



Overseas Chinese Town (Asia) Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 03366

2022

Environmental, Social and Governance Report



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ABOUT THIS REPORT

Report Overview

The annual report is issued to better demonstrate the CSR practices of Overseas Chinese Town (Asia) Holdings Limited (“OCT (Asia)”) and effectively respond to the expectations and demands of shareholders and other stakeholders. It is the seventh ESG report of the company issued to the public since 2016. The reporting period is from January 1, 2022 to December 31, 2022, with some content dating back to previous months or referring to later months.

Reporting Standards

This report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* set out in Appendix 27 to the *Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (SEHK)*. This report has made disclosure in all sections with strict compliance to “General disclosure” and four reporting principles (i.e. “Materiality”, “Quantitative”, “Balance” and “Consistency”) set out in the *ESG Reporting Guide* issued by SEHK as well as under the requirements of “Directors’ Responsibilities”.

Reporting Boundary

The disclosure object of this report is Overseas Chinese Town (Asia) Holdings Limited and its subsidiaries. The disclosure scope covers the social responsibility performance of OCT (Asia) in terms of governance responsibility, environment protection, employee care, customer service, and society contribution.

References

For better expression and readability, “OCT (Asia)” and “the Company” in this report refer to Overseas Chinese Town (Asia) Holdings Limited. “The Group” and “We” all represent Overseas Chinese Town (Asia) Holdings Limited and its subsidiaries.

Data Sources and Reliability Statement

All data and statistics results in this report are provided by OCT (Asia) and its subsidiaries, and are further reviewed by OCT (Asia). The Group undertakes that the report is free of false records, misleading statements, or material omissions.

Confirmation and Approval

This report was formally approved by the Board of Directors on March 31, 2023.

Access and Feedback of this Report

The Group attaches great importance to the evaluation of our performance by all parties. To stay close to your expectations of the Group, please email us at ir-asia@chinaoct.com or call us at 0755-82732201 if you have any feedback and suggestions.



BOARD STATEMENT

OCT (Asia) makes the following statement in accordance with the requirements in the *Environmental, Social and Governance Reporting Guide* of the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “SEHK”).

Supervision of the Board on ESG Matters

The Board of Directors (the Board) attaches great importance to sustainability management and has established an effective mechanism for ESG management and a clear ESG governance structure with well-defined duties. The Board assumes full responsibility for OCT(Asia)’s ESG governance strategy and reporting, regularly listens to the report of the ESG Committee and review and approve the Environmental, Social and Governance Report of the Company.

The ESG Committee under the Board is responsible for formulating and reviewing the Group’s ESG strategies, visions, strategies, principles, and policies, implementing the ESG policies and measures approved by the Board, reviewing and determining the Group’s ESG management structure and operation plans, and providing advice to the Board on the Group’s material ESG matters.

ESG Management Approaches and Strategies

The Group attaches great importance to the material risks under ESG matters and their possible impacts. We regularly disclose ESG information through ESG reports, improve the list of ESG topics based on ESG risk identification, macroeconomic policies, hot topics, and results of communication with stakeholders, and evaluate the materiality of ESG topics by industry survey and expert evaluation. Then, we prioritize the issues and clarify the focus of the corporate ESG governance.

ESG Goals and Review Progress

We have established an ESG target management mechanism and set medium and long-term targets for some ESG performance indicators according to the Company’s actual conditions of operation and the characteristics of the industry. The ESG Committee regularly reviews the progress in achieving the ESG goals and communicates with the Board to confirm relevant action plans and measures that need to be taken to promote the achievement of the ESG goals.

This report discloses the environmental, social and governance related matters of 2022 in detail, which have been reviewed and approved by the Board and the ESG Committee on 31 March, 2023.



COMPANY PROFILE

“A city starts with people gathering together, it thrives because of people’s needs, and it becomes unique with creative ideas.”

Overseas Chinese Town (Asia) Holdings Limited (hereinafter referred to as OCT (Asia)) closely follows the “thinker of quality life” brand positioning and development pace of OCT Group, facilitating the Group to become the creator of city centers in China.

Overseas Chinese Town (Asia) Holdings Limited was listed on the Main Board of the Stock Exchange of Hong Kong Limited in November 2005. As the only overseas listed company of the OCT Group, OCT (Asia) focuses on the strategic positioning of building itself into a cross-border investment and asset management company of “cultural tourism + technology”, and follows the development direction of investment in the “cultural tourism + technology” industry and its ecosystem. The Company gives full play to OCT’s brand and capital advantages through domestic and overseas direct investments, industrial fund, etc. OCT (Asia) also invests in high-quality comprehensive development projects in cities in the core metropolitan area of the Yangtze River Delta and Guangdong-Hong Kong-Macao Greater Bay Area to build an industrial ecosystem of “cultural tourism + technology + new urbanization”.

1 BUILDING A FIRST-CLASS ENTERPRISE WITH EXCELLENT GOVERNANCE

Committed to the management philosophy of righteous management and pursuit of excellence, OCT (Asia) continuously improves the corporate governance structure with an open and enterprising attitude. The Company strengthens the risk management system, regulates the corporate and employees' conduct with strict governance standards, and actively promotes the protection of intellectual property rights and the improvement of business ethics, laying a solid foundation for the development of the Company with integrity, standardized operations, and transparent management.

UN's Sustainable Development Goals 2030



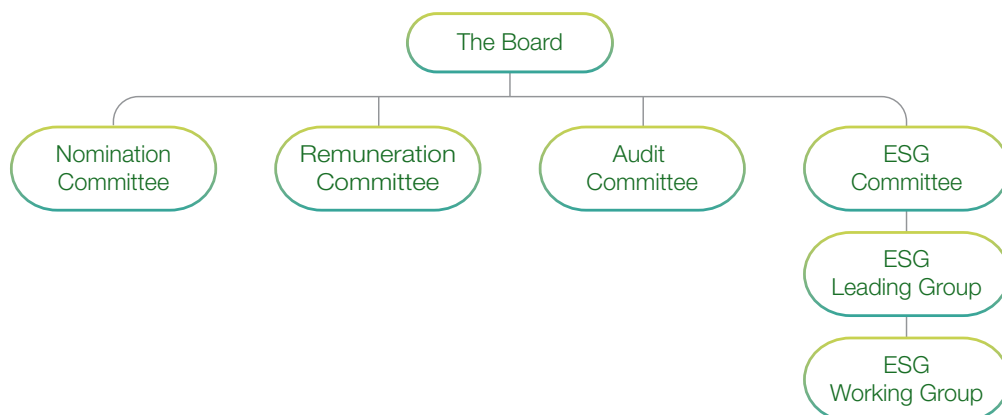
1.1 Improving Scientific Governance

OCT (Asia) integrates the sustainability philosophy into the whole process of corporate operation. We continue to improve the ESG governance structure and its function and clarify work scope and the work process. At the same time, we have specially formulated the *Environmental, Social, and Governance (ESG) Management System* to ensure institutionally the Group's strategic goals of sustainable development, respond to stakeholders' demands, and boost the integrated corporate value.

1.1.1 Corporate governance

- *ESG governance structure*

OCT (Asia) strictly abides by the *Company Law of the People's Republic of China* and continues to improve the Company's governance structure. The Company has established the Board of Directors and specialized committees under the Board, and has further established an ESG leading group and an ESG working group under the ESG Committee, thereby forming an ESG governance structure covering the Board, the management, functional departments of the headquarters and holding subsidiaries.



OCT (Asia) ESG governance structure



1 BUILDING A FIRST-CLASS ENTERPRISE WITH EXCELLENT GOVERNANCE

Key responsibilities of the Board, ESG committee, and ESG working group:

- The Board of Directors: It is responsible for formulating the Group's strategies, policies, and business plans, controlling business risks and supervising the Company's operation and performance. It assumes ultimate responsibilities for the Company's business, strategies, and performance. The Board consists of seven members, including three executive directors, one non-executive director, and three independent non-executive directors, of which one is female, accounting for 14%.
 - ESG Committee: It is responsible for supervising and reviewing the Company's management structure and mechanism, as well as evaluating the Company's sustainability performances, and being accountable to the Board.
 - ESG Leading Group: It is responsible for the overall leadership and coordination of ESG work at the executive level, approval of the work of the ESG Working Group, as well as authorizing the ESG Working Group to report to the ESG Committee.
 - The ESG Working Group: It is a special working organization of the ESG Committee. As the daily work and executive body of sustainability development management, it is mainly responsible for implementing and assisting the ESG Committee in carrying out the responsibilities under the terms of reference, including establishing and improving sustainability development management and compliance systems, supervising the implementation of relevant strategies and policies made by the Board, and reviewing the environmental, social and governance reports (hereinafter referred as "ESG reports") and disclosure of relevant information.
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1 BUILDING A FIRST-CLASS ENTERPRISE WITH EXCELLENT GOVERNANCE

- *Identification and analysis of material ESG topics*

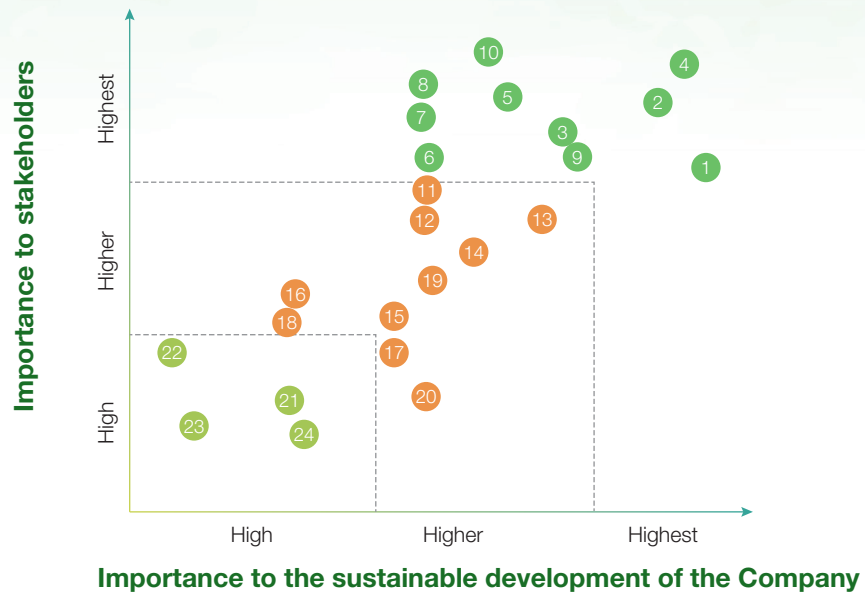
To have a more in-depth and accurate understanding of the expectations and demands of stakeholders, OCT (Asia) strictly follows the analysis procedures of topics below, and screens key material topics.

