

CORPORATE SOCIAL RESPONSIBILITIES

Shui On Land aspires to become a world-class developer of top-tier projects that are both commercially viable and that can benefit the communities where we operate. It is our philosophy to integrate good corporate social responsibilities (CSR) and corporate governance principles into our business management. At the same time, these same principles should drive our core business activities to achieve sustainable business success and company growth. Through cooperation with our stakeholders, we have developed a strong CSR commitment based on our core values of Integrity, Dedication, Innovation and Excellence.



Staff demonstrating team spirits at the sports day

Community Development

At Shui On Land, social responsibilities and care for the communities in which we are involved is paramount. Under the principle of “repaying society for the benefits it has provided”, we seek to grow with the cities we are developing and believe that if the city prospers we also benefit. Local communities are important building blocks of our society and we are convinced that with the right help, great communities can be built across China. Our initiatives go beyond purely monetary donation to the design and implementation of programmes that focus on enhancing local communities, nurturing future local leaders and promoting local culture.

Empowering the new generation

Some sectors of society have yet to share the fruits of economic growth. We are keen to see local communities prosper in tandem with the Company. Through our

associate Dalian Tiandi • Software Hub project, a total of RMB30 million was donated in September 2007 for the establishment of the Huangnichuan Village New Village Development Fund. This fund aims to help residents transform their career path and encourage compatible development between city and village economies.

Talent shortage is often the bottleneck of a community development, stifling rapid economic growth. Shui On Land therefore designs programmes to nurture future leaders. Through our associate Dalian Tiandi • Software Hub project we donated RMB25 million to create the IT Talents Foundation.

We also continued an on-going phased initiative to donate a total of RMB4.5 million to Fudan University to establish an education fund for financing outstanding students to study overseas.



Shui On Land sponsored Wai Yin Associations's Commemorative Book launch. They jointly made a donation to Shanghai Municipal Women's Federation



The closing ceremony of the 2007 Special Olympic Games took place at Jiangwan Stadium, KIC

Allowing others to appreciate benefits of economic growth

Shui On Land realises that there are many emerging needs across China. The Company aims to provide philanthropic aid when a particular need is identified. In February 2007, we sponsored the Shanghai Charity Foundation's preparations for a fund to cultivate talents interested in charitable activities. In October, we contributed to an initiative by the magazine for Chinese People's Political Consultative Committee members to help the needy in impoverished regions in Central and Western China. In November, we sponsored the charitable Wai Yin Association in its 25th anniversary commemorative programme, including a donation to the Shanghai Municipal Women's Federation for better health and medical treatment for Shanghai women.

Promoting cultural exchange

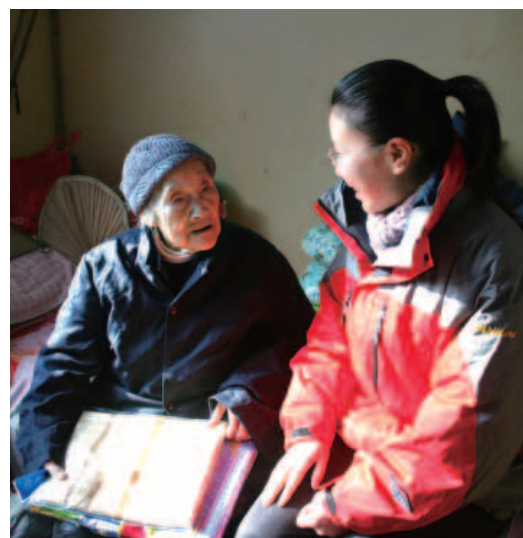
Rapid industrialisation and economic development can lead to under-appreciation of unique and traditional local cultures. We therefore sponsored a number of projects in this area. In January, we provided a RMB5 million sponsorship for a cultural education fund to foster exchanges between post-graduates in the Chinese Mainland and Taiwan. In Wuhan Tiandi, we adopted local artists' and fine art students' designs for our property showrooms and a museum is dedicated to the works of Chinese and foreign artists. In March, we sponsored the 2007 Shui On Cup for ballroom dance and the final of the 4th IDSF world championship of ballroom dance in Shanghai organised by Luwan District sports bureau. In July, we promoted Chinese etiquette by sponsoring the "2007 Shui On Cup" for Civilised Etiquette Contest of Shanghai Services Industry (2007瑞安杯上海窗口单位职场礼仪大赛) organised by Shanghai's civil affairs bureau (上海市文明办) to prepare for the 2010 Shanghai Expo.



