

JIANDE INTERNATIONAL HOLDINGS LIMITED

建德國際控股有限公司

(Formerly known as First Mobile Group Holdings Limited)

(前稱第一電訊集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code : 865

股票代號 : 865



**JIANDE
INTERNATIONAL
HOLDINGS**

2016

Environmental, Social and Governance Report

二零一六年環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OBJECTIVE

Jiande International Holdings Limited (the “Company”, together with its subsidiaries collectively referred to as the “Group”) is pleased to present its first Environmental, Social and Governance Report this year, with an aim to illustrate the Group’s performance in promoting a sustainable development to both the internal and external stakeholders.

This report, which was prepared in accordance with 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, highlights the environmental and social measures and activities of the Group during the period from 1 January 2016 to 31 December 2016 (the “Year 2016”). For the information on the corporate governance of the Group, please refer to the Annual Report 2016 of the Company.

The Group is committed to maintaining the sustainable development of its businesses and providing support to environmental protection and the community in which it operates. The Group manages its business in a prudent approach by following reasonable decision-making procedures to provide its clients with quality products and services. The Group maintains a close tie with its stakeholders, including shareholders, clients, staff, suppliers, creditors, regulatory authorities and the public, and strives to balance their opinions and interests through constructive communications in order to determine the direction of its long-term development. The board of directors is responsible for assessing and determining its environmental, social and governance risks, and ensuring that the relevant risk management and internal control system is operating properly and effectively.

In the Year 2016, the Company, through its subsidiary, Yangzhou Dehui Real Estate Development Company Limited (“Yangzhou Dehui”), continued to develop The Cullinan Bay project and sell and pre-sell its properties. Since The Cullinan Bay project was the Group’s sole real estate project under development in the Year 2016, it has a relatively high relevance to the environmental, social and governance aspects. Therefore, the disclosures in this report focus on the policies and performance of Yangzhou Dehui in the Year 2016 in terms of three environmental aspects and eight social aspects.



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MAJOR HONOURS AND AWARDS

The major honours and awards won by The Cullinan Bay project in the Year 2016 are as follows:

Honours and awards	Awarding organisations
The 12th China Property Network Popularity Rankings (第十二屆中國房地產網絡人氣榜)	Housing Searching Web (www.SouFun.com) (搜房網)
The City Model on Top Brand List for Real Estate 2016 (2016房地產品牌價值榜城市典範名盤)	Sina House (新浪樂居) and Yangzi Evening News (揚子晚報)

A. ENVIRONMENT PROTECTION

To demonstrate the commitment of the Company to maintain sustainable development and to comply with the relevant laws and regulations in respect of environment protection, the Group endeavors to minimize the impacts of its operating activities on the environment.

A1: Emissions

The emissions from The Cullinan Bay project are primarily machinery and vehicle exhausts as well as road dust in the course of construction, with inhalable particles being the major impact factor. In addition, the gas emissions generated by natural gas fuel, vehicle exhausts and lampblack during the operation of the project also affect the air quality in the surrounding area, with vehicle exhausts being the major pollutants, comprising carbon monoxide, nitrogen oxide, sulphur dioxide and non-methane hydrocarbons.

With a view to preventing dust pollution and improving air quality in the city to safeguard the health of the city dwellers, atomisers for dust suppression are installed in the construction site of The Cullinan Bay project to control dust pollution. This type of atomiser for dust suppression is characterized by the large reduction in water use as compared with the traditional wet dust extraction. Contractors are engaged to transport the construction waste from the construction site of the project to the landfill at Touqiao Town for disposal everyday.



▲ atomisers for dust suppression installed in the construction site of The Cullinan Bay project

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Facilities for source separation of waste are installed at the completed portion of The Cullinan Bay project to encourage a green lifestyle among the residents and the staff by separating waste into three categories, namely “recyclable waste”, “non-recyclable waste” and “toxic and hazardous waste”. Hazardous waste will be collected for centralised handling by professionals with appropriate qualifications.



▲ Separation guidelines are posted near the waste separation facilities to facilitate residents to sort their garbage

Yangzhou Dehui owns two motor vehicles running on petrol for use in the ordinary course of its corporate affairs and by the sales department, under the unified management of the office.

In 2016, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have significant impact. In addition, in 2016, there was no report of heavy fines or non-monetary sanctions as the result of non-compliance with relevant laws and regulations.