Step 1	Stakeholder identification	Identify each stakeholder group according to the scope of business and main fields concerned
Step 2	Topic identification	Identify core ESG topics concerned by stakeholders through benchmarking within the industry, industry trends, and policy-oriented analysis
Step 3	Stakeholder engagement	Further understand and quantify stakeholders' ESG concerns and expectations over the OCT (Asia) via regular communication and actual corporate analysis
Step 4	Material topic report	Analyze and prioritize topics based on the communication results of stakeholders
Step 5	Management confirmation	Submit the analysis results of material topics to the Group's management for final confirmation

1 BUILDING A FIRST-CLASS ENTERPRISE WITH EXCELLENT GOVERNANCE

- *ESG materiality matrix*

The ESG reporting preparation group of OCT (Asia) identified and prioritized the material ESG topics of stakeholders' concern in 2022 through benchmarking of industries and expert review in accordance with the *GRI Sustainability Reporting Standards (GRI Standards)* issued by the Global Sustainability Standard Board (GSSB) as well as policy trends of social responsibilities at home and abroad, benchmarking analysis within the industry, and characteristics of OCT (Asia).



1 BUILDING A FIRST-CLASS ENTERPRISE WITH EXCELLENT GOVERNANCE







The prioritization of material ESG topics for OCT (Asia) is shown in the table below (from highest to lowest):

Importance	NO.	Topics
 Highly important	1	Compliance operations and anti-corruption
	2	Employee health and safety
	3	Diversity and equal opportunities
	4	Compliant employment
	5	Product and service quality
	6	Employee development and training
	7	Energy management
	8	Green investment
	9	Protection of investors' rights and interests
	10	Stakeholder communication
 Moderately important	11	Sustainability governance
	12	Waste management
	13	Customer complaint management
	14	Responsible marketing
	15	Green building
	16	Response to national policies
	17	Green office
	18	Water resources management
	19	Supply chain management
	20	IPR protection
 Low-level important	21	Responding to the climate crisis
	22	Community development and charity
	23	Biodiversity
	24	Responsible investment

1 BUILDING A FIRST-CLASS ENTERPRISE WITH EXCELLENT GOVERNANCE

- *Stakeholder communication*

OCT (Asia) attaches great importance to stakeholder communication and listens to their views through various channels such as preparing and releasing ESG reports and face-to-face communication. On the one hand, we build a bridge between the Company and stakeholders to respond to stakeholder demands in a timely and effective manner, and also ensure their right to know and participate; on the other hand, we convey the ESG concept of OCT (Asia) to all sectors of society, promoting brand influence while achieving a harmonious and win-win situation for all parties.

Stakeholder Communication List		
Stakeholders	Communication Channels	
 Government and regulatory agencies	Participation in government meeting Report to relevant departments Questionnaire survey	
 Investors/shareholders	Shareholders' meeting Information disclosure of listed companies Investor meeting Questionnaire survey	
 Suppliers and partners	Fulfilling the contract according to laws Industry communication Questionnaire survey	
 Employees	Regular and irregular employee interviews Employee training Employee activities	
 Customers (owners, tenants, consumers)	Customer complaint mechanism Customer satisfaction survey	
 Media (NGOs)	Community activities Rural vitalization	

1 BUILDING A FIRST-CLASS ENTERPRISE WITH EXCELLENT GOVERNANCE

- *Investor relations*

OCT (Asia) maintains communications with shareholders. In 2022, a total of three shareholders' general meetings were held, one of which was the annual shareholders' meeting. The annual shareholders' meetings aims to provide a good channel for direct communication between the Board and shareholders. Shareholders may directly raise questions to the Board concerning the performance and future direction of the Company. At the same time, to safeguard the interests of shareholders of the Company, the Company reports its financial and operating performance to the shareholders by sharing the annual report and interim report. In addition, the Company has numerous communication channels, such as press conferences, performance briefings, and seminars, to hold dialogue with the media, analysts, fund managers, and investors, who are also arranged to visit the Company from time to time, so as to explore investment projects and keep them abreast of the Group's business and latest developments.

1.1.2 Comprehensive risk management

- *Risk management framework*

OCT (Asia) has established a sound risk management framework to enhance our enterprise risk management (ERM) capability and improve risk prevention and control. In 2022, we further revised the Enterprise Risk Management System, built the "Three Lines of Defense" mechanism of risk management according to the Company's business and operational characteristics, and enhanced the Company's capability of risk perception by clearly specifying responsibilities for different departments. Additionally, we promoted all employees to raise awareness of risk prevention, thus effectively promoting the risk management work.



First line of defense

business departments



Second line of defense

risk control and
compliance management
department



Third line of defense

general manager's
office and the Audit
Committee under the
Board

OCT (Asia)'s "Three Lines of Defense" mechanism of risk management



1 BUILDING A FIRST-CLASS ENTERPRISE WITH EXCELLENT GOVERNANCE

- **Risk management system**

OCT (Asia) has formulated the *Comprehensive Risk Management System*, continuously enriched the risk control guidelines for various businesses, and revised the *Risk Management System*, *Qualified Investor Risk Disclosure System*, *Internal Control System*, *Fundraising Behavior Management System*, *Fund Promotion and Marketing System*, *Investor Suitability System*, *Information Disclosure Management System*, *Employee Personal Transaction System*, and other internal management measures. We also regularly monitor the implementation of corresponding systems, improve the quality of risk management, and enhance the effects of risk control management.

1.2 Compliance with Business Ethics

OCT (Asia) stays committed to the business philosophy of compliance, integrity and ethics. We have formulated a series of rules and regulations for compliance risk control and the building of integrity system, and actively carry out relevant training programs, striving to establish the corporate image of a responsible and excellent enterprise.

1.2.1 Nurturing compliance culture

Adhering to the philosophy of “prioritizing compliance in business development”, OCT (Asia) plans the overall layout in advance according to the needs of business growth, continuously updates the Group’s risk control and compliance system, and formulates the *Compliance Manual* and *Risk Management Regulations* after systematical analysis. We also carry out supporting special training sessions to lay a solid foundation for the future business development of the Company.

In addition, we keep following up the latest requirements of relevant laws, regulations and regulatory authorities, as well as the changing trends of the Company and its industry, comprehensively sort out the current rules and regulations of the Group and its subsidiaries, and strengthen the “abolishment, revision, and formulation” of internal rules and regulations, so as to further standardize and improve various business operation procedures and ensure the completeness, timeliness and legality of the internal control system building.

1 BUILDING A FIRST-CLASS ENTERPRISE WITH EXCELLENT GOVERNANCE

Compliance training on *Data Compliance and Personal Information Protection*

In 2022, OCT (Asia) invited partners of a well-known law firm to conduct on-site exchanges and training sessions on matters related to the *Data Compliance and Personal Information Protection*, with the participation of various departments and business unites. During the training sessions, the lecturer elaborated the legislative evolution, basic framework and the key compliance points of data compliance and personal information protection, analyzed data compliance issues that should be given particular attention in investment and financing activities, and interacted and communicated with functional departments and business teams in Q&A session. This training not only facilitated the employees of the Company to consolidated theoretical foundations and gain a deep understanding of the relevant regulatory requirements on data compliance and personal information protection, but also provided important guidance to the future compliance operations and the risk prevention in the process of the investment and financing of the Company.



Compliance training on the *Data Compliance and Personal Information Protection*

1.2.2 Anti-corruption management

OCT (Asia) continues to improve the integrity system and establish the anti-corruption system. We have formulated and issued a number of documents to reduce corruption incidents from the source by taking system as a guarantee. We regularly assess and inspect integrity risks, carry out integrity publicity and education for all employees while strictly implementing various anti-corruption policies, and make it regular practices.

1 BUILDING A FIRST-CLASS ENTERPRISE WITH EXCELLENT GOVERNANCE

The Company provides targeted integrity education and training for newly appointed officials to keep the integrity of the management team of the Group. Meanwhile, we have put in place various reporting methods and channels, including QR codes, mailboxes, telephones, on-site reporting, reporting via letters, etc., and formulated relevant regulations on whistleblower protection to ensure the sound operation of the reporting system, so as to strengthen the self-purification capability of the Group.



