

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Corporate Social Responsibility Projects organised with participation by the Group:

January

Food Angel volunteer activities

The Soundwill Volunteer Team helped underprivileged communities by assisting Food Angel to prepare vegetables and food packs, and pre-process donated foods.



February and May

Flower giving activities for Valentine's Day and Mother's Day



The Group selected the Flower Workshop, a social enterprise set up to provide skills training and employment opportunities for people with disabilities. Flower Workshop was the supplier of roses used for the special events held on Valentine's Day and Mother's Day, which distributed to pedestrians to express our care.



April

Visit to a Home for the Aged

The Soundwill Volunteer Team visited the Hong Lok Yuen Aged Sanatorium in Tokwawan to sing and play together with the elderly and distribute fruit to them.



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June

Father's Day activity

The Group rented an instant photo printing booth provided by Image Pro, a social enterprise under the Tung Wah Group of Hospitals, to allow family members to take photos with their fathers for free.



Celebrations for All — Gift Packs for the Elderly

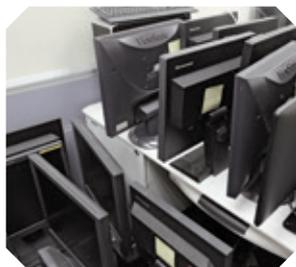
The Soundwill Volunteer Team, together with primary school students in Tung Chung district, visited the elderly in Tung Chung and distributed Celebration for All gift packs to them.



August

Computer Recycle Project

The Group donated 30 computers, 7 printers and 43 LCD monitors to the Caritas Computer Workshop as a way of reducing electronic waste; the reusable electronic products were donated to people in need.



September

Family Storytelling

The Soundwill Volunteer Team joined the Little Bean Sprout Storytelling Sessions for the Family Storytelling — Neighbourhood Development Project hosted by the Hong Kong Outlying Islands Women's Association. The team shared stories with children in the Tung Chung community and assisted in holding play workshops.



November and December

Hong Kong's Together Sunday Jazz Band

To promote the development of local music culture, the Group assisted Hong Kong's Together Sunday Jazz Band to stage a performance at Tang Lung Street, Causeway Bay. In support of the musical development of local youth, the Group provides the open space in front of the front door of Soundwill Plaza II – Midtown for musicians and music groups to stage performances and thereby raise artistic and cultural awareness in the community.



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Reporting Scope

Soundwill Holdings Limited and its subsidiaries (the “Group”) has compiled an Environmental, Social and Governance Report for a second consecutive year, making reference to the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Report highlights the environmental, social and governance performance of the Group from 1 January 2017 to 31 December 2017. The scope of the Report covers the property development operation, building management operation and operation of the headquarter of the Group. The Group believes that this Report will provide stakeholders with a multi-dimensional view of the operational model and sustainability objectives of the Group.

Overview

“Operating with heart” is the Group’s philosophy of sustaining its business development and maintaining steady growth through its contributions to employee, customers, the community and environment. Committed to creating value for stakeholders, the Group provides customers with products and services of impeccable quality as well as better returns to shareholders. It also undertakes various corporate social responsibility programmes and initiatives for the betterment of society.