A2. Use of Resources

The Group understands that the construction materials used will have direct impacts on the quality of housing and the surrounding environment. Therefore, the Group procures and selects environment-friendly materials for both outdoor and indoor construction, so as to provide residents with a comfortable living environment and conserve natural resources upon the completion of the project.

As for outdoor construction materials, the Group conducts analysis on the insulation and energy saving capacity of the exterior wall and rooftop of the buildings, in order to select safe, effective and energy saving construction materials and minimize the energy consumption level of a unit. Various dry-hanging exterior wall cladding, interior and exterior decorations and stair steps of the project are mainly made of camel brown granite from India, which is characterized by its glare-free coarse surface and mild reflection, without causing any light pollution to the surrounding area. Besides, the Group adopts pipes made of propylene random copolymer. Such pipe material is an environment-friendly and energy saving material enjoying a leading position in the international market, with excellent heat-resistance, durability and corrosion resistance. As for interior decoration materials, the switch panel adopted by the Group is of international standard and with China Compulsory Certification and ISO9001 certification. Polyurethane foam, a quality thermosetting polymer with excellent insulation and fire-proof capacity, effectively preventing fire from spreading, is used for roofing. Energy saving bulbs, automatic sprinkler system and sensor-controlled lighting system are installed in elevators and certain corridors and passageways of The Cullinan Bay project. Rainwater harvesting system is adopted by The Cullinan Bay project for the purpose of irrigation and washing floor after collection and filtration of rainwater. Phase 2 of The Cullinan Bay project is even equipped with solar energy facilities.

A3. The Environment and Natural Resources

The Group has taken into consideration the environmental factors in the course of project planning and designing. The Group proactively implements various environmental protection measures, including planting and landscaping within the completed gardens of The Cullinan Bay project, to optimise the green ecosystem of the project. A large amount of trees and bushes are grown within The Cullinan Bay project for the purpose of cooling, air purification, noise mitigation and reduction of carbon emissions.



For the purpose of water resource conservation, ponds are built in gardens of The Cullinan Bay project. Leveraging on the automatic cleaning system, coupled with the regular use of suction machine to pump out sediment, the required number of washing is reduced. Water from the ponds is used for irrigation, which in turn reduces the consumption of running water. As no exploitation of underground water is carried out within the completed gardens with built-in ponds, there is no change in groundwater flow field or groundwater level.

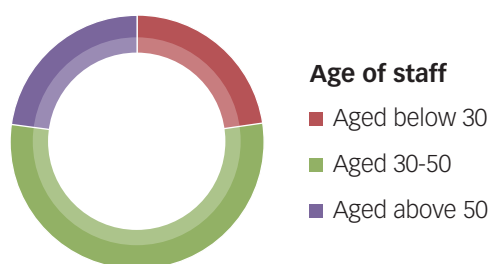


B. SOCIAL RESPONSIBILITY

The Group believes that maintaining good relationship with the staff is the key factors of our success. With a view to enhancing the satisfactory level of the staff, the Group provides the staff with competitive remuneration packages and comprehensive training programmes, so as to encourage the staff to reach their full potential and contribute their talents. Staff banquet is held annually to raise their sense of belonging and create a harmonious working environment.

B1: Employment

The Group implements stringent recruitment procedures to select and employ excellent candidates through both external referral and internal training. At the end of 2016, the staff of Yangzhou Dehui, a subsidiary of the Group, is divided into three categories by different age groups: (i) aged 30 or below, which accounts for 22.5% of the total number of staff; (ii) aged 30 to 50, which accounts for 55% of the total number of staff; and (iii) aged above 50, which accounts for 22.5% of the total number of staff.



The Group offers equal employment opportunities to safeguard the staff against discriminations arising from age, race, ethnicity, gender and religion, while striving to develop a fair, respectful, diversified, cooperative and friendly corporate culture and working environment.

The Group has formulated its Staff Manual to stipulate the relevant systems in respect of employment management, rights to termination of employment, code of commercial conduct, social security fund, remuneration, welfare, paid leave benefits, working hours, overtime work and performance management, so as to safeguard the interests of the staff.