Integrity Practice Commitment



Integrity Special Issue

- **12 issues** of Integrity Special Publication published, building the brand of "Talking about Discipline and Integrity"
- **11 batches** of integrity reminders issued at important steps
- **29 sessions** of various anti-corruption educational activities, with **390 participants**

1.2.3 IPR protection

OCT (Asia) has strictly abided by relevant laws and regulation on intellectual property rights (IPR) protection, and assigned special personnel for full-time management while formulating relevant protection measures, thereby improving the IPR protection. Meanwhile, we set up the trademark management departments in headquarters and subsidiaries at all levels to strictly regulate the usage, printing and publicity of trademarks. At the same time, we actively protect our legitimate rights and interests by strictly monitoring trademark infringement activities.

2 INNOVATING IN DEVELOPMENT PATTERN THROUGH QUALITY IMPROVEMENT

Upholding the philosophy of high-quality development, OCT (Asia) continues to strengthen the investment layout in core strategic areas such as cultural tourism, technology, and consumption while pursuing sustainable development; it keeps improving the quality management and supervision mechanism to promote sound operation of the Company; it explores new models for industry development, and makes joint efforts with partners for common growth.

UN's Sustainable Development Goals 2030



2.1 Relying on Industry and Resources Advantages

Based on its profound platform, resources and brand advantages, OCT (Asia) combines financial innovation and industry advantages to actively promote industry transformation and upgrading while ensuring its own steady and high-quality development.

2.1.1 Developing business formats

Focusing on comprehensive development, OCT (Asia) engages in investment and fund business based on the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area Economic Zones, and develops investment in the “cultural tourism + technology” industrial ecosystem. While carrying out investment business, we expand business model of the Company to effectively avoid potential business risks resulting from the “high debt ratio, intensive expansion, strong contraction, and regulation-based” business models of traditional real estate enterprises.

In addition, OCT (Asia) attaches great importance to the safe management of funds, and has established active management funds with relatively low risks and stable returns. While cooperating with various institutions, we integrate the experience and resources from multiple parties to invest in emerging industries such as green technology and new urbanization. We strive to explore the potentials of niche market, empower each other with traditional comprehensive development businesses, and further explore own uniqueness, with an aim to promote the overall sound development of the Company and become the excellent industrial investment fund.

2 INNOVATING IN DEVELOPMENT PATTERN THROUGH QUALITY IMPROVEMENT

2.1.2 Tapping enterprise potentials

OCT (Asia) actively explores the new vitality of the industry market, and makes strategic investments in industries or enterprises with high growth potentials to achieve long-term returns.

OCT (Asia) joining hands with theme IP B.Duck of Semk Holdings to upgrade the themed amusement experience

OCT (Asia) invested in Semk Holdings International Limited (“Semk Holdings”) in 2021. The B.Duck series characters appeared at Shenzhen OH Bay in September 2022, and joined hands with OCT to create the first “B.Duck Dream-making Amusement Works” Themed IP Carnival, bringing innovative game experience to product consumers and tourists.



The first “B.Duck Dream-making Amusement Works” Themed IP Carnival at OCT OH Bay

2 INNOVATING IN DEVELOPMENT PATTERN THROUGH QUALITY IMPROVEMENT

2.1.3 Focusing on sustainable development

Under the backdrop of “carbon neutrality”, OCT (Asia) keeps in mind the idea of sustainable development in business development and project investment, strives to mitigate the impact on the environment and the community by taking multiple-pronged measures, and contributes to the cause of sustainable development with concrete actions.

Epropulsion Technology facilitating to upgrade electric boats

Epropulsion Technology Co., Ltd., invested by funds managed by OCT (Asia), focuses on R&D and production of marine electric driving systems, which can effectively reduce the pollution of marine fuel oil to the atmosphere and water bodies, and comply with China’s strategic goals of “carbon peak and carbon neutrality”. The 12 sightseeing boats cruising on Suzhou River in Shanghai are among the pilot project to promote the development of new energy boats on Shanghai’s inland rivers, and all of these boats are equipped with electric outboard dual-motor system of Epropulsion Technology. The system adopts direct drive design with no noise, exhaust emissions or oil contamination, which effectively protects the environment of Suzhou River and contributes to the ecological conservation and environmental-friendly development of local communities.



Sightseeing boat designed with the concept of fashion, safety, comfort, professionalism and environmental protection

2 INNOVATING IN DEVELOPMENT PATTERN THROUGH QUALITY IMPROVEMENT

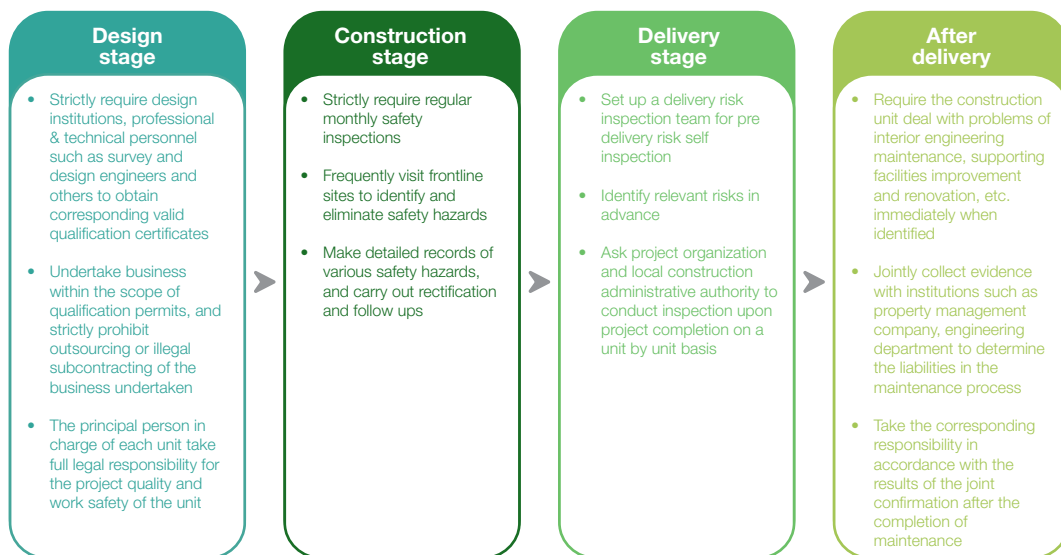
2.2 Building Excellent Masterpieces

OCT (Asia) always regards maintaining high quality and efficiency as strict self-discipline and important industry competitiveness. We continue to standardize and improve relevant systems, standards and processes, establish a high-quality brand image in different business fields, and create a loyal customer group.

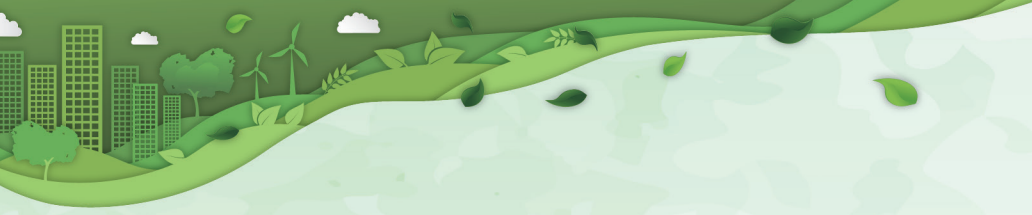
2.2.1 Ensuring product quality

- *Comprehensive service quality management*

OCT (Asia) strictly abides by the laws and regulations such as the *Construction Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and formulates and improves internal rules such as the *Work Safety Management Responsibility Regulation* and the *Electricity Utilization Safety Management Regulation* to ensure the quality and safety across the whole process of production including product design, construction and delivery, etc., thus creating high-quality brand value image of the Company.



Whole-process quality management



2 INNOVATING IN DEVELOPMENT PATTERN THROUGH QUALITY IMPROVEMENT

- *Investment business process management*

Investment is one of the important development drivers of OCT (Asia), and effective supervision of the entire process activities of investment business activities can reduce investment risks, control investment costs, prevent asset loss, and promote the realization of investment objectives, which is crucial to ensure the stable operation of the Company.

In order to standardize the investment of OCT (Asia), improve the scientific nature of investment decisions, and prevent investment risks, we have formulated and improved the *Investment Management Regulations of Asset Management Co., Ltd.* in accordance with the *Securities and Futures Ordinance*, *The Code of Conduct for Persons Licensed or Registered by the Securities and Futures Commission* and other laws and regulations to clearly stipulate the investment project selection criteria and investment management process. At the same time, in accordance with regulatory documents such as the *Securities and Futures Ordinance*, *Fund Manager Code of Conduct*, and *Guidelines for Disclosure of Inside Information*, we have formulated the *Investment Valuation Policy* and the *Investment Project Due Diligence Policy* to ensure the full understanding of the operating conditions and risk exposures of the project company, so as to make sound investment management judgments.

In addition, the Company has formulated a special *Post-investment Management Regulation* to standardize the post-investment management process by emphasizing the compliance of three regulatory principles of soundness, effectiveness and cost-effectiveness. In additions, specific provisions on various business links such as business documents management, project companies tracking management, dynamic monitoring on the effectiveness of investment projects, resolutions on project companies, project exit, project review, etc. are clearly stipulated to ensure the stable and orderly operation of the project after investment.

2 INNOVATING IN DEVELOPMENT PATTERN THROUGH QUALITY IMPROVEMENT

Key honors in 2022



Awarded by “Chinese Venture” and “China Venture Capital Research Institute”

2 INNOVATING IN DEVELOPMENT PATTERN THROUGH QUALITY IMPROVEMENT

2.2.2 Improving customer service

OCT (Asia) is committed to establishing long-term good relationships with customers. We have developed a sound service system and smooth communication channels with our customers, so as to obtain feedback in a timely manner and take corresponding actions. In order to meet the reasonable needs of customers, we require relevant departments to handle customer complaints in a timely and efficient manner, analyze and summarize the reasons for complaints and formulate preventive and improvement measures to boost customer satisfaction while improving the overall corporate image of the Company.