Environment 	<ul style="list-style-type: none"> We strive to improve our operational methods to reduce the impact of our business on the environment We encourage employees to participate in training programmes and activities related to environmental protection We strictly comply with relevant environmental legislation During the reporting period, there were no cases of prosecution for violating environmental legislation
Social 	<p>Employment</p> <ul style="list-style-type: none"> We aspire to be an employer of choice and place high importance on human resources management We strictly comply with relevant employment legislation During the reporting period, there were no cases of prosecution for violating related legislation <p>Health and Safety</p> <ul style="list-style-type: none"> We aim for zero injuries in all of our workplaces We strictly comply with relevant safety legislation During the reporting period, there were no cases of prosecution for violating related legislation <p>Development and Training</p> <ul style="list-style-type: none"> We encourage employees to participate in training sessions and seminars We devise training objectives together with employees and provide suitable training to them <p>Supply Chain Management</p> <ul style="list-style-type: none"> We encourage suppliers to continuously improve and perform their social responsibilities <p>Product Responsibility</p> <ul style="list-style-type: none"> Our professional teams strive to provide customers with high-quality products and services We strictly comply with relevant product liability and personal data (privacy) ordinance During the reporting period, there were no cases of prosecution for violating related legislation <p>Anti-corruption</p> <ul style="list-style-type: none"> We maintain a robust and transparent corporate governance structure We strictly comply with relevant anti-corruption and bribery legislation We have a reporting mechanism and an independent internal audit team in place During the reporting period, there were no cases of prosecution for violating related legislation
Community 	<ul style="list-style-type: none"> We consistently endeavour to fulfil our social responsibilities, enthusiastically participating in a variety of charitable activities to show our care for vulnerable groups The Group has been honoured as a Caring Company for many years The Group, together with its members and property portfolio, has received numerous awards and recognition The Group’s volunteer team actively participates in various community activities We support artistic activities and promote culture in the community

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Communication with Stakeholders

The Group values every opportunity to communicate with its stakeholders as this is essential for improving relationships and helping them understand the Group's performance and strategies. Accordingly, the Group has established a variety of effective communication channels to exchange and share information with stakeholders, in order to achieve continuous improvement and service excellence.

The Group's communication channels with key stakeholders:

Stakeholders	Communication channels
Customers 	<ul style="list-style-type: none"> • The Group's website • Customer service hotline and email • Satisfaction survey (residents) • Delivery service survey (buyers) • Daily communication with frontline staff • Social media
Tenants 	<ul style="list-style-type: none"> • Customer service hotline and email • Satisfaction survey (tenants) • Meetings • Daily communication with frontline staff
Staff 	<ul style="list-style-type: none"> • Intranet • Staff newsletter • Annual assessments • Annual Group activities
Shareholders/ Investors 	<ul style="list-style-type: none"> • The Group's website • Annual General Meeting • Annual and interim reports • Press releases, announcements and circulars • Investor relations enquiry hotline and email
Media 	<ul style="list-style-type: none"> • Press releases • Press conferences • Media enquiry hotline and email
Suppliers/Vendors 	<ul style="list-style-type: none"> • Continuous, direct communication • Review and assessment
Community/ Non-governmental organisations 	<ul style="list-style-type: none"> • Participation in voluntary and philanthropic activities • Organisation of exhibitions and events • Sponsorship and donation

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environment

A.1 Creating a green environment

The Group is proactive in promoting sustainable development and environmental protection. It promotes environmental protection both inside and outside the Group, including initiatives such as reducing greenhouse gas emissions, making more efficient use of energy, reducing waste and recycling. The Group has adopted measures to improve its operational methods in order to minimise the impact of its business operations on the environment. In doing so, the Group complies with all relevant environmental legislation. During the reporting period, the Group did not violate any laws relating to environmental protection and emissions. The following environmentally-friendly measures were adopted by the Group during the year:

Property Development Operation: Green Construction

- Sprayed water during concrete chiselling for dust prevention
- Ensured grab-mounted trucks were properly covered by canvas for dust control before they left the construction site
- Cleared sawdust regularly for dust prevention on the construction site
- Used environmentally-friendly rooftops, modular green coverage and plantations to build a green site
- Installed sun control window films to block solar radiation and increase energy efficiency



Building Management Operation: Green Management

- Arranged for regular cleaning of the air conditioner filters at its properties to keep the air clean
- Engaged a laboratory to inspect the air quality at its clubhouses to ensure the air is clean
- Managed the operating hours of the lifts, air-conditioning systems and public lighting systems to avoid unnecessary energy consumption
- Monitored the power usage of its buildings and reviewed electricity consumption trends regularly
- Replaced existing lighting with T5 fluorescent tubes, LED tubes and compact fluorescent light-bulbs to save electricity
- Installed a water tank transformer at Soundwill Plaza II — Midtown, one of the Group's key properties under management, in order to reduce the power usage of the water tank



The Group aims to prevent pollution and reduce greenhouse gas emissions by conducting regular assessments and reviews. Through regular monitoring of power usage in its properties and investing in energy-efficient devices, the Group has achieved energy-saving performance in a number of its properties. The biggest source of greenhouse gas emissions of the Group is attributable to the indirect emissions resulting from power usage.