The Group complies with the Labor Law of the People's Republic of China and the relevant laws and regulations. The year-end bonus for the staff is determined by the management and general manager of the Group taking into consideration of the operating performance for the respective year on the basis of fairness, with an aim to recognize the contribution made by the staff and to enhance their incentives. At the same time, the Group makes timely adjustment towards payroll and remuneration with reference to the survey on market rates and inflation index in order to attract and retain talents. All allowance and welfare offered to our staff are implemented in accordance with the relevant requirements of the Labor Law and administrative authorities.

In 2016, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have significant impact. In addition, in 2016, there was no report of heavy fines or sanctions as the result of non-compliance with relevant laws and regulations.

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B2: Health and Safety

The Group strictly requires the working parties of The Cullinan Bay project to comply with Environmental Sanitation System for Work Sites, Licence for Civilized Construction at Work Sites, License for Safe Production, Fire Safety Permit and the Ten Offences against Production Safety, the requirements of which are prominently displayed at the construction sites. Workers are required to wear safety helmets upon entering the construction sites and fasten safety harness when working at height. Warning signs are placed at the danger zones of construction sites with illumination during the night-time. The Group has taken out accident insurance policies for the personnel working at construction sites.

Besides, the working parties of the project have formulated the Contingency Plan for Emergencies pursuant to Production Safety Law of the People's Republic of China, The Administrative Regulations on the Work Safety of Construction Projects, and Decision of the State Council on Further Enhancing Work Safety.

In 2016, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have significant impact. In addition, in 2016, there was no report of heavy fines or sanctions as the result of non-compliance with relevant laws and regulations.

B3: Development and Training

In 2016, the Group has provided its employees with various training programmes on practical skills including: (i) training meeting the requirements of the Housing Management Bureau; (ii) training on financial functions; and (iii) training on fire fighting.

B4: Labour Standards

The Group recognizes that the employment of child and forced labour is a serious violation of universal values. Accordingly, the Group is strongly committed to opposing to the use of child and forced labour by strictly complying with all the laws and regulations against the child and forced labour. The Group also strictly fulfills the requirements under the labour contract system whereby all newly-recruited employees will enter into a labour contract or an appointment agreement with the Company upon formal appointment.

In 2016, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to prohibiting the Group from employing child and forced labour. In addition, in 2016, there was no report of heavy fines or sanctions as the result of non-compliance with relevant laws and regulations.

B5: Supply Chain Management

The Group closely monitors the selection of materials, for instance, (i) ALN Arnaud brand products of Sitong Songri Electric Appliances with China Compulsory Certification and ISO9001 certification are adopted for switch panels; (ii) products of Shanghai Shangsu with leading-edge eco-friendly features are adopted for drainage pipes; and (iii) products of ERA brand, one of the largest manufacturing base of chemical building materials and components of solar power system, are adopted for electrical conduits.

B6: Product Responsibility

The Group complies with the Advertising Law of the People's Republic of China and the related laws and regulations. Pursuant to Article 26 of the Advertising Law of the People's Republic of China, an advertisement on real estate shall contain true information on the source of real estate, with the area thereof specified as the gross floor area or the gross internal floor area, and shall not contain: (i) any commitment on appreciation or investment return; (ii) any indication of the location of the project by the time needed from the project to a specific object of reference; (iii) any violation of the state provisions on price management; and (iv) any misleading publicity on transport, commerce, cultural and educational, and other municipal facilities under planning or construction. In connection with the health and safety of the products and services provided, the Group has formulated the Housing Quality Warranty and User's Instruction Manual for Residential Housing to meet the relevant requirements. The Group has determined the authorisation for accessing customer's personal data and employees are strictly prohibited from disclosing customer's personal data without authorisation. Sales brochures are subject to prior approval by governmental authorities.

The Group was not aware of any material non-compliance with relevant rules and regulations relating to health and safety, advertising, labeling and privacy matters relating to products provided and methods of redress in 2016 that have a significant impact. In addition, there was no report of significant fines in 2016.

B7: Anti-corruption

The Group attaches great importance to anti-corruption. Our anti-corruption policies have expressly stipulated the code of conduct to which all employees are subject. The Group has in place email address for reporting any irregular or fraudulent activities to the Board on a confidential basis. The identity of those who lodge a complaint will be protected. The email address for reporting irregularities is shown on the Group's website (<http://www.jiande-intl.com>). The Group has established its Compliance Committee to conduct regular review on the Group's code of practice, anti-corruption measures and relevant guidelines, and to conduct investigation into the reported irregularities.