Maintaining a good customer relationship is also a key path for OCT (Asia) to ensure service quality. In the Hefei Airport International Town project, we set up the “Lakeside Club” community and invite owners to actively organize and participate in community activities, forming a regular and sound community joint operation model.



Lakeside Club of Airport International Town: Floating Vacation Camping Festival



2 INNOVATING IN DEVELOPMENT PATTERN THROUGH QUALITY IMPROVEMENT

2.3 Win-Win Cooperation

OCT (Asia) is fully aware of the importance of complementary advantages and long-term cooperation with partners. Adhering to the communication model of joint consultation, contribution and management, we continue to promote cooperation for mutual benefits with a proactive, open, honest, and win-win attitude.

2.3.1 Supply chain management

OCT (Asia) is committed to reducing environmental, social and governance risks in the supply chain, and building a more sustainable supply chain system through system building, review and supervision and ongoing improvement.

We strictly comply with relevant laws and regulations such as the *Bidding Law of the People's Republic of China* and the *Regulations on Tendering and Procurement Management* to ensure that all tendering and procurement activities must strictly follow the principles of openness, transparency, fair competition, impartiality and integrity, honesty, and good faith, while maintaining strict management regarding suppliers' qualifications.

Before the implementation of the procurement, the main responsible department of the project would conduct market research and prepare a procurement plan in accordance with the requirements of production and business operations. The project would be approved by the bidding and procurement leading group of the Company after review. For bidding and procurement projects, we would strictly follow the process of preparing bidding documents, issuing bids, bidding, opening bids, evaluating bids, publicizing winning candidates, awarding bids and signing contracts, and sign the *Integrity and Discipline Commitment Letter of Bidding Reviewers* to strengthen the integrity and discipline of bidding and procurement related posts.

For supplier management, the Company actively seeks various potential high-quality supplier resources through the evaluation and review process, and the procurement department conducts a final assessment to include qualified suppliers into the supplier pool and freeze those with poor evaluation results or list them as unqualified suppliers. We regularly evaluate suppliers' performance capabilities, service awareness and potential risks by reviewing their qualifications and conducting onsite inspections to mitigate the risks of suppliers' duty performance and non-compliance. During this reporting period, OCT (Asia) did not have any lawsuits arising from illegal procurement.

2 INNOVATING IN DEVELOPMENT PATTERN THROUGH QUALITY IMPROVEMENT

2.3.2 Industry-finance integration

OCT (Asia) builds the fund business innovation ecosystem to reserve high-quality investment targets through multiple resources such as investors, parent funds, sub-funds and innovation and entrepreneurship projects. Meanwhile, it strengthens post-investment enabling, actively mobilizes industrial and financial resources to boost the development and growth of invested enterprises, and realizes the closed-loop management ability of constantly iterating “fundraising, investment, management and withdrawal” when appropriate.

Exploring the “cultural tourism + technology” industry with Happy Valley

OCT (Asia) actively cooperates with Happy Valley Group to promote the development strategy of “online and offline themed linkage”, and cooperates with Ximmerse Technology, a well-known supplier in the field of MR, in terms of empowering amusement equipment and upgrading offline entertainment experiences. The holographic museum built with MR technology can realize 4 scenarios including dinosaur tracking, underwater excursion, spying in forests and virus battle and 10 stories, presenting more than 40 species of animals, so that children can have immersive experiences of acquiring knowledge.

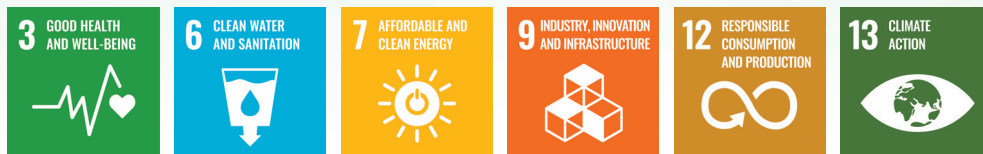


The holographic museum built with MR technology

3 CREATING A BEAUTIFUL ECOLOGY BASED ON BETTER ENVIRONMENT

OCT (Asia) always adheres to the principle of green and sustainable development, and has integrated it into the whole process of daily project development. In response to the climate change of global concern, the Company has actively organized its business to save energy and reduce consumption in every step of the practice. We continue to improve our management system in multiple dimensions to drive corporate sustainability.

UN's Sustainable Development Goals 2030



3.1 Constructing Green Building

“Ecological urban construction, Cultural urban operation” is a consistent development philosophy of OCT (Asia) and an essential requirement for advancing green, low-carbon and sustainable development. We actively promote the development and construction of green building, strictly control the green management of the full life circle of buildings and minimize the negative impact on project locations so as to achieve the organic integration and co-existence of buildings, people, and nature.

Construction measures for the construction of green buildings



Green technology

- Natural lighting
- Vertical greenery and roof greenery
- Use prefabricated industrial components to save materials, and adopt recyclable steel structure materials on the main body
- Adjustable external shading



Green construction

- Use efficient energy-saving construction equipment such as inverter welders
- Elongate short wood squares to save construction materials
- Retrofit the living area with power-saving and current-limiting installations and adopt energy-efficient lighting and solar energy
- Recycle and reuse water in the production area

3 CREATING A BEAUTIFUL ECOLOGY BASED ON BETTER ENVIRONMENT



Roof greenery and solar panels

- *Green design*

In accordance with the *Assessment Standard for Green Building*, OCT (Asia) actively promotes the development and implementation of green building. We integrate sustainable development into projects from the initial stage, fully consider the feasibility of green building from the design perspective, and conduct an all-round assessment of related projects beforehand. We make targeted improvements on key emission points, explore the energy-saving potential in all respects, and reduce the building material consumption and carbon emissions, and the consumption of follow-up resources. We also actively introduce green materials and organize green construction training for upstream suppliers and constructors to minimize the negative impact of construction on environment.

- *Green procurement*

OCT (Asia) further extends sustainable development to the supply chain management and collaborates with stakeholders to promote green building. We prioritize the procurement of environmentally friendly materials that meet the green building standard to reduce the negative impact on the environment along the supply chain, and improve resource utilization and efficiency, thus advancing the green and sustainable development of the whole industrial chain.

- *Green construction*

OCT (Asia) adheres to green development, abides by green and safe construction, and strictly controls the construction waste, wastewater, dust, exhaust gas, noise, etc., generated during construction. Meanwhile, we actively adopt prefabricated buildings to reduce pollution in every stage of construction, make full use of recyclable waste, and reduce hazardous pollution through technology, thus achieving green sustainability in the construction system.

3 CREATING A BEAUTIFUL ECOLOGY BASED ON BETTER ENVIRONMENT

Key pollution control measures



Construction waste

OCT (Asia) has developed a solution to recycle and reuse construction waste to make angle bars, bearing bars, material collection cages, etc.



Wastewater

OCT (Asia) processes construction wastewater in the three-stage sedimentation tank before discharging it into the municipal rainwater well.



Dust

Install a dust monitoring system, equip key construction sites with sprayers, and spray and clean the road on site to suppress dust. At the same time, use green nets to fully cover the bare land that is prone to generate dust on construction sites.



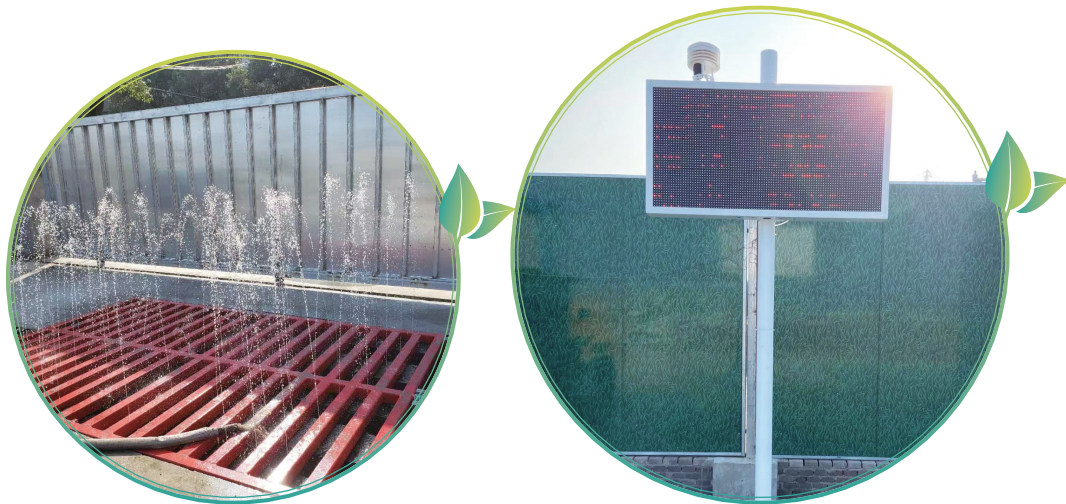
Exhaust gas

Set up special flues to achieve centralized treatment of exhaust gas.



Noise

Fully consider the noise problem in the design stages, adopt reasonable designs and low-noise equipment to reduce noise pollution. Strictly abide by the principle of no more than 70 decibels during the day and no more than 55 at night, and reasonably arrange construction time and order of large construction equipment.



Sedimentation tank and dust monitoring system

3 CREATING A BEAUTIFUL ECOLOGY BASED ON BETTER ENVIRONMENT

3.2 Promoting Green Operation

While advocating for green development, OCT (Asia) actively advances internal publicity, and strive for every employee to deeply understand and agree with the concept and put it into practice.