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Power usage and greenhouse gas emissions of the Group during the reporting period:

Property	Soundwill Plaza II – Midtown	Park Haven	*iPLACE	Total
Electricity consumption (MWh)	1,192.37	441.46	63.97	1,697.8
Greenhouse gas emissions (tonne CO ₂ e)	941.97	348.75	34.54	1,325.26

* Figures as of May 2017 due to the construction of iPLACE from January 2017 to May 2017.

Total electricity consumption per employee	5.21 MWh
Total greenhouse gas emissions	4.07 tonne CO ₂ e

A.2 Effective Use of Resources

The Group is committed to reducing the negative impact of its operations on the environment by using resources only when necessary and by continuously exploring ways to reduce resource consumption and enhance water efficiency. Although the Group does not use much water in its operations, it carefully manages its water resources as part of its culture of resource conservation.

Management of Water Resources

- Installed desilting tanks at the construction site for the treatment and purification of sewage
- Installed sumps and sandbags at the construction site whenever necessary to avoid improper sewage discharge
- Provided waterless and odourless environmentally-friendly toilets at the construction site for considerable water savings each year
- Obtained a sewage discharge licence to ensure relevant Group projects are in compliance with the Water Pollution Control Ordinance
- Used sensor-activated devices or self-closing water taps in washrooms for saving water
- Monitored and controlled water usage at its properties and periodically reviewed water consumption



Water consumption of the Group during the reporting period:

Property	Soundwill Plaza II – Midtown	Park Haven	*iPLACE	Total
Water consumption (m ³)	10,343.98	1,498.12	259	12,101.1

* Figures as of May 2017 due to the construction of iPLACE from January 2017 to May 2017.

Total water consumption per employee	37.12 m ³
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The Group's properties and construction projects are the major sources of waste. The Group has been working diligently to motivate all stakeholders, including tenants, customers, residents and contractors, to participate in waste management.

Waste Management

- Set up a site waste management programme to avoid over-ordering
- Fully utilised construction materials to avoid wasting resources
- Introduced waste segregation for recycling
- Provided designated recycling containers to collect and segregate solid waste, such as plastic bottles and aluminium cans, to facilitate disposal and recycling
- Returned used wood pallets and metal tools to suppliers to encourage reuse
- Donated reusable waste to charitable organisations



Measures to reduce hazardous and non-hazardous waste and methods of waste handling:

Procedures	Hazardous waste	Non-hazardous waste
Evaluate the operational processes to identify sources of waste and formulate a waste reduction plan	√	√
Reduce waste by adopting non-traditional working models or processes	√	√
Waste segregation and labelling	√	√
Hand over hazardous waste to licensed recyclers	√	—
Hand over non-hazardous waste to designated general cleansing workers or contractors and periodically transport waste to oversized waste storage locations	—	√

As at 31 December 2017, the Group did not produce large amount of hazardous waste.

Volume and intensity of non-hazardous waste produced by the Group during the reporting period:

Property	Soundwill Plaza II – Midtown	Park Haven	Total
Waste volume (tonne)	70.61	0.29	70.9
Waste production intensity (tonne/number of employees)	—	—	0.19

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Paper Management

- Segregated non-recyclable waste paper from recyclable waste paper
- Set up a waste paper collection box to collect waste paper and arrange paper recyclers to collect waste paper regularly
- Introduced a new computer system to automate daily human resource applications to reduce paper usage
- Set up an intranet for enhanced transparency of internal information and reduce the use of paper for communication
- Used paper products certified by the Forest Stewardship Council for printing the annual reports and publications of the Group
- Encouraged double-sided photocopying and printing



A.3 Conservation of Natural Resources

The Group is committed to promoting environmental awareness and supporting environment-related activities. During the year, it arranged to have employees participate in training programmes related to environmental protection, such as a talk on the Scheme of Participation by Property Management Agents in Tackling Dripping Air-conditioners held by the Food and Environmental Hygiene Department. The Group also promoted environmental protection throughout the supply chain and encouraged stakeholders to join environment-related activities.

