the environment, as well as household appliances and equipment that comply with energy-saving and water-saving standards, which drive the trend of green consumption. In addition, we try to implement local procurement to the extent that product quality, fairness of procurement and equal qualifications are free from any impairment. We render active support to related industries by means of procurement activities to boost local economic activities and create job opportunities.

Supplier Performance Monitoring

We evaluate the performance of all suppliers and subcontractors every year, and our scoring criteria also include safety, environmental protection and labor performance. We also carry out plant inspections or organize business meetings, which allow us to communicate with the frontline employees and senior officers of the suppliers to understand the supply status and product quality. If the performances of suppliers or contractors fail to meet the requirements, we would terminate the partnership. Moreover, we organize internal and external trainings regularly for the purchasing staff to improve their professionalism.



COMFORTABLE LIFESTYLE

Surrounded by lucid waters and lush mountains.

Exploring another possibility of a comfortable lifestyle.



COMFORTABLE LIFESTYLE



ESG issues	Update in 2019
Environmental impact of construction Biodiversity  	We conduct environmental impact assessments for construction projects to carry out appropriate conservation and planning work. We continue to adopt prefabricated building technology to reduce the pollution caused by the construction process to the construction site and the surrounding environment.
Green building Pollutants and greenhouse gas emissions Climate change 	In 2019, we continued to increase the proportion of green buildings, built sponge cities, and adopted a variety of designs for environmental protection, energy saving and emission reduction, all of which facilitate us to adapt to climate change. There are 103 projects with green design in our land reserves. In the future, we will obtain more green certifications for projects.
Noise pollution Waste disposal and management 	We pay attention to the possible noise and waste that may arise from construction projects, and implement strict measures to regulate related emissions, including reviewing current site management measures, strengthening accountability, conducting training and seminars, etc.
Water use Energy use 	We cherish and make good use of resources during our operations. The intensity of energy and water consumption in 2019 recorded a decrease as compared to last year and the intensity of greenhouse gas emissions decreased by 13% as compared to last year. In the future, we will continue to measure resource usage and apply renewable energy.

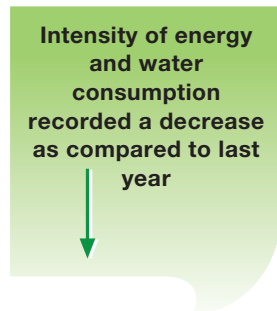
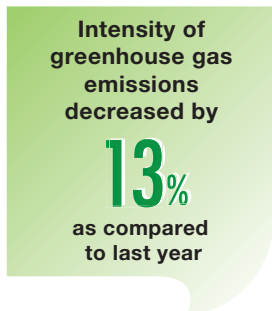
NATURE FRIENDLY

Logan Property 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. We vigorously apply the latest environmental technologies and constantly improve our production models to minimize the environmental impacts brought by its business operations.

Construction works during the property development unavoidably generate emissions. During the Year, we reported increases in air emissions, sewage, greenhouse gas, and waste, all of which were mainly attributable to the continuing growth in our construction business with a two-fold increase in the construction projects as compared with last year. However, we are committed to mitigating our environmental impacts by adopting the following stringent control measures and strive to promote a sustainable development.

In 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 environmental protection in order to create a healthy and comfortable living environment for the next generation.

2019/Our footprint in environmental protection



Green city

Logan Property is a vital contributor to the construction of green city over the years and is committed to achieving perfect integration of green technology with society, environment, and humanities. During the Year, 103 projects in our land reserves have adopted green designs and 15 of them obtained Green Building Design Label.

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, which helps adapting to environmental changes and respond to natural disasters caused by rain. We actively promote the design concept of “sponge city” and implement it in the Acesite Park Project in Shenzhen so as to provide a better sustainable living experience for customers.