3.2.1 Water management

Fully aware of how precious water resources are, OCT (Asia) continues to advocate for saving water and improving water usage efficiency in production and operation. During construction, we properly design and maintain valves, water pumps, water pipelines, etc., to avoid waste of water due to pipeline problems. After guaranteeing the water supply of construction sites, we reallocate water to supply other sites. At the same time, we equip construction sites with a rainwater collection system and use the collected water for rinsing and dust suppression, thus further realizing water saving and recycling of water resources.

Progress of Sustainable Development Goals

The total amount of water consumption of the Group reduced by **8.22%** compared with the last year.



3.2.2 Waste management

OCT (Asia) maximizes the use of building materials and continues to improve recycling and reusing technology while sufficiently reducing solid waste.

Construction waste is reprocessed in a centralized way. Some construction waste can be directly reused, while the remaining will be outsourced for proper treatment.

OCT (Asia) has formulated internal systems to refine waste classification management methods for ordinary waste to achieve source control, recycling, and harmless treatment. As for harmful electronic scrap such as computers, printers, toner cartridges, etc., we entrust professional third parties or outsourcing parties to collect and recycle them in a unified manner, thus effectively preventing the generation and diffusion of hazardous pollutants.

Progress of Sustainable Development Goals

The total amount of hazardous waste of the Group decreased by **18.71%** compared with the last year.



3 CREATING A BEAUTIFUL ECOLOGY BASED ON BETTER ENVIRONMENT

3.3 Addressing Climate Change

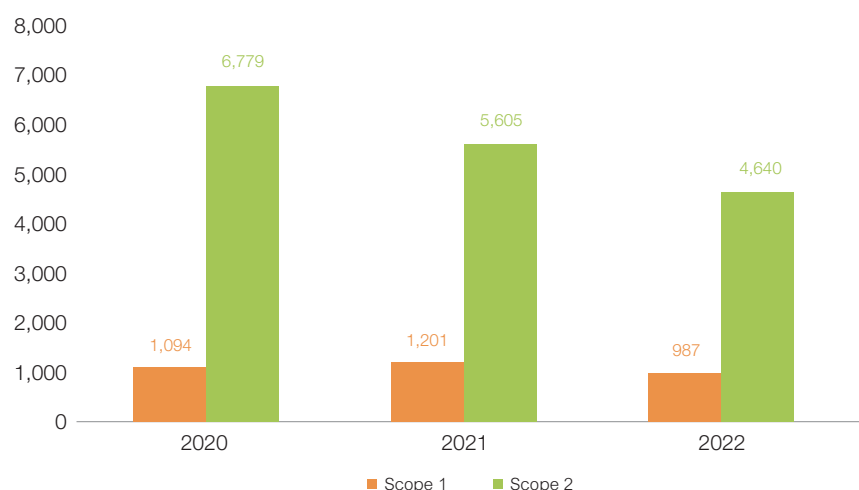
As global climate change has become one of the greatest threats facing humanity, OCT (Asia) is deeply aware of the impact of human activities on climate change and the urgency to take action. We respond actively to control greenhouse gas emissions and energy consumption, thus contributing to limiting the global average temperature rise within a rational range.

3.3.1 Measures for the carbon peak and carbon neutrality goals

To achieve the transition to a low-carbon economy, OCT (Asia) sets a list of energy conservation and emission reduction goals, takes corresponding measures, and continues to follow up on progress. In addition, we review our business in all sectors, step up efforts internally and externally to control the risk caused by climate change, minimize carbon emissions from production and operation, and fulfill our commitments through the following actions:

Our key climate actions:

- Adhere to green investment
- Strive to develop green building
- Formulate comprehensive and long-term measures for climate change
- Formulate strategic planning and specific goals and advance step by step to ensure the implementation of the strategies above



OCT (Asia) GHG Emissions¹

¹ According to ISO 14064 GHG Inventory Standard, Direct GHG Emissions (Scope 1) refer to emissions directly from sources owned by the organization, such as self-owned vehicles; Indirect GHG Emissions (Scope 2) refer to energy indirect sources, such as indirect GHG emissions from the purchase of electricity.

3 CREATING A BEAUTIFUL ECOLOGY BASED ON BETTER ENVIRONMENT

Progress of Sustainable Development Goals

Based on 2021, by the end of 2022, the Group:

- Reduced GHG emissions by **17.34%**
- Reduced the total amount of energy consumption by **18.82%**, equaling 1,563 tons of standard coal



3.3.2 Creating low-carbon culture

OCT (Asia) attaches great importance to the publicity, implementation, and development of low-carbon corporate culture and issued the *Notice on Printing and distributing the “Measures for Implementing the Work of Reducing Costs and Increasing Efficiency in OCT (HK)”*. While clarifying our direction of action, we actively organize education on environmental protection, promote the concept to employees and society, encourage low-carbon lifestyles, and carry forward the new trend of green and low-carbon.








3.3.3 Advocating for green office

To further integrate sustainable development into the Group’s governance, OCT (Asia) calls on all employees to implement the principle of “Four Savings, Four Utilizations, and Two Attentions”. We have established a long-term mechanism for energy conservation and emission reduction to cultivate the concept of green office in employees, enhance their awareness of green and low-carbon life, and continuously improve energy efficiency.



National Energy Conservation Week themed on “Green and Low Carbon, Energy Conservation Comes First”

3 CREATING A BEAUTIFUL ECOLOGY BASED ON BETTER ENVIRONMENT

Measures for promoting green office		
Key directions	Specific actions	
 <p>Save office supplies</p>	Call on all employees to take office supplies as needed, stop excessive taking, and prohibit discarding at will.	
 <p>Further promote a paperless work environment</p>	Make full use of information-based tools such as the OA system, OCT app, and project information system, promote online office, extend the scope of paperless work, and reduce the distribution and circulation of paper documents.	
 <p>Reuse paper</p>	Promote two-sided printing and reuse one-side used paper(except for confidential documents).	
 <p>Conserve electricity</p>	Properly control the use of lights and stop standby lighting. Employees should turn off all electricity in time after work, and the last one to leave should turn off lights, air conditioners, and printers.	
 <p>Conserve water</p>	Promote water-saving faucets in the office, clean the faucet daily, and control the consumption of water for daily cleaning and the use of bottled water.	
 <p>Green, low-carbon modes of transport</p>	Make reasonable arrangements for official business trips, reduce the frequency of car use, and advocate carpool.	
 <p>“Clean your plate” campaign</p>	Advocate reasonable dining in the canteen, eliminate food waste, and practice the “clean your plate” campaign.	

4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

Upholding the corporate culture of “people first, creativity, determination, and excellence”, OCT (Asia) provides employees with a stage to unleash their talents and realize their value to empower employee growth, and build a contingent of high-quality talents. We serve community development, leverage the capabilities and value of the Company to facilitate the building of a harmonious and better society, and continue to exert the strength of the Company in various fields, demonstrating the fulfillment of corporate responsibility.

UN's Sustainable Development Goals 2030



Corporate culture of the Company

People oriented

- Internally, care for employees to ensure their full development
- Externally, care for people's life quality to ensure the sustainable development of each project

Creativity

- Pay attention to every detail, respect and appreciate every employee's imagination and creativity

Determination

- Maintain the willpower of solidarity and hardworking for higher and further goals

Excellence

- Stay committed to the creative spirit of OCTer and constantly surpass ourselves, striving to achieve the goal from outstanding to excellence an excellent enterprise with excellent culture and excellent employees



4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

4.1 Growing Together with Employees

OCT (Asia) keeps improving the employment management system to fully protect the legitimate rights and interests of employees; we continuously improve the compensation, benefits and promotion system to facilitate employee development, and focus on the health and life of employees to provide them with a harmonious, healthy and warm workplace.

4.1.1 Equal and compliant employment

Upholding compliant employment, OCT (Asia) protects the legitimate rights of employees in terms of equal opportunity, diversity, and anti-discrimination, provides various guarantees and benefits for employees, and improves the democratic management system to build unblocked communication channels, so as to protect the rights and interests of employees across the board.

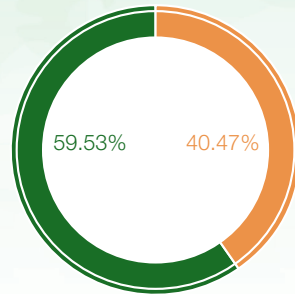
- *Employee rights and benefits*

In accordance with the relevant Chinese laws and regulations, such as the *Labor Law*, the *Labor Contract Law* and the *Law on the Protection of Minors*, we follow the principle of equal employment, as well as equal pay for equal work. We select employees regardless of their nationality, race, gender, age, religious belief, etc., and prohibit child labor and forced labor. To continuously improve the inclusion of the workplace and the sustainability of the Company, we comprehensively consider employee background such as gender, culture, and professional experience to realize the diversity of the workforce while providing equal employment and development opportunities for every employee. In 2022, there was no violations such as child labor and forced labor.

Adhering to the principle of transparent recruitment and equal employment, we have formulated internal management documents such as the *Administrative Measures for Labor Contracts*, the *Guidelines on Employee Recruitment and Deployment*, the *Employee Handbook* and the *Regulations on Personnel Management* to improve the management of the Company's personnel recruitment and staffing. Meanwhile, we commit to selecting and introducing outstanding talents based on the principles of equality, competition, and merit-based selection throughout our recruitment and employment processes.