A museum at Wuhan Tiandi houses works by Chinese and overseas artists



Shui On Seagull Club members spend Golden Week holidays to teach children in impoverished areas in China



Our staff visiting the elderly in need in Wuhan



瑞安海鸥社
SHUI ON SEAGULL CLUB

Employee volunteerism

Shui On Land encourages employees to contribute to community work in order to enhance their self-development. Established in Hong Kong in 1982, Shui On Seagull Club is voluntarily managed by staff. The motto of the club is "Action to make

a difference" – working together and helping each other in order to contribute to social and economic development. Since the club was established in Shanghai in 2005, our staff have been actively participating in the club's activities, which serve three purposes: rural area education, city education, and environmental protection.

The club's dedicated team of volunteers spent their Golden Week holidays teaching in the remote and impoverished regions of the Chinese Mainland. In late 2007, they completed a two-year education programme for children in a primary school in Yushan County, Jiangxi Province. During the programme, the staff organised knowledge sharing activities targeting primary and secondary schools and universities, which was aimed at enhancing their integrity, creativity and leadership. In August, it launched a "Casual Wear Day" to promote energy-saving and environmental protection concepts. It also co-organised "Charity Walk 2007" with World Vision to raise funds to provide a full year of education for 160 children in remote areas in Yunnan.

Sustainable Development

As an experienced and responsible property developer, Shui On Land considers sustainability as the key to its long-term development. We were one of the first Chinese developers to embrace environmental protection. In 2006, a Sustainable Development Policy was issued to all our staff, stating our commitment to improving the social, economical and environmental well-being of the communities. In 2007, action plans on Sustainable Development were gathered from all departments and projects and were reviewed by the Sustainable Development Committee.

Shui On Land has joined the Hong Kong Green Council, which aims to encourage the industrial and commercial sectors to include environmental protection in their production and management processes. The Council took a leading role in establishing a "Hong Kong Green Purchasing Charter" in October 2007 of which Shui On Land was one of the 11 founding members. The Charter seeks to bring together business and government leaders who are committing to implementing more environmentally responsible policies and practices within their organisations.

At a corporate level, a Green Procurement Policy for the selection of suppliers and vendors to supply green labelled materials has been incorporated into our General Specification for Materials and Workmanship. We now only engage materials suppliers who have obtained the "environmental label" accredited by the National Environmental Protection Bureau and use materials certified to be environmental friendly. Synergis, our property management partner, undertakes environmental education and implements energy-saving, waste reduction and heat reduction measures. Paperless communications are promoted among our departments and offices.

At a project level, our respect for the environment is reflected in our determination to seek the highest level certification of the US Leadership in Energy and Environmental Design (LEED) of the US Green Building Council wherever feasible and/or equivalent China based ratings when they are more appropriate for the nature of the project. Since 2006, sustainable development concepts and requirements are taken into consideration in every phase of our developments from master planning, design, materials procurement, construction management to property management. We now aim to apply LEED or equivalent standards to all our projects. In February 2008, the 26th floor of our Corporate Headquarters was LEED - Commercial Interiors (CI) Silver certified for office environment, energy, water and electricity saving controls, selection of materials and innovative design.