Environment-related activities or programmes held by environmental or governmental organisations joined by the Group during the reporting period:

	Name	Organiser	Event Summary
Environment-related activities	Earth Hour 2017	World Wide Fund for Nature Hong Kong	Switched off lights for an hour from 8:30 pm to 9:30 pm on 25 March 2017
	New Year Old Electrical and Electronic Equipment Recycling Collection Scheme 2017	Environmental Protection Department	Encouraged residents of the properties under the Group to collect old computers, electrical appliances and electronic products and hand them to the contractors under the scheme
	Fluorescent Lamp Recycling Programme 2017	Environmental Protection Department	Set up collection points for fluorescent lamps and tubes in the properties under the Group
Environment-related programmes	Energy Saving Charter 2017 and 4Ts Charter 2017	Environment Bureau	Soundwill Plaza, WarrenWoods and Park Haven all received a certificate by pledging to maintain an average indoor temperature of 24–26°C, switch off electrical appliances and systems when not in use, and procure energy-efficient electrical appliances and systems in the lobby and public areas as required by the charters
	Charter on External Lighting	Environment Bureau	Soundwill Plaza and Soundwill Plaza II — Midtown each received the Platinum Award by pledging to switch off external lighting during preset times, and to minimise light nuisance and energy wastage

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	Name	Organiser	Event Summary
Environmental awards	Hong Kong Green Organisation Certification – Wastewi\$e Certificate	Environmental Campaign Committee	Soundwill Plaza, WarrenWoods and Park Haven all received a Wastewi\$e Certificate by implementing waste reduction measures
	Hong Kong Green Organisation Certification – Energywi\$e Certificate	Environmental Campaign Committee	WarrenWoods and Park Haven each received an Energywi\$e Certificate by implementing energy efficiency programmes for different installations
	Programme on Source Separation of Domestic Waste Commendation Scheme 2016/17 – Certificate of Merit	Environmental Protection Department	Park Haven received a Certificate of Merit by regularly recycling waste produced by the residents and establishing a database to record the recycling volume

Society

B.1 Maintaining a Fair Employment System

The Group's employment and recruitment processes are highly transparent, and decision-making is rigorous and fact-based. The Group bases salaries on the principle of fairness and ensures that wages are in compliance with the minimum wage requirements. Wages in related markets are also referenced to provide attractive compensation. The Group offers a variety of allowances to qualifying employees and provides staff with retirement plans as stipulated under the law. In recognition of the Group's consistent compliance with the MPF legislation, the Mandatory Provident Fund Administration named the Group a "Good MPF Employer" for 2016–17.

The Group takes pleasure in providing employees with an environment that balances work and family life, and encourages an interactive and comfortable workplace. During the year, the Group received the "Happiness-at-Work" label and the "Happy Company" recognition from the Hong Kong Productivity Council. In response to the needs of its employees, the Group launched the five-day work week in January 2018 so that staff have more time to rest and be with their families; this also has the effect of enhancing work efficiency and the physical and mental health of employees.

The Group is an equal opportunity employer. Regardless of ethnicity, religion, gender or age, all people enjoy equal employment opportunities and are treated in a fair and impartial manner. Employment contracts are terminated via written notice, and all compensation is consistent with legal requirements. The employee retirement age is 65. In cases where the Group believes that employees possess irreplaceable experience and are deeply familiar with the Group's operations, and as long as health conditions permit, arrangements agreeable to both parties can be reached for new employment contracts.

The Group protects the rights of its employees and absolutely does not tolerate any form of discrimination, including discrimination against or harassment on the basis of gender, ethnicity, age, religion or nationality. We provide a comfortable working environment with good career opportunities for all employees. Appropriate channels are also in place for employees to express their opinions.

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The Group purchases medical insurance for its employees to provide access to medical services at a low cost. If injuries or deaths occur at work, the Group offers reasonable compensation to its employees and their families.