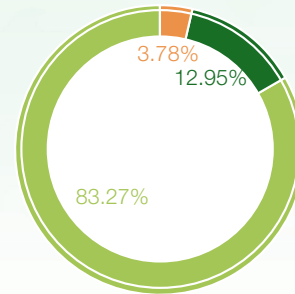
4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

By gender



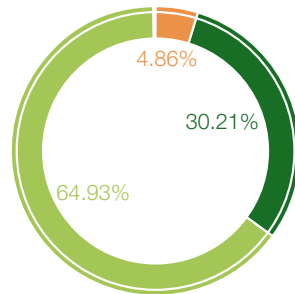
■ Male ■ Female

By employee type



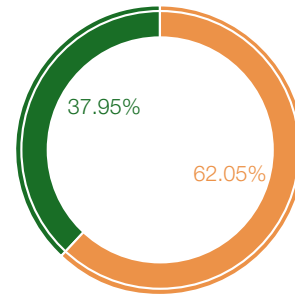
■ Top management ■ Middle management ■ Base level staff

By age group



■ Above 50 ■ Below 30 ■ 30-50

By geographical region



■ East China ■ South China

The employee employment of OCT (Asia) in 2022

556

employees in total

100%

labor contract signing rate

40.47%

proportion of female employees

4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

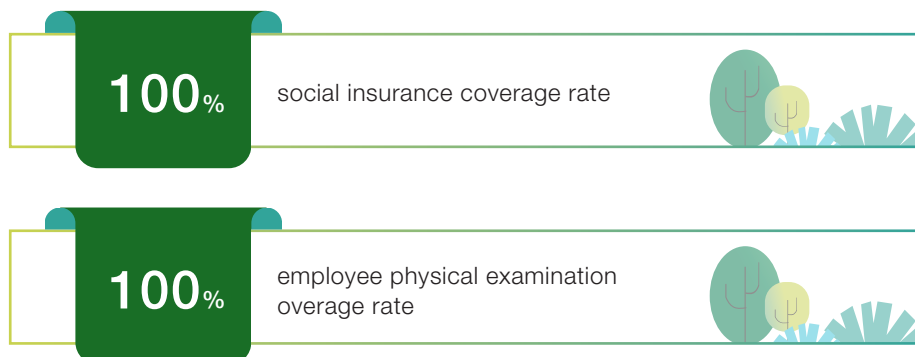
- *Employee benefit*

We strictly abide by the *Social Insurance Law*, *Regulations on Paid Annual Leaves for Employees* and other relevant laws and regulations, and have formulated internal management documents such as the *Employee Handbook* and implemented the *Administrative Measures for Employee Attendance and Leaves*, which clearly stipulates the paid leave and leave management procedures. We ensure that employees enjoy various basic benefits such as pension, medical, work-related injury, unemployment and maternity insurances and housing provident fund, statutory holidays, annual leave and maternity leave through ongoing improvement of the employee welfare system.

In addition to the statutory benefits, we also purchase supplementary insurances for our employees by addressing the actual needs of employees, which cover supplementary medical service, traffic accidents, outpatient and hospitalization services, and major disease protection for employees, so as to comprehensively improve employees' sense of happiness and stimulate their enthusiasm for work.



Creative micro landscape DIY activities of female employees
on "March 8th" International Women's Day





4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

- *Employee Engagement*

We strengthen communication with employees, keep improving labor union system, and accomplish high-quality disclosure of corporate affairs via holding workers' congress and making announcement of major events. Through measures such as face-to-face communication, and questionnaire survey, we fully understand employees' concerns and ensure the fulfillment of employees' rights, by which we mobilize employees to engage in corporate operations and contribute to their shares to corporate development.

4.1.2 Stimulating vitality of talents

Upholding the talent philosophy of “people oriented, creativity, determination, and excellence”, OCT (Asia) has formulated a sound talent training strategy and talent training system, striving to foster a contingent of high-level, high-quality and high-caliber talents and achieve common growth with employees.

- *Talent training strategy*

In line with the tenet of “common growth of employees and the Company based on the four principles and two policies”, we strive to build a talent training system for OCT (Asia). The four principles are “keeping abreast with the market, strategic realization, hierarchical classification, targeted training, pragmatic purpose, and innovation-driven development” and the two policies are “deepening the system and mechanism of talent development, and implementing the concept of combining training with practicing”.

In addition, through the development of supporting curriculum system, teacher management system, training evaluation and project development and management system, we comprehensively ensure the effective implementation of talent training strategies, enhance the ecological, innovative and professional capabilities of employees, and empower their development. All these efforts provide a contingent of quality talents for the high-quality development of the Company.

- *Talent training system*

We are committed to building a science-based, systematic and open financial talent training system and financial think tank platform. Through the “Eagle Program” and “Smart Sharing Series”, we focus on cultivating employees to improve their overall quality and offer a platform for exchanges and discussions, which will provide training courses such as financial professional knowledge and management capability improvement for employees at different levels and types. “Aoxiang Academy” and “Creative Academy” provide employees with online learning platforms to acquire knowledge on general quality, corporate culture, etc., in the form of learning + assessment. This helps enhance employees' learning motivation, and achieve all-round growth of employees, laying a solid talent foundation for high-quality development.

4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

Training program	Target audience	Training content	Training form
Eagle Program	<p>All employees</p> <ul style="list-style-type: none"> • Operation and management talents: comprising of three sub programs namely Golden Eagle, Eagle and Flying Eagle, providing targeted training for executives, middle management and new employees respectively • Financial professional talents: All employees • Cross-functional talents: all employees of functional departments 	<ul style="list-style-type: none"> • Strategic decision making capabilities, management capabilities • Professional capabilities • general qualities • Corporate culture 	<ul style="list-style-type: none"> • Offline courses + online learning OMO study program • Participating in Yuanhang, Huhang program • Posts rotation, frontline and back office practices and project operation • Review + assessment
Smart Sharing Series	All employees	<ul style="list-style-type: none"> • Corporate culture • Party rules and disciplines • General qualities • Organizational integration • Mentor empowering 	<ul style="list-style-type: none"> • Strategic sharing meetings • Research reporting • Strategic analysis forum • Joint business salon • Visits and exchanges
Aoxiang Academy	All employees	<ul style="list-style-type: none"> • General qualities • Corporate culture 	<ul style="list-style-type: none"> • Offline training • Online leaning • Activities and exchanges
Creative Academy	All employees	<ul style="list-style-type: none"> • Management skills supplement • General leadership knowledge supplement • Departmental/cross-departmental skills learning • Other company business earning • Corporate culture 	<ul style="list-style-type: none"> • Online leaning • Course assessment

Talent training system of OCT (Asia)



4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

-
- 100% training coverage
 - 8,720 hours of total training hours
 - 15.68 average training hours
 - RMB 64,796 invested in key training projects, 476 participants in total
-

4.1.3 Safeguarding employee safety

Putting the health and safety of employees first, OCT (Asia) strictly abides by relevant laws and regulations, builds a safety risk management system, prevents major safety risks, and conducts safety training to prevent major safety risks. To better protect the physical and mental health of employees, we actively foster a safe and healthy corporate culture, and provide employees with a safe, healthy and comfortable working environment.

- *Strengthening safety management*

Enhancing safety risk management. We have formulated the *Ledger for Hazardous Sources* and the *Safety Risk Pre-Control Management Manual* to establish a dual mechanism for risk management and governance and consolidate safety risk prevention system. We comprehensively promote safety risk pre-control management by focusing on the control of risk sources, effectively identify and eliminate safety hazards, and avoid and mitigate safety risks in a timely manner. Meanwhile, we actively supervise and promote safety risk prevention and control in our subsidiaries to avoid accidents.

Clarifying subject of responsibility. We strictly implement the work safety management system, improve the safety management system, clarify the subject of safety responsibility, and conduct safety supervision and inspection. A series of measures are taken to prevent accident risks, comprehensively ensure work safety, and build a solid line of defense for the Company.

Ensuring construction safety. To guard against accident risks and ensure that all steps of construction are carried out safely, we clarify safety responsibilities, implement responsible entities, and carry out safety investigations and special rectifications. Our effective measures guarantee the work safety, and create a safe and healthy construction environment for employees.

4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

- *Enhancing safety training*

To cultivate employees' safety awareness, we strengthen the publicity of work safety concepts, and organize training activities such as safety and emergency drills. We also redouble our efforts to enhance the capability of employees to respond to and deal with emergencies, improve employees' awareness and skills of safety risk prevention and control, and foster an atmosphere of sound occupational safety culture.

“119” fire prevention publicity month

November marks the national “119” fire prevention publicity month. In order to prevent safety accidents and improve employees' safety awareness and fire prevention and control capabilities, OCT (Asia) carried out a safety inspection activity on the morning of November 29. The inspection team conducted a safety inspection on the offices of OCT Harbor, and provided comprehensive trainings on the use of fire-fighting facilities and evacuation methods in relevant areas. In the future, OCT (Asia) will continue to strictly implement the requirements of safety management, promote the continuous integration of safety culture into daily production and operation activities, so as to lay a solid foundation for the high-quality corporate development.



On-site safety training

4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE



- *Protecting occupational health*

We abide by the *Law on the Prevention and Control of Occupational Diseases* and the *Measures for the "Three Simultaneous" Supervision and Administration of Occupational Disease Protection Facilities in Construction Projects*, promote the establishment of occupational health monitoring and file management work systems, and improve the responsibility system for the prevention and control of occupational disease hazards.

The evolving COVID-19 dynamics in 2022 had significant impacts on the health and safety of our employees. We took immediate actions to deploy anti-epidemic responses, and built comprehensive and solid protective barriers for employee safety. While protecting the health and safety of employees in an all-round way, we ensure the smooth progress of all tasks. For example, Hefei OCT Industry took concrete actions and adopted a series of measures to ensure the health and safety of employees.