Acesite Park Project in Shenzhen — “Sponge city” project

The underlying surfaces of Acesite Park Project in Shenzhen are roofs, roads, squares, afforestation areas and waters. The project is divided into nine major catchment sub-districts, adopting various sponge construction technologies to collect rainwater as much as possible on water-absorbing surfaces such as green roofs and permeable paving, so as to control runoff from the source and reduce runoff pollution. Rainwater which cannot penetrate is trapped in the afforestation facilities to help reduce the peak of rainwater floods and prevent flood and waterlogging.

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%

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 and effectively alleviated the urban heat island effect. These materials also keep urban roads from heating up, improve the city’s self-regulation, and help reduce carbon dioxide emissions.

Road of the Acesite Park Project in Shenzhen



COMFORTABLE LIFESTYLE



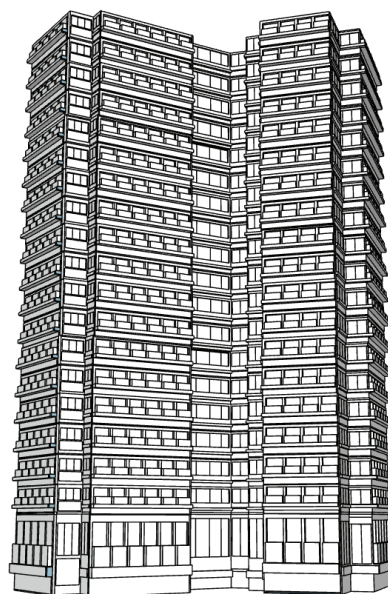
Green building

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. The green building design adopted by certain projects complies with national and provincial green building evaluation standards. The design includes but not limited to:

An intelligent building management system is installed to buildings, which automatically adjusts the air-conditioning level and window curtains based on weather data.

External shading system and light guide plates are adopted to control indoor light with a maximum use of natural light.

A large amount of green vegetation and afforestation areas are deployed, accounting for more than 30% of the project area.



Outdoor air flow design is introduced for better ventilation and temperature regulation of the building.

It is equipped with solar power panels, energy-saving lamps, elevators and other electronic equipment.

Harmless and recyclable building materials are used.

Properties of Logan Property use different green building designs, some of which meet the Chinese two-star green building design standards, for example:

Huizhou • Logan City

The walls of Logan City adopt 30mm sound-proof mortar, and exterior windows facing the street adopt the hollow glass with design specification (6 + 12 + 6) to effectively reduce indoor noise. The project is equipped with water flow and power transformers to reduce water and electricity consumption. The basement is also equipped with carbon dioxide monitoring system and ventilation system to help improve indoor air quality.



Guangzhou • Sky Jade

This project uses recycled and recyclable building materials, and the ratio of furnished housing reaches 100%, which helps to integrate building resources and reduce waste. It also uses high-energy-efficient lamps, and the lighting system in public places has installed energy-saving programs such as timing and sensing. The overall layout of the building also effectively matches the sunlight and wind direction, and does not cause obstruction to nearby buildings.

Dongguan • Jiangnan Dajing

With public green area per capita over 1.5 square meters, a great amount of green vegetation is included into the project and the underground space is properly utilized to reduce surface damages. With the water system planning implemented, the project adopts water-saving sanitary equipment with Grade-II water-saving efficiency and sets up water-saving irrigation systems to effectively use water resources.





Case: Zhuhai • Acesite Mansion (珠海 • 玖龍璽)

Zhuhai • Acesite Mansion (珠海 • 玖龍璽) also meets the Chinese two-star green building standard. The project mainly applies green building technology in five aspects, including land conservation, energy consumption reduction, water conservation, material conservation, and protection of indoor quality.

Land conservation

- The visible light reflection ratio of glass curtain walls is not more than 0.2, effectively reducing light pollution;
- The shared underground parking lot is available for non-community members during non-leasing period;
- Afforestation with evergreen and shrubs is adopted, with at least 3 evergreens planted for every 100 square meters.

Energy consumption reduction

- Energy-efficient lamps are used and energy-saving control measures are adopted, including partitioning, timing and sensing for lighting systems in public places such as corridors, stairs, halls, lobby and underground parking lot;
- Energy-saving elevators and escalators with a power factor of 0.8 and above are used and installed with intelligent control and automatic start and stop programs;
- Three-phase power distribution transformers that comply with national energy-saving standards are installed.