Employee performance evaluations allow managers and employees to review their work performance of the previous year together, evaluate job satisfaction and plan for the year ahead. Performance evaluations are a critical management tool for improving cooperation and ensuring that established targets are met. In addition to their daily work, employees also have the opportunity to evaluate and plan their career development and opportunities for promotion.

The Group strictly complies with all relevant employment legislation. During the reporting period, there were no cases of prosecution for violating employment legislation.

B.2 Protecting the Health and Safety of Employees

In line with its occupational health and safety objectives, the Group aims to achieve zero injuries in all of its workplaces. The management provides ongoing support for ensuring safety in the workplace. Through mutual trust and transparent communication, the Group and its employees work together to improve workplace safety standards and develop a proactive and positive safety culture. Employees' rights and responsibilities in terms of safety are made clear, and they are required to adhere to the safety codes of the Group.

The Group regularly assesses potential safety risks and ensures that all applicable safety legislation is strictly complied with. The Group sets aside funds to update safety equipment, conducts safety training and education, promotes and evaluates safety measures and holds emergency rescue drills. As a member of the Green Cross Group under the Occupational Safety & Health Council, the Group endeavours to promote occupational safety and health in the industry, regularly exchanges its experiences and expertise with its peers, and receives updates on the most popular trends in safety and health to enhance the knowledge, behaviour and capabilities of the management, employees, suppliers and contractors in safety and hazard management. Moreover, the Group pursues effective safety performance by establishing quantifiable objectives and clear safety measures and by conducting regular performance reviews.

The Group also provides its employees with introductory safety training courses and special safety training so that they understand potential hazards in their work and have the requisite knowledge for responding to them. Additionally, we require the employees of both the Group and our contractors to complete introductory safety training questionnaires. All on-site workers are required to possess valid Construction Industry Safety Training Certificates (Safety Cards) as well as registration certificates for the relevant processes to confirm that new recruits understand the relevant safety rules. At the same time, the Group provides appropriate personal protective equipment for its employees and mandates that all employees use such equipment.

The Group also requires that contractors perform collective safety inspections weekly and at other periodic intervals. They are also required to submit inspection reports detailing safety risks, follow-ups and subsequent improvements. The Group and the Site Safety Management Committee further arrange and record joint safety inspections, with subcontractors present.

The Group's occupational safety performance during the reporting period:

- No work-related fatality was recorded
- 0% of work-related fatality was recorded

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The Group complies with all relevant safety legislation. During the reporting period, there were no cases of prosecution for violating occupational safety legislation, and there were no cases of work-related fatalities.

B.3 Talent Development

The Group treats its employees as valuable assets and understands that their commitment can help drive the development of the business. It periodically reviews employees' performance, achievements and development needs, and helps them plan their career development. Employees are encouraged to participate in training and seminars and to take the initiative to develop their potential and abilities so that they can enhance their work performance and pursue personal advancement.

To keep abreast of market changes, the Group equips its employees with the skills and knowledge needed both now and in the future. The Group develops training objectives together with employees and provides appropriate training to help employees improve their existing skills and knowledge in order to respond to new work requirements. Induction safety training programmes are provided for new hires, and regular toolbox talks and special safety training are held for existing employees. The Group has also established a mentor scheme to help new hires quickly adapt to the culture and operations of the Group as they assume their duties. During the reporting period, the Group had 373 employees, each of whom received an average of 1.3 hours of training.

B.4 Respecting Labour Practices

The Group has taken proactive measures to prevent child labour. Prior to hiring any applicant, the Group thoroughly examines all relevant documentation to ensure he or she is of the minimum required age of 18.

The Group prohibits indentured servitude or forced labour, as well as the use of corporal punishment, imprisonment and threats of violence. It does not impose mandatory overtime work. All overtime work is compensated with alternative holidays or back-pay. Recruitment is based on impartiality and free will. The recruitment of employees through coercion or deception is prohibited. In any case of incompliance, an investigation will be initiated and follow-up action taken immediately. All of the Group's employees enjoy medical benefits, paid sick leave, maternity leave and compassionate leave. Employee benefits are periodically reviewed to maintain the Group's competitive edge in talent recruitment.