4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

4.1.4 Caring for employee lives

We offer humanistic care for our employees, and enrich their off-work life, so as to enhance their sense of happiness and team cohesion.

The staff of Hong Kong office visit the Hong Kong Palace Museum to experience the charm of traditional culture

2022 was the 25th anniversary of Hong Kong's return to the motherland. OCT (Asia) Hong Kong Office actively organized a series of themed learning activities. By taking our staff to visit the latest cultural landmarks in Hong Kong – the Hong Kong Palace Museum, they experienced the profoundness of Chinese culture through the historical stories behind each of the treasures from the ancient Forbidden City.



Hong Kong office organizes a visit to the Hong Kong Palace Museum

4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

We actively carry out various entertainment activities to help employees balance work and life, and organize “fun sports game” to enhance employees’ sense of belonging to the Company. We have launched the “one course at 6 pm” activity to provide employees with courses such as yoga, dancing, boxing exercises, etc. In this way, we demonstrate our people-oriented corporate culture and enhance employees’ sense of belonging to the Company.



Fun sports game



One course at 6 p.m.



4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

4.2 Sharing a Better Life

Upholding the philosophy of social responsibility, OCT (Asia) strives to build friendly communities, support charity, and facilitate rural vitalization, contributing to the harmonious social development and sharing development results with communities.

4.2.1 Building friendly communities

OCT (Asia) pays attention to community development, strengthens community engagement, and actively engages in volunteer services, with an aim to build friendly communities with harmonious and inclusive atmosphere.

- *Organizing youth volunteer teams*

We actively organize a volunteer team with better management of young volunteers. Hefei OCT Industry, one of our subsidiaries, guides young employees to establish a sense of ownership of developing together with the Company to realize personal value; additionally, the company carries out voluntary activities such as taking part in voluntary labor, greening the environment, and offering services for major events to promote young employees to contribute their share in the development of a harmonious enterprise.

We encourage our employees to participate in community volunteer services. OCT Shanghai Land has frequently organized employees to serve the people at communities and in busy streets through participating community practice in the New Era activities, and community service activities organized by the street federation of trade union such as “volunteer actions”, “traffic civilization posts”, etc., contributing to the building of harmonious communities.

4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

Co-building green parks with tree-planting activities

On March 12, 2022, several subsidiaries of OCT (Asia) actively cooperated with the local parks to carry out various themed tree planting activities such as “Planting trees to add new greenery, building a green park together” and “green on the New Bridge”. Under the guidance of relevant personnel, they meticulously completed every step from digging holes, putting seedlings in, filling soil, stepping firm the soil around the root to watering. With joint efforts, all seedlings took root in the fertile soil, swaying gently in the breeze. This activity not only enhanced employees’ awareness of environmental protection, but also contributed to an ecologically harmonious and beautiful park with sound eco-environment.



Our employees are planting trees together with park staff

- *Actively participating in COVID-19 response*

Our employees actively joined the volunteer team and contributed their part to the COVID-19 control. Meanwhile, we mobilized resources of the Company to provide logistical support for the anti-epidemic volunteers, and maintained a comfortable living environment for the people to mitigate the impact of the epidemic, and contribute our part to the building of friendly communities.



Team of anti-epidemic volunteers

4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

OCT Shanghai Land supports COVID-19 response in a more heartfelt way

Due to COVID-19 impact, our volunteers often worked all day and night without regular meals. It was a common practice for anti-epidemic personnel to take simple and casual meals. On March 10, OCT Shanghai Land Bulgari Apartment, a subsidiary of OCT (Asia), made emergency preparations and provided heartfelt lunches to volunteers and medical staff of anti-epidemic task force at the Beizhan Street of Jing'an District, providing the frontline staff with heartfelt warmth.

In addition, in order to enrich the leisure life of local residents during the home quarantine period and relieve their anxiety, OCT Shanghai Land Bulgari Apartments also tailor-made a series of home exercise courses for the residents. On April 11, well-known yoga gurus and bodybuilding champions in Shanghai were invited to deliver soothing dynamic yoga courses and home fitness shaping courses to customers of the apartment, facilitating them to soothe their emotions and energize themselves in hard times.



Bulgari Apartments send lunch to anti-pandemic volunteers (left)



Offering yoga courses to sooth customers' emotions (right)

233

hours of volunteer service

218

participants of volunteer service

RMB
96,265

total values of donation and
supplies donated

4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

4.2.2 Engaging in charity

We actively respond to the national strategic requirements, carry out activities including rural vitalization, anti-epidemic and charity assistance to carry forward the strength of public welfare, share the development results with the society, and contribute to social development.

- *Supporting rural vitalization*

We take the responsibility of a central enterprise to help rural development by purchasing agricultural products and other means. For example, Hefei OCT Industry, a subsidiary the Company, practiced the concept of poverty alleviation of “an ocean starts from a trickle”, and purchased agricultural and sideline products from poor households many times; OCT Shanghai Land participated paired consumption assistance for Sansui and Tianzhu counties of Guizhou province by purchasing farm products. We fulfill social responsibilities of central state-owned enterprises and contribute our parts to the rural vitalization.

Consumption-driven assistance: During the traditional festivals in 2022, we purchased a total of RMB142,500 of products on the consumption-driven assistance platform, which contributed to consolidating the achievements of poverty alleviation while making our employees feel the heartfelt warmth.



Distributing assistance products to our employees

Paired assistance: In response to the “Aesthetic Education Plan”, we actively communicated with Tianzhu county of Guizhou province, and confirmed one of the key activities of paired assistance from 2022 to 2023 – facilitating the construction of the “Towering Stone Pillar Nature Classroom” project, and signed a tripartite agreement to implement assistance measures for Tianzhu county. We completed external donations of RMB 75,000 in 2022.

4 CREATING A HARMONIOUS SOCIETY WITH EXCELLENT CULTURE

Facilitating the construction of the “Towering Stone Pillar Nature Classroom” project

OCT (Asia) thoroughly implements the guiding principles of “Agriculture, rural areas and farmer” and rural vitalization, and actively carries out paired assistance activities. Among them, one of the key activities from 2022 to 2023 is to facilitate the construction of the “Towering Stone Pillar Nature Classroom” project. To this end, the Company held discussions and exchanges with Shenzhen OCT Hua Fund Ecological Environment Protection Foundation in October 2022, and reached a consensus on the construction of the “Towering Stone Pillar Nature Classroom” in Tianzhu county of Guizhou province. By the end of 2022, the project had officially kicked off. Through the platform of the natural classroom, the knowledge of ecological conservation and environmental protection could be popularized to help rural education and student growth.



Qindongnan Hometown Pride Handbook



OUTLOOK

In 2022, OCT (Asia) continued to make steady efforts in the sustainable development sphere. In the future, we will focus on the investment plan in “cultural tourism + technology”, optimize the industrial structure and advance the strategic transition. We will improve lean management, continuously fulfill our responsibilities, and endeavor to promote sustainable development.

Better governance underpins a first-class enterprise. We will continue to improve the governance system, strengthen the development of the Board of Directors, clarify the responsibilities, and ensure the implementation of ESG-related planning to provide a sound institutional guarantee for sustainable development.

Better quality paves the way to innovative development model. We will further optimize the industrial layout, continue to improve the quality of products and services and enhance efficiency. We will listen to and give feedback on partners, collaborate with stakeholders, and explore new development models for the industry to contribute to the high-quality and sustainable development of the Group.

A better environment nurtures beautiful ecology. We will improve the environmental management system and integrate the green philosophy into corporate strategies and culture. We will actively explore and advance the path for the carbon peak and carbon neutrality and reduce the operational impact on the environment, to pursue harmonious development of the economy, environment, and society.

Better culture builds a harmonious society. We will further implement the principle of putting people first, improve employees’ development channels, actively develop talents, and create a safe and healthy work environment as well as harmonious and uplifting cultural atmosphere. We will continue to give back to society, pay attention to vulnerable groups, support rural vitalization and poverty alleviation, and empower community development to contribute to the harmonious development of society.

HKEX ESG INDEX

ESG Performance		Requirements	Report chapters
A Environmental			
A1- Emissions	A1	General Disclosure Information on the policies; and 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.	Creating a Beautiful Ecology Based on Better Environment
	A1.1	The types of emissions and respective emissions data	Indicator Performance Table
	A1.2	Greenhouse gas emissions (in tonnes) and, where appropriate, intensity	Indicator Performance Table
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	Indicator Performance Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	Indicator Performance Table
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Creating a Beautiful Ecology Based on Better Environment
	A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Creating a Beautiful Ecology Based on Better Environment

HKEX ESG INDEX

ESG Performance		Requirements	Report chapters
A2-Use of Resources	A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials	Creating a Beautiful Ecology Based on Better Environment
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	Indicator Performance Table
	A2.2	Water consumption in total and intensity	Indicator Performance Table
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Creating a Beautiful Ecology Based on Better Environment
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Not applicable
	A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	Not applicable
A3-The Environment and Natural Resources	A3	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources	Creating a Beautiful Ecology Based on Better Environment
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Creating a Beautiful Ecology Based on Better Environment
A4-Climate Change	A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Creating a Beautiful Ecology Based on Better Environment
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Creating a Beautiful Ecology Based on Better Environment

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ESG Performance		Requirements	Report chapters
B Social			
B1-Employment	B1	General Disclosure Information on: the policies; and 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.	Creating a Harmonious Society with Excellent Culture
	B1.1	Total workforce by gender, employment type, age group and geographical region	Indicator Performance Table
	B1.2	Employee turnover rate by gender, age group and geographical region	Indicator Performance Table
B2-Health and Safety	B2	General Disclosure Information on: the policies; and 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.	Creating a Harmonious Society with Excellent Culture
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Indicator Performance Table
	B2.2	Lost days due to work injury	Indicator Performance Table
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Creating a Harmonious Society with Excellent Culture