Water conservation

- Valves, equipment and pipes with excellent sealing performance and corrosion resistance are used;
- Water supply pressure is kept below 0.20MPa to reduce waste;
- Water metering devices are installed in each area to measure water consumption;
- A combination of sprinkler irrigation and drip irrigation is adopted for watering landscaped areas;
- The water-saving efficiency of sanitary appliances reaches the second level. Water-saving sprinklers are used for site flushing at a water-saving rate of 50% or more.

Material efficiency

- Hot-rolled rib steel bars not less than 400MPa are adopted, as the high strength of steel bars will reduce consumption construction steel;
- Ready-mixed concrete and ready-mixed mortar is used to reduce sand and gravel on site;
- Recycled and recyclable materials are selected for construction.

Protection of indoor quality

- Exterior windows use 6mm emerald heat-absorbing glass, and exterior and splitting walls use 200mm aerated concrete, for the purposes of heat and noise insulation;
- The floor slabs are comprised of 100mm reinforced concrete, 30mm soundproof mortar, 20mm cement mortar, and floor tiles (8mm to 10mm), which will effectively reduce noise;
- The ventilation equipment of the underground parking lot automatically operates according to the density of carbon dioxide in the parking lot, effectively saving energy and maintaining air quality.

Green building design fulfills consumers' higher expectations for living quality and environment protection. Logan Property 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.

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 experts to perform an assessment of environmental impact on the surrounding area in accordance with the requirements of the national laws and regulations. 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.



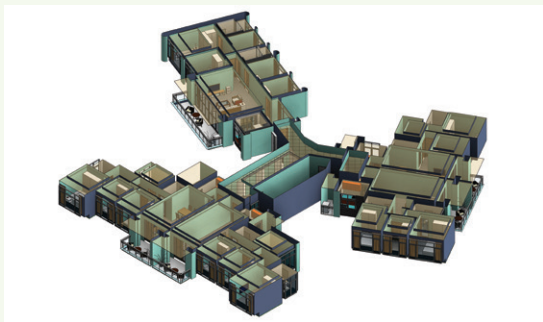


Prefabricated Building Case

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 would significantly reduce 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 the future, the Group will continue to introduce more prefabricated buildings and minimize environmental impacts from the construction process.



- Prefabricated building planning of Acesite Park Project in Shenzhen
- Automated scaffold hoist for Phase II of Acesite Park Project in Shenzhen to reduce generation of bamboo and other construction wastes

Emissions and pollutants management

To mitigate the impacts 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, covering the source of emissions, the construction process and the post-construction stage.

	Early planning	Mid-term management	Subsequent follow-up
Air emissions	<ul style="list-style-type: none"> We set up our targets on air pollutants emission and air quality during project planning; All contractors are required to strictly adhere to the standards for the types and quantities of emissions we have established in accordance with laws and regulations. 	<ul style="list-style-type: none"> We establish environmental monitoring points at the project sites to provide live monitoring of air quality; We strictly supervise the emission of contractors, and where any discharge exceeds the standard amount, a timely report shall be submitted. 	<ul style="list-style-type: none"> We conduct analysis through comparing the emission at the sites with objectives, and follow up on projects that need improvement; We regularly assign personnel to the construction sites for inspection to ensure no non-compliance matter is occurred.
Dust	<ul style="list-style-type: none"> We have formulated the "Measures for the Prevention and Control of Dust Pollution in Real Estate Construction Projects" (地產建設項目揚塵污染防治辦法), which stipulates the obligations of construction and supervision entities, and provides guidelines for dust management and control to contractors. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The construction sites are required to be equipped with automatic monitoring equipment to monitor the status of dust in real time; Supervisors regularly review the dust prevention and control work, and make report in respect of entities that do not carry out adequate control.