In 2016, neither the Group nor any of its employees was involved in any proceedings on corruption-related offences.

B8: Community Investment

The Group is committed to acting as a positive strength for the community in which it is operating and has been maintaining close communication and interaction with the community so as to contribute to the community from time to time.

Being a responsible corporate citizen, the Group is dedicated to improving the image of the community and enhancing the sense of responsibility through community investments. Employees of the Group are encouraged to lend a helping hand to and support the local community and their neighbourhood.

In 2016, Yangzhou Dehui organized social activities to communicate with the property owners so as to have a better understanding of their requirements and accordingly effect improvement in the subsequent management practice.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HONG KONG STOCK EXCHANGE

Subject Areas, Aspects, General Disclosures and Key Performance Indicators	Section/Statement	Page number
Aspect A1: Emissions		
General Disclosure		
Information on:		
(a) the policies; and	In accordance with industry practice and customary operating procedures.	4-5
(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.	In 2016, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have significant impact. In addition, in 2016, there was no report of heavy fines or non-monetary sanctions as the result of non-compliance with relevant laws and regulations.	4-5
Aspect A2: Use of Resources		
General Disclosure		
Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Please refer to the section headed "Use of Resources"	5-6
Aspect A3: The Environment and Natural Resources		
General Disclosure		
Policies on minimising the issuer's significant impact on the environment and natural resources.	Please refer to the section headed "The Environment and Natural Resources"	6
Aspect B1: Employment		
General Disclosure		
Information on:		
(a) the policies; and	Staff Manual	7
(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.	In 2016, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have significant impact. In addition, in 2016, there was no report of heavy fines or sanctions as the result of non-compliance with relevant laws and regulations.	7

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Subject Areas, Aspects, General Disclosures and Key Performance Indicators	Section/Statement	Page number
Aspect B2: Health and Safety		
General Disclosure		
Information on:		
(a) the policies; and	The Administrative Regulations on the Work Safety of Construction Projects, Decision of the State Council on Further Enhancing Work Safety, Production Safety Law of the People's Republic of China, Contingency Plan for Emergencies, Environmental Sanitation System for Work Sites, Licence for Civilized Construction at Work Sites, Licence for Safe Production, Fire Safety Permit and the Ten Offences against Production Safety.	7-8
(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.	In 2016, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have significant impact. In addition, in 2016, there was no report of heavy fines or sanctions as the result of non-compliance with relevant laws and regulations.	7-8
Aspect B3: Development and Training		
General Disclosure		
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. (Note: Training refers to vocational training. It may include internal and external courses paid by the employer.)	Please refer to the section headed "Development and Training"	8
Aspect B4: Labour Standards		
General Disclosure		
Information on:		
(a) the policies; and	Staff Manual	8
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	In 2016, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to prohibiting the Group from employing child and forced labour. In addition, in 2016, there was no report of heavy fines or sanctions as the result of non-compliance with relevant laws and regulations.	8

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Subject Areas, Aspects, General Disclosures and Key Performance Indicators	Section/Statement	Page number
Aspect B5: Supply Chain Management		
General Disclosure		
Information on:		
Policies on managing environmental and social risks of the supply chain.	Please refer to the section headed "Supply Chain Management"	8
Aspect B6: Product Responsibility		
General Disclosure		
Information on:		
(a) the policies; and	Advertising Law of the People's Republic of China, Housing Quality Warranty and User's Instruction Manual for Residential Housing.	8-9
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	The Group was not aware of any material non-compliance with relevant requirements, rules and regulations relating to health and safety, advertising, labeling and privacy matters relating to products and services provided during the reporting period.	8-9
There was no significant fines during the reporting period.		
Aspect B7: Anti-corruption		
General Disclosure		
Information on:		
(a) the policies; and	In accordance with industry practice and customary operating procedures.	9
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	The Group established its Compliance Committee on 25 October 2016 to conduct regular review on the Group's code of practice, anti-corruption measures and relevant guidelines, and to conduct investigation into reported irregularities. In 2016, neither the Group nor any of its employees was involved in any proceedings on corruption-related offences.	9
Aspect B8: Community Investment		
General Disclosure		
Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Please refer to the section headed "Community Investment".	9

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