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ESG Performance		Requirements	Report chapters
B3-Development and Training	B3	General Disclosure : Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Creating a Harmonious Society with Excellent Culture
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Indicator Performance Table
	B3.2	The average training hours completed per employee by gender and employee category	Indicator Performance Table
B4-Labour Standards	B4	General Disclosure Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Creating a Harmonious Society with Excellent Culture
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Creating a Harmonious Society with Excellent Culture
	B4.2	Description of steps taken to eliminate such practices when discovered.	Creating a Harmonious Society with Excellent Culture
B5-Supply Chain Management	B5	General Disclosure Policies on managing environmental and social risks of the supply chain	Innovating in Development Pattern through Quality Improvement
	B5.1	Number of suppliers by geographical region	Indicator Performance Table
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Indicator Performance Table
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Innovating in Development Pattern through Quality Improvement
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Creating a Beautiful Ecology Based on Better Environment

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ESG Performance		Requirements	Report chapters
B6-Product Responsibility	B6	General Disclosure Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Innovating in Development Pattern through Quality Improvement
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
	B6.2	Number of products and service related complaints received and how they are dealt with	Indicator Performance Table
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Building a First-class Enterprise with Excellent Governance
	B6.4	Description of quality assurance process and recall procedures.	Innovating in Development Pattern through Quality Improvement
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Innovating in Development Pattern through Quality Improvement
B7-Anti-corruption	B7	General Disclosure Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Building a First-class Enterprise with Excellent Governance
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Indicator Performance Table
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Building a First-class Enterprise with Excellent Governance
	B7.3	Description of anti-corruption training provided to directors and staff.	Building a First-class Enterprise with Excellent Governance
B8-Community Investment	B8	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	Creating a Harmonious Society with Excellent Culture
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Creating a Harmonious Society with Excellent Culture
	B8.2	Resources contributed (e.g. money or time) to the focus area	Indicator Performance Table

INDICATOR PERFORMANCE TABLE

ESG indicators	Unit	2022	2021	2020
A1.1 The types of emissions and respective emissions data				
Nitrogen oxides (NOx)	Kg	152.04	445.50	426.10
Sulfur oxides (SOx)	Kg	0.33	2.14	0.93
Particulate emissions	Kg	44.73	130.74	38.25
Total emissions per RMB10,000 of operating income	Kg/RMB10,000	0.006	0.0033	0.0036
A1.2 Total greenhouse gas emissions and its intensity				
Direct (Scope 1) greenhouse gas emissions	tCO ₂ e	987	1,201	1,094
Indirect (Scope 1) greenhouse gas emissions	tCO ₂ e	4,640	5,605	6,779
Total greenhouse gas emissions	tCO ₂ e	5,626	6,806	7,798
Greenhouse gas emissions per RMB10,000 of operating income	tCO ₂ e/RMB10,000	0.02	0.04	0.06
A1.3 Hazardous waste produced				
Waste lamp tube	Pcs	34	30	27
Waste printer toner cartridge	Pcs	28	22	2
Waste battery	Pcs	120	153	134
Waste ink cartridge	Pcs	44	73	16
Total hazardous waste of per RMB10,000 of operating income	RMB10,000	0.0007	0.0016	0.0014
A1.4 Non-hazardous waste produced				
Domestic waste	Ton	59.71	60.3	2.61
Kitchen waste	Ton	54.90	72.06	11.25
Total domestic and kitchen waste per RMB10,000 of operating come	Tons/10,000 RMB	0.0002	0.000746	0.000106
Flying dust	Ton	24.75	180.00	0.00
Construction waste	Ton	518	71,139.00	0
Decoration waste	Ton	24.2	21.60	0
Total construction waste per RMB10,000 of operating income	Tons/10,000 RMB	0.18	0.4021	0.0000
Waste stationery	Ton	0	6.00	0.01
Waste office paper	Ton	0.19	6.17	2.22
Waste glass bottle	Pcs	0	6	0
Waste plastic bottle	Pcs	30,070	58,320	11,424

INDICATOR PERFORMANCE TABLE

ESG indicators	Unit	2022	2021	2020
A2.1 Total energy consumption and its intensity				
Comprehensive energy consumption	Tce	1,563	1,925	1,661
Comprehensive energy consumption per RMB10,000 of operating income	Tce/RMB10,000	0.005	0.011	0.013
Gasoline usage	L	5,239	54,367	62,896
Gasoline usage per RMB10,000 of operating income	L/RMB10,000	0.02	0.31	0.48
Diesel consumption	L	15,645	83,287	555
Diesel consumption per RMB10,000 of operating income	L/RMB10,000	0.05	0.469	0.004
Natural gas consumption	M ³	437,372	454,958	436,981
Natural gas consumption per RMB10,000 of operating income	M ³ /RMB10,000	1.40	2.56	3.34
Purchased electricity	kWh	7,985,499	9,646,880	8,422,662
Purchased electricity per RMB10,000 of operating income	kWh/RMB10,000	25.64	54.4	64.5
A2.2 Total water consumption				
Total water consumption	Ton	98,583	107,413	91,097
Water consumption per RMB10,000 of operating income	Ton/RMB10,000	0.32	0.61	0.70
B1.1 Total workforce by gender, employment type, age group and geographical region				
Total workforce	Headcount	556	311	314
By gender				
Male employees	Headcount	331	185	190
Female employees	Headcount	225	126	124
By employment type				
Number of senior management	Headcount	21	16	22
Number of middle management	Headcount	72	42	47
Number of primary-level employees	Headcount	463	253	245
By age group				
Employees under 30	Headcount	168	68	81
Employees aged 30–50	Headcount	361	232	219
Employees over 50	Headcount	27	11	14
By geographical region				
Employees in South China	Headcount	211	85	90
Employees in East China	Headcount	345	226	224
Employees in Southwest China	Headcount	0	0	0
Employees in Northwest China	Headcount	0	0	0

INDICATOR PERFORMANCE TABLE

ESG indicators	Unit	2022	2021	2020
B1.2 Employee turnover rate by gender, age group and geographical region				
Employee turnover rate	%	21.76%	12.86%	7.96%
By gender				
Male employee turnover rate	%	19.94%	14.05%	7.89%
Female employee turnover rate	%	24.44%	11.11%	8.06%
By age group				
Turnover rate of employees under 30	%	43.45%	29.41%	16.05%
Turnover rate of employees aged 30–50	%	12.74%	7.33%	5.02%
turnover rate of employee over 50	%	7.41%	27.27%	7.14%
By geographical region				
Employee turnover rate in South China	%	21.33%	8.24%	15.56%
Employee turnover rate in East China	%	22.03%	14.60%	4.91%
Employee turnover rate in Southwest China	%	0%	–	–
Employee turnover rate in Northwest China	%	0%	–	–
B2.1 Number of work-related fatalities				
Number of work-related fatalities	People	0	0	0
Rate of work-related fatalities	%	0%	0%	0%
Number of work-related injuries	Time	0	1	0
B2.2 Lost days due to work-related injury				
Lost days due to work-related injury	Day	0	90	0
B3.1 Percentage of employees trained by gender and employee category				
Total number of trainees	Participants	2,246	3,585	1,789
By gender				
Number of male employees trained	Participants	1,307	2,282	1,176
Number of female employees trained	Participants	939	1,303	622
By employee type				
Number of senior managements trained	Participants	159	238	115
Number of trainees of middle management	Participants	255	561	239
Number of trainees of primary-level employees	Participants	1,832	2,786	1,444

INDICATOR PERFORMANCE TABLE

ESG indicators	Unit	2022	2021	2020
B3.2	Number of employee training hours average training hours completed per employee by gender and employee category			
Total training hours of all employees	Hour	8,720	5,443	1,982
Average training hours	Hour	15.68	17.50	6.31
Total training hours for male employees	Hour	5,171.30	3,050.20	1,154.00
Average training hours for male employees	Hour	15.62	16.49	6.07
Total training hours for female employees	Hour	3,548.70	2,392.84	828.00
Average training hours for female employees	Hour	15.77	18.99	6.68
	By employee category			
Total training hours for senior management	Hour	655.8	632.69	222
Average training hours for senior management	Hour	31.23	39.54	10.10
Total training hours for middle management	Hour	991.60	1,024.57	352.00
Average training hours for middle management	Hour	13.77	24.39	7.49
Total training hours for primary-level employees	Hour	7,072.60	3,785.78	1,408.00
Average training hours for primary-level employees	Hour	15.28	14.96	5.75
B5.1	Number of suppliers by geographical region			
Chinese mainland	Number	90	395	–
Hong Kong, Macao, Taiwan and overseas	Number	–	11	–
B5.2	Number of suppliers where the practices are being implemented			
Number of suppliers signing the <i>Integrity Agreement</i>	Number	139	371	–
B6.2	Number of products and service related complaints received			
Customer service complaints	Time	0	9	12
Engineering complaints	Time	82	22	108
Sales complaints	Time	0	0	5
Design complaints	Time	5	16	10
Commercial complaints	Time	0	5	0
Property complaints	Time	2	6	16
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period			
Number of concluded legal cases regarding corrupt practices	Number	0	0	0
B7.3	Anti-corruption training provided to directors and staff			
Anti-corruption training sessions	Case	29	44	–
B8.2	Resources contributed to the focus area			
Value of donation and materials	RMB	96,265	110,000	93,520
Volunteer service or public service hours	Hour	233	97	48