

# Corporate Social Responsibility Report

## Contributing to our Society

Midland is dedicated to be a responsible corporate citizen and, to this end, we are pleased to support a wide range of sponsored events and to participate in charity activities to show care for the disadvantaged all over the world and to contribute back to the society. Community affairs are practiced on two fronts at Midland – first at the management level through the Charitable Foundation and second at the staff level through volunteer work of the Midland Volunteer Team.

The Charitable Foundation had raised over HK\$3.3 million donations up to 31st December 2006 through the contribution from Midland of 0.1% of its resale commission income. Funds have been channeled to the needy through various charity organisations. In last summer, the Charitable Foundation partnered with the Boys' and Girls' Clubs Association of Hong Kong to organize "Reading Programme for Youth" to inculcate a wholesome reading habit among youngsters. It sponsored 10 children who are battling with their innate incapability for a Beijing Visit Tour in last summer holiday. It further funded 150 local children to purchase their favorite books to encourage developing reading as a hobby. In late last year, the Charitable Foundation participated in the ORBIS Pin Day Fundraising Campaign to support its sight-saving programmes and we are pleased to be awarded as the top three fund raising organisation.

The Group adheres to the objective of "serving the society, benefiting the community". Under this goal, the Group encourages its employees to participate in various charitable activities. Walkathons is one of these activities aiming to raise funds for the Hong Kong Alzheimer's Disease Association and the Society for the Promotion of Hospice Care. Other activities including the Hong Kong Community Chest Dress Casual Day and Skip Lunch Day fund raising scheme, a local traditional meal function held in last Winter Solstice at the New Territories for the elderly from Asbury Methodist Social Service, Skip-A-Meal campaign for World Vision, etc. These events and services were well received by all partnering organisations and beneficiaries.

In 2006, Midland received two honors from the community – "Caring Company" from the Hong Kong Council of Social Service for the fourth consecutive year and "Heart to Heart Company" for the second consecutive year. These awards show that our continuous contributions towards the community have been well-recognized.

## Caring for our Employees

### On-going training and development

It is the goal of Midland to build an innovative, creative environment where employees can reach their full potential. Speed, accuracy, sincerity, customer focus and profession are the fundamentals that guide us. These are our values and business cultures. Recruiting, retaining and developing the very best people are vital to Midland's success in the real estate agency field. Recognizing this, we pay particular attention to employees' well-being, including their development and training, work-life balance and a safe and healthy working environment.

In the area of development and training, we are using a top-down approach to cultivate the learning culture among the company. It means senior management not only support training by encouraging subordinates to participate but also by direct participation. Last year, we organised 925 in-house courses for our employees ranging from management skills, real estate agents practice, laws related to real estate, selling skills, appraisal skills to English and Putonghua communication, etc. Midland's fundamental belief is to uphold impeccable ethics as integrity and honesty provide us with a significant competitive advantage in the market. Hence, we take the initiative to co-operate with the ICAC to run series of anti-corruptions seminars with a view to maintain the highest standards of business conduct and ethics in Midland.

In 2006, our training arm: the Midland University became one of the largest CPD course providers in the real estate agency industry. It clearly demonstrates our commitment in enhancing life-long learning not only within our company but also in the industry. In the third quarter of 2006, a "Work Excellence" campaign was launched to promulgate the idea of a healthy work life. The campaign includes two parts: the "Excellence Service Training", through video and flash, our staff was trained to develop adequate skills and knowledge to work happily with customers; "Exercise together", encourages our back office staff joining together to take a 15-minute relaxing exercise at the workplace to promote the concept of healthy working environment. We delivered on our commitments in 2006 and are pleased with the results, but clearly there are rooms for improvement. In 2007, we will impose more new initiatives to further enhance the life-long learning culture among the company and help our people to grow with the rapid spin of the wheel of world.