No instance of child labour or forced labour occurred within the Group during the reporting period.

B.5 Supply Chain Management

The Group encourages continuous improvement and commitment to social responsibilities among its suppliers, and expects all suppliers to comply with the laws of their respective countries. Imported products must also comply with local legislation. The Group further requires its suppliers to provide a safe working environment for their employees. At the same time, suppliers must continue to improve their safety standards and performance with the aim of achieving zero work injuries.

The Group expects suppliers to implement sound employment measures by dealing with their employees fairly and reasonably, respect employees' rights and provide environments free of discrimination, child labour and forced labour. Suppliers must also abide by transparent business processes and high standards of conduct, including avoiding conflicts of interest and giving or accepting of bribes.

The Group's suppliers must also emphasise the efficient use of resources and strive to reduce waste. This includes using fuel and water efficiently, handling and disposing waste properly, monitoring and managing all environmental impacts in a responsible manner, and striving for continuous improvement.

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B.6 Customer Care, Dedicated Service

In accordance with customer-centric and service-oriented principles, the Group aims to provide tailor-made, high-quality services that meet the needs of its customers. It has a professional team that collects and listens to the opinions of tenants and users, and provides a proper response and support. Complaints and feedback are recorded systematically and periodically reported to the senior management to improve service quality.

The Group attaches high importance to the quality of its properties. Before a property is formally delivered, numerous rounds of review are performed, including self-inspection by the construction unit, re-examination by supervisors and acceptance inspections by the relevant government departments. Before delivery to the customer, several internal acceptance checks are performed by a professional team to ensure that the units are in optimal condition when delivered to the owners. To ensure the efficiency and professionalism of the property acceptance checks and the resolution of any potential problems, the Group provides continuous training to its employees.

For new property owners, a dedicated team has been set up to help them handle the acceptance procedures and make the hand-over as easy as possible. Jones Hive, which was co-developed by the Group and Henderson Land Development Company Limited, was recognised as a Five-Star Residence for 2017 by the Hong Kong Professional Building Inspection Academy.

The Group's high-quality services extend after the delivery of the unit. Full-time teams are established to identify the services required during the use of the new unit, and will follow up with the purchasers afterwards. In addition to providing comprehensive after-sales service, newly-occupied properties come with maintenance warranties for the first two years, increasing tenants' peace of mind.

The properties managed by the Group received the following awards:

Awardee	Name of Award	Organiser
WarrenWoods	Outstanding Security Services — Residential Property Award	Hong Kong Island Regional Crime Prevention Office
10 Knutsford Terrace	Outstanding Managed Property Award	Kowloon West Regional Crime Prevention Office
Cameron Centre	Best Managed Property Award	Kowloon West Regional Crime Prevention Office
Yiu Fai Mansion	Best Managed Property Award	Kowloon West Regional Crime Prevention Office
Soundwill Plaza (G/F Lobby)	Certificate of the Indoor Air Quality Certification Scheme	Environmental Protection Department
Park Haven	Certificate of the Indoor Air Quality Certification Scheme	Environmental Protection Department

As the Group is committed to total customer satisfaction, disputes that cannot be resolved by after-sales service mechanisms are handled through mediation. The Group is aware that, as compared to court proceedings, mediation is more efficient for resolving a variety of disputes, while saving time and money. In view of this, the Group has signed the Mediate-First Pledge of the Department of Justice. If a dispute occurs between the Group and another person or organisation, the Group is willing to try mediation to resolve the dispute first before attempting other methods of dispute resolution or filing litigation with the court.