The winning design of the Sustainability Logo Design Competition organised by the Company, aiming to nurture our staff's awareness of sustainable development



Shanghai KIC Plaza

Sustainable Development Initiatives:

Corporate	Achieve/Target-Green Building Certification	Features
1. Shui On Land Ltd Headquarters – 26/F, Shui On Plaza	Achieved LEED-Commercial Interiors (CI) Silver Level	Improved indoor air quality with CO ₂ sensor; daylight sensor; addition of task light; and water saving sanitary fittings
2. Shui On Land Ltd Headquarters – 25/F, Shui On Plaza	To achieve LEED-CI Silver Level	

Projects – Master Planning Stage	Achieve/Target-Green Building Certification	Features
1. Wuhan	Registered as LEED-Neighborhood Development (ND) pilot project; targeting to achieve LEED-ND Gold rating	Savings to energy, water and waste at the inception level. This includes mixing land uses, connecting to public transit systems, building appropriate densities, orienting development to the solar and wind access, and installing district wide infrastructure, including centralised heating and cooling, water source heat pumps, rainwater collection and recycling, and comprehensive green roof systems
2. Chongqing	Registered as LEED-ND pilot project; targeting to achieve LEED-ND Gold rating	
3. Dalian	Target to achieve the highest feasible LEED-ND rating	Accommodates water recycling systems, potential ocean thermal heat pump systems; by studying natural drainage systems and view sheds, the character of the site will be preserved and enhanced, while creating environments and pathways for people and wildlife. A no-build buffer zone surrounds the water reservoir, creating a wildlife setting
4. Foshan	Target to achieve the highest feasible LEED-ND rating	City core site selection with small pedestrian friendly blocks; preservation and adaptive reuse of 22 heritage architecture sites and numerous historic buildings; and integrating bus and subway interchanges

Projects – Development Stage	Achieve/Target-Green Building Certification	Features
1. Xihu Tiandi, Hangzhou	Pre-certified of LEED-Core & Shell (CS) Platinum Level	Natural ventilation; earth cooling; radiant cooling/heating; rain water collection and recycling; and photo voltaic for indoor public and sign lighting system
2. Wuhan Tiandi, Wuhan	Target to achieve LEED-CS certification Gold Level	Outdoor radiant cooling/heating; outdoor spot cooling; rain water collection and recycling; and green roof
3. Chongqing Tiandi, Chongqing	Target to achieve LEED-CS certification Gold Level	Outdoor radiant cooling; water source heat pump; and rain water collection and recycling
4. Taipingqiao 126/127, Shanghai	Target to achieve LEED-CS certification Gold Level	High efficiency HVAC system; improved indoor air quality with CO ₂ sensor; low-flow plumbing fixtures and water saving sanitary fittings; and high performance curtain wall with shading devices
5. Rainbow City Lot 6, Shanghai	Target to achieve Chinese Green Building 2 Star Certification	To be decided
6. KIC Plaza, Phase II, Shanghai	Target to achieve LEED-CS certification Silver Level	Double low e-coated glazing; low contaminant emitting materials; improved indoor air quality with CO ₂ sensor; low-flow plumbing fixtures; and water saving sanitary fittings



Shui On Land helps create a fund to nurture IT talents through its associate Dalian Tiandi • Software Hub



We actively support the promotion of arts and culture

Sustainability Begins with Master Planning

Shui On Land has long been proactive in achieving sustainable development goals in the master planning stage. This was evident in the mixed land use for Wuhan and Chongqing Tiandi, which optimise building density through finely balanced design.

• **Self-sustaining communities**

With a minimum of GFA of 1 million sq.m. as a pre-requisite, our large-scale projects provide comprehensive facilities to cater to people’s needs. Wuhan, Chongqing and Foshan Lingnan Tiandi are all designed for residential, commercial, office and entertainment uses. In 2007, KIC Village (Phase 2) passed the national Grade AAA pre-certification of the performance of residential buildings, one of the first Shanghai projects to pass this test. Chongqing Tiandi was presented a Grade 2A certificate in recognition of the performance of its residential buildings by Chongqing Municipal Construction Committee.