	Early planning	Mid-term management	Subsequent follow-up
Sewage	<ul style="list-style-type: none"> We assess the source of sewage, the composition and quantity of pollutants, and plan pipeline routes to prevent secondary pollution. 	<ul style="list-style-type: none"> All construction sites are equipped with return pipes to collect sewage, through which used water would flow into sedimentation tanks for filtration, so as to ensure the discharge of sewage is in line with regulations. 	<ul style="list-style-type: none"> The sewage outlet is equipped with sewage monitoring instruments, and notification will be issued immediately if the pollutant content exceeds the standard.
Construction waste	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The construction wastes generated by projects (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	<ul style="list-style-type: none"> The procedures which generate considerable noise are regulated. All construction of the projects is only carried out during the daytime to avoid disturbing residents in the surrounding areas. 	<ul style="list-style-type: none"> We use low-noise construction machinery in compliance with the required standards; The construction site is equipped with appropriate sound insulation equipment to effectively reduce the noise in the nearby community. 	<ul style="list-style-type: none"> The noise level is regularly measured to prevent violation of the standards.

The Group organizes internal promotion campaigns that are related to environmental protection and energy conservation on a regular basis. It also assigns construction entities to participate in environmental-friendly promotion activities held by government departments, so as to raise the environmental awareness of the site staff and the awareness of energy conservation and emission reduction in their daily work.

During the Reporting Period, there were individual cases of fines for entrusting non-qualified construction waste transporters and excessive construction noise occurred in our engineering projects. We investigated relevant non-compliant cases and held relevant personnel accountable. Based on the investigation results, we have remedied the weaknesses in management and control, including re-emphasizing the description and explanation of the Group’s regulations to contractors and site personnel; improving project planning to prevent construction from being expedited during non-statutory work hours; and increasing efforts to monitor site noise, emissions, third-party compliance, etc.. We promise to continue improving pollution management and promoting a more environmentally-friendly and safe construction process.

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 outdoor areas;
- Setting up lighting fixtures with sound and light control and timing function at the construction site or public venues;
- Using extensively renewable energy, 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.



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.



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” 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.

Our staff need to pay attention to electricity consumption of office equipment such as computers, lighting systems, air conditioners, photocopier, 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, we use 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.



Combating Climate Change

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 of 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, including adopting environmental design in buildings to ensure comfortable indoor temperatures and reduce carbon dioxide emissions. Our property management teams also 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 environmental awareness.

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. The direct and indirect greenhouse gas emissions in the Year grew by 12%, down from 37% in the previous year, indicating that the greenhouse gas emissions are continuously controlled. 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.







ORIGINAL ASPIRATIONS

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.

ORIGINAL ASPIRATIONS



ESG issues	Update in 2019
<p data-bbox="204 411 464 439">Community investment</p> <div data-bbox="204 470 424 577"></div>	<p data-bbox="552 411 1425 515">In 2019, we continued to take “poverty alleviation, community, education, and voluntary services” as the four major community investment directions, and expanded the scope of public welfare projects to let the goodness go on.</p> <p data-bbox="552 556 1425 728">Our targeted poverty alleviation and education programs were conducive to the reduction of poverty, the improvement of the knowledge level of the younger generation and self-reliance. Also, our volunteer team contributed to the community. In 2019, we delivered our caring to more than 10,000 community members.</p>





BUILDING A BEAUTIFUL COMMUNITY

Established for more than 20 years, the Logan Group always upholds the corporate values of “pragmatic, innovative, sunshine and efficient”, and unremittingly strive to achieve the corporate vision of “To build a century-old Logan for an evergreen undertaking”. Following years of commitments, Logan’s public welfare undertakings cover more than 20 cities in the People’s Republic of China, with more than 200 public welfare programs.

The Group has always been actively fulfilling its social responsibility from top down. Logan Charity Fund (龍光慈善基金會) was founded in 2016 to achieve 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.