# Corporate Social Responsibility Report (continued)

## Caring for our Employees (continued)

### Performance Management

The Group has established a comprehensive mechanism of performance management and optimizes our human resources policies and measures continuously, to be in line with market trends and the business development of the Group. The Group's performance management mechanism is designed to achieve the objectives of "fairness, openness and justice" by placing emphasis on annual evaluation on our staff's job performance and enhancing the level of transparency of the evaluation. We also establish our employees' remuneration policy based on industry practices, individual performance, qualifications, experiences and their contributions to the Group, so as to maintain the Group's competitiveness in the human resources market. In addition, discretionary bonus, profit-sharing and share options may be granted to eligible employees with reference to the Group's performance and the employees' individual performance. We also provide tailor-made training programmes and create career path for employees based on their achievements and performance, enabling them to enhance their level of achievements gradually, leverage their potential and amplify their strengths.

### Healthy living

The Group not only encourages employees to strive to improve their professional skills, but also endeavors to facilitate them to enjoy a healthy and balance working life. With this aim in mind, the Group launched a fitness exercise promotion campaign and a benefit of delivering fruits to staff last year, reminding our staff that the balance of work and rest as well as a balanced diet is important as it leads to good health, thus higher productivity and competitiveness. Other than promoting the physical and mental health of individuals, the Group also actively supports the implementation of "family friendly" measures by introducing paternity leave for men, birthday leave and family emergency financial assistance, etc. Furthermore, the Group supports and encourages our staff and their family members to participate in volunteer work. The activities we organized during the year include visiting the elderly living alone and delivering to them moon cakes at elderly homes. These activities may help to promote communication and understanding between our staff and their family members, enabling our staff to reach equilibrium in their work and family life.

### Workplace safety and health

The Company fully accepts its responsibility to increase safety awareness at the workplace. We cultivate good safety practices among our employees by planning, implementing and measuring performance.

Prevention always comes first in maintaining safety and healthy environment. In our duly established safety framework, precautionary and control measures, such as fire-prevention measures catering our branches, have long been adopted and clearly communicated to all our employees so as to reduce any foreseeable risk. Safety tips are provided to our staff occasionally by means of internal circular to sustain their awareness. To ensure that measures and practices are duly followed, inspections are conducted on regular basis. Those branches which can meet the highest prescribed standard will be awarded, whereas risk management action will be taken out once upon discovery of any safety or health risks.

For individuals, internal and external seminars about occupational safety and health are arranged to keep employees abreast of latest information about workplace safety. Amongst our healthy living programmes, office relaxation exercise campaign is the one we launched during the year aiming to raise employees' participation in physical exercise to ensure a healthy living.

### Staff Social Club

To foster team spirit and a sense of belonging amongst staff members, we established staff social club to organize and promote various activities for our staff. Activities held in 2006 included Off-road vehicle and various sports competitions, in which the cruising and seasonal banquet are the ones that family members were welcome to join.

To liaise and obtain for our employees special privileges on the purchases of a diversity of commodities and services ranging from consumer goods to festival items and health check package is another duty of the Social Club that reveals the Company's care about its staff.

# Corporate Social Responsibility Report (continued)

## Looking after our Environment

Although the Company does not operate an environmentally sensitive business, it recognizes its duty to promote environmental conservation culture and to minimize its environmental impact.

Through the launch and pursuance of “4R” principles, namely, Reduce, Recycle, Replace and Reuse, we request our employees to identify and utilize every opportunity that can help protecting our environment. Resources saving and consuming recycling and reusing materials are among the other 4R measures that we have achieved promising effect.

In an attempt to penetrate environmental-protection practices in our daily operations, we pursue a series of measures. They include optimizing room temperature, installing timer control and energy saving system, turning off unattended computers and air-conditioners, maintaining our electrical appliances in good condition to conserve energy, as well as fully implementing electronic attendance card system etc..

In a long run, we will continue to make every effort to contribute to environmental protection and will actively participate in activities that are organized by environmental conservation organisations.