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The Group also places great importance on customer privacy and has established a set of procedures to make sure that personal data collected during a property sale will only be used for business development and customer relationship management. Additionally, the Group will inform customers that it will follow all relevant legislation with regard to data privacy. Customer data are kept strictly confidential and will not be leaked to any unauthorised third-party without the consent of the relevant customers. The Group respects intellectual property and observes the relevant legislation. During the procurement process, suppliers are required to provide details of the hardware and software used by the Group to ensure their genuineness. The Group's information technology department also performs regular checks to see if any illegal software has been downloaded. If any illegal software is found, it will be deleted immediately. The Group also complies strictly with relevant product liability legislation. During the reporting period, there were no cases of prosecution for violating product liability or privacy-related legislation.

B.7 Developing a Corruption-free Culture

The Group has established a robust system of corporate governance, with responsibility shared jointly by the members of the Board of Directors. The comprehensive policies prepared by the Board apply to all employees, including the senior management and the Board of Directors. The policies ensure no conflicts of interest, prohibit the giving and accepting of bribes (including soliciting, providing and accepting advantages), include policies relating to part-time work and investment, and ensure compliance with business ethics standards. The Group also has a reporting mechanism in place to ensure that all complaints are kept confidential and handled in a prudent manner. If it is found upon investigation that any misconduct is involved, the matter will be referred to the relevant disciplinary body for follow-up action.

The Group requires that its employees declare conflicts of interest to the human resources department. It provides training for positions at higher risk of conflicts of interest, such as the senior management of each department. These include the property development department, property investment department, construction project department, marketing and sales department and market leasing department. In addition, the Independent Commission Against Corruption is periodically invited by the Group to hold anti-corruption seminars and convey the importance of clean business operations. Additionally, the Group arranged to have its employees attend the Conference on Business Ethics for Listed Companies 2017, organised by the Independent Commission Against Corruption, to align employees' knowledge of corporate governance with the market.

The Group has established an independent internal audit team to perform regular checks, formulate guidelines and conduct reviews. What's more, the Group engages an independent auditor to audit its accounts and ensure they are fair and complete.

The Group strictly complies with the relevant anti-corruption and bribery legislation. During the reporting period, there were no cases of prosecution for violating related legislation.

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B.8 Community Investment

In fulfilling its social responsibilities, the Group participates in a variety of charitable activities to show its concern for community development and care for vulnerable groups. The spirit of community care is rooted in the Group's corporate culture and tied closely with its business operations. Employees are also encouraged to take part in a variety of charitable activities to support different sectors and give back to the community.

The Group has been honoured as a Caring Company by the Hong Kong Council of Social Service for five years in a row in recognition of its corporate spirit of caring for society through action. During the reporting period, the corporate social responsibility projects of the Group were honoured with the Industry Cares 2017 Award by the Federation of Hong Kong Industries. The Group was one of the awardees of the Hong Kong Corporate Citizenship Program organised by the Hong Kong Productivity Council and was named as a Heart to Heart Company for 2017–2018 by the Hong Kong Federation of Youth Groups.

In conjunction with its members and property projects, the Group has been honoured with numerous commendations. These provide evidence of the Group's commitment to fulfilling its social responsibility and supporting the development of the community through its services.

Name of Award	Image	Organisation
Caring Company 2017 5 Years Plus Caring Company Logo		Hong Kong Council of Social Service
Happiness at Work Promotional Scheme 2017 Happy Company 2017		Hong Kong Productivity Council
Industry Cares 2017 Caring Certificate (Enterprise Group)		Federation of Hong Kong Industries
2017–2018 Heart to Heart Project — Heart to Heart Company		Hong Kong Federation of Youth Groups

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Name of Award		Organisation
The 8th Hong Kong Corporate Citizenship Program — Enterprise Category recognition		Hong Kong Productivity Council
2016 Social Capital Builder Award (Every two years)		Labour and Welfare Bureau

The Group consistently supports culture in the community. For many years, it has actively and enthusiastically cooperated with arts organisations and corporate brands in holding a variety of art exhibitions and activities. The Group provides a multi-purpose performance venue of more than 7,000 square feet at Soundwill Plaza II — Midtown where local and foreign artists can display their work and where the public can come to understand, appreciate and engage with their artistic creations. The Group has also cooperated with a number of international fashion brands in hosting fashion shows and events, further enhancing Hong Kong's status and visibility in the international community.