Awards and titles of social responsibility received during the Reporting Period

2019 China Corporate Social Responsibility Outstanding Enterprise (2019年度中國企業社會責任卓越企業)

2019 China Economic and Social Enterprise Responsibility Benchmark Award (2019年度中經社會企業責任標杆獎)

2019 China Real Estate Annual Red List • Social Responsibility Enterprise (2019年度中國房地產年度紅榜 • 責任企業稱號)

2019 China Listed Company Public Welfare Innovation Award (2019年度中國上市公司公益創新獎)

2019 China Outstanding Corporate Citizen (2019年度中國優秀企業公民)

2019 Poverty Alleviation Contribution Enterprises (2019年度扶貧貢獻企業)

2019 Nanyue Charity Night-Annual Charity Platform (2019南粵慈善之夜年度慈善公益平台)

2019 Guangdong Real Estate Enterprise Poverty Alleviation Outstanding Contribution Enterprise (2019年度廣東房地產企業精準扶貧突出貢獻企業)

Guangdong Province Poverty Alleviation Cotton Tree Golden Cup Award (廣東省扶貧濟困紅棉杯金杯獎)

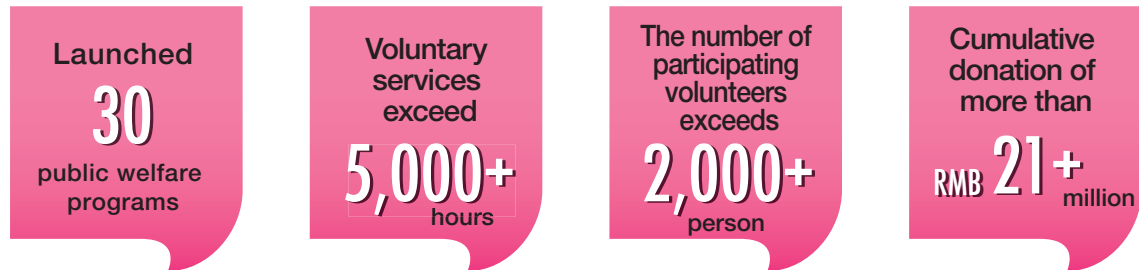
Guangxi Zhuang Autonomous Region Poverty Alleviation Advanced Collective (廣西壯族自治區脫貧攻堅先進集體)

Guangdong Province’s Rural Rejuvenation Action “Ten Thousand Enterprises Help Ten Thousand Villages” Outstanding Contribution Private Enterprises (廣東省鄉村振興「萬企幫萬村」行動突出貢獻民營企業)

Guangdong-Guizhou Poverty Alleviation Collaboration Advanced Private Enterprise (粵桂扶貧協作先進民營企業) etc.



2019/Our footprint in public welfare



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.





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 Property. At present, there are about 212 people living under the poverty line with annual average income per capita of less than RMB3,000. 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 to invested 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.

The project started in 2018. In March 2019, it completed the construction of 10 white straw mushrooms cultivation tents. In May 2019, the first batch of straw mushrooms were successfully cultivated and sold in the market. At present, the base is being expanded into a traditional greenhouse with a site area of 1,000 square meters, which will house 180,000 mushroom sticks upon expansion. The first batch of surplus will be given to more than 40 students from Lucun Secondary Technical School as scholarship. In the future, we will continue to support the mushroom cultivation as a featured business for the entire town, which will lift more underprivileged villagers out of poverty.



Case 2 Sichuan Rural Medical Poverty Alleviation

In 2016, the Logan Charity Fund 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 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 to improve the diagnosis and treatment conditions of the clinics.

At present, these seven village-level clinics enjoy better medical apparatus than other non-poverty villages, benefiting more than 10,000 medical office visits. The local villagers express their gratitude to such kind act. According to the villagers, they used to travel far for visiting a doctor, in which case, they wanted to fight the sickness on their own first when becoming ill. This usually led to a serious disease. Now that the Group has built an infirmary in the villages, they no longer need to travel dozens of miles to seek medical attention in town.





Case 3
Rural Infrastructure Construction in Guangxi

Since entering the Guangxi region in 2006, Logan Property 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.



Community Development

Logan Property 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.