• **Assimilation with natural environment**

Shui On Land finds ways to better preserve the cultural and historical heritage of an area and to minimise impacts on the surrounding natural environment. In most of our projects, we integrate existing old architectures to create a platform for the reinvention of a local cultural identity

and we preserve mature trees as well as relocating existing trees. At Wuhan and Xihu Tiandi, we imposed sediment and erosion control by covering the cleared site with turf before construction.

• **Resources management**

Another of our environmental targets is the efficient utilisation of resources. We achieved energy saving at inception level for Wuhan and Chongqing Tiandi by connecting the projects to transit systems and accessing solar and wind energy, as well as implementing waste reduction measures. In Dalian, we took advantage of the seaside location to accommodate ocean thermal heat pump systems into the project.

• **Economic viability**

Our projects are made more commercially viable through designs that aim to reduce, re-use and recycle scarce resources. For example, the KIC Plaza, our Corporate Headquarters and the Shanghai Taipingqiao project were all fitted with water saving sanitary devices. Rain water is collected and recycled at Wuhan, Xihu and Chongqing Tiandi.



Shui On Land staff attending a training session on interdepartmental communications and management of conflicts

- **Improvement of quality of life**

All these measures contribute to an enhanced quality of life for our customers. The KIC Plaza, our Corporate Headquarters and the Shanghai Taipingqiao project have all installed carbon dioxide sensors to improve air quality. The green roof at Wuhan Tiandi is set to insulate heat and improve air quality. Meanwhile, a high-efficiency ventilation system and curtain walls have been installed at the Shanghai Taipingqiao project.

People and Talent Development

Shui On Land considers our staff as our most valuable asset. We believe that the Company can move forward continuously by giving our staff the opportunities necessary to realise their potential. We provide a wide range of internal and external training programmes for our employees, including language, management skills and technical know-how, accounting and finance, project management and sales training. Overseas management and executive programmes at internationally renowned business schools are also arranged for high-potential staff.

Management Cadet Programme

This is a fast track development programme for employees to take up core management positions in an accelerated time frame. The programme is open to all internal staff with at least two years of working experience and have potential for development. A rigorous, fair and transparent process is

used to select the best candidates. Senior management and an external consultant are the principal assessors.

Selected cadets are posted to challenging job assignments and/or corporate service departments to enhance breadth and depth of understanding of our operations and business. They are mentored by top management including the Chairman, Managing Directors and Executive Directors, and are given exposure and learning opportunities through special assignments, high level meetings and contacts, knowledge and experience sharing sessions, internal and external workshops, as well as overseas programmes and visits. As of 31 December 2007, we had 13 management cadets.

Management Trainee Programme

The programme is being run for recent graduates as a preparation for management positions and as a cadet course for employees with general management potential. In order to help promising graduates become the backbone of our management team, we have designed a three-year management trainee programme that includes personal development, management skills training and job rotation. Each trainee is assigned a senior manager as a mentor, who will provide guidance and counsel on his or her career development. Trainees who have successfully completed the programme will be assigned to a junior management position. As of 31 December 2007, we had 48 management trainees in the programme. Currently, 22 of them have successfully completed the programme and are assuming managerial positions.

Graduate Trainee Programme

This programme was established specifically for assisting fresh graduates to acquire technical/professional knowledge and management techniques through a well-structured and systematic on-the-job development programme, thereby preparing them for professional positions. The duration of the course varies for different professional streams. Throughout the programme, job rotation assignments are arranged for each graduate trainee and a 6 to 12-month secondment to external professional institutions/consultants is arranged where applicable. As of 31 December 2007, there were 13 graduate trainees.

In addition to our formal training programme, Shui On Land also organises social events and team building activities for our employees.