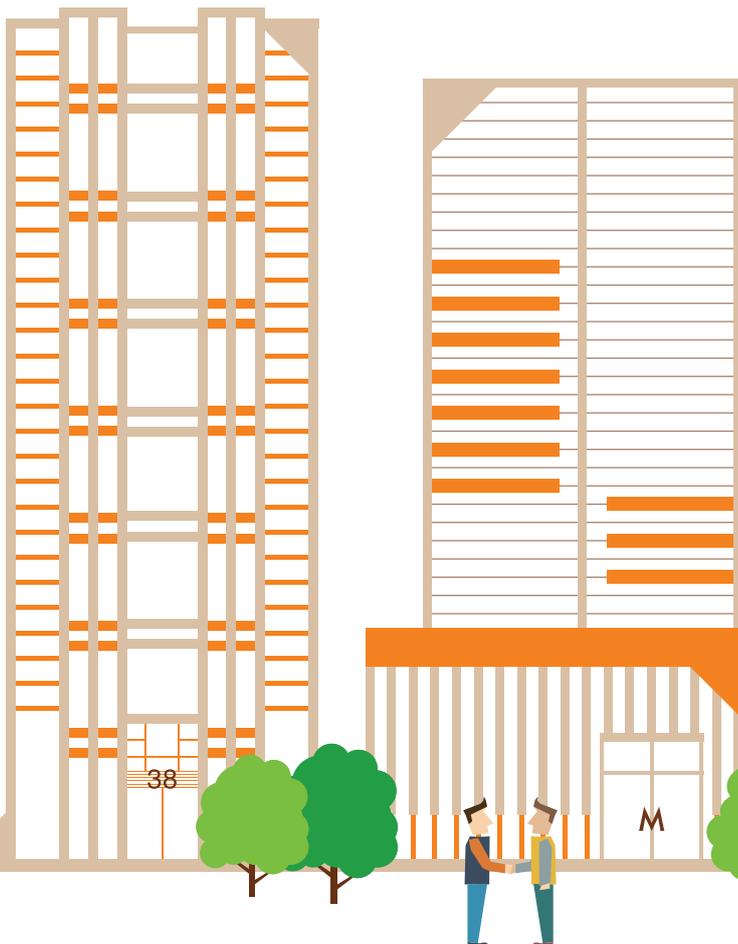
To promote the development of local music culture, the Group assisted Hong Kong's Together Sunday Jazz Band to stage a performance at Tang Lung Street, Causeway Bay. In support of the musical development of local youth, the Group provides the open space in front of the front door of Soundwill Plaza II — Midtown for musicians and music groups to stage performances and thereby raise artistic and cultural awareness in the community.

The Group also set up the Soundwill Family Club for parents to participate in charitable activities, with a view to encouraging more people to serve the community. During the summer holidays, the Group and one of its tenants, Jamie's Italian, organised a special event for children, namely the Midtown Summer Camp. During this activity, children were able to learn table manners, a different language and drama skills through an English role-playing course under the theme, "From the Kitchen to the Table".

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Beneficiaries of donation/sponsorship:

Organisation	Name of activity
St. Christopher's Home	Fundraising activity for St. Christopher's Home
Shatin Women's Association	Flag day for the Sunshine Lady Project in the New Territories
The Boys' Brigade, Hong Kong	Anchorthon
The Community Chest	The Community Chest Green Day and Dress Casual Day
Hong Kong Outlying Islands Women's Association	Sponsorship of overhead costs
Po Leung Kuk	Flag sale activity for Po Leung Kuk
Society for Abandoned Animals Limited	Flag sale activity for Society for Abandoned Animals Limited
Society for the Welfare of the Autistic Persons	Sponsorship of overhead costs



Outlook

For the future, the Group will continue to pursue its mission of becoming a sustainable enterprise as the direction for its development. It has also committed to improving its performance in all aspects of its responsibilities to the environment, society and governance and supporting innovative activities that create greater value for all stakeholders and the betterment of society. At the same time, in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group will continue to share information on its environmental, social and governance performance with the public.