Fighting the Epidemic: Building a Safety Prevention and Control Circle Together

Starting from 2020, the outbreak of COVID-19 affects millions of hearts across the country. Logan Property fulfills its corporate social responsibility, and actively deploys and implements epidemic prevention and control. By establishing an epidemic prevention and control taskforce, Logan Property coordinates its business segments, mobilizes resources and fully participates in epidemic prevention and control.

Donation of the anti-epidemic fund

On 26 January 2020, the Logan Charity Fund donated RMB50 million to Wuhan City through the Shenzhen Charity Association to support COVID-19 epidemic prevention and control in Hubei and Guangdong, the amounts of which were mainly used for the purchase of anti-epidemic materials, community anti-epidemic and epidemic prevention, epidemic research, anti-epidemic and poverty alleviation.

More efforts for daily epidemic prevention

The business shopping malls, office buildings, hotels, residential projects and other business segments of Logan Property have launched emergency measures to improve resource allocation, and strengthen health and safety management in various districts. Besides strictly controlling visiting personnel and vehicles, we clean and disinfect public areas and promote epidemic prevention measures.

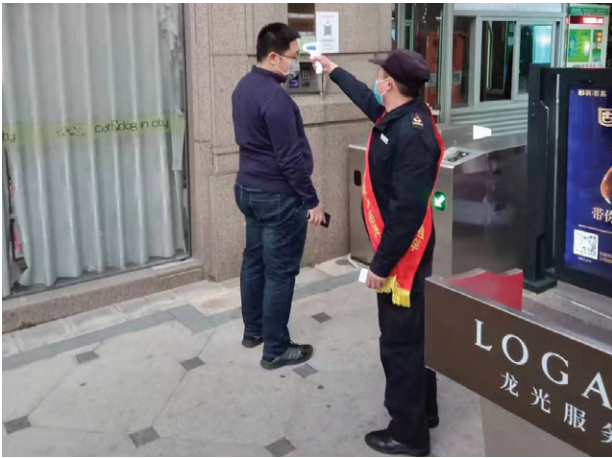
Rent reduction for commercial tenants

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

Building a safe and healthy community

Logan Property has uniformly deployed the epidemic 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. Nanning Logan Real Estate Company also distributed 10,000 medical masks to the home owners for free. A series of measures, which provides reassuring residential conditions, are highly appreciated by the owners.





Logan Property’s “vegetable basket” group purchase service

During the epidemic, 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 elect 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.

In 2019, we brought more and more wonderful experiences to the residents of the community. We have always advocated the service concept of “Caring Community”, so that the owners not only “live in a residence” but also “enjoy living in it”. Therefore, the home owners of Logan live a warm and interesting life. In the middle of 2019, we held different types of community activities, including family activities, healthcare, entertainment, recreation and other areas, to create a wonderful community life in all aspects.





Talent Education

Education-related donations have always played a very important role in the public welfare and charity campaign of Logan Property as we believe strong youth make a great nation. Therefore, the education aid of Logan Property 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.

Guangdong-Guangxi Education Poverty Alleviation Project



In 2016, Logan Property 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 2019, the donation has sponsored a total of 2,345 students, including orphans, de facto orphans, and poor students from families with disabilities.

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. In May 2019, the Group initiated the “Light Source Program” for vocational education poverty alleviation, 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, so as to achieve “Elimination of poverty for the whole family through one person being employed”. The program will be implemented nationwide in the future.

“Children’s Book Donation” and Public Library Project

In May 2019, the Logan Charity Fund 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.

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

In order to create a sharing culture within the community, the Logan Charity Fund initiated the “Logan Book Court” 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.





At present, there are 7 Logan Book Courts operating in the communities, including:

- Shantou • Seaward Sunshine (汕頭 • 尚海陽光) Logan Book Court
- Fangchenggang • Sunshine Seaward (防城港 • 陽光海岸) Logan Book Court
- Shenzhen • Acesite Mansion (深圳 • 玖龍璽) Logan Book Court
- Foshan • Sky Lake Castle (佛山 • 天湖華府) Logan Book Court
- Foshan • Grand Riverside Bay (佛山 • 水悅龍灣) Logan Book Court
- Huizhou • Logan City (惠州 • 龍光城) Logan Book Court
- Huizhou • Grand Riverside Bay (惠州 • 水悅龍灣) Logan Book Court



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.

In 2019, the volunteer team of the Group unrelentingly offered services in the frontline from disaster relief and visits to various public welfare activities. 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, the volunteer team organized employees and property owners in the community to donate books and clothes, expressed solicitude to the empty nesters, and visited children in impoverished mountainous areas with caring parcels. We gave blessings to the city builders who stayed in Shenzhen during the Spring Festival and thanked them for their selfless dedication to the city. Our volunteers also visited the senior nursing home in the Chung Yeung Festival to carry out public welfare activities for the elderly by giving holiday gifts, accompanying them and performing programs. All of them spent a good time together. Facing natural disasters, the volunteer team immediately contacted local government authorities to deliver emergency relief, and overcame difficulties jointly with the disaster-affected people.

Looking ahead to 2020, 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	2019	2018	2017
Air Emission and Sewage²				
Nitrogen oxide (NOx)	kg	1,905	1,550	965
Sulfur dioxide (SO ₂)	kg	1,180	960	597
Particulate matters (PM)	kg	9,436	7,918	5,202
Hydrocarbon (HC)	kg	3,954	3,217	2,002
Volatile organic compounds (VOC)	kg	1,016	810	479
Carbon monoxide (CO)	kg	3,071	2,498	1,555
Sewage	tonne	674,826	548,903	341,626
GHG Emission³				
Direct GHG emissions (Scope 1)	tonne	1,301	1,041	761
Intensity (per square meter of gross floor area of construction and offices)		0.00006	0.00006	0.00012
Indirect GHG emissions (Scope 2)	tonne	29,758	26,670	19,444
Intensity (per square meter of gross floor area of construction and offices)		0.00139	0.00161	0.00295
Types of hazardous wastes¹				
Construction wastes				
Asbestos	tonne	2.03	1.62	0.96
Fluorescent light tubes	tonne	1.55	1.37	0.95
Office wastes⁴				
Ink cartridges	tonne	2.17	2.20	2.17
Toner cartridges	tonne	3.48	3.44	2.75

¹ Logan Property 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 is lower than last year due to our environmental protection measures.

² Calculation of data regarding 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 Regional Grid Baseline Emission Factors 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	2019	2018	2017
Construction wastes				
Building debris	tonne	42,477	37,622	26,170
Rubble	tonne	5.97	5.29	3.68
Earth	tonne	1,401,380	1,241,204	815,415
Concrete	tonne	286,200	240,147	149,462
Asphalt	tonne	460	386	240
Metal scrap	tonne	1,517	1,273	792
Wood	tonne	3,847	3,228	2,009
Office wastes⁵				
Paper	tonne	53	45	49
Paper cups	tonne	5.86	6.21	5.55
Plastic bottles	tonne	6.08	5.70	4.40
Energy consumption¹				
Energy consumption of building				
Total electricity	kWh	48,476,767	39,410,815	25,987,714
Intensity (per square meter of gross floor area of construction)		2.2621	2.3856	3.9689
Gasoline	liter	94,093	78,952	49,138
Intensity (per square meter of gross floor area of construction)		0.0044	0.0048	0.0075
Diesel	liter	136,260	114,334	71,159
Intensity (per square meter of gross floor area of construction)		0.0064	0.0069	0.0109
Natural gas	cubic meter	17,425	14,621	9,100
Intensity (per square meter of gross floor area of construction)		0.0008	0.0009	0.0014
Energy consumption of office				
Total electricity	kWh	6,048,016	5,863,579	4,856,328
Intensity (per square meter of gross floor area of offices)		110.8922	112.6429	136.5403
Gasoline	liter	289,755	230,400	193,400
Intensity (per square meter of gross floor area of offices)		5.3127	4.4261	5.4376
Natural gas	cubic meter	19,714	5,802	4,602
Intensity (per square meter of gross floor area of offices)		0.3615	0.1115	0.1294

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

Water consumption¹	Unit	2019	2018	2017
Water consumption of building				
Water consumption	cubic meter	4,146,810	3,479,528	2,165,584
Intensity (per square meter of gross floor area of construction)		0.1935	0.2106	0.3307
Water consumption of office				
Water consumption	cubic meter	121,020	137,319	122,119
Intensity (per square meter of gross floor area of offices)		2.2189	2.6380	3.4335
Total workforce⁶				
Gender				
Male	person			2,350
Female	person			965
Types of employment category				
General employee	person			1,810
Middle level staff and management	person			1,433
Senior management	person			72
Age group				
Below 30	person			953
30 – 49	person			2,139
50 or above	person			223
Geographical region				
Mainland China	person			3,255
Hong Kong Special Administrative Region	person			41
Singapore	person			19
Employee turnover rate⁶				
Unit				
Resignation for the year	person			1,079
Employment for the year	person			1,175



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

Percentage of employees trained ⁶		Unit	2019
Gender			
Male		percentage	41%
Female		percentage	37%
Types of employment category			
General employee		percentage	29%
Middle level staff and management		percentage	66%
Senior management		percentage	56%
Average training hours of employees ⁶		Unit	2019
Gender			
Male		Hour	43.9
Female		Hour	53.9
Types of employment category			
General employee		Hour	42.2
Middle level staff and management		Hour	55.3
Senior management		Hour	26.8
Number of suppliers		Unit	2019
Total number of suppliers		person	1,098
Service complaints		Unit	2019
Service complaints received		case	323
Legal cases regarding corrupt practices ⁷		Unit	2019
Concluded legal cases regarding corrupt practices		case	1
Range of construction		Unit	2019
Total amount of community investment		RMB	21,000,000
Total hours of community investment		hour	5,000

⁷ We recorded one legal case regarding corrupt practice for this year, the details of which are set out in "Prevention of bribery, fraud and money laundering". We have evaluated the cause and impact of the case with due care, and will continue to strengthen internal anti-corruption control and training to prevent the similar cases.

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	Nature friendly	
	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	Nature friendly	
	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	Nature friendly – Green construction/Green operation	
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Nature friendly – 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	Nature friendly – Green construction/Green operation	
	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	Nature friendly – Green construction/Green operation	
	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	Nature friendly – Green city/Green construction	
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Nature friendly – Green city/Green construction	
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	Nature friendly – Green city/Green construction	
	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	Nature friendly – Green city/Green construction	
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	United as one	
	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	United as one – Employee health and safety	
	B2.1	Number and rate of work-related fatalities in the past three years	N/A	We are currently improving the mechanism for collecting the data regarding work injury and will provide relevant data in the future
	B2.2	Lost days due to work injury	N/A	We are currently improving the mechanism for collecting the data regarding work injury and will provide relevant data in the future
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	United as one – Employee health and safety	

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	United as one – Training and development	
	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	Compliance with laws – Prevention of child and forced labor	
	B4.1	Description of measures to review employment practices to avoid child and forced labor	Compliance with laws – Prevention of child and forced labor	
	B4.2	Description of steps taken to eliminate such practices when discovered	Compliance with laws – Prevention of child and forced labor	
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	Harmonize human habitation with 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	Harmonize human habitation with 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	Harmonize human habitation with 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	Harmonize human habitation with nature – Sustainable supply chain	





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	Harmonize human habitation with 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	Harmonize human habitation with nature – Service quality	
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Compliance with laws – Intellectual property rights	
	B6.4	Description of quality assurance process and recall procedures	Harmonize human habitation with nature – Product quality and safety	
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Compliance with laws – Customer privacy 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	Compliance with laws	
	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	Compliance with laws – Prevention of bribery, fraud and money laundering	
	B7.3	Description of the anti-corruption training provided to directors and employees	Compliance with laws – Prevention of bribery, fraud and money laundering	
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	Building a beautiful community	
	B8.1	Focus areas of contribution	Building a beautiful community	
	B8.2	Resources contributed to the focus area	Statistics summary	

LOGAN
PROPERTY